



AGENDA

Ordinary meeting of the

Commercial Subcommittee

Thursday 16 November 2017

Commencing at 1.00pm

Council Chamber

Civic House

110 Trafalgar Street, Nelson

Membership: Mr John Murray (Chairperson), Her Worship the Mayor Rachel Reese, Councillors Luke Acland, Ian Barker, and Mel Courtney and Mr John Peters

Guidelines for councillors attending the meeting, who are not members of the Committee, as set out in Standing Order 12.1:

- All councillors, whether or not they are members of the Committee, may attend Committee meetings
- 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

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 room for discussion and voting on any of these items.

1. Apologies

Nil

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 28 September 2017

6 - 8

Document number M2966

Recommendation

That the Commercial Subcommittee

Confirms the minutes of the meeting of the Commercial Subcommittee, held on 28 September 2017, as a true and correct record.

6. Chairperson's Report

7. Progress Update for Haven Precinct Next Steps Project

9 - 15

Document number R8543

Recommendation

That the Commercial Subcommittee

Receives the report Progress Update for Haven Precinct Next Steps Project (R8543) and its attachment (A1851169).

Recommendation to Council

That the Council

Approves the draft communications release for the Haven Precinct Project, outlining the work undertaken to date, next steps and information on the next engagement round; and

Approves the carry forward of \$550,000 capital budget for the Haven Precinct Project from 2017/18 to 2018/19 financial year.

PUBLIC EXCLUDED BUSINESS

8. Exclusion of the Public

Recommendation

That the Commercial Subcommittee

Excludes the public 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	Commercial Subcommittee Meeting - Public Excluded Minutes - 28 September 2017	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">•

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
2	Millers Acre Lease Renewals	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

9. Re-admittance of the public

Recommendation

***That the Commercial Subcommittee
Re-admits the public to the meeting.***

Minutes of a meeting of the Commercial Subcommittee

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

On Thursday 28 September 2017, commencing at 2.57pm

Present: Mr J Murray (Chairperson), Her Worship the Mayor R Reese,
Councillors L Acland, I Barker, M Courtney, and Mr J Peters

In Attendance: Councillors M Rutledge and S Walker, Group Manager
Corporate Services (N Harrison), Group Manager Community
Services (Chris Ward), and Governance Adviser (E-J Ruthven)

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 18 August 2017

Document number M2823, agenda pages 5 - 10 refer.

Resolved COM/2017/043

That the Subcommittee

Confirms the minutes of the meeting of the Commercial Subcommittee, held on 18 August 2017, as a true and correct record.

Peters/Her Worship the Mayor

Carried

6. Chairperson's Report

There was no Chairperson's Report.

7. Exclusion of the Public

Resolved COM/2017/044

That the Subcommittee

Excludes the public 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:

Peters/Barker

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 Minutes - 18 August 2017	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.• Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
			commercial and industrial negotiations).
2	State Advances - RFP analysis	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)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

The meeting went into public excluded session at 3.00pm and resumed in public session at 3.57pm.

8. Re-admittance of the Public

Resolved COM/2017/045

That the Subcommittee

Re-admits the public to the meeting.

Barker/Peters

Carried

There being no further business the meeting ended at 3.57pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

Progress Update for Haven Precinct Next Steps Project

1. Purpose of Report

- 1.1 To update the Commercial subcommittee on the progress of the project, including the formalised timeline for the work programme for 2017/18, carry forward and proposed communications.

2. Recommendation

That the Commercial Subcommittee

Receives the report Progress Update for Haven Precinct Next Steps Project (R8543) and its attachment (A1851169).

Recommendation to Council

That the Council

Approves the draft communications release for the Haven Precinct Project, outlining the work undertaken to date, next steps and information on the next engagement round; and

Approves the carry forward of \$550,000 capital budget for the Haven Precinct Project from 2017/18 to 2018/19 financial year.

3. Background

- 3.1 At the 21 September 2017 Council meeting Council confirmed investigation work and production of a Haven – Opportunity document be undertaken in the 2017/18 financial year utilising part of the operational budget of \$50,000 provided in the adopted Annual Plan.
- 3.2 Work undertaken to date has provided some good draft concepts for the Haven Precinct. Seeking a potential partnering opportunity will mean there could be changes to the draft schemes provided to date. So whilst these are an indication of what could be undertaken in the Haven these will be subject to change.

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- 3.3 For the reasons outlined in section 3.2 physical works to any assets in the Haven, using the allocated capital budget, will be considered once the interest from the developer and investor market has been explored. This will be brought to Council for a decision.

4. Discussion

- 4.1 This report is to update the Commercial Subcommittee on project progress, formalised timeline and the impact on the capital budget for 2017/18.

Investigation into the Haven Precinct strategic assets

4.2 300 Wakefield Quay – Plant and food:

- 4.2.1 The impact of the Foreshore and Seabed Redress Act 2004 and Marine and Coastal Area (Takutai Moana) Act 2011 has been investigated. The reclamation land beneath the main building structures is retained under Nelson City Council ownership but extensions which are outside of the reclamation areas, i.e. cantilever deck and jetty, whilst the structures are owned by NCC, will not be able to be leased as are within the marine and coastal area.
- 4.2.2 Any changes and future use of these structures in the marine and coastal area will be subject to the Marine and Coastal Area (Takutai Moana) Act 2011 rules.
- 4.2.3 A survey to confirm the extent of Council ownership of the land beneath and around the building has been commissioned and will be completed by mid-December 2017.
- 4.2.4 An update investigation of the structural condition of the substructure of the building is underway and will be completed in November and provided to the consultant undertaking the opportunity document.

4.3 Valuations and market information on Reliance and Anchor building:

- 4.3.1 This is included in the brief for the consultant producing the opportunity document.

Procurement for consultant

- 4.4 A procurement process to create a panel of consultants for Land Development Project Coordination Services was completed in early November 2017.
- 4.5 The consultant will be selected from the Land Development Project Coordination Services panel and allocated the work for the preparation of the Haven opportunity document.

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Communications release in December 2017

- 4.6 Council officers have received feedback from the public and stakeholders on their desire to be updated and potentially engaged with on the works completed to date and the next steps.
- 4.7 The draft communications document has been attached to this report (refer to attachment A1851169). It includes selected images from the draft concept design process undertaken in 2016/17, information on the next steps including investigation work to seek developers and investors interest and other information on the continuing project.

Formalised Timeline

- 4.8 The formalised timeline for the work is below;
- 16/11/2017** - Allocate work to undertake the preparation of the Opportunity Document (or otherwise named document) to Land Development Coordination Services Panel consultant;
- 18/12/2017** - Stakeholders and public communications;
- 13/02/2018** - Commercial subcommittee meeting to recommend to Council release to the Public of the Opportunity Document (or otherwise named document) for developer and investor interest to be ascertained;
- 20/02/2018** - Potential engagement around release of documents to developer and investor market
- 20/03/2018** - Council approval sought to release documents to the developer and investor markets to invite interested parties to approach Council;
- 15/05/2018** - Report back to Commercial subcommittee on the developer and investor market interest and commence discussions with interested parties.
- 4.9 Enabling work (for example the demolition of Four Seasons) will need to be approved by the Council once the outcome of the approach to the developer and investor market has been completed.
- 4.10 The capital budget of \$550,000 from 2017/18 is recommended to be carried forward to the 2018/19 financial year. This is to accommodate the timeline to seek developer and investor market interest in the Haven.

5. Options

- 5.1 The initial engagement with iwi, stakeholders and the public was undertaken over a year ago. There are interested parties who do regularly contact council and request an update on the status of the Haven Precinct Development. If there is no communication released as

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part of this year's work package Council could risk criticism around the communications and general engagement on this project.

- 5.2 The recommended option is to provide a media release before Christmas (refer to attachment A1851169). This will outline the work completed last year, the next steps to ascertain developer and investor market interest and likely future community engagement.
- 5.3 The alternative option is to wait until early 2018 and issue a media release just prior to the release of documents to developers and investors. There is a risk this could be perceived as a less open approach, not leaving any time for any public or stakeholder comments to be considered.

6. Conclusion

- 6.1 To maintain the initial good support and traction for this project from iwi, stakeholders and the public some communications are required this year to indicate the project is still progressing.

Martin Brown
Manager Building

Attachments

Attachment 1: [A1851169 Draft Media Release for Haven Precinct Public Update](#)
↓

Important considerations for decision making
1. Fit with Purpose of Local Government Exploring developer interest allows a better understanding of options to develop infrastructure and services at the Haven Precinct in an effective manner.
2. Consistency with Community Outcomes and Council Policy The proposal contributes to the following community outcome: 'Our urban and rural environments are people-friendly, well planned and sustainably managed', and 'Our communities are healthy, safe, inclusive and resilient' The proposal is also consistent with Nelson 2060, Goal Seven states " <i>Our economy thrives and contributes to a vibrant and sustainable Nelson</i> ".
3. Risk There could be minor risk the opportunity proposal (or other named document) is seen as more reporting over actual physical work. Physical work is not going to be possible in 2017/18 Sharing information with the public will develop expectations for the Haven.
4. Financial impact There is financial expenditure required to commence the project and better validate and verify the direction of the Precinct Development project moving forward. The adopted Annual Plan 2017/18 has \$50K Operational Expenditure and \$550K of Capital Expenditure allowed. Approved budget will be carried forward to 2018/19 financial year.
5. Degree of significance and level of engagement This matter is considered of low to medium significance, engagement will be required to update the public and stakeholders of the progress of this project.
6. Inclusion of Māori in the decision making process Maori have not been specifically consulted on this report.
7. Delegations The Commercial Subcommittee has the delegation to make recommendations to Council on matters around strategic governance and direction to ensure the maximisation of Council's property portfolio.

