

BEFORE THE INVERCARGILL CITY COUNCIL

Independent Hearing Commissioner

IN THE MATTER of the Resource Management Act 1991

AND

IN THE MATTER a Resource Consent Application RMA/2018/111 by the Invercargill Licencing Trust, to demolish buildings, including a Class 2 heritage building, and construct and operate a new, eight level hotel incorporating 80 hotel suites, a restaurant, café, bars, function spaces, car parking and other guest facilities at the corner of Dee and Don Street.

STATEMENT OF EVIDENCE OF CHRIS RAMSAY
Invercargill Licencing Trust
13 November 2018

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1 QUALIFICATIONS AND EXPERTISE

- 1.1 My name is Chris Ramsay. I am Chief Executive Officer at Invercargill Licensing Trust. I have been employed by Invercargill Licensing Trust since July 2014 and am authorised to give this evidence on its behalf.
- 1.2 I have extensive experience in Hospitality, Sales, Marketing and Executive Management. My professional career to date has been based in Dunedin and Invercargill.

2 SCOPE OF EVIDENCE

- 2.1 This evidence will address the following matters:
- a. a background of the Invercargill Licencing Trust;
 - b. a summary of the proposed development; and
 - c. comments on the draft conditions of consent.

3 INVERCARGILL LICENCING TRUST

- 3.1 The Invercargill Licensing Trust was formed following the restoration of alcohol sales in 1944. The public of Invercargill elected for a Licensing Trust model for the sale and supply of alcohol, following which the Invercargill Licensing Trust Act 1944 came in to force.
- 3.2 From modest beginnings of 4 businesses, the Invercargill Licensing Trust has now grown to operate 26 businesses, employing in excess of 700 people with annual turnover in excess of \$90 million.
- 3.3 The Invercargill Licensing Trust Act, which has subsequently been absorbed into the Sale and Supply of Alcohol Act 2012, prescribes that the distribution of profits from the sale of alcohol is made for public purposes.
- 3.4 Section 307 of the Sale and Supply of Alcohol Act 2012 describes this in more detail:

307 A licensing trust may spend or distribute the net profit that it makes in performing its functions for all or any of the following purposes:

(a) the promotion, advancement, or encouragement of education, science, literature, art, physical welfare, and other cultural and recreational purposes;

(b) building, laying out, maintaining, or repairing buildings or places intended to further any of the purposes described in paragraph (a); and

(c) any other philanthropic purposes.

3.5 Since inception the Invercargill Licensing Trust has been accountable to the people of Invercargill and our annual returns to the community have averaged \$8.3 million per year over the last 5 years, in the form of Grants and Donations.

3.6 Protecting our trading privilege is of paramount importance to our ongoing success as at any time the people of Invercargill could vote to remove this. This has occurred in almost all of the other Licensing Trust areas and has been the catalyst for those Trusts ultimate failure.

3.7 As such, ensuring the Invercargill public value and appreciate the work of their Licensing Trust is critical to maintaining our trading privilege and our ongoing success. Retaining the public's support in all that we do is therefore very important to us and that is true of the development of the proposal currently before you.

3.8 From our perspective, the Invercargill public have been very strong in their support for this current redevelopment project. Specifically, as a part of the Southland Regional Development Strategy (SoRDS) a New CBD Hotel was identified as a critical component to help Invercargill maintain vibrancy and assist in achieving the SoRDS aim of growing the Southland population by 10,000 more people by 2025.

4 THE PROPOSED ACTIVITY

- 4.1 By the nature of who we are and our elected mandate it is in our interests to ensure we continue to provide the quality of establishment that the public of Invercargill value and appreciate. As previously mentioned, through the Southland Regional Development Strategy this specific project was identified by the city and region as a core priority.
- 4.2 What we are proposing to build is therefore more than just a Hotel. Yes, it will have 80 rooms of accommodation, along with the amenities that are expected of a Hotel of this size (Gym, Parking, Meeting, Function and small Conference Spaces) but it will also have four distinctly different food and beverage spaces. The aim of including these spaces is to provide Invercargill residents with new food and beverage offerings. This also diversifies the business mix to ensure maximum potential success/ profitability of the overall property.

5 DRAFT CONDITIONS OF CONSENT

- 5.1 As will be readily appreciated this is a significant project for the Trust with accumulated funds making up 80% of the total cost of the New Hotel and debt funding contributing the remaining balance. To that end loan proposals have already been received from two lenders.
- 5.2 Given that context and as a publically accountable organisation we have always had the stated aim of completing this project on time and on budget.
- 5.3 Given this, any conditions that could jeopardise our timeframe or budget have been carefully considered by the Trust. Specifically we have some concerns over proposed consent condition 2 which requires a building consent and financing arrangement for the new hotel to be in place before demolition commences. On our assessment this would have a significant impact on this timeline, adding at least 6 months to the programme with consequent cost escalation as a result.

- 5.4 This is because it had been our intention to progress the contracting and financing arrangements for the new build and obtain the building consent when the demolition was being undertaken. This would allow us to then go straight from demolition to construction without delay. If we are unable to start demolition until the building consent is in place we will lose valuable time in the programme.
- 5.5 It is the Trust's position that there is minimal, if any, risk of the site being cleared and left vacant. As outlined in the previous points (above), we are in an enviable financial position to progress this work but perhaps more importantly we would not be looking to meet the other requirements of demolition such as paying the \$50,000 heritage fund contribution if we were not committed to getting the hotel built as soon as possible.
- 5.6 Moreover, we continue to be accountable to the people of Invercargill, with our very existence reliant on their support and ensuring we meet their expectations. Our motivation to see this project through to completion cannot be underestimated and we cannot contemplate a situation in which the site would simply be left vacant without drawing significant and perhaps irreparable backlash from our community.
- 5.7 For the above reasons we would respectfully ask that this condition not be imposed should the Commissioner agree to grant consent.

6 CONCLUSION

- 6.1 As an organisation, we are intrinsically aware of our need to be proactively committed to the city and people of Invercargill. It is our very being.
- 6.2 This project has been many years in the planning, through the gradual purchase of relevant buildings and continued accumulation of funds.

- 6.3 Utilising our trading privilege to maximum benefit for our community is our core aim. History shows we have always played a part in helping drive a vibrant and thriving Invercargill.
- 6.4 Successfully delivering a New Hotel, and growing the Don Street food and beverage precinct, will be integral in continuing to drive a vibrant and thriving Invercargill. This vibrancy will occur in many ways. From the presence of the physical building itself and through the 80+ new jobs it will create, to the additional funding opportunities attributable to the profits generated by the business itself. The Trust is committed to making this new project something Invercargill can be proud of.

CHRIS RAMSAY

Invercargill Licencing Trust

New Zealand Heritage Properties Ltd

13 November 2018