
MINUTES
of the
FULL COUNCIL MEETING
held
10.00am, Thursday, 29 August 2019
at
Tasman Council Chamber, 189 Queen Street, Richmond

Present: Mayor R Kempthorne, Councillors T King, S Bryant, P Canton, M Greening, K Maling, D Wensley, D McNamara, A Turley, S Brown, D Ogilvie, T Tuffnell, P Sangster

In Attendance: Chief Executive (J Dowding), Executive Assistant (S Hutchinson), Corporate Services Manager (M Drummond), Strategic Policy Manager (S Flood)

Part Attendance: Engineering Services Manager (R Kirby)

1 OPENING, WELCOME

2 APOLOGIES AND LEAVE OF ABSENCE

Cr P Canton for lateness. Cr P Hawkes was absent.

Moved Cr Turley/Cr Maling
CN19-08-12

That apologies be accepted.

CARRIED

3 DECLARATIONS OF INTEREST

Nil

4 LATE ITEMS

Nil

5 PRESENTATIONS

Nil

6 REPORTS

6.1 Port Tarakohe Proposed Development and Draft Business Plan

The Report was taken as read.

The purpose of the report and financial model is to support the case for application to the Provincial Growth Fund (PGF) and to obtain Council's approval to proceed with the application.

Amendments to the resolution provide further clarification in relation to funding and the PGF application process.

No decision has been made in relation to additional car parking space at the site.

The contribution by Industry will need to be recognised and potentially may be a cash contribution. However this will need to be negotiated. It is Council's understanding that a contribution for additional parking will not form part of the negotiations.

The resolution is whether Council approve to proceed with an application to the PGF for funding, and not a decision on the project at this time. The decision on how to proceed will be dependent on the outcome of the PGF decision.

Council's debt levels are currently below projected levels in the Annual Plan and Long Term Plan. If funding is received from PGF it is envisaged that works on the project will need to commence within a two year period. Council are applying to PGF at this point in time for funding as there has been an indication that funds may soon be unavailable as applications to PGF have been oversubscribed. It was noted that Central Government are supportive of port growth throughout New Zealand and local industry.

If funding is not forthcoming from PGF, Council will need to discuss funding for Port Tarakohe in the next Long Term Plan and at future Council meetings.

There is no "zero risk" option for funding for Port Tarakohe. The aquaculture industry has a significant commercial investment in resource consents and marine farming infrastructure. While Council prefer that the Port Tarakohe risks be shared, that is not practicable.

Estimates in the financial modelling are conservative and do not include the entire area which is able to be consented for marine farming. Council anticipate that further modelling will be undertaken, should the funding not be available from PGF. Further modelling will then be required to look at other options for the Port.

The Business Case provides for the cost of professional support that is required to manage the Port. Currently the Asset Value of Port Tarakohe is \$6 million with Council carrying \$4 million of debt. The Asset Value is below the replacement cost. Council's Fees and Charges are reviewed annually.

An Environmental Impact Assessment will form part of the resource consent process. Stantec have indicated that Council should be in a position for the works to be consented. The cost of the consent estimated in the Business Case is \$150,000.

Council's Engineering Department have not undertaken investigation in relation to the roading, supporting the Port.

The project works cannot be staged and the timing of the project is reflected in the Business Case. It would be economical for works to continue once started on site, where heavy machinery etc. is involved to keep the costs to a minimum.

Further development of Port Tarakohe will result in future employment and money going back in

to the local community.

By applying to the PGF for funding, Council are giving a strong indication that the project will proceed. If funding is approved from PGF, then the next steps would be for Council to enter into discussions with the industry.

Concerns raised during the submissions have been included in the report. Council provided a copy of the Business Case to the industry and received feedback. The Community showed support for the project and any concerns were seen as practical and have been addressed by Council. The Port Tarakohe Project will be a part of Council standalone activity and the Port is part of the commercial portfolio with commercial outcomes being moderated by community's aspirations and benefit. The Project will be governed by Council and the Leadership Team. Engineering Department will engage with external parties as required.

Staff have made a commitment to the Steering Group to provide feedback on the PGF application. A copy of the PGF application and full financial model will be presented to the group with an opportunity for discussion.

Cr Greening foreshadowed a motion, seconded by Cr McNamara.

Break for morning tea at 10.46am

Resumed meeting at 11.00am and Cr Canton was present.

Mayor spoke as his right of reply and discussed how the Central Government's Four Wellbeings align with the Port Tarakohe project.

**Moved Mayor Kempthorne/Cr Sangster
CN19-08-13**

That the Full Council

- 1. receives the Port Tarakohe Proposed Development and Draft Business Plan Report RCN19-08-14; and**
- 2. notes the recommendations of the Hearing Panel relating to the Port Tarakohe Proposed Development and Draft Business Plan, contained in the minutes of the Deliberation meetings held on 9 August and 19 August 2019; and**
- 3. agrees that following the public consultation process, Council considers that it has a sufficient understanding of the range of community views on Port Tarakohe to enable it to make the decisions on the Proposed Business Case; and**
- 4. agrees to amend the Proposed Business Case as per the Hearing Panel recommendations contained in the minutes of the deliberations meetings; and**
- 5. agrees to adopt the revised financial proposal in this report, including co-funding by Council and Industry, along with proposed increases in the level of user fees and charges; and**
- 6. adopts the overall site plan for development at Port Tarakohe contained in Attachment 1 to this report; and**
- 7. instructs Council staff to make an application to the Government's Provincial Growth Fund (PGF) for \$22.07m as a grant towards the redevelopment of Port Tarakohe; and**

8. **authorises the Chief Executive, Mayor and Deputy Mayor to execute the final application to the PGF on Council's behalf; and**
9. **agrees to loan funding a capital contribution to the project by Council of \$3.36m; and**
10. **agrees to loan funding the operational working capital requirements of the activity up to a maximum of \$2.6m; and**
11. **instructs staff to include a general rate contribution of circa \$25,000 in the Annual Plan 2020/2021 draft budgets to fund the public good activities at the Port, to enable Council to consider that contribution against other priorities for inclusion in the Plan; and**
12. **agrees in principle to the increases in the Port fees and charges noted in the financial modelling; and**
13. **agrees that the approval of the project is dependent on Council receiving in full the requested grant funding from the PGF (or other central Government funding sources); and**
14. **notes that before proceeding with the project beyond the PGF application, a formal agreement between Industry and Council will be required covering Industry's co-investment contribution; and**
15. **notes that Council's approval of the project is conditional on the funding being advanced by way of a grant (as opposed to the funding being advanced by way of a loan); and**
16. **notes that staff will report back to Council when the outcome of the PGF application is known.**

CARRIED

It was recorded that Cr Canton abstained from voting.

7 CONFIDENTIAL SESSION

8 MINUTES

That the minutes of the Deliberations meeting held on 9 August and 19 August 2019, be received as a true and correct record of the meeting.

Moved Cr Brown /Cr Sangster

CARRIED

The meeting concluded at 11.08 am

Date Confirmed:

Chair: