

MINUTES

TITLE: Council Enterprises Subcommittee
DATE: Wednesday 13 December 2006
TIME: 10.00 am
VENUE: Tasman Council Chambers, 189 Queen Street, Richmond
PRESENT: Crs S G Bryant (Chair), J L Inglis, M J Higgins, N Riley,
IN ATTENDANCE: Crs S J Borlase, E M O'Regan, Chief Executive (R G Dickinson), Corporate Services Manager (D G Ward), Service Centres Manager (B Askew), Port Tarakohe Manager (A Kilgour), Minute Secretary (V M Gribble)

1 CONFIRMATION OF MINUTES

1.1 Council Enterprises Subcommittee, 2 November 2006

Moved Crs Riley/Henry
FN06/12/05

THAT the minutes of the Council Enterprises Subcommittee held on 2 November 2006, containing resolutions FN06/11/01 to FN06/11/10 be confirmed as a true and complete record of the proceedings of that meeting.
CARRIED

2. PORT TARAKOHE – DECEMBER 2006

The Port Tarakohe Administration Manager, Mr B Askew, spoke to his report which was contained in the agenda.

2.1 Water and Stormwater Issues

There has been some significant headway on these issues since the last Subcommittee meeting.

2.2 Financial Report

The annual mussel levy invoices are scheduled to be issued in December 2006.

Mr Askew said there is an expectation of an additional \$30,000 which is largely unbudgeted income, but on the expenditure side there are still problems with didymum, undaria and issues in relation to repair work and maintenance to be done at the port.

Mr Ward said in terms of financials, there are no concerns meeting income. The challenge is for the Port Users Group to consider operational aspects that will drive the cost up.

**Moved Crs Inglis/Henry
FN06/12/06**

**THAT the Port Tarakohe Report be received.
CARRIED**

3. MOTUEKA AERODROME REPORT OCTOBER 2006

Mr Askew tabled a copy of the draft Motueka Aerodrome development plan.

Cr Riley questioned whether it was economical to have a security camera at the airport.

Mr Askew said most of income is from tenants who pay bulk rates. He will table some estimated figures of slippage after some research has been undertaken. When we had the fuel facility the agreement with Shell was that we would not increase fees for two years. Negotiations are being undertaken with Shell on the surcharge and also to be able to put the fees up.

Mr Dickinson said leases for hangars have a rent review clause in them.

Cr Inglis said he has had complaints about the siting of the new hangar.

Mr Askew said the setbacks are more than what Civil Aviation require. Other airports have hangars closer to the runways.

**Moved Crs Inglis/Riley
FN06/12/07**

**THAT the Motueka Aerodrome Report, October 2006 be received.
CARRIED**

4. PROPERTY MANAGER'S REPORT

4.1 Main Office Development Project

Discussions are still being held with the contractor regarding the final payment specifically relating to claims for the supposed under-measurement of certain items in the schedule of quantities.

Mr Ward said we can't overlook the fact that the budget was \$3.8 million and the project has been completed \$176,923.97 under budget. That includes not only the building, but also the fit-out and all consent costs.

4.2 Port Mapua Land

The consultant's brief for the development and disposal of the contaminated site at Mapua is being developed at present.

Mr Frater said he had received comments back from Mr Bush-King concerning the brief. He asked for comments from the Subcommittee to be referred back to him.

Cr O'Regan said we need to be clear as to where we are at at Mapua right now, what agreements are in place and when the likely sign off and availability of the site takes place. If this is going to be investigated further at this stage all the relevant information needs to be available. In the longer term, it needs to be considered whether Council sells that land or leases it. It could be in the interests of the ratepayers to look at long term commercial lease of the land. He urged caution at this stage.

Mr Frater said it is a brief that shows the steps that need to be undertaken for the land to be developed. In 2001 Council said it would offer the site or parts thereof for sale.

Cr Higgins said local Ward Councillors are being lobbied extensively about options for the site from the community and most of it involves less cash income to Council and more of a wish list. An option from the Kobus Mensk report was adopted by the community.

Mr Dickinson said the Kobus Mensk report has been received by Council. There is a clear obligation on Council in the final proposal to have up to 40% public open space, including roads and car parks. The debate is about where that 40% public open space is in relation to the coastline. There is commercial significance on where it is put.

Cr Higgins said early in the process of agreement there was a strong lobby to contour the land to shape it down to the sea.

Mr Frater said in February 2006 a report will be presented back to the Enterprises Subcommittee.

4.3 Libraries

A report is going to the Council meeting tomorrow recommending acceptance of a design/build option for the Takaka Library.

4.4 Headingly Lane Property

Mr Frater said the land is proposed in the latest rezoning to have a mixture of open space and commercial. He asked the Subcommittee to give consideration to retaining this property in the meantime.

Cr O'Regan said Council spent \$750,000 buying the property on the understanding it would be purchased, subdivided to widen the drain and then recover as much as we could from selling the property. He is concerned with the draft rezoning document as it impinges heavily on this property.

Cr O'Regan said the current zoning prevails. The proposed zoning has not been notified yet, but would be disclosed to any potential purchaser and it may have an effect on the price received.

Mr Dickinson said taking on board general comments made, he agreed the best way to handle the matter is to put it on the market and sell it.

**Moved Crs Higgins/Inglis
FN06/12/08**

**THAT the Enterprises Subcommittee confirms Council's wish to sell the property at Headingly Lane on completion of the drainage works.
CARRIED**

Cr Higgins asked the Property Manager to report back to the Subcommittee on the boundary issue between Council and Martins car park at Wakefield.

**Moved Crs Higgins/Riley
FN06/12/09**

**THAT the Property Manager report back to the Enterprises Subcommittee on the boundary issue between Council and Martin's car park at Wakefield.
CARRIED**

**Moved Crs Henry/Inglis
FN06/12/10**

**THAT the Property Manager's report be received.
CARRIED**

5. FORESTRY

5.1 Quarterly Report

D Fincham (P F Olsen & Co Ltd) and Reserves Manager, B Wilkes, were in attendance for discussion on this item.

Mr Fincham spoke to the Quarterly Report 1 July to 30 September 2006, contained in the agenda.

**Moved Crs Inglis/Riley
FN06/12/11**

**THAT the Forestry Quarterly Report for 1 July to 30 September 2006 be received.
CARRIED**

5.2 Harvesting Report

Mr Fincham spoke to the Harvesting Report 1 July to 30 September 2006.

Export log prices have continued to rise and some prices are now almost as good as for the domestic pruned market. There has been increasing demand for good, high density logs for the LVL plant.

**Moved Crs Inglis/Higgins
FN06/12/12**

**THAT the Harvesting Report for 1 July to 30 September 2006 be received.
CARRIED**

5.3 Permanent Forest Sink Initiative

Mr Dickinson spoke to the report in the agenda from P F Olsen & Co Ltd and said we asked for this report because it has just been announced by central government.

The initiative is intended to provide an opportunity for landowners to establish permanent forest sinks and obtain tradable Kyoto protocol compliant emission units in proportion to the carbon sequestered in their forests.

**Moved Crs Riley/Inglis
FN06/12/13**

**THAT the Permanent Forest Sink Initiative Report be received.
CARRIED**

6. RESOLUTION TO EXCLUDE THE PUBLIC

**Moved Crs Henry/Riley
FN06/12/14**

THAT the public be excluded from the following part(s) of the proceedings of this meeting.

The general subject of the matter 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 passing this resolution are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
1	Forestry	Good reason to withhold exists under section 7	Section 48(1)(a)
2	Port Tarkohe	Good reason to withhold exists under section 7	Section 48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local

Government Official Information and Meetings Act 1987, and the particular interests protected by Section 6 or 7 of the Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

Item	Reason to withhold information under Section 7	
1	To enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial negotiations	Section 48(1)(a)
2	To enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial negotiations	Section 48(1)(a)

CARRIED

(Refer to Confidential Minute book, resolutions numbered FN06/12/15 to FN06/12/19)

**Moved Crs Inglis/Riley
FN06/12/20**

**THAT public meeting be resumed.
CARRIED**

The meeting concluded at 2.20 pm.

Chair:

Date: