



Public Excluded

Report PE03.445

7 August 2003

File: E/6/3/2

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Record of the Public Excluded Part of the Special Meeting of the Policy, Finance and Strategy Committee held in the Wellington Regional Council Chamber, 142 Wakefield Street, Wellington on Tuesday, 5 August at 11.20am.

Matters for Council Decision are shown in bold type and enclosed in a box.
Matters for Information of Council are in italic type.

Present

Councillors Shields (Chairperson), Aitken, Barr, Buchanan, Evans, Laidlaw, Long, McDavitt, Thomas, Turver, Werry and Yardley

Officers Present

Messrs Allard, Benham, Cutler, Darroch, Dick, Forlong, Harris, Saywell, Schollum, Wright and Drs Hastie and Watson

Public Business

Procedural Items

PEPFS 44 **Apologies**

Resolved

Chairperson/Councillor McDavitt

That the apology from Councillor Kirton be confirmed.

Matters for Consideration

PEPFS 45 Stadium Trust – Appointment of Trustees

Report PE 03.296

File: CFO/27/12/2

Resolved

(Cr Long/Cr Evans)

That the report be received and the contents noted.

Resolved to Recommend to Council

(Cr Long/Cr Evans)

That Council:

- (1) note that the current Stadium Trust Board is operating effectively.**
- (2) note that three of the current Trustees' terms expire on 30 September 2003, having been extended on a short term basis from 30 June 2003.**
- (3) re-appoint, in conjunction with the Wellington City Council,**
 - (a) Dame Margaret Bazley as a Trustee for a term of a further two years (inclusive of the short term extension to 30 September 2003), expiring 30 June 2005.**
 - (b) Paul Collins as a Trustee and chairman for a term of a further three years (inclusive of the short term extension to 30 September 2003), expiring 30 June 2006.**
 - (c) John Hunn as a Trustee for a term of a further three years (inclusive of the short term extension to 30 September 2003), expiring 30 June 2006.**
- (4) note that, in conjunction with the Wellington City Council, a search for an additional Trustee will be commenced and if a suitable candidate is found approval of the Policy, Finance and Strategy Committee and Council will be sought prior to any appointment being made.**

PEPFS 46 CentrePort Property Matters

Report PE 03.439

File: CFO/21/3/1

Resolved

(Cr Turver/Cr Barr)

That the report be received and the contents noted.

Moved

(Cr Turver/Cr Barr)

That the recommendations in PE03.439 be endorsed.

At 11.35am the following were invited to join the meeting:

- John Sproat and Hannah Kafedzie, Chapman Tripp
- Messrs Gould, Hyde and Setter, CentrePort
- Mr Wattie, PricewaterhouseCoopers

The following matters were discussed with the Chairman of CentrePort Mr Gould, with Mr Sproat assisting to clarify one matter in relation to control over Port land.

- Treaty issues
- Impact on Port operations of property development plans
- Matters raised in the peer review reports eg. the report from O'Brien Property Consultancy
- Funding issues (nature of funding to be sought and security to be offered)
- Shareholder control over Port land

Mr Gould provided responses to Councillors' questions posed in relation to the above issues.

At 12.05pm the Chairperson thanked the group for clarifying the above issues and requested they now leave the meeting.

Amendment

(Cr Aitken/Cr Werry)

That the following words be added as an extra bullet point to recommendation (9) of Report PE03.439:

*Any and all matters relating to any Maori and/or iwi interest in the land under consideration being fully compliant with the law. **CARRIED***

The motion as amended was then put and **CARRIED**.

