

MINUTES

TITLE: Council's Enterprise Subcommittee
DATE: Wednesday 31 August 2005
TIME: 9.30 am
VENUE: Council Chambers, 189 Queen Street, Richmond
PRESENT: Crs S G Bryant (Chair), N Riley, M J Higgins, J L Inglis, E E Henry
IN ATTENDANCE: Chief Executive (R G Dickinson), Service Centres Manager (R Askew), P Wilks (P F Olsen & Co Ltd), Reserves Manager (B Wilkes), Property Manager (J K Frater), Corporate/Engineering Administrator (V M Gribble)

1 CONFIRMATION OF MINUTES – 20 JULY 2005

Moved Crs Henry/Riley
FN05/08/01

THAT the minutes of the meeting of the Council's Enterprise Subcommittee held on 20 July 2005, containing resolutions numbered FN05/07/06 to FN05/07/19 be received.

CARRIED

2 MOTUEKA AIRPORT

Mr B Askew spoke to his report contained in the agenda. He reported on his meeting with K McNabb, Manager of Nelson Airport and said there will be ongoing liaison with Ms McNabb.

An Airport Users meeting was held on 26 August 2005 and it was agreed future meetings will be held two weeks before the Enterprise Subcommittee meetings to enable any relevant matters to be referred to the Subcommittee. An emergency plan will be developed in consultation with the users. There was a request to determine whether there could be limited flying at the airport on drag racing days. He was to refer this matter to the Chief Executive. The Airport Users have requested a name change to "Airport Tenants". They have indicated that for the next meeting of the Enterprise Subcommittee they would like to have a deputation present.

Cr Higgins asked if there was any possibility of cost recovery from Drag Racing or Community Services for the time the Service Centres Manager was spending on airport issues.

Mr Askew staff administration costs at the moment will be more than anticipated but as time goes on a lower level of administration input will occur.

Cr Henry requested this Subcommittee be notified as soon as it is realised there is insufficient money in the account to cover the Service Centres Manager's time.

Mr Dickinson said in light of the Airport Users request that we review the concurrent use issue, it be agended for the next meeting and the McGregor Risk Report be distributed.

**Moved Crs Henry/Riley
FN05/08/02**

**THAT the Motueka Aerodrome Manager's report for August 2005 be received.
CARRIED**

3 FORESTRY

3.1 Annual Report for year ended 30 June 2005

Mr P Wilks, P F Olsen & Co Ltd and Reserves Manager, Mrs B Wilkes, were present for discussion on the Forestry matters.

Mr Wilks spoke to the Forestry Annual Report for the year ended 30 June 2005.

Cr Higgins queried whether the fire ponds really needed lining. He suggested digging the ponds and trialling them for a year without a liner.

Mr Wilks said it depended on soil type and that in some locations linings are needed.

Cr Inglis said it is imperative that the ponds are dug sooner rather than later as a very dry summer is predicted.

Cr Higgins said the Tunnickliff Forest grows good density wood and suggested it should be left unpruned.

Mr Wilks said it has been Council policy to prune most forest blocks. Tunnickliff is a fertile forest and high yields are obtained. There is a two year pruning and thinning programme which has started, but it is not too late to stop it. He said we have dropped back from a three prune programme to two prunings. The dollar return between pruned and unpruned log levels has stayed about the same.

Mr Wilks noted it has been a difficult year with weak export log demand and downward pressure on domestic prices.

Mr Dickinson said Olsen's staff have done a great job in controlling costs and budgets during the year.

**Moved Crs Inglis/Higgins
FN05/08/03**

**THAT the Forestry Annual Report for the year ended 30 June 2005 be received.
CARRIED**

Cr Higgins said Council may need to review its reporting structure and some information may be needed to be kept confidential.

Cr Henry said the forests are publicly owned and she considers the public is entitled to know how their assets are performing. She said in future discussion on the annual report should be confidential.

Mr Dickinson said an article could be prepared on the forestry annual report for inclusion in Newline – The Mag.

3.2 Paintball Proposal

The agenda contained a letter from Nelson Paintball Association requesting an area on Rabbit Island for the association to use on a longer more permanent basis as club grounds.

Mrs Wilkes said groups that use Rabbit Island do not pay a rental, but a licence to occupy with some rules put in place could be required. The group recently had a promotion at the A & P showgrounds.

Cr Henry said if the forestry consultant has concerns about Rabbit Island being used we should take note of that. If an area at Rough Island is available it should be referred to Community Services.

Cr Higgins was concerned about the fire risk, especially as a lot of the people who play the game are teenagers.

Mr Wilks said there is quite a bit of land on the Appleby River berms and suggested that would be a good area to develop, as it has a lot of vegetation that could be suitable.

**Moved Crs Riley/Henry
FN05/08/04**

**THAT the Nelson Paintball Association request for an area of land for their activities be referred to the Community Services Committee to investigate the feasibility on reserve (not commercial forestry) land.
CARRIED**

3.3 Forest Valuation

Mr Wilks spoke to the forest valuation. The forest values dropped by close to \$1m from \$14.4 million in 2004 to \$13.4 million this year. The land value was \$9.4 million.

**Moved Crs Higgins/Henry
FN05/08/05**

**THAT the annual forest valuation be received.
CARRIED**

Cr Higgins tabled a copy of the 16 August 2005 Newsletter from Kyoto Forestry Association Newsletter.

Mr Wilks and Mrs Wilkes left the meeting.

4 PORT TARAKOHE MATTERS

4.1 Harbour Manager's Contract

Corporate Services Manager, Mr D Ward, was present for discussion on the Port Tarakohe matters.

Mr Ward said negotiations with the Harbour Manager for a contract for a further period of time were being undertaken. It is anticipated that negotiations will be concluded prior to the end of September 2005.

4.2 Talley's Fisheries Ltd, Chiller Proposal

Mr Ward said the matter was referred to a meeting of the Port Users Group. The advice of the Group is that the request from Talley's Fisheries Ltd to construct a chiller adjacent to their current site be declined, with the suggestion that the Company be encouraged to construct a chiller facility on the land that they own over the road from the Port.

Cr Riley said discussions also based around the fact that we have limited room at the wharf for storage and could possibly end up with safety problems, not only for the port users, but also the public.

**Moved Crs Henry/Riley
FN05/08/06**

THAT the Enterprise Subcommittee accept the Port Users advice and decline the application from Talleys to construct a chiller adjacent to the wharf at Port Tarakohe and suggest the company pursue construction of a chiller on their own land across the road from the port.

CARRIED

4.3 Rock Overhang

Mr Dickinson informed the Subcommittee about the rock overhang on the road where trucks can't get through and therefore drive on the wharf. The rock has been dug out quite extensively in the past to create the current height and the problem with trucks driving through the port operational area is safety and dust and they make it difficult for allocated storage. Council undertook to find out what could be done. If we were to increase the height it probably needs a resource consent.

Staff are doing a feasibility study, looking at two options, raising the roof, or lowering the floor. If the option to lower the floor was preferred, it would need to be assessed as to how much rock in the floor needs digging out. There may be a difficulty in getting stormwater away. If it was best to raise the roof it would be done by a rock pick. Mr Ashworth is about to tender the Ligar Bay road reconstruction contract and as an add-on to that contract he has put in the rock picking job which would give Council a firm price. Council would probably get a better price for the combined work, than a stand alone project.

Mr Dickinson said in addressing the problem, Council is trying to address a port operational problem. He suggested the Golden Bay Community Board be given a briefing on the matter.

Cr Riley said the fuel station is in a situation where it is unsafe. He agreed there should be a speed limit of 10 kph on the wharf.

**Moved Crs Higgins/Inglis
FN05/08/07**

**THAT Council staff be requested to erect 10 kph speed limit signs on Port Tarakohe Wharf.
CARRIED**

**Moved Crs Henry/Inglis
FN05/08/08**

**THAT the report on Port Tarakohe be received.
CARRIED**

5 RESOLUTION TO EXCLUDE THE PUBLIC

**Moved Higgins/Henry
FN05/08/09**

**THAT the public be excluded from the following part of the proceedings of this meeting, namely:
Port Tarakohe
Motueka Aerodrome**

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

Subject	Reasons	Grounds
Port Tarakohe	Mussel Charges	To enable the Subcommittee to carry on, without prejudice or disadvantage, commercial negotiations
Motueka Aerodrome	Objectives	To enable the Subcommittee to carry on, without prejudice or disadvantage, commercial negotiations

CARRIED

(Refer to Confidential Minute Book resolutions numbered FN05/08/10 to FN05/08/13).

**Moved Crs Riley/Henry
FN05/08/14**

**THAT public meeting be resumed and the business transacted while the public was excluded be adopted in open meeting.
CARRIED**

6 PROPERTY MANAGER'S REPORT

6.1 Building Update

Mr Frater was in attendance and spoke to his report which was contained in the agenda.

Planning is underway for the fit out and meetings have already commenced with management teams to discuss the partitioning, furniture, furnishings and fittings. He noted that when work commences on the old building there could be additional costs for strengthening, which could not be foreseen until the walls are opened up.

Cr Bryant noted that \$80,000 contingency on a \$3 million project is very light.

Mr Dickinson said Council approved a \$3.5 million project and after the principal contractors have given their price the contingency sum was reduced. The other area where costs can be controlled is in the optional fit out.

Cr Henry said in future the contingency in projects should be made quite clear to Council.

Mr Frater said the building cost is on target and he believed the \$250,000 budget for internal partitions, furniture and fittings would be sufficient.