Item 7: Progress Update for Haven Precinct Next Steps Project: Attachment 1

Haven Precinct Update:

Draft Media Release/Our Nelson Article

Over the past year Council has been investigating draft concept options for the Haven Precinct, to turn this area into a destination for locals and visitors alike.

Previously it had been identified that the Vision for the Haven Precinct included:

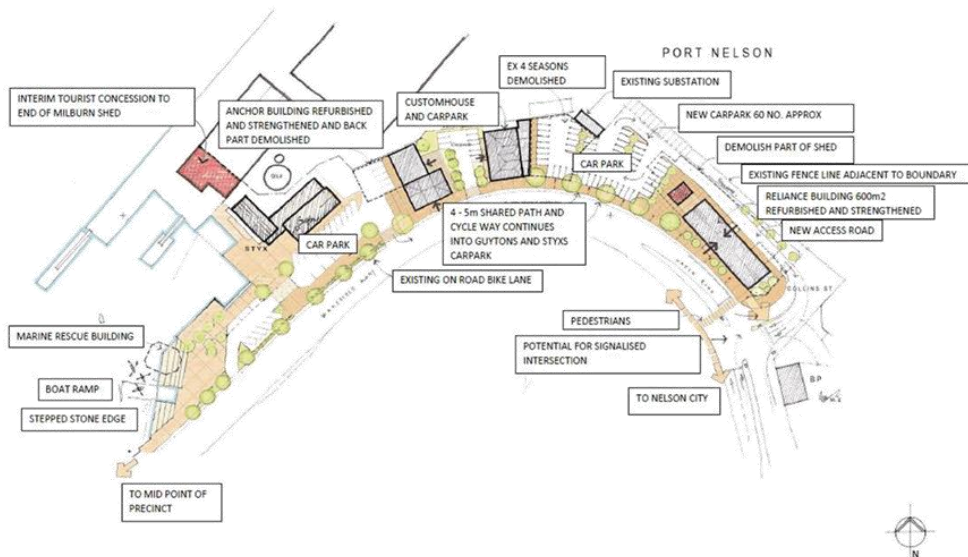
- Safe, engaging and attractive
- Continuous and quality linkages with the Haven Precinct
- Reasons to visit, spend time, support and encourages spaces linked to the coastal environment as a whole
- Port and marine underpinning the character of the precincts seafaring focus

Goals for the area had also been established. It aimed for:

- Public realm within the waterfront space
- Realistic asset retention, reuse and divestment
- Development type – mix of public and private commercial opportunities
- Increased economic and social activity in the area

Following initial engagement with the community, draft concept plans for the Haven Precinct have been prepared. Noting these are only indicative (and subject to change) further investment has been made in the 2017/18 Annual Plan to develop potential partnering opportunities and develop these draft concepts further.

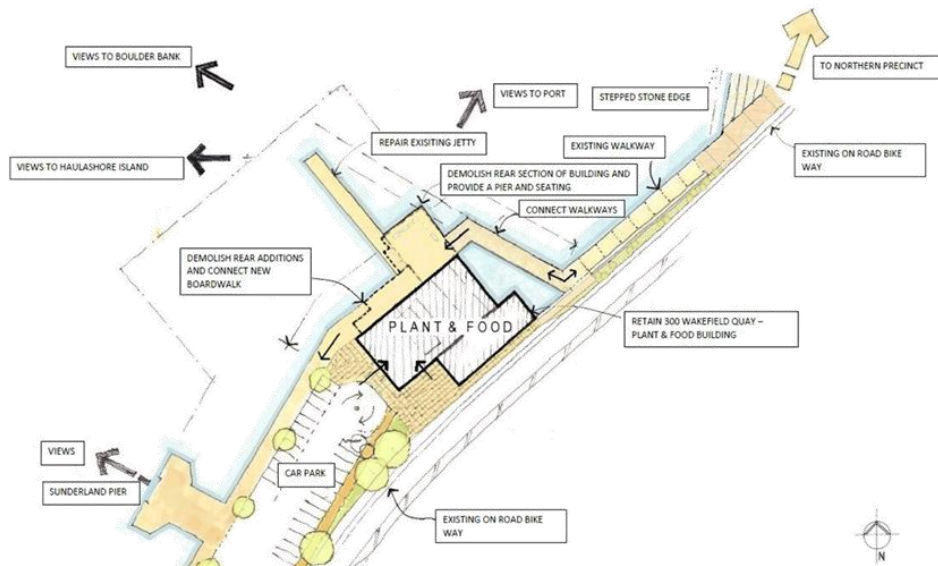
Draft Concept Image 1:



A1851169

Item 7: Progress Update for Haven Precinct Next Steps Project: Attachment 1

Draft Concept Image 2:



The next stage in the process is to investigate whether there is developer and investor interest in the market and potential partnering opportunities with Council to progress the development in this area.

There will be opportunities for the public to provide feedback once more developed design schemes have been formulated. We will let you know in due course when this has occurred.

A1851169