The recommendations to Council are as follows:

Resolved to Recommend to Council

That Council:

- (1) receive the report and note its contents**
- (2) note the following key principles that CentrePort intends to be governed by in any future property developments.**
 - **No speculative property developments will be undertaken (any development involving the construction of a new building, or otherwise involving major capital expenditure, will only be undertaken if lease agreements are in place upfront with a suitable tenant or tenants).**

- **Property developments will not be undertaken if they have the potential to compromise port operations.**
 - **Property developments will only be undertaken if they can be funded by CentrePort without requiring additional capital from shareholders.**
 - **Property developments will protect the right of the Port Company in terms of land ownership, unless otherwise approved by the shareholders.**
- (3) endorse CentrePort's stated intention of moving further into the property development business as part of bringing to life its proposed business park, subject to future developments being consistent with the key principles detailed in resolution (2) above.**
- (4) note CentrePort's plans to restructure by creating a separate property company (or companies) will almost certainly require shareholder approval and will therefore be the subject of a further report to the Policy, Finance and Strategy Committee and to Council, and to Port Investments Ltd.**
- (5) note that CentrePort intends to revalue its land in accordance with Approved Accounting Standards with effect from 1 July 2003.**
- (6) note that CentrePort is currently pursuing a specific property opportunity as detailed in this report on which the Port Company has sought shareholder approval.**
- (7) note that the Policy, Finance and Strategy Committee and Council's consideration of the specific property opportunity currently being pursued by CentrePort is likely to be a significant decision in terms of the Local Government Act 2002.**
- (8) note the specific property opportunity currently being pursued by CentrePort is consistent with the key principles detailed in resolution (2) above.**
- (9) endorse the specific property opportunity currently being pursued by CentrePort on the proviso that Port Investments Ltd's approval of the opportunity is conditional on the shareholders satisfying themselves that certain conditions have been met, including:**
- **Construction risk being appropriately mitigated (e.g. through an appropriate guaranteed maximum price contracting strategy with a high quality contractor)**
 - **Funding risk being appropriately mitigated (e.g. through an appropriate funding agreement, satisfactory security arrangements and prudent hedging strategy)**

- Legal risk being appropriately mitigated (e.g. through having an appropriate legal review of all key documents associated with the proposal including being satisfied that the land on which the specific property proposal is undertaken cannot be transferred out of the control of the CentrePort group without the prior consent of CentrePort Ltd shareholders)
 - Any impact on Port operational requirements being appropriately mitigated (e.g. identifying any potential impact on the Port's operational requirements and having a clear strategy for catering for such impacts)
 - Key stakeholder risk being appropriately mitigated (through targeted consultation with key stakeholders so as to minimise any potential negative perception associated with the development)
 - Any and all matters relating to any Maori and/or iwi interest in the land under consideration being fully compliant with the law.
- (10) request officers to advise the Directors of Port Investments Ltd of the conditions which should be attached to any approval of the specific property opportunity by Port Investments Ltd.
- (11) note that the matters included in this report have highlighted the need for a review of the CentrePort Constitution and that officers be requested to report back to the Policy, Finance and Strategy Committee and Council on this matter.

PEPFS 47 Flood Protection Depot Lower Hutt

Report PE 03.420

File: N/50/03/01

Resolved

Cr Long/Barr

That the Report be received and the contents noted.

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|---|--------------------------|
| Resolved to Recommend to Council | (Cr Long/Cr Barr) |
| <p>1. That as a result of further investigation the Hutt valley Flood Protection Depot remain on the current Mabey Road site and a subdivision undertaken to create a 1 hectare allotment for that purpose, with land surplus to requirements to be sold.</p> <p>2. That officers be requested to prepare a detailed project plan for the subdivision of the existing Mabey Road depot site, the development of the new depot site and the proposed sale of surplus land.</p> | |

- 3. That officers be requested to prepare a further report to the Policy, Finance and Strategy Committee and Council to formally initiate the preferred option of creating a new Flood Protection depot site at Mabey Road. The report to include for approval the project plan for the subdivision, the necessary declaration the land is surplus to requirements and the recommended allocation of funds from the sale process.**

The public excluded part of the meeting closed at 12.30pm.

Cr MK SHIELDS
Chairperson

Date: