



# AGENDA

**Ordinary meeting of the**

**Commercial Subcommittee**

**Tuesday 13 February 2018  
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 16 November 2017

**6 - 10**

Document number M3136

Recommendation

***That the Commercial Subcommittee***

***Confirms the minutes of the meeting of the Commercial Subcommittee, held on 16 November 2017, as a true and correct record.***

**6. Chairperson's Report**

**7. Verbal update on the status of the further investigation of assets in the Haven Precinct**

At the Commercial Subcommittee meeting on 16 November 2017, this item was left to lie pending further work. The Subcommittee requested this be presented at the meeting on 13 February 2018. Due to further legal work being required, this report will now be completed for the meeting on 15 May 2018, however, a verbal update will be provided at this meeting.

## REPORTS FROM COMMITTEES

### 8. Forestry Advisory Group - 15 November 2017

11 - 14

Document number M3126

Recommendation

***That the Commercial Subcommittee***

***Receives the unconfirmed minutes of a meeting of the Forestry Advisory Group, held on 15 November 2017.***

## PUBLIC EXCLUDED BUSINESS

### 9. 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:***

<b>Item</b>	<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Particular interests protected (where applicable)</b>
<b>1</b>	<b>Commercial Subcommittee Meeting - Public Excluded Minutes - 16 November 2017</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)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</li></ul>

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	<b>Haven Road property</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)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</li> </ul>

## 10. Re-admittance of the public

Recommendation

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



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## Minutes of a meeting of the Commercial Subcommittee

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

**On Thursday 16 November 2017, commencing at 1.00pm**

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

In Attendance: Councillors P Matheson, G Noonan and S Walker, Group Manager Corporate Services (N Harrison), Group Manager Infrastructure (A Louverdis), Manager Building (M Brown), Senior Property Officer (S Mathieson), Team Leader Property (P Hunter), Manager Capital Projects (S Davies) and Governance Adviser (P White)

Apology/ies : Nil

### **1. Apologies**

There were no apologies received.

### **2. Confirmation of Order of Business**

There were no changes 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 28 September 2017

Document number M2966, agenda pages 6 - 8 refer.

Resolved COM/2017/054

***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.***

Peters/Barker

Carried

## **6. Chairperson's Report**

Mr Murray spoke about the inaugural meeting of the Forestry Advisory Group that took place the previous day and gave a verbal update about items covered in that meeting.

Resolved COM/2017/055

***That the Commercial Subcommittee***

***Receives the Chairperson's Report***

Acland/Courtney

Carried

## **7. Progress Update for Haven Precinct Next Steps Project**

Document number R8543, agenda pages 9 - 15 refer.

Manager Building, Martin Brown spoke to his report.

Attendance: Councillor G Noonan joined the meeting at 1.12pm.

There was discussion about the deck and jetty being outside the reclamation area, and the likely implications of that on the development plans.

Members noted that this would be subject to the legal advice that Council had received, and agreed that it was necessary to move into public excluded in order to discuss that advice.

Resolved COM/2017/056

***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)
7	<b>Progress Update for Haven Precinct Next Steps Project</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)(g) Maintain legal professional privilege</li> </ul>

Her Worship the Mayor/Peters Carried

The meeting went into public excluded session at 1.20pm and resumed in public session at 1.50pm.

**Re-admittance of the Public**

Resolved COM/2017/057

***That the Commercial Subcommittee***

***Re-admits the public to the meeting.***

Her Worship the Mayor/Barker Carried

There was discussion about resourcing for the project. Manager Capital Projects, Shane Davies joined the table and agreed that resourcing was challenging and the type of resource needed was quite specialised. Members agreed that consideration should be given to extra resourcing as needed to keep the project moving along.

Resolved COM/2017/058

***That the Commercial Subcommittee***

***Agrees that the item Progress Update for Haven Precinct Next Steps Project should lie on the table pending some further work around the title, easements, leases and adjoining properties; and***

***Requests a report back to the next meeting of the Subcommittee.***

Barker/Peters Carried



Attendance: Mayor Reese left the meeting at 1.56pm and returned at 2.00pm.

**8. Exclusion of the Public**

Resolved COM/2017/059

***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:***

<b>Item</b>	<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Particular interests protected (where applicable)</b>
<b>1</b>	<b>Commercial Subcommittee Meeting - Public Excluded Minutes - 28 September 2017</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> <li>• Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</li> </ul>
<b>2</b>	<b>Millers Acre Lease Renewals</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>

Courtney/Peters

Carried

The meeting went into public excluded session at 1.56pm and resumed in public session at 2.08pm.

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

Resolved COM/2017/060

***That the Commercial Subcommittee***

***Re-admits the public to the meeting.***

Barker/Peters

Carried

There being no further business the meeting ended at 2.08pm.

Confirmed as a correct record of proceedings:

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



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## **Minutes of a meeting of the Forestry Advisory Group**

**Held in the Council Chamber, Floor 2A, Civic House, 110 Trafalgar Street, Nelson**

**On Wednesday 15 November 2017, commencing at 3.00pm**

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Present: Mr J Murray (Chairperson), Her Worship the Mayor R Reese, Group Manager Infrastructure Mr A Louverdis and Specialist Forestry Expert Mr P Gorman

In Attendance: From PF Olsen: Forest Manager and Adviser (David Fincham), Branch Manager (Brendan Horrell) and Environmental Forester (Sally Moore); Owner/Adviser, LandVision (Lachie Grant), Governance Adviser (P White)

Apology/ies : Nil

### **1. Apologies**

Councillor L Acland was not present and no apologies were received.

### **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. Forestry update - Number 2 - November 2017**

Document number R8169, agenda pages 4 - 32 refer.

Brendan Horrell, Branch Manager, PF Olsen, gave a presentation (A1865885) outlining PF Olsen and it's work in Nelson forests.

He then presented the five year harvest plan, noting that this could change dependant on the export and domestic markets, to maximise returns to Council. The Group endorsed this flexible approach. Mr Horrell confirmed that current harvesting had exceeded budgets.

There was discussion about a section of block 29/01 noted in paragraph 4.6 of report R8169. The members acknowledged the ongoing risk of these trees falling, because of steep terrain and close proximity of housing. Regardless of a potential higher cost for removal of these trees, members asked PF Olsen to finalise a plan to remove these trees, to be actioned as soon as possible.

The meeting discussed the Quarterly Report 1 July – 30 September 2017 (A1854925). Mr Horrell tabled more detailed harvesting plans for the Brook, Roding and Matai forests (A1866733).

In regard to contractors undertaking harvesting work, Mr Horrell confirmed that only PF Olsen accredited contractors are considered for harvest work.

Mr Horrell briefed members on Forest Stewardship Council (FSC) Accreditation. PF Olsen was accredited as a forest management company. He outlined the benefits to NCC considering becoming FSC accredited. There would be costs to developing an initial management plan, an annual registration fee, a cost per tonne harvested and an annual audit fee, and a 5 year audit fee. Members supported pursuing FSC certification in principle and approved PF Olsen preparing a management plan.

Mr Lachie Grant, LandVision Land Management Solutions, gave a presentation (A1865414) on possible alternative land use for forestry blocks to be retired once harvested or felled to waste.

There was discussion about Mr Grant's recommendations, but there was uncertainty about how to make a decision on those options. Members discussed potential considerations included economic viability, risk, cost, recreation amenity value, public profile, ecological issues, alternate economic value, land stability, FSC certification issues, fit with draft Nelson Plan and the Nelson Biodiversity forum and potential consultation with stakeholders i.e. recreational user groups.

It was agreed that LandVision would work with PF Olsen and Mr Peter Gorman to make recommendations about future alternate land use of forests to be retired, on a block by block basis. It was also agreed that wider general consultation on alternate use was not required, nor supported, but for more visible blocks the Biodiversity Forum or recreational user groups may be consulted with.

In response to a question Mr Louverdis confirmed that the tracks damaged as part of the recently harvested "Codgers block" would be reinstated from the forestry account. He further noted that Council has appointed the reinstatement contractor after discussion with the Nelson Mountainbike Club (NMTBC), but Council was having issues with reinstatement/betterment and that Council officers were discussing the matter with the NMTBC as per the agreed memorandum of understanding.

Mayor Reese noted her interest in block 28.01.

There was discussion about block 21/05 (Item 4.5) noting this would be felled to waste. The Group also acknowledged and agreed that the blocks listed in item 6.5 would be regenerated to native bush.

Resolved FAG/2017/001

***That the Forestry Advisory Group***

***Receives the report Forestry update - Number 2 - November 2017 (R8169) and its attachments (A1739267, A1849406, A1561381, A1849421, A1856044 and A1854925); and***

***Approves the Five-yearly harvesting management plans as per A1856044 attached to report R8169; and***

***Approves the felling to waste of the remaining Brook block 21/04 at an estimated cost of \$10,000; and***

***Notes that the blocks detailed in item 6.5 of Report R8169 will be regenerated to native bush once harvested or felled; and***

***Approves that Block 29/01 (Brook stand) be harvested/felled to waste, with urgency, to address health and safety concerns, subject to approval of a site specific plan from the Independent Forestry Expert; and***

***Approves, in principle, that Nelson City Council join the Forestry Stewardship Council Accreditation scheme and approves PF Olsen undertaking work to prepare the management plan at an upper estimated cost of \$10,000; and***

***Instructs LandVision to work with PF Olsen and the Independent Forestry Expert, with respect to the blocks to be considered for alternate use, to prepare an individual plan for each block, and report that plan back to the Forestry Advisory Group.***

Her Worship the Mayor/Murray

Carried

**Attachments**

- 1 A1865414 Presentation - LandVision
- 2 A1865885 Presentation - Harvesting Plans
- 3 A1865888 Presentation - Forestry Stewardship
- 4 A1866733 Harvesting Plans for Brook, Roding and Maitai Forests

There being no further business the meeting ended at 5.12pm..

Confirmed as a correct record of proceedings:

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