

Date:	Tuesday, 5 April 2022
Time:	10.00am
Location:	www.taupo.govt.nz

SUPPLEMENTARY AGENDA

MEMBERSHIP

Chairperson Cr John Williamson

Deputy Chairperson Cr John Boddy

Members

- Cr Kathy Guy
- Cr Kylie Leonard
- Cr Anna Park
- Cr Christine Rankin
- Cr Kevin Taylor
- Mayor David Trewavas
- Miss Janice Wall
- Cr Yvonne Westerman

Quorum 5

Gareth Green
Chief Executive Officer

Order Of Business

S Policy and Decision Making

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S.1 DELIBERATIONS ON SUBMISSIONS TO THE REVIEW OF THE TAPUAEHARURU BAY LAKESHORE RESERVES MANAGEMENT PLAN

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Authorised by: Nick Carroll, Policy Manager

PURPOSE

The purpose of this item is to allow the Committee to deliberate on the issues raised in written and verbal submissions to the partial review of the Tapuaeharuru Bay Lakeshore Reserves Management Plan (2009) that were received on 5 April 2022 and make a decision on the adoption of the plan with any consequential revisions.

EXECUTIVE SUMMARY

In late 2020 Council received an application from the Tūwharetoa Māori Trust Board to allow them to develop the Hole in One Challenge site on the Taupō Lakefront Reserve opposite 62 Lake Terrace. Taupō Moana Group Holdings Limited, the commercial arm of the Tūwharetoa Māori Trust Board acquired the licence to occupy from Hole in One Taupō Limited in July 2017. The purpose of the proposed development was to upgrade an iconic but “tired” tourism offering and provide a venue for the greater Taupō community that would be a showcase for Tūwharetoa cultural values.

The proposed development of the site and the long-term lease that would be required to give the tenant security of tenure are not provided for in the Tapuaeharuru Bay Lakeshore Reserves Management Plan (2009). On 23 November 2021 this Committee resolved to commence a partial review of the Tapuaeharuru Bay Lakeshore Reserves Management Plan.

The draft management plan was notified for submissions on 14 January with the submission period closing on 14 March. 176 written submissions were received during this period and two late submissions after the submission period closed. 10 submitters requested time to speak in support of their submission. The submissions were heard, and all written and verbal submissions (including late submissions) were accepted at hearings held on 5 April 2022. Deliberations were deferred to 3 May 2022.

RECOMMENDATION(S)**EITHER (A)**

1. That the Committee agrees to only the minor technical amendments and rejects all changes that permit further development at the Hole in One operation.

AND

2. The Committee approves the changes to the Tapuaeharuru Bay Lakeshore Reserves Management Plan that are detailed in the strike through/underline version attached as Attachment 1.

OR (B)

1. That the Committee agrees to all of the minor technical amendments and the changes that permit the following additional activities:

- A lightweight open sided roof structure over the tees to provide for all-weather use
- A minimal kiosk/ticket office for sales associated with the golf activity and non-alcoholic refreshments but without an indoor dining area.
- Construction of an open viewing area to enable spectators and customers to safely wait without affecting passing cycle and pedestrian traffic.
- Stabilisation of the bank and foreshore.

AND

2. The Committee approves the changes to the Tapuaeharuru Bay Lakeshore Reserves Management Plan that are detailed in the strike through / underline version attached as Attachment 2.

BACKGROUND

On 23 November 2021 this Committee resolved to commence a partial review of the Tapuaeharuru Bay Lakeshore Reserves Management Plan (TBLRMP) to address the sections of the plan that do not currently allow the proposed lease and development of the Hole in One site by the Licensee, Taupō Moana Group Holdings Limited.

The key changes proposed to the management plan as notified are summarised below:

1. Page 32 – update Hole in One licensee details
2. Page 32 – include a summary of the proposed development of the site by the Licensee
3. Page 33 – signal the intent to grant a lease for up to 33 years
4. Page 50 – include new policy c) to permit the granting of a new lease and defined activities within the lease area (subject to resource consent and engineering design).
5. Page 51 – amend policy b) to permit a lease to be granted for the Great Lake Hole in One Challenge for up to 33 years.

Some further proposed changes were minor technical amendments not directly related to the proposed Hole in One lease and development and were included to update the plan to reflect current conditions.

1. Page 50 – remove reference to the Two Mile Bay Sailing and Watersports Centre lease from both policy c) and key actions as this lease no longer falls within the scope of the management plan.
2. Page 51 – amend policy a) to include non-motorised water sports and other appropriate land-based recreation activities.
3. Page 51 – tidy up wording of policy c).
4. Page 51 – update wording of policy d) to refer to review at the end of each licence term rather than five years from execution.
5. Page 51 – update policy h) to refer to the enabling section of the Reserves Act 1977.
6. Page 51 – include new policy i) which was approved by Council on 25 October 2011 as a minor change to the management plan.
7. Page 51 – consequential re-numbering of policies i) and j).
8. Page 51 and 52 – update concession site table to reflect existing concessions.

The draft management plan was prepared as a strike through/underline version of these pages of the original plan, and was notified for submissions on 14 January with the submission period closing on 14 March. 176 written submissions were received during this period and two late submissions after the submission period closed. 10 submitters requested time to speak in support of their submission, and were heard on 5 April 2022. Submissions are numbered 1 to 180, however two were duplicates and have been removed leaving 178. There is no submission #113 or #150. The submissions were heard and all written and verbal submissions (including late submissions) were accepted at hearings held on 5 April 2022. Deliberations were deferred to 3 May 2022.

DISCUSSION

Administration of reserve

The following paragraphs provide some legal context to the management planning process by setting out some of the parameters of reserve management and some of the requirements that Council as administering body of the reserve must keep in mind when considering submissions to the review of its management plans.

The Lakefront Reserve is recreation reserve under the Reserves Act 1977. Section 17 of the Act defines the purpose of recreation reserves as *“providing areas for the recreation and sporting activities and the physical welfare and enjoyment of the public, and for the protection of the natural environment and beauty of the countryside, with emphasis on the retention of open spaces and on outdoor recreational activities, including recreational tracks in the countryside.”*

Section 17 also provides that recreation reserves must be administered so that *“the public shall have freedom of entry and access to the reserve, subject to the specific powers conferred on the administering body by [sections 53](#) and [54](#), to any bylaws under this Act applying to the reserve, and to such conditions and restrictions as the administering body considers to be necessary for the protection and general well-being of the reserve and for the protection and control of the public using it.”* Sections 53 and 54 allow Council as administering body to close parts of the reserve from time to time to allow development, maintenance or exclusive use of parts of the reserve.

Section 54(1)(d) of the Reserves Act permits Council to grant leases and licences of the reserve for commercial purposes provided that any *“trade, business, or occupation must be necessary to enable the public to obtain the benefit and enjoyment of the reserve or for the convenience of persons using the reserve.”*

Section 40 of the Reserves Act charges Taupō District Council as the administering body of the reserve with the *“duty of administering, managing, and controlling the reserve so as to ensure the use, enjoyment,*

development, maintenance, protection, and preservation, as the case may require, of the reserve for the purpose for which it is classified.”

Section 41 of the Reserves Act requires Taupō District Council as the administering body of the reserve to prepare and keep updated a management plan for reserves that is consistent with the requirements of Sections 17 and 40.

Submission form

Submitters were directed to a submission form that asked three questions:

1. Based on the proposal received from TMGHL, what further development would you like to see on the Hole in One site as outlined in Stage 1 and Stage 2?
2. Do you have feedback on any of the proposed options listed above?
3. Is there anything else about the draft Reserve Management Plan you would like to comment on?

Acceptable elements of further development

Of the 178 submitters, 173 answered Question 1. Submitters were allowed to select more than one option so results add to more than 100%. Results are presented in Table 1.

Two thirds of submitters considered that none of the options for development of the Hole in One site proposed by the Licensee were acceptable and that there should be no further development of the site.

Table 1 - Results of Question 1

Acceptable further development	Number of submitters who selected this option	% (of 173)
NO further development of the site	115	66.5%
Public viewing deck with light weight roof for shelter (providing an all-weather facility for Hole in One golf)	53	30.6%
Access to waterfront	53	30.6%
Significant retaining of the bank that drops from the tee area to the foreshore	52	30.1%
Allowance for a food and beverage licence for on-site café	48	27.7%
Potential reconfiguration of footpaths and public parking areas	48	27.7%
Public toilets	47	27.2%
Ticket office	46	26.6%
Include high aesthetic and cultural heritage qualities to become a focal point for the town centre and a project of cultural significance to Tūwharetoa	46	26.6%
Floating dock and operational hub/storage for on water activities	43	24.9%
Function/events space and educational centre that could be used by the wider community	34	19.7%
Visitor centre for information about other attractions	31	17.9%

Of the options for development presented, none were acceptable to more than 30.6% of submitters. The options that were the most acceptable were a public viewing deck with light weight roof for shelter (providing an all-weather facility for Hole in One golf), access to waterfront and significant retaining of the bank that drops from the tee area to the foreshore. The concept of a visitor centre for information and other attractions, and a function/events space and educational centre was least acceptable.

Key Themes Opposing proposed development

Of the 178 submitters, 148 provided further comment about the proposed development options by answering question 2. Several key themes opposing the proposed development were identified from the further

comment. Table 2 identifies the key themes and the number and percentage of submitters that identified these themes in their verbatim feedback. In general, these themes were raised by the 115 submitters that opposed development in question 1 although some were raised by submitters that did not answer question 1, and others were raised by submitters that supported some of the proposed development options.

Table 2 - Key themes opposing development from Question 2

Theme	Number of submitters	% (of 148)
The current natural values of the lakeshore reserves should be preserved	42	28.4%
Development should be kept away from the lake edge	37	25.0%
Views should be retained from and across the lakefront reserve	35	23.6%
Objection to commercial development of the lakefront reserve	27	18.2%
The proposed development is unnecessary and inappropriate in this location	25	16.9%
The proposed change sets a precedent for further development	19	12.8%
Commercial benefits to a few should not be allowed to outweigh the public good	11	7.4%

Several of the themes are related, for instance keeping development away from the lake edge is related to preserving natural values and views on and from the lakefront reserve. It is also linked to an objection to commercial development and the opinion that the proposed development is neither necessary nor appropriate for the proposed location. Submitters in general valued the existing character of the Lakefront reserve and did not wish to see it change with the addition of permanent buildings and structures, particularly for commercial gain. Although submitters used different words, many were expressing similar views.

The most common theme was that submitters thought the natural values of the lakefront reserves were an important part of the natural character of Taupō, and that they should be preserved. Comments included:

- Leave the lakefront as it is
- Don't ruin the lakefront. Once you start you'll never be able to make it what it is today
- Please do not spoil the natural beauty/stunning scenery along the lakefront by allowing any type of building or development to go ahead.
- LEAVE IT AS IT IS! It is beautiful the way it is without a building or any structure.
- I love the lakefront in its natural state as it is, to watch the lake and the mountains. No need to add more buildings, just enjoy the lake and path as it is - more is not better

Another key theme is that the proposed development is unnecessary and inappropriate in this location. Some submitters suggested that the current offering was sufficient, and no development was necessary, and others that alternative locations would be more suitable for the proposed development. This theme was identified in around 17% of comments but is also related to other themes such as preserving natural values, keeping development away from the lake edge, retaining views and the objection to the commercial development of the lakefront.

Other themes opposing development included:

- General unspecified opposition
- Objection to the partial review process – decisions should be made in the context of a comprehensive review of the management plan
- Increased risk of environmental contamination from proposed toilets and litter
- Safety hazard to beach and water users from hole in one operation

Several submitters expressed a lack of faith in the process, that they felt the decision was a foregone conclusion, and that there was a perceived lack of equity and transparency in the process.

Key Themes Supporting proposed development

Of the 148 submitters that provided further comment, 44 (30%) supported the proposed development to a greater or lesser extent. 16 submitters gave general unqualified support with the support of the remaining 28 being conditional or qualified. Examples of conditions or qualifications include:

- Support due to anticipated tourism benefits (x4)
- General support for concept provided structures can be incorporated into landscape and majority of building is below road level (x4)
- General support due to potential for positive economic impact from investment in assets, job creation, tourism and addition of public amenities (x3)
- Support Stage 1 - oppose stage 2 (x3)
- Support for better connections to lake (x2)
- Support for café
- Support for development but only on condition that TMTB provide reciprocal support for other developments
- General support as long as there is no further development
- General support provided structures not too high or visually dominant
- General support with a lowered roof and pedestrian crossing
- General support with improved pedestrian access across Lake terrace
- General support with improved pedestrian management, safe access and strong cultural heritage inclusions.
- General support as long as there is continued free public access to enjoy the area
- General support due to modified nature of site, and attractive lakefront location for hospitality venue similar to Two Mile Bay Sailing Centre
- General support as will enhance the lakefront
- General support as it will be a great extension to the TCTT project and will attract visitors to the CBD.
- Support changes to management plan related to areas outside the scope of the plan

In general, the level of support was lower than the level of opposition and a significant amount of support was conditional on reduction of adverse effects or anticipation of benefits. Some of the anticipated benefits are unrelated to the reserve (e.g. economic impact) and are not guaranteed. Potential adverse effects could be dealt with through management plan policies, lease conditions, resource consent conditions and engineering design.

Feedback on other parts of the Management Plan

Question 3 asked submitters if there was anything else about the proposed management plan that they wished to comment on. This question was intended to give an opportunity to raise any valid issues that should be addressed as part of this partial review, and that weren't covered by Questions 1 and 2.

33 submitters chose to give a response to this question. Many submitters took the opportunity to simply reinforce the points they had made in Questions 1 and 2. Some submitters raised other matters unrelated to the TBLRMP or that were incorrect. The comments that were made in relation to the management plan are summarised in Table 3.

Table 3 - Response to Question 3

Submitter	Submitter feedback to management plan	Response
44	Public Bodies Leases Act 1969. The TDC cannot consent to the 33 year Lease requirement within the TGMHL proposal without following the requirement of Sect 8 Public Bodies Leases Act 1969 which requires every lease granted to be sold by way of Public Auction or Tender. How did the TGMHL proposal get Council Approval in Principle without flagging the Public Bodies Leases Act 1969 requirement? How can the TGMHL proposal be properly evaluated without the detail of the proposed Lease provisions being available? TDC — Please publish Draft Lease Agreement that will be offered under Sect 8 Public Bodies Leases Act 1969 and timeline for Public Auction or Tender. Solution for TGMHL There is of course	Incorrect and irrelevant. TDC as administering body for the Lakefront reserve has the authority to grant leases subject to the Reserves Act 1977. There is no requirement for the details of the lease to be made available if it conforms with and is contemplated by the approved management plan.

Submitter	Submitter feedback to management plan	Response
	<p>waterfront land which is not public reserve which the TGMHL applicants could consider between Wharewaka Reserve and Five Mile Bay Reserve that would benefit from the type of development that TGMHL are proposing with desperate need for improvement and much more area for parking than Taupo CBD. Also could be a great area for a camping ground that would benefit from public toilets/ food outlet/ hole in one and other recreational activities. TDC — Attend to the worst areas first.</p>	
118	<p>The Lakefront Reserves Management Plan should NOT be amended in any way.</p>	<p>Objection noted</p>
122	<p>Two Mile Bay Sailing Centre has been removed from the draft Reserve management plan, as their lease is of the Lake Bed. However I do not agree with this removal. There was recently a large amount of development at the site, within the lake shore reserve, and there is a licensed seating area etc. within the lake shore reserve, therefore this part of the Sailing Centre is still well within the scope of the TAPUAEHARURU BAY LAKESHORE RESERVES MANAGEMENT PLAN.</p>	<p>There are no Council reserves in the vicinity of the Two Mile Bay Sailing Centre as Lake Terrace directly adjoins the bed of the Lake. To include the area of land occupied by the Two Mile Bay Sailing Centre in the TBLRMP will require redefinition of the lake edge boundary and a road stopping and reserve declaration process. This is not within the scope of the management plan review. However, policy should be included to manage the effects of the activity on the road verge and shared use walkway.</p>
130	<p>I would not be in favour of a lease being granted as this allows for legal interest in this piece of land. The water front is a community asset and should be accessible and owned by all in the local community.</p> <p>Any development particularly under a lease agreement could lead to further developments on the Lakeshore.</p> <p>Could the Hole in One development not move to above the water filtration plant at 36 Lake Terrace (near the junction of Rifle Range and Lake Terrace) where a platform is currently available and a car park alongside. Any development of cafes, food and beverage kiosks etc, here would have less of an impact on town centre businesses than development of the current Hole in one site.</p> <p>With the change to through traffic in Taupo using Titiraupenga street, development of the Hole in one site could create traffic congestion because southbound through traffic would need to turn right onto Lake Terrace across the flow of northbound traffic.</p>	<p>The Water Treatment Plant is also located on Taupō Lakefront Reserve and is also a community asset funded by Taupō District Council. Any commercialisation of this asset would also require a change to the management plan and would potentially displace the public from this viewing platform.</p>
131	<p>The two page strike through/underlined draft amendment only addresses part of the 79 page Plan.</p> <p>Council needs to review the whole Plan, for the benefit of all ratepayers and the community.</p> <p>In summary, the submitter contends that the current provisions of the Tapuaeharuru Bay Lakeshore RMP should stand until the entire RMP is reviewed, and that it is inappropriate to deal with one development proposal in isolation.</p> <p>Also, that public reserve land is not the right place for commercialisation or long term leases and that the construction of permanent buildings and structures on the Lakefront Reserve by licensees is not acceptable.</p>	<p>The Reserves Act 1977 requires that RMPs are kept under continuous review so that the plan is adapted to changing circumstances or in accordance with increased knowledge. The Act makes provision for changes not requiring a comprehensive review. The review of a single licence and activity is a change not requiring a comprehensive review and is therefore provided for in legislation.</p> <p>The Act also makes provision for commercial leases to be granted on reserve land subject to conditions.</p>
132	<p>I STRONGLY OPPOSE the redevelopment of the 'Hole in one challenge' as proposed by Taupo Moana Group Holdings Ltd (TMGHL), or indeed any similar redevelopment along the waterfront reserve between the harbour and the old Sea Scout den. Taupo has a very valuable asset in having an open public reserve with such a magnificent view.</p> <p>We have already seen what has happened at Two Mile Bay where a Sailing Centre on the reserve has gradually morphed into a pub. If TMGHL get approval I predict that we would see,</p>	<p>Objection noted</p>

Submitter	Submitter feedback to management plan	Response
	<p>in less than a decade, an expansion of the site and demands from other businesses for similar 'developments' which would then be very difficult to refuse.</p> <p>I ask that no changes be made to the Tapuaeharuru Bay Lakeshore Reserves Management Plan. I am also concerned that it appears ratepayer money has already been spent on drafting an amendment to the Plan, before public consultation has been completed. This is surely 'jumping the gun' and giving people the impression that TDC has already approved the proposal in secret and the consultation is merely 'window dressing'.</p> <p>Should this inappropriate and adverse proposal be approved I demand that all the work be done at night so as to minimize disruption to the access and enjoyment of residents and visitors.</p>	
144	Leave it as is you have enough to deal with	Objection noted
147	Please don't change it to accommodate any changes to the current commercial operation hole in one.	Objection noted
158	Submitter objects to changes to the management plan to allow permanent structures and a long term lease. Also the privatisation of reserve land for commercial use, potential for a liquor licence in a high public use area, potential increase in traffic, and safety issues associated with conflict between legitimate users of beach and lake below the site being hit by golf balls.	Objection noted
159	Page 3, under title 'Key Actions': the 'Concession Site Location Permitted Activities' list for point 1. should be updated to include the sale of non—alcoholic beverages and/or food (and possibly also reference non—motorised water sports) to be consistent with the activities list proposed to be added (top of page 2).	Agreed – the details of the Hole in One Golf concession site on page 51 should be updated to reflect any change in permitted activities provided for by this review of the TBLRMP.
163	I can't see anything that mentions a right of renewal for the existing owners. Surely there would be a right of renewal offered once the 33 years is completed?	A maximum lease term of 35 years is permitted pursuant to the Resource Management Act 1991 without triggering the requirement for a subdivision of the lease area from the remaining reserve. The Reserves Act does not provide for an automatic right of renewal and a new lease would need to be negotiated at the expiry of the term.
166	No buildings on the lake front.	Objection noted
174	This draft appears to be a very generous reaction to an application by an entity that the Council by its own admission is in a "True Partnership" with.	Noted
178	<p>I would suggest that this is not the only TDC reserve management policy document that TDC Governance is required to consider in regard to this proposal. Please provide all governance and submitters with a full copy of the current TDC Reserves Encroachment Policy (or similarly named policy). From memory that policy was developed to prevent all private encroachment on to public usually reserve land.</p> <p>I would suggest that this aberrant proposal on public Taupo reserve land may not have got as far as requiring public consultation, had people both inside and outside Taupo District Council been more aware of this current TDC reserves encroachment policy.</p>	<p>The TDC Encroachment on Reserves Policy is not relevant to this proposal. The existing activity is permitted under licence and the Licensee has made an application to provide for further development and lease through a review of the TBLRMP.</p> <p>The Encroachment Policy applies to occupation of reserves that have not been authorised by Council.</p>

Hearings

There were 10 submitters that requested the option to be heard in support of their submission. Hearings were held online on 5 April 2022 and submitters were given five minutes each to speak. Nine of the

submitters made use of this opportunity to speak, and in general re-iterated the points they had made in their written submission.

Two of the speakers were in support of the proposed development of the site on the basis that:

- The lake edge provides economic opportunities that are underutilised and should be explored
- The spread of economic activity out of the Town Centre is sustainable
- It would provide further opportunities for visitors to engage economically
- Environmental impacts would need to be considered but would be managed as environmental protection is important to tourism businesses
- Investment during a time that has been difficult for tourism will be good for Taupo as a destination
- It will provide employment opportunities

Six of the speakers were opposed to a greater or lesser extent to the development as proposed for the following reasons:

- The adverse visual effects of a building on the lakefront and on views from and across the reserve
- The facilities proposed already exist within walking distance so should not be replicated in this location
- The Lakefront is valued for its natural uncluttered character
- Privatising public land for commercial gain in this location sets a precedent for further commercial use
- Inappropriate use of public recreation reserve
- The current scale of activity is appropriate but not the proposed development
- The potential for liquor licence affecting behaviour of customers in a public space
- The adverse impacts of increased traffic on pedestrian safety
- The conflict between increased golf activity on the public access to and use of the beach
- The available space in this location is constrained and further development will clutter the space and impact on views

Some of the submitters were not entirely opposed and expressed some support for the development, but felt that the proposed location was not suitable for the above reasons. These submitters suggested a range of alternatives that could be considered:

- Construct buildings below ground level similar to the Water Treatment Plant.
- Relocate to Ferry Road or Reid's Carvings area – closer to the CBD, better parking, similar elevation
- Relocate to some other more suitable location
- Accept Stage 1 as it would tidy up a well-established activity, but not Stage 2 as it is incompatible with Stage 1 due to flying golf balls. Stage 2 (if it went ahead) would need to be relocated away from the golfing activity

The verbal submission on behalf of Ngāti Hineure and Ngāti Hinerau was presented by three representatives of the Hapū. Their main concern was that although the development site is within the rohe of Ngāti Hineure and Ngāti Hinerau there has been no inter-tribal consultation by the applicant. The submitters ask that the Tūwharetoa MTB approach mana whenua face to face at the Waipahīhī Marae to discuss the proposal, and have no comment for or against until this meeting has been held. These submitters do however object to the potential for a liquor licence in this location and to the development of this area without the consent of mana whenua.

TAUPŌ MOANA GROUP HOLDINGS LIMITED'S OBJECTIVES

Taupō Moana Group Holdings Limited took over the operation in 2017 and have subsequently been developing plans for improving the offering. When considering whether to make changes to the reserve management plan Council should bear in mind the objectives that have motivated Taupō Moana Group Holdings Limited:

- The overall objective is to refurbish and update Taupo Hole in One to provide a high quality operation that is financially sustainable, complements the lakefront and town centre environments, and provides additional opportunities for locals and visitors to enjoy and make use of the lakefront area
- They wish to replace their existing minibus that is used as an office and storage area. While the bus has served a purpose it no longer reflects the high-quality image they wish to promote for the operation.
- Replacing the bus with a kiosk would provide cover for staff, better working conditions and an easily accessible storage area.
- Providing some sort of cover over the tee area would enable the activity to operate in more adverse weather conditions
- Enabling the sale of food and non-alcoholic beverages from the kiosk would help enhance the experience for those who choose to stop and watch those hitting the golf balls
- The existing area around the tees is narrow and becomes overcrowded at times. Stabilising the bank and providing the viewing area would help lift the image of the operation and make it more attractive for people who chose to stop and watch the activity.
- In recognition of the high volume of public use of this part of the reserve they have proposed providing toilet facilities. This would have the added benefit of lifting the quality of the experience for those using the operation.
- While Taupō Moana Group Holdings Limited intend to make a substantial capital investment to lift the quality of the operation, from their perspective that needs to be supported with certainty about a longer lease arrangement with Council.

Since the hearing on 5 April 2022, TMGHL has identified that many of the concerns expressed by submitters appear to relate to the possible Stage 2 development that was presented conceptually to Council. In response to this feedback they have confirmed that they propose to seek approval for only Stage 1 at this point, being:

- Ticket office, café and public toilets
- A public viewing deck with lightweight roof for shelter
- Significant retaining of the bank that drops from the tee area to the foreshore
- Access to the waterfront
- Potential reconfiguration of footpaths and public parking areas
- A food and beverage licence

The applicant has provided a revised concept for Stage 1 that shows some initial thinking on design changes in response to submitter feedback. Key proposed changes involve the use of translucent roofing material and a more open air structure. The applicant notes that the concept plans have not been developed to the detail necessary to support a resource consent application, and intends to carry out further work for detailed design, identification of adverse effects and methods to avoid, remedy or mitigate those effects.

The revised concept is Concept 2 at Attachment 3. Concept 1 is the original design for comparison.

KEY ISSUES

This section outlines the key issues that have arisen through the consultation process. The following discussion is intended to help Councillors to understand some of the trade-offs that might apply. Invariably these issues are not clear cut and there are different perspectives that will need to be weighed as part of the decision-making process.

Does the proposal meet the thresholds to enable the granting of a lease?

The Reserves Act enables Council to grant licenses and leases for commercial activities on recreation reserves. In this context we are considering a long-term lease arrangement because permanent buildings are being proposed.

Any lease or licence (concession) associated with a *“trade, business, or occupation must be necessary to enable the public to obtain the benefit and enjoyment of the reserve or for the convenience of persons using*

the reserve.” The Hole in One commercial activity has been in place for many years and has become accepted as a commercial activity that contributes to the use and enjoyment of the recreation reserve.

The question now is whether the additional built structures, which shift this from a license to a lease arrangement, also contribute to the way the operation facilitates use and enjoyment of the reserve. While the operation can clearly run without the built structures, they are expected to make the operation more accessible in inclement weather and they would enhance the experience of those participating and those watching.

Elements of the Stage 1 proposal that enhance the use and enjoyment of the reserve for the existing Hole In One activity are expected to meet the thresholds to enable Council to consider granting a lease arrangement. The Applicant has confirmed that they are not seeking approval for Stage 2 as part of this process.

Are there potential public benefits?

The Hole in One operation is taking place on public land that has been set aside for recreation. It is in a very busy location popular with visitors and locals alike. It should be providing some public benefit to justify the commercial use of public land. The existing operation does enable people to undertake a popular recreation activity in an easily accessible location. It also helps to activate that part of the lakefront, generating interest for passers-by.

The proposed changes to the operation are designed to enhance those public benefits further by:

- Enhancing the range of recreation activities that can take place in inclement weather due to the new roof structure
- Providing a new deck area for people to congregate to watch the activity as well as generally enjoy the views across the Lake
- Providing another outlet where people recreating on the reserve can access food and non-alcoholic beverages
- Providing public toilet facilities on the reserve in a busy location

There are clearly some public benefits that arise for the proposed enhancements to the site. However to achieve those additional benefits new structures will need to be built and some submitters have raised concerns about the impacts of those structures on their enjoyment of the reserve.

What scale of building could be appropriate?

The existing operation doesn't have a building, there is just a mini bus that acts as an office and storage area. The advantage of the bus is that it is removed from the location when the Hole in One isn't operating. However, the applicant has indicated that the bus needs to be replaced and is no longer fit for purpose, hence they are looking to replace it with a fixed kiosk.

They have provided some visual representations of the proposed changes. The images are useful to help understand the likely impacts of the change, but it is important to remember that the finer details of the design have not been finalised yet.

While it is likely to be bigger than the mini bus, the scale of the proposed kiosk has been kept small to minimise visual impacts and ensure that it doesn't dominate the reserve in this location.

Over the top of the golf tee area there is proposed to be a roof structure. This will be very different to the existing situation. Again, the applicants have sought to minimise any visual impacts by keeping it as an open structure and having a low-profile roof line.

The proposed public toilet facilities would also result in another new built structure. While the low-profile and location are intended to make sure it doesn't stand out, when viewed at ground level it will add to the new building bulk in this location. For this reason it is recommended that public toilet facilities are combined with the office/kiosk and restricted to a single all-gender all-ability cubicle that can be used by customers and spectators as well as staff. This is a similar scenario to the kiosk at Mini Putt which has a small office in the front and a single toilet cubicle in the rear for the use of customers.

Under the proposal there will undoubtedly be new built structures that will change the character of this part of the recreation reserve. Councillors will need to make a judgement on whether this level of change has a significant adverse impact on people's ability to enjoy the recreation reserve. The only comparable example is the Sailing Centre at Two Mile Bay where there is a built structure on the Lake side of Lake Terrace.

Should food and beverage be offered at the site?

The site is in close proximity to the retail areas of the town centre where food and beverages can be easily accessed. People recreating on the reserve in this location have a lot of choice within easy walking distance. The proposed addition of the food and beverage offering at the Hole in One operation would simply be complementing this existing offering. The applicant has indicated that they would not include the sale of alcohol.

Provisions in the Taupo District Plan place a strong emphasis on retaining retail activity in the zoned parts of the town centre, however there is a recognition that food retailing can occur outside the town centre without undermining the town centre. As such, this proposal is aligned with the District Plan's objectives and policies in terms of the food and beverage offering.

There is the potential for this new food and beverage offering to be in direct competition with established food and beverage places in the nearby town centre. Despite that there has been support for the proposal from the Taupo Chamber of Commerce and TownCentre Taupo. There hasn't been a strong suggestion from submitters that this is a significant issue. This may reflect the very small scale and limited offering of the new operation.

A similar scale of food and beverage offering can be found further along Lake Terrace in the form of coffee and ice-cream vendors. Their presence has been encouraged by Council as a way of meeting the needs of those recreating on the reserve, and in recognition of the greater distance from the town centre.

Is the golf activity compatible with other users of the foreshore?

The existing Hole in One operation has been successfully operated in this location for many years without adversely impacting on other nearby uses. It is therefore reasonable to conclude that the Stage 1 changes would not materially impact on other uses.

Some submitters have raised the issue of the adverse effects of flying golf balls on the public enjoyment of the reserve and foreshore area in the vicinity of the activity. The contour of the reserve in this location provides the only safe access to the lake edge for around 500m to the south and 700m to the north, which is why this location was initially chosen for water-based activities such as parasailing and the Hole in One operation. However, the Hole in One activity is potentially hazardous to members of the public wishing to access the beach and foreshore in this location. The Applicant has not suggested a method for reducing the risk associated with their current activity, but the proposed development provides an opportunity to address the issue in conjunction with the proposed improved access to the waterfront.

Should alternative locations be considered?

Several submitters noted that they appreciate the open and unbuilt nature of the reserve where the Hole in One operation is currently located. However, they could recognise some of the benefits of the operation and suggested a compromise by moving it somewhere else along the lakefront.

There are some complexities around considering such a move. Firstly, the applicant hasn't sought such a move and signalled that there were good reasons for not moving the operation down closer to Ferry Road. Some of those were practical and others were cultural. Secondly, the Hole in One has been operating very successfully in the current location and a change would likely have some commercial implications for the applicant. Thirdly, Council has consulted the community with regard to a specific proposal in a specific location. If Council was of a mind to explore alternative locations, then:

- Further discussions would need to occur with the applicant to understand what was achievable from their perspective
- Technical work would be required to understand any issues or constraints associated with other locations, and
- More community engagement would need to take place to test those ideas and understand the different perspectives.

Are the wider economic benefits to the community relevant to this decision?

Several of the submitters have identified the Lakefront reserve land as an underutilised resource and encouraged development of the Hole in One operation to generate jobs and wider economic activity. While

encouraging economic activity might be a general focus for Council it is not a specific consideration in the context of managing recreation reserve land. Council, as administering body, should be focused on managing the reserve as public land that the community can recreate on rather than being focused on encouraging economic activity. That is the primary purpose of the land under the Reserves Act.

Does this set a precedent for other commercial activities along the Lakefront?

Changing the policies in the TBLRMP to make provision for the further development of this commercial concession will only set a precedent for other commercial activities if the changes are general and non-specific. Provided changes to policies are specific to the Hole in One proposal, there will be no further opportunity to permit further commercial activity in other locations. The management plan will need to be very specific about what will be allowed in this area.

The TBLRMP as it is currently written does not allow for any new commercial activity to establish on the reserve other than short term seasonal recreational activities. Applicants wishing to start a new business on the Lakefront Reserve are generally advised that there are no opportunities for new businesses in this area. However, this application came from an existing well-established and iconic recreational business operation that was already provided for in the management plan, so the proposed improvements triggered a management plan review that would be unlikely to occur otherwise.

How long should any lease term be?

A longer term lease gives more certainty of tenure to the applicant that they will achieve a financial return on their investment. However, Council needs to build in some flexibility to take into account longer term changes to traffic flows and reserve development. Substantial improvements are being made to the Roberts Street area. In the future there is the potential to continue these changes to the roading corridor and lakefront reserve between Ruapehu Street and Titiraupenga Street. Providing a shorter term of 15 years would give reasonable security of tenure to the current licensee without restricting Council’s ability to make changes to this area in the future.

OPTIONS

Based on this information it is considered that there are four options:

1. Status Quo - no change to the existing TBLRMP
2. Undertake a comprehensive review of the TBLRMP
3. Agree to only the minor technical amendments and reject all changes that permit further development
4. Agree to all of the minor technical amendments and the changes that permit a limited degree of development

Analysis of Options

Option 1 – Status quo - no change to the existing TBLRMP

Option 1 involves giving effect to all the objections that call for no change to the reserve or the TBLRMP for the following reasons:

- Preservation of the current natural values of the lakeshore reserves
- Development should be kept away from the lake edge
- Preservation of views from and across the lakefront reserve
- Objection to commercial development of the lakefront reserve
- Unnecessary and inappropriate development in this location
- The proposed change sets a precedent for further development
- Commercial benefits to a few should not be allowed to outweigh the public good

Advantages	Disadvantages
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<ul style="list-style-type: none"> No further action required 	<ul style="list-style-type: none"> The Applicant would not be able to achieve their objectives
<ul style="list-style-type: none"> The existing character of the reserve and views to the Lake would be retained 	<ul style="list-style-type: none"> The minor technical changes proposed would not occur.
	<ul style="list-style-type: none"> No enhancements to the public offering would be provided with regard to the toilets, public deck area, refreshments, safer lake access and covered golf tees allowing all weather play

Option 2 - Undertake a comprehensive review of the TBLRMP

Option 2 would involve setting aside the results of this partial review in favour of a comprehensive review of the TBLRMP. A submitter has expressed the view that this decision shouldn't be made in isolation and that the entire plan should be reviewed.

Advantages	Disadvantages
<ul style="list-style-type: none"> The TBLRMP would be up to date and issues dealt with consistently 	<ul style="list-style-type: none"> Significant time and expenditure needed for what may be a similar outcome.
	<ul style="list-style-type: none"> TDC would need to allocate additional resource for this process as there are currently other management plans that have higher priority.
	<ul style="list-style-type: none"> Review of the entire plan would be a significantly bigger project than review of a small part of the plan, which is the main reason that a partial review was selected to deal with this proposal.
	<ul style="list-style-type: none"> The Applicant would be left with a high level of uncertainty about the outcome of the future review for an extended period of time.

Option 3 – Agree to only the minor technical amendments and reject all changes that permit further development

Option 3 recognises that there are some minor technical changes that are acceptable and allows these to be accepted while rejecting changes that permit further development on the basis that these changes are unacceptable to the Taupō community. Table 4 sets out the proposed changes as notified in the strike through/underline version (the draft management plan) and suggests a response based on the submissions received. The response suggested is to reject the changes that provide for the proposed development and lease. The Committee has the authority to accept or reject any of the proposed changes to the management plan at their discretion.

Table 4 - Suggested response to proposed changes

#	Page #	Summary of changes proposed to facilitate Hole in One development and lease	Response required	Suggested response
1	32	Update Hole in One licensee details	Accept; or Reject	Reject and delete current licensee details and don't update as this information can become outdated
2	32	Include a summary of the proposed development of the site by the Licensee	Accept; or Accept amended version; or Reject	Reject
3	33	Signal the intent to grant a lease for up to 33 years	Accept; or Accept amended version; or	Reject

			Reject	
4	50	Include new policy d) to permit the granting of a new lease and defined activities within the lease area (subject to resource consent and engineering design) and renumber subsequent policies.	Accept; or Accept amended version; or Reject	Reject
5	51	Amend policy b) to permit a lease to be granted for the Great Lake Hole in One Challenge for up to 33 years.	Accept; or Amend amended version; or Reject	Reject
	Page #	Summary of changes proposed as minor technical amendments included to update the plan to reflect current conditions	Response required	Suggested response
6	50	Remove reference to the Two Mile Bay Sailing and Watersports Centre lease from both policy c) and key actions as this lease no longer falls within the scope of the management plan.	Accept; or Include wording that allows for appropriate controls on legal road activity adjacent to walkway; or Reject	Include wording that allows for appropriate controls on legal road activity adjacent to walkway
7	51	Amend policy a) to include non-motorised water sports and other appropriate land-based recreation activities.	Accept; or Reject	Accept
8	51	Tidy up wording of policy c).	Accept; or Reject	Accept
9	51	Update wording of policy d) to refer to review at the end of each licence term rather than five years from execution.	Accept; or Reject	Accept
10	51	Update policy h) to refer to the enabling section of the Reserves Act 1977.	Accept; or Reject	Accept
11	51	Include new policy i) which was approved by Council on 25 October 2011 as a minor change to the management plan.	Accept	Accept
12	51	Consequential re-numbering of policies i) and j).	Accept	Accept
13	51 and 52	Update concession site table to reflect existing concessions.	Accept; or Reject	Accept

See **Attachment 1** for a revised strike through/underline version of the parts of the management plan that were subject to notification and change that incorporate the suggested responses.

Advantages	Disadvantages
<ul style="list-style-type: none"> The undeveloped character of the reserve and unrestricted views to the Lake would be retained 	<ul style="list-style-type: none"> The applicant will not be able to achieve their objectives
<ul style="list-style-type: none"> Minor technical changes could be made to update parts of the plan. 	<ul style="list-style-type: none"> No enhancements to the public offering would be provided with regard to the toilets, public deck area, refreshments, safer lake access and covered golf tees allowing all weather play
<ul style="list-style-type: none"> A positive outcome could be obtained at no further cost 	

Option 4 – Agree to all of the minor technical amendments and the changes that permit a limited degree of development

Option 4 recognises that there are some elements of the proposed lease and development that are more acceptable than others, and that specific elements of the development could be provided for in the

management plan subject to robust controls. In general, the elements included in Stage 2 of the proposed development were loosely defined and have subsequently been withdrawn by the applicant. However, some submitters acknowledged the benefits of improving the quality of the assets associated with the current activity. Option 4 would therefore allow for the following improvements to the current license area:

- A lightweight open sided roof structure over the tees to provide for all-weather use
- A minimal kiosk/ticket office for sales associated with the golf activity and non-alcoholic refreshments but without an indoor dining area
- Incorporation of a single toilet cubicle into the kiosk/ticket office for use by customers during business hours
- Construction of an open viewing area to enable spectators and customers to safely wait without affecting passing cycle and pedestrian traffic
- Stabilisation of the bank and foreshore
- Improved (safer) access to the beach and foreshore

Option 4 acknowledges that if this level of development was to be permitted in the management plan, it would need to be tightly controlled to avoid or mitigate the issues and adverse effects on the reserve raised by the submitters. The wording of the management plan policies and subsequent concession would need to ensure that development was carried out to a high standard, and would be appropriate in the physical and legal context of the public recreation reserve on which it is located.

Table 5 sets out the proposed changes as notified in the strike through/underline version (the draft management plan) and suggests a response based on the submissions received. The response suggested is to accept some of the changes that provide for the proposed development and lease. The Committee has the authority to accept or reject any of the proposed changes to the management plan at their discretion.

Table 5 - Suggested response to proposed changes

#	Page #	Summary of changes proposed to facilitate Hole in One development and lease	Response required	Suggested response
1	32	Update Hole in One licensee details	Accept; or Reject	Reject and delete current licensee details and don't update as this information can become outdated
2	32	Include a summary of the proposed development of the site by the Licensee	Accept; or Accept amended version; or Reject	Accept amended wording as proposed in Attachment 2
3	33	Signal the intent to grant a lease for up to 33 years	Accept; or Accept amended version; or Reject	Reject and change the word "licence" to "concession" to allow either a licence or lease as appropriate
4	50	Include new policy d) to permit the granting of a new lease and defined activities within the lease area (subject to resource consent and engineering design) and renumber subsequent policies.	Accept; or Accept amended version; or Reject	Accept amended wording that allows a reduced range of activities as proposed in Attachment 2
5	51	Amend policy b) to permit a lease to be granted for the Great Lake Hole in One Challenge for up to 33 years.	Accept; or Amend amended version; or Reject	Accept amended wording that allows a concession for a maximum term of 15 years
	Page #	Summary of changes proposed as minor technical amendments included to update the plan to reflect current conditions	Response required	Suggested response
6	50	Remove reference to the Two Mile Bay Sailing and Watersports Centre lease from both policy c) and key	Accept; or	Include wording that allows for

		actions as this lease no longer falls within the scope of the management plan.	Include wording that allows for appropriate controls on legal road activity adjacent to walkway; or Reject	appropriate controls on legal road activity adjacent to walkway
7	51	Amend policy a) to include non-motorised water sports and other appropriate land-based recreation activities.	Accept; or Reject	Accept
8	51	Tidy up wording of policy c).	Accept; or Reject	Accept
9	51	Update wording of policy d) to refer to review at the end of each licence term rather than five years from execution.	Accept; or Reject	Accept
10	51	Update policy h) to refer to the enabling section of the Reserves Act 1977.	Accept; or Reject	Accept
11	51	Include new policy i) which was approved by Council on 25 October 2011 as a minor change to the management plan.	Accept	Accept
12	51	Consequential re-numbering of policies i) and j).	Accept	Accept
13	51 and 52	Update concession site table to reflect existing concessions.	Accept; or Accept amended version; or Reject	Accept with addition of wording as proposed in Attachment 2 to include construction and use of basic structures for shelter, ticket sales and refreshments for Hole in One Golf.

See **Attachment 2** for a revised strike through/underline version of the parts of the management plan that were subject to notification and change that incorporate the suggested responses.

OPTIONS

Advantages	Disadvantages
<ul style="list-style-type: none"> The proposed changes to the management plan will allow improved shelter for customers and staff, a safe waiting area, toilets and refreshments for customers and spectators, and improved stability and safety of the bank and foreshore. 	<ul style="list-style-type: none"> The new built structures will change the natural character of that part of the reserve and impact on some views across the reserve to the Lake.
<ul style="list-style-type: none"> Minor technical changes could be made to update parts of the plan. 	

Analysis Conclusion:

The preferred options are Options 3 and 4 as these options allow the Committee to accept or reject individual proposed changes to the management plan based on potential effects and submissions received. Both options accept minor technical changes, and Option 4 accepts a level of change that allows limited development. Option 3 rejects changes that would allow any element of the proposed development.

Option 1 reflects some submitter concerns but it rejects all changes including minor amendments unrelated to the Hole in One proposal and is therefore less desirable.

Option 2 is unnecessary as although it is acknowledged that the TBLRMP is due for comprehensive review, there are other more urgent priorities, and the legislation does allow for changes to be made to management plans without requiring a comprehensive review.

CONSIDERATIONS

Alignment with Council's Vision

Council's vision is 'to be the most prosperous and liveable district in the North Island by 2022'. This is accompanied by a core set of values to underpin decision-making, the following of which are relevant to this particular proposal:

- World Class – build on our international reputation as a destination of choice, and promote excellent quality of life for residents while protecting the natural environment that makes the District so special;
- Authentic – we will be open and transparent in the way we conduct our business and offer an experience that is genuine and real;
- Charming – attractive towns, diverse experiences and friendly people.

Financial Considerations

The financial impact of Option 1 is minimal. Option 2 would require a comprehensive review of the TBLRMP at an estimated value of \$50,000. If the proposed changes that would allow for new buildings and lease term for the Hole in One operation are rejected as noted in Option 3, the financial implications will be minimal as for Option 1. If changes that allow for new structures and lease term for the Hole in One operation are accepted as part of Option 4, this may have financial implications related to disruption to stormwater assets, erosion control, lease preparation and administration, compliance and car parking. These costs will need to be borne by the Applicant and therefore the financial implications are not costed as the development proposal does not have sufficient detail to allow the implications on Council infrastructure to be accurately assessed.

Since the minimum car parking requirements were removed from the District Plan earlier this year it would be incumbent upon Council to meet all the car parking needs of this activity on the reserve. It is not clear what changes there will be in parking requirements.

Long-term Plan/Annual Plan

The expenditure anticipated by both Option 1 and Option 3 is currently budgeted for under current operational budgets. The expenditure anticipated by Options 2 and 4 is not budgeted for and would require additional funding to be approved through the Annual Plan.

Legal Considerations

Local Government Act 2002

The matter comes within the scope of the Council's lawful powers, including satisfying the purpose statement of [Section 10](#) of the Local Government Act 2002. That section of the Act states that the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. It is considered that social, economic, environmental and cultural well-beings are all of relevance to this matter, but environmental well-being of particular relevance.

The proposal has been evaluated with regards to a range of legislation. The key legislation applicable to the proposal has been reviewed and the relevant matters for consideration are as follows:

Reserves Act 1977

Reserves Act implications are detailed on page 2 of this report under Administration of Reserve. In summary, Council as the reserve administering body has the duty of administering, managing, and controlling the reserve so as to ensure the use, enjoyment, development, maintenance, protection, and preservation of the reserve for recreation purposes. These are defined as providing areas for the recreation and sporting activities and the physical welfare and enjoyment of the public, and for the protection of the natural environment and beauty of the countryside, with emphasis on the retention of open spaces and on outdoor recreational activities, including recreational tracks in the countryside.

Management plans are the mechanism that allow Council and the community to agree on how reserves will be managed and the extent of any leases or licences permitted. Leases and licences on reserves are permitted for commercial activity *provided that the trade, business, or occupation must be necessary to enable the public to obtain the benefit and enjoyment of the reserve or for the convenience of persons using the reserve*. The Committee should be satisfied that granting a lease in this location to allow the development of the business as proposed meets this test.

Resource Management Act 1991

Options 4 potentially allow elements of the proposed development to go ahead subject to resource consent. As the details of the proposed development have not yet been finalised, the degree of non-compliance with the District Plan is not yet clear. However, the applicants were advised in 2020 that a resource consent would be required to address non-compliance with the following rules:

- Building within the foreshore protection area
- The activity would increase the equivalent vehicle movements for the site (the addition of the café/bar and entertainment aspects above the 100 evms per day). The increased requirement for parking is no longer a consideration under the District Plan.
- Signage in excess of the limitations
- Potential breaches of the maximum building height requirements which would depend on the exact location and design of the structures (height is taken from natural ground level to the top of any physical infrastructure)
- Potential breaches of the earthworks provisions (1.5m of cut/fill outside building setbacks and 0.5m within setbacks)

The applicants were also advised that the proposal is likely to be a discretionary or non-complying activity and that it would likely be fully notified given the scale and nature of the activities.

If the development was to be partially or fully permitted under either Option 4 or 5, authorisations as follows are required for the proposal:

- Resource Consent Building Consent Environmental Health
 Liquor Licencing Lease

The applicant has stated that they do not intend to serve alcohol and will therefore not require a liquor licence.

Authorisations may be required from external parties.

Policy Implications

The Waikato Regional Council has submitted that the proposed changes to the TBLRMP should be assessed against the Management Plan for Taupō Waters (in effect since August 2021). The Management Plan for Taupō Waters provides for the continuation of entry to, and use of, Taupō Waters free of charge for:

- non-exclusive and non-commercial recreational use, and
- enjoyment and non-commercial research purposes.

The Management Plan for Taupō Waters sets out the process that would be required to establish a new viewing platform or water activity pontoon on the water as proposed by the applicant. Council would not be a party to this process.

WRC also submit that the consultation documents and supporting documents do not properly consider the impacts of the proposal on the future development patterns identified in Taupō District 2050, and that the proposal may be inconsistent with the focus on consolidating retail and office activity within the Taupō Town Centre. The Taupō District Plan is the mechanism to achieve consistency with TD 2050 and any proposed development will be measured against the District Plan for compliance with respect to commercial activity away from the Town Centre. While the District Plan strongly supports the retention of retail activity in the Taupō Town Centre, there is a recognition that some retail activities can locate outside of the town centre and not have adverse effects. This includes the sale of food.

Māori Engagement

Council is bound by various Acts to consult and/or engage with Māori, including a duty to act reasonably and in good faith as a Te Tiriti ō Waitangi partner. Equally, Council has a responsibility to develop and proactively foster positive relationships with Māori as key stakeholders in our district, and to give effect to the principles of Te Tiriti ō Waitangi including (but not limited to) the protection of Māori rights and their rangatiratanga over tāonga. While we recognise Māori in general, we also need to work side by side with the three ahi kaa / resident iwi of our district.

Although good faith does not necessarily require consultation, it is a mechanism for Council to demonstrate its existence and commitment to working together as district partners.

Direct engagement with Te Kotahitanga o Ngāti Tūwharetoa was undertaken and a submission was received from Waipāhīhī Marae Hapū on behalf of Ngāti Hinerau and Ngāti Hineure. The submission advises that Ngāti Hinerau and Ngāti Hineure hold mana whenua over the area concerned, and requests that:

- The applicant engages with Ngāti Hinerau and Ngāti Hineure via a hui at Waipāhīhī Marae to discuss the proposal and acknowledge mana whenua; and
- Ngāti Hinerau and Ngāti Hineure be given the opportunity to speak to the submission and provide further feedback on the impact the proposed development may have on their cultural, customary and economic rights. This opportunity was given at the hearing which occurred on 5 April 2022.

The applicant has advised that they planned to attend a hui with Waipāhīhī Marae Hapū on 30 April to work through matters raised in their submission.

Risks

There are several risks associated with the decisions required. The risk associated with Option 2 has not been assessed as this option involves putting the current process aside in favour of a comprehensive review of the TBLRMP. As the timing or outcomes of this process are unknown it is difficult to assess the issues. The risks associated with Option 4 depend on which changes are rejected or accepted.

Risk factor	Option 1 and 3	Option 4
Loss of natural character of lakefront reserve	Nil	Low to moderate as proposed changes to policy limit the scale and nature of change
Inappropriate scale of development	Nil	Low
Increased adverse effects on pedestrian and vehicle traffic	Low with limited opportunity for improvement	Low as proposed changes to policy limit the scale and nature of change and provide opportunity for reduction of adverse effects on pedestrian and cycle traffic
Precedent for further commercialisation of reserve	Nil	Nil as the proposed changes provide no further opportunity for commercialisation
Increased adverse environmental effects due to increased litter	Nil	Moderate if refreshment sales include packaging
Impacts on Council services	Nil	Low to moderate depending on design
Quality design and construction may be subjective and difficult to define and achieve through lease conditions. Once a lease is granted there will be pressure to allow development regardless of outcome	NA	Low to moderate as proposed changes to RMP policy limit the scale and nature of development although lease controls will still be required.

In general there is very little risk associated with Option 1 or 3, with Option 4 having a higher level of risk associated with the limited development.

SIGNIFICANCE OF THE DECISION OR PROPOSAL

Council's Significance and Engagement policy identifies the following matters that are to be taken into account when assessing the degree of significance of proposals and decisions:

- a. The level of financial consequences of the proposal or decision;
- b. Whether the proposal or decision will affect a large portion of the community or community of interest;
- c. The likely impact on present and future interests of the community, recognising Māori cultural values and their relationship to land and water;
- d. Whether the proposal affects the level of service of an activity identified in the Long Term Plan;
- e. Whether community interest is high; and

- f. The capacity of Council to perform its role and the financial and other costs of doing so.

Officers have undertaken a rounded assessment of the matters in clause 11 of the Significance and Engagement Policy (2016), and are of the opinion that the proposal under consideration is of medium to high significance based on the strong public interest and high profile of the location.

ENGAGEMENT

Statutory consultation has already taken place and this decision is required to consider the results of that engagement.

COMMUNICATION/MEDIA

The decisions made by Council will be communicated directly to submitters as well as the general public through a media release and Council's website and social media channels.

CONCLUSION

On balance it is considered that either Option 3 or Option 4 are the best options. Option 3 has minimal changes to the existing situation and lowest potential cost to Council. Option 4 introduces more change to the reserve but limits the scale of that change in a way that mitigates some of the concerns around visual impacts.

Options 3 and 4 both give the opportunity for thirteen separate decisions to be made as defined by Tables 4 and 5. Decision numbers #2 to #6 and #13 have options to accept an amended version of the wording proposed in the initial strike through/underline version. Tables 4 and 5 recommend a suggested response that is carried through into the strike through/underline versions in Attachments 1 and 2.

ATTACHMENTS

1. Strike through / underline version of proposed text of management plan for Option 3 [↓](#)
2. Strike through / underline version of proposed text of management plan for Option 4 [↓](#)
3. Revised Stage 1 concept [↓](#)
4. Letter received from Taupō Moana Group Holdings Ltd [↓](#)

ATTACHMENT 1

STRIKE THROUGH / UNDERLINE VERSION OF TAPUAEHARURU BAY LAKESHORE RESERVES MANAGEMENT PLAN REJECTING ALL PROPOSED DEVELOPMENT

1. LICENSES – PAGE 32 TO 33

Site C: Golf site, Lake Terrace (diagonally opposite Northcroft Reserve). ~~CThe current licence holder, The Original Floating Hole in One Challenge is Taupo Moana Group Holdings Ltd (trading as the Great Lake Hole in One Challenge). This comprises six permanent tee areas fenced for safety and security purposes. The aim of this activity is to sink golf balls in the holes located on a pontoon in the lake. During operation a bus is parked on site for an office, equipment storage and shelter. Operation is year round. The licensee has submitted a proposal to Council for development of the site that would include permanent buildings for ticketing, refreshments, toilets, shelter and information purposes. The Licensee intends to revitalise the current offering and develop the site and business model so that Hole in One becomes a venue not only for the business activity but for the greater Taupo Community. The vision of the Licensee is to redevelop the site and provide greater public amenity that not only caters to the Hole in One clientele but also provides a place for the general public to stop, relax and refresh themselves whilst enjoying the lakefront setting that the reserve offers.~~

A licence term of five years is considered reasonable to allow the operations to become established and ascertain their viability, while providing a time frame that allows the sites to be reviewed regularly to ensure user interests are being met and any impacts are minimal.

To reflect the status of the Great Lake Hole in One Challenge as an established attraction ~~and to allow further development of the site, a lease for a term of up to 33 years is considered more appropriate than the current licence~~ and the investment in infrastructure, it is appropriate to grant a licence for a longer term.

2. LEASES AND LICENSES – PAGE 50

Policies

a) Allow leases to the Lake Taupo Yacht Club, Taupo Mini Golf and Lake Taupo Sea Scouts to continue, at Council's discretion.

b) Allow, subject to the relevant consents outside of this management plan being obtained, the Lake Taupo Yacht Club to extend the storage facility by up to 50 per cent, ensuring the exterior design complements the landscape and existing club building and that landscaping is undertaken to integrate the facility with the surrounding environment.

~~c) Change the Two Mile Bay Sailing and Watersports Centre's tenure to a lease and allow a café to be operated. Ensure that the occupation of part of Lake Terrace by the outdoor seating area of the Two Mile Bay Sailing and Watersports Centre does not impact on use of the Lakefront shared use path and is formalised with an encroachment licence.~~

~~e) Change the Hole in One Golf tenure from a licence to a lease and allow for the following activities within the lease area (subject to resource consent and engineering design):~~

- ~~• Construction of an appropriate low profile ticketing kiosk, café and sales area, viewing decks and tees, toilet building and shelter for users and spectators of a design to be approved by Council.~~
- ~~• Sale of refreshments.~~
- ~~• Hole in One golf activity~~
- ~~• Public access to viewing areas and adjacent reserve area~~
- ~~• Cultural interpretation~~

- ~~Future stages of development may include function and events space, educational and visitors centre, accessible waterfront access, floating dock and on water provider storage and operational hub.~~
- d) Apply charges in accordance with Council's fees and charges policies or as appropriate for the particular activity.
- e) Generally prohibit new leases and licences on the reserves, except for existing activities and those provided for in this management plan.
- f) Allow only Council approved structures within leased and licensed sites.
- g) Consider the provision of future water-based activities within the Lake Taupo Yacht Club and Lake Taupo Sea Scouts sites.

Key Actions

- Monitor leases and licenses to ensure that conditions are adhered to and to protect the reserves' values and other uses.
- Negotiate lease agreements with ~~the Two Mile Bay Sailing and Watersports Centre and with Taupo Mini Golf.~~ *Note: reference to the two Mile Bay Sailing and Watersports Centre Lease is to be removed as the lease area is located on the bed of Lake Taupō and as such no longer falls within the scope of this management plan.*
- ~~Negotiate a lease agreement with Hole in One Golf for a maximum of 33 years.~~

3. COMMERCIAL ACTIVITY – PAGE 51 TO 52

The lakeshore reserves are a popular venue for the siting of commercial activities. They are a high profile area and provide a unique setting. Council must ensure an appropriate balance between commercial recreation opportunities, unstructured public use and environmental protection.

Commercial activities will be permitted within the lakeshore reserves in a controlled manner through the establishment of concession sites providing for specified activities at suitable locations.

Short-term commercial land-based recreation activities will be considered within the lakeshore reserves, subject to specific assessment criteria.

Policies

- a) Permit commercial activities for golf (Hole in One), motorised ~~and non-motorised~~ water sports, kayaks, refreshments, ice cream, arts and crafts and ~~other appropriate~~ land-based recreation activities in the reserves through established concession sites.
- b) Grant each concession holder a licence for a maximum term of five years, except for the Great Lake Hole in One Challenge which will be offered a ~~lease for a term of up to 33 years~~ licence for a longer term.
- c) Ensure that the applicant concessionaire ~~receives and~~ fully complies with any necessary consents in relation to the Resource Management, Building, Health and Safety and Employment Acts and other relevant legislation, as well as the District Plan; and ~~complies with any~~ relevant by-laws.
- d) Review the established concession sites ~~and activities at the end of each licence term to ensure they are suitable after five years from execution.~~
- e) Allow only Council approved structures on established concession sites.
- f) Ensure the terms of any licence provide for unrestricted public access except where there are health and safety issues.
- g) Monitor concessionaire activities to ensure compliance with the conditions of their concessions.
- h) Provide appropriate permits at Council's discretion ~~(subject to Section 53(1)(f))~~ for short-term commercial land-based recreation activities.
- i) ~~Allow seasonal licences (in addition to the eight established concession sites) for land or water based recreational activities to be granted for up to six months at Council's discretion.~~ *Note: this*

policy was added as a result of a minor change to the Tapuaeharuru Bay Lakeshore Reserves Management Plan by resolution of Council on 25 October 2011. The management plan was never updated however so this opportunity is being taken to incorporate the adopted policy.

⌋ j Ensure commercial activities complement other activities within the reserves, protect the environment and have minimal impact on other users' enjoyment.

⌋ k Apply charges in accordance with Council's fees and charges policies or as appropriate for the particular activity.

Key Actions

- Establish eight concession sites:

Concession Site	Location	Concession Site Location Permitted Activities
1. Golf	Lakefront Reserve, current location	Hole in One
2. Motorised Water Sports	Lakefront Reserve, adjacent to concession site 1 on the southeastern side	Water-based activities requiring use of a boat or other motorised vessel
3. Kayaks <u>Non-motorised water sports</u>	Lakefront Reserve, current location <u>(near the end of Pataka Road)</u>	Kayaks, and/or canoes, <u>SUPs and/or other non-motorised water sports</u>
4. Refreshment	Lakefront Reserve, southeastern end, within parking area adjacent to the power box	Sales of non-alcoholic beverages and/or food
5. Ice cream	Lakefront Reserve, within parking area in close proximity to concession site 4 <u>opposite 128 Lake Terrace</u>	Ice cream sales
6. Refreshment	Wharewaka Point and Acacia Bay	Sales of non-alcoholic beverages and/or food
7. Arts	Colonel Roberts Reserve (restricted to area adjacent to Ruapehu Street)	Display, demonstration and/or sale of arts and crafts by District residents
8. Recreation activity	Northcroft Reserve	Land based recreation activity (may include two) compatible with other concessions and activities within the lakeshore reserves and Tongariro Domain

See figure 3 on page 63 for the concession site location plan.

ATTACHMENT 2

STRIKE THROUGH / UNDERLINE VERSION OF TAPUAEHARURU BAY LAKESHORE RESERVES MANAGEMENT PLAN ACCEPTING A LIMITED DEVELOPMENT APPROACH

1. LICENSES – PAGE 32 TO 33

Site C: Golf site, Lake Terrace (diagonally opposite Northcroft Reserve). ~~CThe current licence holder, The Original Floating Hole in One Challenge is Taupo Moana Group Holdings Ltd (trading as the Great Lake Hole in One Challenge). This comprises six permanent tee areas fenced for safety and security purposes. The aim of this activity is to sink golf balls in the holes located on a pontoon in the lake. During operation a bus is parked on site for an office, equipment storage and shelter. Operation is year round and would benefit from an upgrade and improved weather-proofing for both customers and staff. The licensee has submitted a proposal to Council for development of the site that would include permanent buildings for ticketing, refreshments, toilets, shelter and information purposes. The Licensee intends to revitalise the current offering and develop the site and business model so that Hole in One becomes a venue not only for the business activity but for the greater Taupo Community. The vision of the Licensee is to redevelop the site and provide greater public amenity that not only caters to the Hole in One clientele but also provides a place for the general public to stop, relax and refresh themselves whilst enjoying the lakefront setting that the reserve offers.~~

A licence term of five years is considered reasonable to allow the operations to become established and ascertain their viability, while providing a time frame that allows the sites to be reviewed regularly to ensure user interests are being met and any impacts are minimal.

To reflect the status of the Great Lake Hole in One Challenge as an established attraction ~~and to allow further development of the site, a lease for a term of up to 33 years is considered more appropriate than the current licence~~ and the investment in infrastructure, it is appropriate to grant a licence concession for a longer term.

2. LEASES AND LICENSES – PAGE 50

Policies

a) Allow leases to the Lake Taupo Yacht Club, Taupo Mini Golf and Lake Taupo Sea Scouts to continue, at Council's discretion.

b) Allow, subject to the relevant consents outside of this management plan being obtained, the Lake Taupo Yacht Club to extend the storage facility by up to 50 per cent, ensuring the exterior design complements the landscape and existing club building and that landscaping is undertaken to integrate the facility with the surrounding environment.

~~c) Change the Two Mile Bay Sailing and Watersports Centre's tenure to a lease and allow a café to be operated. Ensure that the occupation of part of Lake Terrace by the outdoor seating area of the Two Mile Bay Sailing and Watersports Centre does not impact on use of the Lakefront shared use path and is formalised with an encroachment licence.~~

~~ed) Change the Hole in One Golf tenure from a licence to a lease and allow for the following activities within the lease area (subject to resource consent and engineering design):~~

- ~~Hole in One golf activity~~
- ~~Construction of a lightweight open sided visually permeable shelter over the existing tee area to provide basic shelter to customers. The structure must be of materials and design approved by Council that minimise the visual impact of the structure on the reserve and on views of the lake and mountains from Lake Terrace.~~
- ~~Construction of a small kiosk for storage, and sales associated with the Hole in One Golf activity and refreshments but without an indoor dining area. The kiosk must be of materials and design approved by Council that minimise the visual impact of the building~~

on the reserve and on views of the lake and mountains from Lake Terrace. The kiosk may incorporate a single all-gender accessible toilet cubicle for use by customers as well as staff.

- Construction of a viewing area to enable spectators and customers to safely wait without affecting passing cycle and pedestrian traffic. Seating may be provided within the viewing area provided it has minimal visual impact.
- Stabilisation of the bank and foreshore.
- Sale of non-alcoholic refreshments.
- Public access to viewing areas and adjacent reserve area.
- Minimisation of the adverse effects of golf balls on the environment and public use of adjacent reserve and foreshore areas.
- Cultural interpretation
- Construction of an appropriate low profile ticketing kiosk, café and sales area, viewing decks and tees, toilet building and shelter for users and spectators of a design to be approved by Council.
- Future stages of development may include function and events space, educational and visitors centre, accessible waterfront access, floating dock and on-water provider storage and operational hub.

e) Apply charges in accordance with Council's fees and charges policies or as appropriate for the particular activity.

f) Generally prohibit new leases and licences on the reserves, except for existing activities and those provided for in this management plan.

g) Allow only Council approved structures within leased and licensed sites.

h) Consider the provision of future water-based activities within the Lake Taupo Yacht Club and Lake Taupo Sea Scouts sites.

Key Actions

- Monitor leases and licenses to ensure that conditions are adhered to and to protect the reserves' values and other uses.
- Negotiate lease agreements with the Two Mile Bay Sailing and Watersports Centre and with Taupo Mini Golf. *Note: reference to the two Mile Bay Sailing and Watersports Centre Lease is to be removed as the lease area is located on the bed of Lake Taupō and as such no longer falls within the scope of this management plan.*
- Negotiate a lease agreement with Hole in One Golf for a maximum of 33 15 years.

3. COMMERCIAL ACTIVITY – PAGE 51 TO 52

The lakeshore reserves are a popular venue for the siting of commercial activities. They are a high profile area and provide a unique setting. Council must ensure an appropriate balance between commercial recreation opportunities, unstructured public use and environmental protection.

Commercial activities will be permitted within the lakeshore reserves in a controlled manner through the establishment of concession sites providing for specified activities at suitable locations.

Short-term commercial land-based recreation activities will be considered within the lakeshore reserves, subject to specific assessment criteria.

Policies

a) Permit commercial activities for golf (Hole in One), motorised and non-motorised water sports, kayaks, refreshments, ice cream, arts and crafts and other appropriate land-based recreation activities in the reserves through established concession sites.

b) Grant each concession holder a licence for a maximum term of five years, except for the Great Lake Hole in One Challenge which will be offered a concession for a term of up to 33 15 years licence for a longer term and contain terms and conditions consistent with Section 54(1)(d) of the Reserves Act, reserve management plan policy and conditions of resource consent.

- c) Ensure that the applicant concessionaire ~~receives and~~ fully complies with any necessary consents in relation to the Resource Management, Building, Health and Safety and Employment Acts and other relevant legislation, as well as the District Plan, and ~~complies with any~~ relevant by-laws.
- d) Review the established concession sites ~~and activities at the end of each licence term to ensure they are suitable after five years from execution.~~
- e) Allow only Council approved structures on established concession sites.
- f) Ensure the terms of any licence provide for unrestricted public access except where there are health and safety issues.
- g) Monitor concessionaire activities to ensure compliance with the conditions of their concessions.
- h) Provide appropriate permits at Council's discretion (subject to Section 53(1)(f)) for short-term commercial land-based recreation activities.
- i) Allow seasonal licences (in addition to the eight established concession sites) for land or water based recreational activities to be granted for up to six months at Council's discretion. *Note: this policy was added as a result of a minor change to the Tapuaeharuru Bay Lakeshore Reserves Management Plan by resolution of Council on 25 October 2011. The management plan was never updated however so this opportunity is being taken to incorporate the adopted policy.*
- j) i) Ensure commercial activities complement other activities within the reserves, protect the environment and have minimal impact on other users' enjoyment.
- j) k) Apply charges in accordance with Council's fees and charges policies or as appropriate for the particular activity.

Key Actions

- Establish eight concession sites:

Concession Site	Location	Concession Site Location Permitted Activities
1. Golf	Lakefront Reserve, current location	Hole in One <u>golf activities including construction and use of low-impact structures for shelter, ticket sales and refreshments.</u>
2. Motorised Water Sports	Lakefront Reserve, adjacent to concession site 1 on the southeastern side	Water-based activities requiring use of a boat or other motorised vessel
3. Kayaks <u>Non-motorised water sports</u>	Lakefront Reserve, current location (<u>near the end of Pataka Road</u>)	Kayaks, <u>and/or canoes, SUPs and/or other non-motorised water sports</u>
4. Refreshment	Lakefront Reserve, southeastern end, within parking area adjacent to the power box	Sales of non-alcoholic beverages and/or food
5. Ice cream	Lakefront Reserve, within parking area in close proximity to concession site 4 <u>opposite 128 Lake Terrace</u>	Ice cream sales
6. Refreshment	Wharewaka Point and Acacia Bay	Sales of non-alcoholic beverages and/or food
7. Arts	Colonel Roberts Reserve (restricted to area adjacent to Ruapehu Street)	Display, demonstration and/or sale of arts and crafts by District residents
8. Recreation activity	Northcroft Reserve	Land based recreation activity (may

		include two) compatible with other concessions and activities within the lakeshore reserves and Tongariro Domain
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See figure 3 on page 63 for the concession site location plan.

ATTACHMENT 3
REVISED CONCEPT DRAWINGS FROM APPLICANT

CONCEPT 1



2/3

CONCEPT 1



CONCEPT 2



4/5

CONCEPT 2





22 April 2022

John Ridd
General Manager Policy & Strategy | Kaiwhakahaere Whakatakoto Kaupapa me te Mahi Nuka
Taupo District Council

Tena koe John,

RE: TAPUAEHARURU BAY LAKESHORE RESERVES MANAGEMENT PLAN (HOLE IN ONE SITE)

Thank you for the opportunity to attend and speak at the public hearings held on 5 April 2022 in relation to the above.

It was valuable for us to hear from submitters and Councillors, and to better understand the support for our proposal, as well as the concerns expressed, and questions raised.

We are confident that there are a range of design options that can be explored with Council and others to address many of the concerns raised by submitters, while still achieving a high-quality outcome for the site specifically and for the town centre environment more broadly.

We note that many of the concerns expressed by submitters appear to relate to the possible Stage 2 development presented conceptually to Council. Having refined our plans further and in response to this feedback, we propose to seek approval for Stage 1 only. As outlined in the consultation documentation, this would involve:

- Ticket office, café and public toilets
- A public viewing deck with lightweight roof for shelter
- Significant retaining of the bank that drops from the tee area to the foreshore
- Access to the waterfront
- Potential reconfiguration of footpaths and public parking areas
- A food and beverage licence

We have also further refined our concept design to show some initial thinking on design changes in response to submitter feedback. Key proposed changes involve the use of translucent roofing material and a more open-air structure. This revised concept is **attached** for reference and consideration.

We note for completeness that any structure that may be built on the site, should a lease be approved, would still need to secure the appropriate resource consent from the Taupō District Council.

Our concept plans have not been developed to the detail necessary to support a resource consent application. It is through that process that we would move our concepts to detailed design, identify

actual and potential adverse effects associated with the structure and proposed activities on site, and propose methods to avoid, remedy or mitigate those effects.

Lastly, we can also advise that we will be attending a hui with Waipāhīhī Marae Hapū on 30 April to work through matters raised in their submission.

Please contact us for any question or clarifications. We look forward to working with Council on next steps.

Noho ora mai,

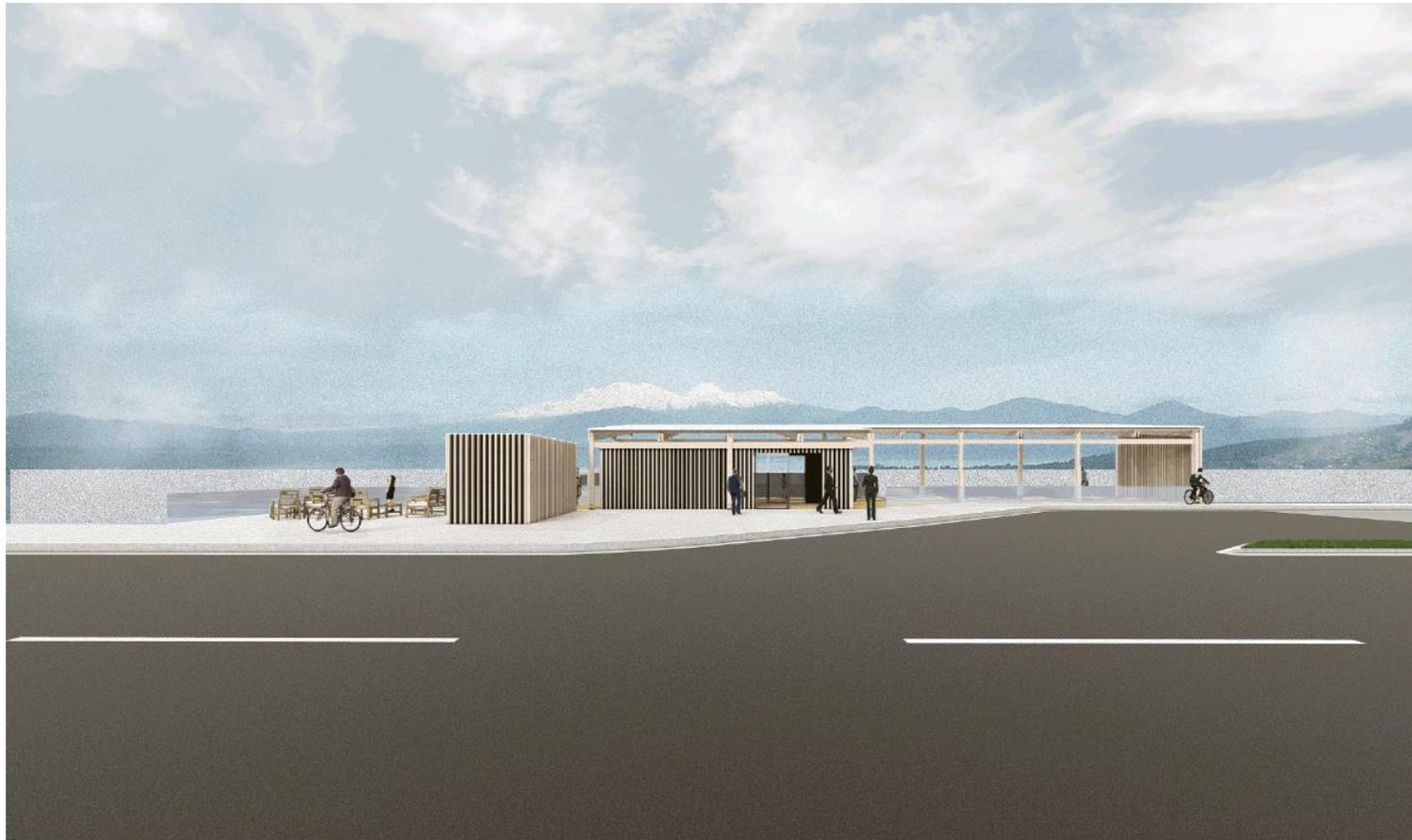


Rakei Taiaroa
General Manager
Taupo Moana Group Holdings Ltd



TUWHARETOA
HOLE IN ONE

CONCEPT 1



2 / 5

CONCEPT 1



CONCEPT 2



4 / 5

CONCEPT 2

