

Licence Fee Review-JI & GJ Morgan-1680 Whangapoua Road, Whangapoua

TO	Mercury Bay Community Board
FROM	Rebecca O'Sullivan - Property Officer
DATE	13 August 2018
SUBJECT	Licence Fee Review - JI & GJ Morgan - 1680 Whangapoua Road, Whangapoua

1 Purpose of Report

For consideration to recommend to Council to approve a licence fee review for the licence to occupy (Licence) between the Thames-Coromandel District Council and J I Morgan and G J Morgan (Morgans) for the non-exclusive use of part of the local purpose (esplanade) reserve (Reserve) located at 1680 Whangapoua Road, Whangapoua.

2 Background

Retrospective Resource Consent was granted 28 July 2008 for three jetties that are constructed over part of the Reserve. As part of the affected person's consultation the Community Facilities Manger requested and the jetty owners agree to a Licence. The Licence was necessary to ensure repair and maintenance of the structures and compliance with all statues in the obligation of the Licence holders.

The current Licence with the Morgans (attached A) commenced 1 July 2013 for a term of 10 years with the Licence fee to be reviewed every 5 years in accordance with the following resolution dated 15 May 2013.

That the Thames-Coromandel District Council (Council):

1. *Receives the report*
2. *Approves a new Licence to Occupy to James Ivor and Gail Jeanette Morgan to gain non-exclusive access to their jetty across Lot 6 DPS32335 - 1680 Whangapoua Road - Whangapoua , Local Purpose Reserve (esplanade) for a period not to exceed ten years, in accordance with Section 74(1) (b) (i) and Section 74(4) of the Reserves Act 1977.*
3. *Approves a Licence fee of \$350 plus GST per annum, effective from 1 July 2013.*
4. *Approves a Licence fee review period of every five (5) years.*

3 Issue

The issue is to determine the appropriate fee to be charged for access across the reserve. Recommendation to Council to approve is required.

4 Discussion

The Licence provides the Morgans the legal right to have the jetty constructed on part of the Reserve and access over the reserve. The Morgans have been accessing their jetty across the esplanade reserve for over 30 years.

The Licence formalises the non-exclusive occupation of the Reserve, but more importantly

the Licence is a formal agreement that ensures that any issue with or on the jetty is the responsibility of the Morgans not Council.

The current fee is \$350.00 plus GST per annum and was set after comparison with then current concession fees being charged. Clause 4.2 in the Licence states that the annual Licence Fee payable from each review shall be determined by Council.

In considering the new fee, relevant considerations include the newly revised Thames-Coromandel District Council 2018/19 Schedule of Fees and Charges. Under this review there has been an increase in the fee for "Parks and Reserves. Commercial Operator; operate all year and in one location" from \$511.00 per annum (2017/2018) to \$520.00 per annum (2018/2019). Commercial operators using the Whitianga wharf are being charged this fee in line with the concession policy.

Council Policy

Council Leases and Licences to Occupy Policy 2006 states Council will obtain a registered valuation at the expense of the applicant to determine market rental where required unless it is considered not cost-effective to do so. Where a registered valuation is not suitable, market rental shall be determined by the relevant Community Board on advice from staff.

Instructing a registered valuer to determine the Licence fee would not be cost effective as it would cost more in valuation fees than the proposed new fee. The schedule of fees and charges referred to above is considered adequate in this instance.

Conclusion

The issue before the Board is one of setting a new fee under an existing Licence with JI & GJ Morgan, who access a private jetty by traversing a Council reserve. Having regard to the new reserves concessions fees and charges being charged to Whitianga Wharf operators, a fee of \$520 per annum inclusive of GST would be reasonable.

5 Suggested Resolution(s)

That the Mercury Bay Community Board:

1. Receives the 'Licence Fee Review - JI & GJ Morgan - 1680 Whangapoua Road, Whangapoua' report, dated 13 August 2018.
2. Recommends to Council that the new Licence fee chargeable to JI & GJ Morgan under their Licence to Occupy be set at \$520.00 (inc GST) per annum for the period 1 July 2018 to 30 June 2023.

References-Tabled/Agenda Attachments

Attachment A *Current Licence to Occupy Between Thames- Coromandel District Council and James Ivor Morgan and Gail Jeanette Morgan*

Attachment A

Current Licence to Occupy Between Council and Morgans