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## Minutes of a meeting of the Commercial Subcommittee

**Held in Ruma Mārama, Floor 2A, Civic House, 110 Trafalgar Street, Nelson**

**On Thursday 18 June 2015, commencing at 2.57pm**

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Present: Mr J Murray (Chairperson), Her Worship the Mayor R Reese, Councillors L Acland and G Noonan, and Mr J Peters

In Attendance: Councillors B McGurk and I Barker, Chief Executive (C Hadley), Group Manager Community Services (C Ward), Manager Capital Projects (S Davies), Manager Community Partnerships (S Hermsen), and Administration Adviser (S McLean)

### 1. Apologies

There were no apologies

### 2. Confirmation of Order of Business

There was no change to the order of business.

### 3. Interests

There were no updates to the Interests Register, and no interests with items on the agenda were declared.

### 4. Public Forum

There was no public forum.

### 5. Confirmation of Minutes

#### 5.1 5 May 2015

Document number M1198, agenda pages 6 - 9 refer.

Resolved COM/2015/005

***THAT the minutes of the meeting of the Commercial Subcommittee, held on 5 May 2015, be confirmed as a true and correct record.***

Noonan/Peters

Carried

## 6. Status Report - Commercial Subcommittee - 18 June 2015

Document number R4391, agenda pages 10 - 11 refer.

Resolved COM/2015/006

***THAT the Status Report Commercial Subcommittee 18 June 2015 (R4391) and its attachment (A1368654) be received.***

Noonan / Peters

Carried

## GOVERNANCE

### 7. Stoke Community and Sports Facility, Cafe

Document number R4329, agenda pages 12 - 20 refer.

Manager Capital Projects, Shane Davies, presented the report. Mr Davies clarified that figures quoted did not include fitout of the cafe.

Manager Community Partnerships, Shanine Hermsen, presented a summary of feedback from nearby businesses of a similar nature. She said key questions received had been regarding if the cafe would be licensed and what the further submission process would be.

Ms Hermsen said the majority of businesses were opposed to the cafe due to the potential impact on financial performance and potential loss of jobs, in an already quiet market. She said there was some support for the cafe for the purposes of sports fellowship.

There was discussion on the design of the cafe, and it was clarified that the Subcommittee was being asked to assess whether a commercial activity should occur in a community facility and if a cafe could be viable.

Concern was raised that adding a cafe to the facility at a later date would be much less cost-efficient than including it in the initial design. It was highlighted that a commercial cafe fit out was not linked to Council's core business and ratepayers should not have to fund this.

Concern was raised that without information on return on investment, no guidance could be given from an investment perspective. It was also pointed out that the existing kitchen facilities did not seem adequate for the size of the facility.

A suggestion was made that the additional space could be constructed, but not necessarily fitted out for a cafe unless there was future demand.

In response to a question, Mr Davies confirmed that the Long Term Plan 2015-25 did not include the additional \$330,000 for the cafe space.

There was some support for a cafe at the Stoke Community and Sports Facility as similar concepts such as Millers Acre and Suter Gallery had been done successfully.

The Chairperson suggested speaking to a valuer regarding potential rent for the cafe space.

There was some support for the additional space if it could be used for more than just a cafe.

It was highlighted that direction from Council had been that building should commence by early to mid 2016. It was then pointed out that the risk of delay may be lesser than the risk of a poor commercial decision.

The Chairperson suggested that discussions should take place with commercial real estate agents with knowledge of Stoke.

It was agreed that in principle there was no issue with having a commercial activity in a community facility, the issue was in the detail of this particular facility. It was also agreed there were benefits to a cafe other than just commercial, such as social aspects.

Resolved COM/2015/007

***THAT the report Stoke Community and Sports Facility, Cafe (R4329) and its attachment (A1368398) be received.***

Noonan/Acland

Carried

Resolved COM/2015/008

***THAT the Commercial Subcommittee recommend that data on lease valuation and the likely level of interest from commercial real estate agents be considered by Council in its decision making, noting that without strong financials the Commercial Subcommittee would not recommend the inclusion of a standalone cafe as a commercial venture.***

Her Worship the Mayor/Peters

Carried

## **8. Meeting Dates 2015**

The meeting dates for 2015 were noted. It was pointed out that a meeting on 30 July was not feasible as several Subcommittee members were unavailable.

## 9. Exclusion of the Public

Resolved COM/2015/009

***THAT the public be excluded from the following parts of the proceedings of this meeting.***

***The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:***

Noonan/Acland

Carried

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	<b>Commercial Subcommittee Meeting - Public Excluded - 5 May 2015</b>	Section 48(1)(a)  The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7.	The withholding of the information is necessary: <ul style="list-style-type: none"> <li>Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</li> </ul>

The meeting went into public excluded session at 3.59pm and resumed in public session at 4.04pm.

Please note that as the only business transacted in public excluded was to confirm the minutes, this business has been recorded in the public minutes. In accordance with the Local Government Official Information Meetings Act, no reason for withholding this information from the public exists.

Resolved COM/2015/010

***THAT the minutes of part of the meeting of the Commercial Subcommittee, held with the public excluded on 5 May 2015, be confirmed as a true and correct record.***

Noonan/Peters

Carried

**10. Re-admittance of the Public**

Resolved COM/2015/011

**THAT the public be re-admitted to the meeting.**

Noonan/Acland

Carried

There being no further business the meeting ended at 4.04pm.

Confirmed as a correct record of proceedings:

\_\_\_\_\_ Chairperson \_\_\_\_\_ Date