Cr Riley was disappointed that the architect had under-estimated some ventilation provisions.

6.2 Other Capital Projects

6.2.1 New Takaka Library

\$500,000 has been allocated for a new library in Takaka and planning for this has been put on hold pending the outcome of discussions with arts and cultural groups in the Golden Bay area. If Community Services Committee gives the go ahead to commence the design work for a new library at its September 2005 meeting, construction could be ready to commence around the middle of 2006.

Cr Riley said the Golden Bay Community Board have agreed that the library should proceed, without arts and cultural groups being part of it.

6.2.2 District Library, Richmond

Mr Frater said there is \$500,000 in the budget to extend the District Library premises after the Environment and Planning Department vacate the premises in mid-2006. Mr Frater said he had been approached by a business wanting to lease the upstairs area. He intended to do a total design encompassing the perceived needs of the library for the next 10 – 15 years and to stage the development. By leasing part of the library building the costs incurred with the capital development could be funded from rent. He expected that consultation and design would be undertaken in the 2005/2006 year.

Mr Frater said it is proposed that the tenant be upstairs and a lift will be installed. The plan is to take a small area of road frontage from the library for the tenant. There are staffing issues with the library going upstairs and also a potential floor loading issue.

Cr Henry considered it important that the library retain at least 50% of its Queen Street frontage.

6.3 Proposed Property Sales

6.3.1 Pakawau Property

A two section proposal has been lodged for Council land at Pakawau. Assuming that approval is received, it is intended to commence work immediately with the intention of selling at least one of the sections before 30 June 2006.

6.3.2 Ranzau Road

This was formerly part of the Hope Recreation Reserve and the proceeds will go to Reserve DILs. The property is now ready to be sold and will be put to tender with a real estate agent.

Cr Inglis suggested putting the relocatable building in the car park onto the property and then selling it.

6.3.3 186 Commercial Street, Takaka

The property was bought several years ago and the rear portion subdivided as a boundary adjustment with the Medical Centre property. The Golden Bay Community Board has previously indicated that the property should be retained for future pensioner housing but it is separated from the existing cottages by another property.

Cr Riley suggested providing a report to the Golden Bay Community Board stating that the property is not needed for pensioner housing or the Medical Centre. He suggested putting a report on the demand for pensioner housing with the consultation documents.

**Moved Crs Higgins/Inglis
FN05/08/15**

**THAT the proposal to sell 186 Commercial Street be subject to consultation with the Golden Bay Community.
CARRIED**

6.3.4 Headingly Lane

Council purchased the property in Headingly Lane earlier this year to provide for the widening of Borck's Creek. It is possible that the Community Services may have an interest in part of the property where it joins the estuary for reserve purposes. However, the substantial house and the balance of the land should be available for resale if required later in the year.

Mr Dickinson said the property was bought to get the drainage reserve and that should be surveyed off and the property sold.

Mr Frater said there is a stopbank along the bottom which hasn't been maintained. If a 20 metre esplanade was taken whoever owned it would also take responsibility for the stopbank.

Cr Henry asked whether there was a requirement when selling land to provide some sort of reserve. It needs to be looked at carefully in conjunction with Community Services. She considered it foolish to sell the land knowing that it prevents a walkway to be connected.

Cr Inglis suggested subdividing the land into two blocks.

Mr Frater undertook to prepare a report for the next meeting of the Subcommittee. He offered to accompany Councillors on an inspection of the property.

Mr Dickinson said there have been discussions with Community Services who would like to have a reserve there.

Cr Bryant said this Subcommittee is to run the business arm of Council and the property was bought for resale.

Cr Higgins said Community Services Committee have been aware of this property and no proposition was put forward for this property. This property will inevitably be developed because of its capital value and zoning changes, and when it is developed by the new owner, Council will be given the reserve as a subdivision requirement.

**Moved Crs Higgins/Inglis
FN05/08/16**

**THAT the balance of the former Marshall property at Headingly Lane minus the drainage reserve be sold as soon as possible.
CARRIED**

Cr Henry voted against the motion.

6.3.5 Transfer Station, Tapawera

Mr Frater said a request has been received for the surrender of the lease of the Transfer Station at Tapawera. He said engineering has no interest in the Tapawera land.

Cr Bryant was of the view that we should delay selling the property and see if someone approaches Council to run it as a transfer station.

Mr Dickinson said Council gets criticised for having an under utilised property portfolio and if engineering doesn't want it, it should be sold.

Mr Frater said Council is required to go through a consultation process, including public notification, putting a notice on the property and then report back to the next meeting. Submissions would need to be heard by a Council Committee.

**Moved Crs Higgins/Riley
FN05/08/17**

**THAT the Manager Property report dated 24 August 2005 be received.
CARRIED**

The meeting concluded at 3.20 pm.

Chairman:

Date: