



AGENDA

Ordinary meeting of the

Commercial Subcommittee

Thursday 10 September 2015

**Commencing at the conclusion of Audit, Risk and Finance
Subcommittee**

Ruma Mārama

Level 2A, Civic House

110 Trafalgar Street, Nelson

Membership: Mr John Murray (Chairperson), Her Worship the Mayor Rachel Reese, Councillors Luke Acland and Gaile Noonan, and Mr John Peters

Guidelines for councillors attending the meeting, who are not members of the Committee, as set out in Standing Orders:

- All councillors, whether or not they are members of the Committee, may attend Committee meetings (SO 2.12.2)
- At the discretion of the Chair, councillors who are not Committee members may speak, or ask questions about a matter.
- Only Committee members may vote on any matter before the Committee (SO 3.14.1)

It is good practice for both Committee members and non-Committee members to declare any interests in items on the agenda. They should withdraw from the table for discussion and voting on any of these items.

1. Apologies

An apology has been received from Mr John Peters.

2. Confirmation of Order of Business**3. Interests**

3.1 Updates to the Interests Register

3.2 Identify any conflicts of interest in the agenda

4. Public Forum**5. Confirmation of Minutes**

5.1 18 June 2015

6 - 10

Document number M1288

Recommendation

THAT the minutes of the meeting of the Commercial Subcommittee, held on 18 June 2015, be confirmed as a true and correct record.

Please note that as the only business transacted in public excluded on 18 June 2015 was to confirm minutes, this business was 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.

5.2 Extraordinary Meeting - 9 July 2015

11 - 12

Document number M1337

Recommendation

THAT the minutes of the extraordinary meeting of the Commercial Subcommittee, held on 9 July 2015, be confirmed as a true and correct record.

6. Status Report - Commercial Subcommittee - 10 September 2015

13 - 14

Document number R4798

Recommendation

THAT the Status Report Commercial Subcommittee 10 September 2015 (R4798) and its attachment (A1417025) be received.

7. Chairperson's Report

PUBLIC EXCLUDED BUSINESS

8. Exclusion of the Public

Recommendation

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:

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	Property Asset Review - 3 Precincts Workshop	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">• Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities
2	Review of the Council Forestry Estate	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of	The withholding of the information is necessary: <ul style="list-style-type: none">• Section 7(2)(h) To enable the local authority to carry out, without prejudice or

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
		information for which good reason exists under section 7	disadvantage, commercial activities

9. Re-admittance of the public

Recommendation

THAT the public be re-admitted to the meeting.

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

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	Commercial Subcommittee Meeting - Public Excluded - 5 May 2015	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">• Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities.

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

Minutes of an extraordinary meeting of the Commercial Subcommittee

Held in the Council Chamber, Civic House, 110 Trafalgar Street, Nelson

On Thursday 9 July 2015, commencing at 10.19am

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

In Attendance: Councillors I Barker, P Matheson, B McGurk, and T Skinner, Chief Executive (C Hadley), Group Manager Community Services (C Ward), Group Manager Corporate Services (N Harrison), Manager Communications (P Shattock), Manager Administration (P Langley), Administration Adviser (S McLean), and Youth Councillors J Lankshear and E Thomas

Attendance: The meeting adjourned from 10.20am to 10.29am.

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. Harvesting of the Dun Mountain Forestry Block

Document number R4536, agenda pages 4 - 5 refer.

Concerns were raised about the timeliness of this matter and why information had not been presented earlier.

The Chief Executive, Clare Hadley, said that advice from the forestry management consultant had resulted in the matter coming to an

extraordinary Commercial Subcommittee meeting for timeliness. She highlighted that the Subcommittee had been recently established and Council officers were adjusting to timeframes around the new decision making process.

Mrs Hadley explained the other commitments that influenced the harvesting decision, largely the construction of the Brook Waimarama Sanctuary Fence in November 2015. She said the harvesting could not have been done earlier due to the Tasman Road upgrade.

Mrs Hadley pointed out that there would be a bigger impact on the community if the harvesting was done over summer, which was the busier time for users of the Dun Mountain Trail.

Mrs Hadley said if the matter was not considered at this meeting then a report would be delayed until the Council meeting in September 2015.

Resolved COM/2015/012

THAT the report *Harvesting of the Dun Mountain Forestry Block (R4536)* be received;

AND THAT the Commercial Subcommittee transfer its delegations regarding forestry to the Governance Committee, in respect of harvesting of the Dun Mountain forestry block.

Acland/Peters

Carried

There being no further business the meeting ended at 10.42am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

**Status Report - Commercial Subcommittee - 10
September 2015**

1. Purpose of Report

- 1.1 To provide an update on the status of actions requested and pending.

2. Recommendation

***THAT the Status Report Commercial
Subcommittee 10 September 2015 (R4798) and
its attachment (A1417025) be received.***

Gayle Brown
Administration Adviser

Attachments

Attachment 1: Status Report - Commercial Subcommittee - September 2015

All Actions				
Status Report - Commercial Subcommittee – 10 September 2015				
MEETING DATE	SUBJECT	MOTION	RESPONSIBLE OFFICER	COMMENTS
05 May 2015	Nelson City Council Forestry Estate Review	<p><u>THAT</u> the report Nelson City Council Forestry Estate Review (R4173) and its attachment (A1345166) be received;</p> <p><u>AND THAT</u> the Nelson City Council forestry estate review proceeds with further information being gathered and a recommendation and possible actions for Nelson City Council forestry activities to be brought to the Commercial Subcommittee by August 2015.</p>	Dean Evans	Report on this matter is on the 10 September 2015 agenda. Complete