



NOTICE OF MEETING

**Notice is hereby given of the Meeting of the
Invercargill City Council
to be held in the Council Chamber,
First Floor, Civic Administration Building,
101 Esk Street, Invercargill on
Monday 12 August 2019 at 3.00 pm**

Sir T R Shadbolt, KNZM JP
Cr R R Amundsen (Deputy Mayor)
Cr R L Abbott
Cr A J Arnold
Cr K F Arnold
Cr T M Biddle
Cr A H Crackett
Cr I L Esler
Cr G D Lewis
Cr D J Ludlow
Cr I R Pottinger
Cr L F Soper
Cr L S Thomas

CLARE HADLEY
CHIEF EXECUTIVE

Council's Values:

- Responsibility Take ownership of decisions and outcomes, both collectively and individually.
- We willingly share our knowledge.
 - We acknowledge our mistakes, work to resolve them and learn from them.
 - We give and receive feedback in a constructive manner to resolve issues.
 - We do our job with total commitment.
- Respect Everyone is important, as are their views.
- We support and care for each other.
 - We stop to listen, learn and understand.
 - We communicate in an honest, up-front and considerate manner.
 - We maintain confidences and avoid hurtful gossip.
- Positivity Always look on the bright side of life.
- We are approachable, interested and friendly.
 - We are open and receptive to change.
 - We acknowledge and praise the efforts of others.
 - We work together as a team to get the job done.
- Above and Beyond Take opportunities to go the extra mile.
- We take the initiative to improve our work practices to get the best results.
 - We challenge ourselves and each other to make it better.
 - We take pride in providing the best possible outcomes.
 - We are ambassadors for our Council at all times.

Council's Vision for the City:

Enhance our City and preserve its character, while embracing innovation and change.

Council's Vision:

We are an energised, fun and innovative team that makes it better for each other and our community.

Council's Mission:

Making it better by making it happen.

AGENDA

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12. **MINUTES OF THE REGULATORY SERVICES COMMITTEE – 30 JULY 2019** **62**

RECOMMENDED RESOLUTION

12.1 **CITY CENTRE REPAINTING INITIATIVE – 3 LEVEN STREET, INVERCARGILL**

That Council:

Approves: the payment of the repainting initiative, valued at \$3,650 (incl GST).

12.2 **CITY CENTRE REPAINTING INITIATIVE – 168-174 DEE STREET, INVERCARGILL**

That Council:

Approves: payment of the repainting initiative 174 Dee Street, valued at \$1,000 (incl GST);

AND THAT

Council resolves the payment of the repainting initiative for 170 Dee Street, valued at \$1,750 (incl GST).

12.3 **PROPOSED RIGHT OF WAY NAME IN RELATION TO THE SUBDIVISION OF 690 TWEED STREET**

That Council:

Approves: the adoption of the following proposed road name:

- That Area A (Right of Way to provide access and services to seven lots) be named Aadies Way as it is the developer's preferred name and meets Council's naming convention.

12.4 **PROPOSED RIGHT OF WAY NAME IN RELATION TO THE SUBDIVISION OF 50 PALMER STREET**

That Council:

Approves: the adoption of the following proposed road names:

- Areas A and B (Right of Way which provides access and services to seven lots) be named Lindsay Way as it meets Council's naming convention.

12.5 **2019/2020 DOG CONTROL REPORT**

That Council:

Approves: that the adopted report be advertised for public information and forwarded to the Department of Internal Affairs as required under the Act.

12.6 **MAKING THE PROPOSED INVERCARGILL CITY DISTRICT PLAN OPERATIVE**

That Council:

Approves: that Council:

- 1.1 Council approve the Proposed Invercargill City District Plan pursuant to clause 17 of Schedule 1 of the Resource Management Act 1991; and
- 1.2 That the approved Invercargill City District Plan be publicly notified and becomes an operative District Plan in accordance with Clause 20 of Schedule 1 of the Resource Management Act 1991 on 30 August 2019; and
- 1.3 That Council affix the Council seal to the document confirming approval.

13. **MINUTES OF THE INFRASTRUCTURE AND SERVICES COMMITTEE – 5 AUGUST 2019**

66

RECOMMENDED RESOLUTION

13.1 **SOUTHLAND BMX CLUB (ELIZABETH PARK) DEVELOPMENT PROPOSAL**

That Council:

Approves: to support and conditionally approve the concept of re-development of the BMX track within Elizabeth Park (as shown in Appendix 1), subject to approval of final redevelopment project design by the Parks Manager;

AND THAT

Council support and conditionally approve Southland BMX Club to relinquish their current lease early and development of new lease upon approval of final redevelopment project design to cover the proposed new area;

AND THAT

Council support and conditionally approve public consultation of the Elizabeth Park Management Plan to allow for re-development.

14. **MINUTES OF THE FINANCE AND POLICY COMMITTEE- 6 AUGUST 2019** **69**

RECOMMENDED RESOLUTION

14.1 **HIGHLANDERS RUGBY CLUB LIMITED PARTNERSHIP (HRCLP) AND INVERCARGILL VENUES AND EVENTS MANAGEMENT LIMITED (IVEM)**

That Council:

Approves: that the agreement with the Highlanders Rugby Club Limited partnership and Invercargill Venues and Events Management Limited, be cancelled one year and one game early;

AND THAT

Both parties having agreed to the termination of the contract will act in good faith;

AND THAT

Council notes this will absolve the Invercargill City Council in its capacity of guarantor to the agreement between Invercargill City Council (ICC) and New Zealand Rugby Union Incorporated.

15. **VISIT TO OTHER CITIES TO INVESTIGATE IMPACT OF DESIGN PRINCIPLES IN CBD DEVELOPMENT** **72**

16. **CITY BLOCK DEVELOPMENT DUE DILIGENCE** **76**

17. **CITY BLOCK DEVELOPMENT INVESTMENT PROPOSAL** **104**

- 17.1 Appendix 1 **111**
- 17.2 Appendix 2 **113**
- 17.3 Appendix 3 **151**

18. **CITY BLOCK URBAN DESIGN REVIEW** **168**

19. **MAYOR'S REPORT**

To be tabled.

20. **URGENT BUSINESS**

21. **PUBLIC EXCLUDED SESSION**

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting; namely

- (a) *Confirming of Minutes of the Public Excluded Session of Council - 27 June 2019.*
- (b) *Confirming of Minutes of the Public Excluded session of Extraordinary Council - 24 June 2019*
- (c) *Receiving of Minutes of the Infrastructure and Services Committee 5 August 2019.*
- (d) *Receiving of Minutes of the Finance and Policy Committee 6 August 2019.*
- (e) *Awahi Rito Funding Request.*
- (f) *WasteNet – Mediation Terms of Reference.*

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

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
(a) Confirming of Minutes Council 27 June 2019	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	Section 7(2)(i)
(b) Confirming of Extraordinary Council Minutes 24 June 2019	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	Section 7(2)(i)
(c) Receiving of Minutes Infrastructure and Services Committee 5 August 2019	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	Section 7(2)(i)

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|-----|---|---|------------------------|
| (d) | Receiving of
Minutes Finance
and Policy
Committee 6
August 2019 | Enable any local
authority holding the
information, to carry on
without prejudice or
disadvantage, (including
commercial and
industrial negotiations) | Section 7(2)(i) |
| (e) | Awhi Rito Funding
Request | Enable any local
authority holding the
information, to carry on
without prejudice or
disadvantage, (including
commercial and
industrial negotiations) | Section 7(2)(i) |
| (f) | WasteNet –
Mediation Terms of
Reference | Enable any local
authority holding the
information, to carry on
without prejudice or
disadvantage, (including
commercial and
industrial negotiations) | Section 7(2)(i) |

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
INTEREST REGISTER**

A2279220

ELECTED MEMBERS			
NAME	ENTITY	INTERESTS	PROPERTY
RONALD LINDSAY ABBOTT	Invercargill City Council Kiwi-Pie Radio 88FM Invercargill Invercargill Art Gallery Invercargill Venues and Events Management	Councillor Director / Broadcaster Council Representative / Board Member Director	
REBECCA RAE AMUNDSEN	Invercargill City Council Arch Draught Ltd BP Orr Ltd Task Ltd Arts Murihiku Dan Davin Literary Foundation Heritage South Glengarry Community Action Group SMAG Board Venture Southland Southland Regional Heritage Committee	Councillor Director Director Director Trustee Trustee/Chair Contractor Events Co-ordinator (Volunteer) Council Representative Council Representative Council Representative	

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
INTEREST REGISTER**

A2279220

ALLAN JAMES ARNOLD	Invercargill City Council Ziff's Café Bar Ltd Buster Crabb Ltd Ziff's Tour Ltd Ziff's HR Ltd Ziff's Trust NZMCA Southland Aero Club Invercargill Club Invercargill East Rotary Southland Aero Club	Councillor Executive Director Executive Director Executive Director Executive Director Trustee Administrator Member Member Member Member Committee Member	
KAREN FRANCES ARNOLD	Invercargill City Council Funding Scheme	Councillor Trustee/Chair	
TONI MARIE BIDDLE	Invercargill City Council Invercargill Venue and Events Management Limited Southland Museum and Art Gallery Trust Board McIntyre and Dick Waihopai Runaka	Councillor Director Trustee Husband (Kris MacLellan) – Chief Executive Officer As a contractor	

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
INTEREST REGISTER**

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ALEX HOLLY CRACKETT	Invercargill City Council Ride Southland Southland Youth Futures Advisory Board Venture Southland and Sub Committee Sport Southland McIntyre Dick	Councillor Chair Chair Council Representative Trustee Marketing Manager	High Street Invercargill
IRWIN LLOYD ESLER	Invercargill City Council Bluff Community Board Bluff Maritime Museum Otatara Landcare Group	Councillor Council Representative Council Representative Member	
GRAHAM DAVID LEWIS	Invercargill City Council Invercargill City Holdings Limited Southland Indoor Leisure Centre Charitable Trust Bluff 2024 Rejuvenation Invercargill Community Recreation & Sports Trust Hospice Southland Invercargill City Properties	Councillor Director Trustee Officer Trustee Trustee Director	

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
INTEREST REGISTER**

A2279220

DARREN JAMES LUDLOW	Invercargill City Council Radio Southland Invercargill City Holdings Limited Invercargill Venue and Events Management Southland Museum and Art Gallery Trust Board Healthy Families Invercargill Murihiku Maori Wardens Southland Community Law Centre Invercargill Community Recreation and Sport Trust Invercargill City Properties	Councillor Manager Director Director / Chairman Trustee Board Member Board Member Board Member Trustee Director	770 Queens Drive Invercargill
IAN REAY POTTINGER	Invercargill City Council Southland Electronics Limited Santa Parade Organiser	Councillor Director Alice Pottinger (Wife)	171 Terrace Street Invercargill 9810
TIMOTHY RICHARD SHADBOLT	Invercargill City Council Invercargill Airport Limited Kiwi Speakers Limited SIT Ambassador	Mayor Director Director Contractor	

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
INTEREST REGISTER**

A2279220

<p>LESLEY FRANCES SOPER</p>	<p>Invercargill City Council Breathing Space Southland Trust (Emergency Housing) Omaui Tracks Trust National Council of Women (NCW) Active Communities Invercargill Public Art Gallery Citizens Advice Bureau Southland ACC Advocacy Trust Southland Warm Homes Trust</p>	<p>Councillor Chair Secretary/Treasurer Member Chair/Trustee Board Member Board Member Employee Council Representative</p>	<p>137 Morton Street Strathern Invercargill 24 Margaret Street Richmond Invercargill</p>
<p>LINDSAY STEWART THOMAS</p>	<p>Invercargill City Council Invercargill City Holdings Limited HWCP Management Limited</p>	<p>Councillor Director Director</p>	

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
INTEREST REGISTER**

A2279220

EXECUTIVE STAFF			
NAME	ENTITY	INTERESTS	PROPERTY
PAMELA GARE	Invercargill City Council DJ & PM Gare Family Trust	Director of Environmental and Planning Services Trustee	
CLARE HADLEY	Invercargill City Council Hadley Family Trust	Chief Executive Trustee	
CAMERON MCINTOSH	Invercargill City Council	Director of Works and Services	
DAVID FOSTER	Invercargill City Council	Acting Director of Finance and Corporate Services Executive Director Foster and Associates Ltd	

TO: COUNCIL

FROM: MARY NAPPER, COMMUNITY DEVELOPMENT MANAGER

MEETING DATE: MONDAY 12 AUGUST 2019

INVERCARGILL YOUTH COUNCIL

SUMMARY

The Invercargill Youth Council will be presenting on the outcomes of their leadership forum.
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RECOMMENDATIONS

That report Invercargill Youth Council be received.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> Yes
2.	<i>Is a budget amendment required?</i> No
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> N/A
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> N/A
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Yes

FINANCIAL IMPLICATIONS

No implications.

LEADERSHIP FORUM 2019

The Youth Council held a leadership forum on Thursday 11 July 2019. The forum targeted young people aged 12–18 years. Holding the forum during the school holidays proved a challenge, however the calibre of the keynote speakers resulted in an excellent attendance.

A2706325

Chlöe Swarbrick, New Zealand's youngest MP, and Alex Pledger, captain of the Southland Sharks, were keynote speakers sharing not only their paths to leadership but also tips and hints that they have learnt along the way.

Two members of the Youth Council will attend the Council meeting to speak about the forum. A copy of their Leadership Workshop 2019 report can be found attached (refer to **Appendix 1**).



Introduction

The Leadership workshop was held on Thursday 11 July 2019 at Bill Richardson Transport World. The 2019 team Leadership workshop was organised by the Youth Council Leadership Committee. The Committee consisted of the following Youth Council Members Wilson Ludlow, Ella Richardson, Tane Froude, Brooke Brown-Ogilvy Zoe Anderson, John Bardwell, Tiffany Wilson, Liam Barnes. The committee designed the workshop to meet the overall aim and the stated goals and objectives.

Aim

To provide the youth of Invercargill the opportunity to participate in a leadership workshop that inspires and educates about the values they need to be good leaders.

Goals, Objectives and Performance Measures

1. Young people to participate in workshop
 - 1.1: Young people to listen to speakers and identify leadership skills

Performance Measure: Young people to state 3 leadership skills & qualities that they have learnt from attending the workshop, documented in the workshop evaluation.
2. Young people to be motivated to use leadership skills learnt.
 - 2.1: Young people will demonstrate acquired leadership skills and qualities in the community.

Performance Measures: Young people to provide examples of how they could use identified skills in the local community, documented in the workshop evaluation.
3. Young people to provide community feedback on what they feel they need from the community to become successful leaders.
 - 3.1: Young people to participate in leadership workshop and provide feedback about what they need help with regarding leadership issues

Performance Measure: Young people to provide examples of what they feel they need help with to help with regarding leadership issues documented in the workshop evaluation.



Attendance

About 60 young people registered for the event with 45 turning up on the day. This was thought to be a good turnout given that the workshop was held during the school holidays due to the availability of our keynote speakers.

Speakers

The committee agreed to invite Green List MP Chloe Swarbrick as a key note speaker and Sharks players Alex Pledger and Jarrad Weeks to speak about their stories and experiences of leadership.

Chloe was chosen as a speaker as it was felt by the committee that her story of leadership would be relatable to a youth audience. Chloe spoke of her journey and how she was compelled to run for the Auckland Mayoralty and then sign up for parliament as a Green Party List MP. Chloe spoke of 5 key points of leadership these were:

- Know your stuff – do your research
- Be open minded
- Follow your passion
- Connect with others
- Be humble

The Sharks nominated Alex and Jarrad. Unfortunately, Jarrad was unable to attend. Alex spoke of his story to become a professional basketball player and what he took from being part of some very successful teams, including being a part of the record title winning NZ Breakers. The key points from Alex's speech were:

- People are different, adapt your way to lead to their style
- Actions speak louder than words
- Treat people with respect, do not be superior to anyone else
- Give it a go
- It is never too late to learn something new



Evaluation of the Workshop

An evaluation form was provided to all participants. 38 Evaluations were received. This is a feedback rate of 84%.

Participants were asked to answer the following questions which relate back to the performance measures stated previously.

- ***Name 3 qualities or skills you now think a leader should have?***

Participants' answers were grouped into themes and the following were the top responses:

- Being open minded
- Being motivated
- Listening
- Having confidence
- Being relatable
- Being humble
- Being passionate about what you are doing
- Having good team work skills
- Realising it is OK to be wrong

- Understanding others
- Treating people as individuals
- Developing good communication skills

- ***What can Invercargill do to encourage and support Youth Leadership?***

Participants' indicated what they needed to encourage and support their leadership. Their answers were grouped into themes and the following were the top responses:

- For the Youth Council to continue to provide workshops and events like this in the future
- Find ways to motivate youth to engage in leadership
- For Invercargill to provide leadership opportunities for youth
- Making all opportunities, events, and workshops more accessible
- Providing and letting youth have an opportunity to have a say
- Getting speakers like those here today to speak in schools
- Advertise opportunities for youth to join the youth council
- For Invercargill to be more accepting of youth

- ***How can you use your leadership skills in the Invercargill community?***

Participants' were asked about how they would use their leadership skills, their answers were grouped into themes and the following were the top responses:

- When I do public speaking
- In my sports team
- By actively participating and getting involved
- By doing small changes as they add up to a big change
- By following Chloe's 5 steps
- Joining the Youth Council
- Doing something I am passionate about
- Discussing leadership with my peers – keeping the discussion going
- Practising leadership at school
- Making good choices, being a better person.



Rating of the Workshop

Participants' were asked to rate the workshop between 1 and 10. 1 being the workshop was not useful through to 10 being very useful. Below is the spread of ratings by participants.

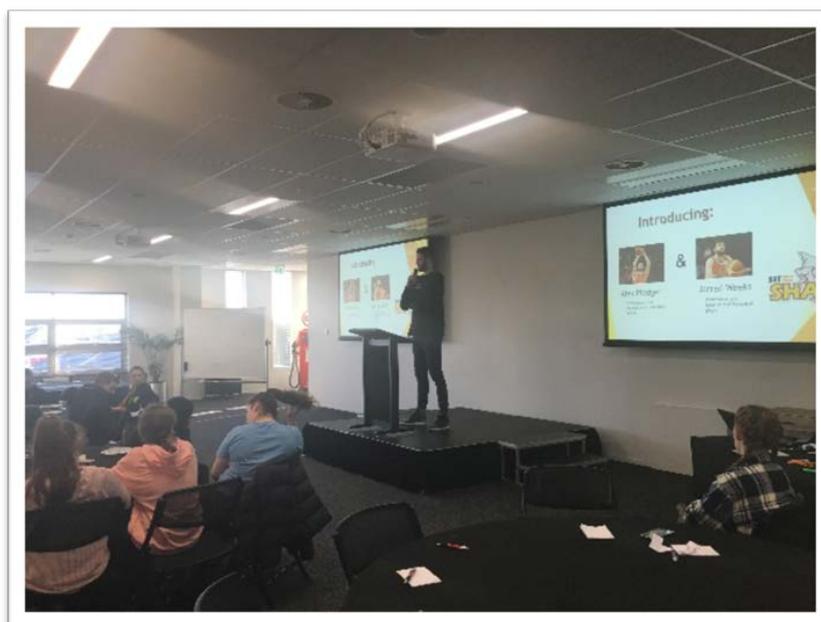
Rating our of 10	Number of entries	Percentage
6	2	5%
7	14	37%
8	11	29%
9	6	16%
10	5	13%

The results show that the majority of participants thought highly of the workshop.

- **What was a highlight of the workshop**

Participants' were asked about their highlights, their answers were grouped into themes and the following were the top responses:

- Listening to both the speakers – they were of a high standard
- The inspirational and unique speakers
- Chloe Swarbrick was inspiring
- Alex Pledger was inspiring
- The food was good
- The differences and similarities between the stories of leadership were good
- Learning skills about leadership
- The kahoot
- Chloe speaking about civics



Summary

From the feedback received it can be said that the Invercargill Youth Council Leadership Workshop for 2019 was a success. The two speakers, Chloe and Alex were on point with their message and stories about leadership and this was seen to be a real highlight of the event. It was certainly worthwhile getting a high calibre speakers. There are some good learning points to take from the evaluations for future events Overall it is believed that the event achieved its stated objectives.

MINUTES OF THE MEETING OF THE INVERCARGILL CITY COUNCIL HELD IN THE COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING, 101 ESK STREET, INVERCARGILL, ON THURSDAY 27 JUNE 2019 AT 4.00 PM

PRESENT: Sir T R Shadbolt, KNZM JP
Cr R R Amundsen – Deputy Mayor
Cr R L Abbott
Cr A J Arnold
Cr K F Arnold
Cr T M Biddle
Cr A H Crackett
Cr I L Esler
Cr G D Lewis
Cr D J Ludlow
Cr I R Pottinger
Cr L F Soper
Cr L S Thomas

IN ATTENDANCE: Mrs C Hadley – Chief Executive
Mr C A McIntosh – Director of Works and Services
Mrs P Gare – Director of Environmental and Planning Services
Mr D Foster – Interim Director of Finance
Mr D Booth – Financial Controller
Mr A Cameron – Executive Officer
Mr J Botting - Management Accountant
Ms H McLeod – Communications Advisor
Ms L Kuresa – Governance Officer

2. **APOLOGIES**

Cr Thomas put in an apology that he needed to leave the meeting at 5.45 pm.

Moved Cr Soper, seconded Cr Lewis and **RESOLVED** that the apology be accepted.

3. **MAJOR LATE ITEMS**

Moved His Worship the Mayor, seconded Cr K Arnold and **RESOLVED** that the minutes of the Infrastructure and Services Committee held 24 on June 2019 and the minutes of the Finance and Policy Committee held on 25 June 2019 be taken as Major Late Items for Council to adopt the recommendations.

4. **PUBLIC FORUM**

4.1 **Matariki**

Mrs Gare informed the meeting that Dean Whaanga, Kaupapa Taiao Manager had been delayed and would arrive later on in the meeting. Council agreed that he would present to Council when he arrived.

4.2 **Otatara Landcare Group**

Barry Smith was in attendance to speak to this item. Mr Smith took the meeting through a presentation. He tabled a booklet of the Otatara Landcare Group.

In response to a question as to whether there were any issues with regard to pests in that area, Mr Smith explained that there were challenges but it was all to do with masting. They were trapping heavily and it was now a matter of maintaining it.

His Worship the Mayor thanked Mr Smith for taking the time to present to Council.

5. **INTEREST REGISTER**

Nil.

6. **REPORT OF THE INVERCARGILL YOUTH COUNCIL**

Moved Cr Crackett, seconded Cr Ludlow and **RESOLVED** that the report be received.

7. **MINUTES OF THE MEETING OF COUNCIL HELD ON 28 MAY 2019**

Moved Cr Amundsen, seconded Cr Lewis and **RESOLVED** that the minutes be approved with the amendment on Page 20, that should read: Council was the sole contributing council for this scholarship, and it appears there was a part-performed prior verbal agreement which needs to be honoured. Council cannot in future be placed in a position where it is taken by surprise by such arrangements of which it has no knowledge.

8. **MINUTES OF THE EXTRAORDINARY MEETING OF COUNCIL HELD ON 5 JUNE 2019**

Moved Cr Amundsen, seconded Cr Abbott that the minutes be approved.

Cr Biddle believed that the minutes were not a true and correct record with regard to Page 35, where it was moved and seconded that Council move into public excluded session with the exception of Mayor Gary Tong, Mayor Tracy Hicks, Matt Russell and Paula Nicolaou. Mrs Hadley explained that the motion for those people to remain in the meeting with the exception of Mayor Hicks, was identified in the Council agenda. That motion was put forward at that time with the inclusion of Mayor Hicks, who was the only addition.

The motion, now being put, was **RESOLVED** in the **affirmative**.

Note: Cr Biddle voted against the motion.

9. **MINUTES OF THE MEETING OF THE BLUFF COMMUNITY BOARD HELD ON 10 JUNE 2019**

Moved Cr Esler, seconded Cr Soper and **RESOLVED** that the minutes be received.

10. **INFRASTRUCTURE AND SERVICES COMMITTEE MINUTES – 24 JUNE 2019**

The minutes were tabled.

Moved Cr Thomas, seconded Cr Crackett and **RESOLVED** that the minutes be received;

AND THAT

Council adopts the recommendation, that Council approves the design concept for the temporary fencing and landscaping of Stead Street Wharf to an estimated cost of \$60,000 (noting there may be additional costs and time delays associated with obtaining the necessary archaeological authority).

11. **FINANCE AND POLICY COMMITTEE MINUTES – 25 JUNE 2019**

The minutes were tabled.

Moved Cr Ludlow, seconded Cr Lewis and **RESOLVED** that the minutes be received;

AND THAT

Council adopts the recommendation, that Council accepts Option 2;

AND THAT

Having taken into consideration the matters contained in Section 7(5) of the Local Government Act 2002, Council resolves that Invercargill Venue and Events Management Limited is a small organisation, not a council-controlled trading organisation and is exempted under Section 7 from being a council-controlled trading organisation for the purposes of Section 6 of that Act.

12. **2019/20 FEES AND CHARGES**

Moved Cr Thomas, seconded Cr Soper and **RESOLVED** that the report be received;

AND THAT

Council adopts the 2019/20 Schedule of Fees and Charges.

13. **ADOPTION OF 2019/20 ANNUAL PLAN**

Mr Booth took the meeting through the report.

Moved Cr Ludlow, seconded Cr Soper and **RESOLVED** that Council adopts the 2019/20 Annual Plan.

14. **RATES RESOLUTION**

Moved Cr Amundsen, seconded Cr Ludlow and **RESOLVED** that Council adopts the rates as set out below be set for the financial year beginning 1 July 2019 and ending 30 June 2020, in accordance with the Invercargill City Council's Funding Impact Statement and Revenue and Financing Policy.

15. **FOREST GROWTH HOLDINGS LIMITED**

In response to a question as to when Forest Growth Holdings Limited ceased operation and wanted to go into disestablishment, Mrs Hadley said that the report identified that the Directors resolved to cease operation on 3 April 2019.

Moved Cr Soper, seconded Cr K Arnold and **RESOLVED** that the report be received;

AND THAT

Invercargill City Council notes the resolution by Forest Growth Holdings Limited to cease business and have its name removed from the Register of Companies;

AND THAT

Having taken into consideration the matters contained in Section 7(5) of the Local Governance Act 2002 the Invercargill City Council resolves that Forest Growth Holdings Limited is a small organisation, is not a council-controlled trading organisation and is exempted under Section 7 from being a council controlled trading organisation for the purposes of Section 6 of that Act.

16. **SOUTHLAND REGIONAL DEVELOPMENT AGENCY TRANSITION**

Mrs Hadley took the meeting through the report.

In response to a question as to where the Venture Southland reserves came under, Mrs Hadley explained that there would be a subsequent report coming to Council. It was taking longer to deal with the transition issue around the assets, both fixed and cash. It was for that reason that the proposal of the Joint Committee be continued because how that was done without affecting a tax position was currently under consideration.

In response to a question as to when the Joint Committee would be meeting, Mrs Hadley explained that the Joint Committee was not required to be active right now but she would anticipate a change in that.

In response to a question as to whether this required the approval of all three councils, Mrs Hadley confirmed that it would.

Moved Cr Soper, seconded Cr Amundsen and **RESOLVED** that the report "Southland Regional Development Agency Transition" (A2666214) be received;

AND THAT

Council determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002;

AND THAT

Council determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter;

AND THAT

Council notes the progress being made with formation of the new Southland Regional Development Agency and agrees to extend the operation of the Venture Southland Joint Committee through to 31 December 2019 to enable the transition process to be completed in an orderly manner;

AND THAT

Council approves the payment of the first quarter of 2019/20 core and service agreement funding to the Southland Regional Development Agency.

Note: Mr Whaanga arrived at 4.25 pm and presented to Council.

17. **PUBLIC FORUM**

17.1 **Matariki**

Dean Whaanga, Kaupapa Taiao Manager was in attendance to speak to this item and took the meeting through a presentation.

His Worship the Mayor thanked Mr Whaanga for taking the time to present to Council.

18. **2019 LGNZ ANNUAL GENERAL MEETING REMITS**

Remit 2 – Ban on the sale of fireworks to the general public

Cr Esler noted that Council did not support the banning of the sale of fireworks to the general public. He wanted Council to vote on that remit as not all Councillors were able attend the workshop.

Moved Cr Crackett, seconded Cr Abbott and **RESOLVED** that Council supports the continuation of the sale of fireworks to the general public.

Note: A show of hands was carried out and seven voted for the resolution and six voted against the resolution.

Remit 4 – Prohibit parking on grass berms

Cr Pottinger asked for more information on this remit and Cr K Arnold explained that Mrs Gare advised Councillors who attended the workshop that Council enforced the bylaw in relation to the prohibition of parking on grass berms.

Mrs Hadley further explained that the remit had been raised because the enforcement of motor vehicles parking on berms could not be lawfully carried out without the requisite signage being in place to inform the driver that the activity was not permitted. If Council wanted to prohibit parking on berms, Auckland Transport's experience was that signage needed to be put in place. A programme to install signage would be expensive for a local authority, so the reason for the remit was to change the requirements to make it easier on local government to enforce what was already happening in some places in a local bylaw, but they wanted to make it clearer and easier for those authorities to do so.

Council discussed this matter further and Mr McIntosh noted that Councillors raised some local issues but the remit was about getting LGNZ to promote discussions for national legislation, mostly relating to signage so that enforcement could be conducted. It was not a commitment but the remit was asking LGNZ to put it in the work programme, but this Council was not bound to anything by supporting it.

Remit 15 – Living Wage

Cr Soper asked why Council did not support Remit 15 and Cr K Arnold took the meeting through an explanation from the workshop.

After further discussions, it was identified that this remit did not bind Council to anything, but Cr Soper felt that it was a worthy remit for Council to support.

Moved Cr Soper, seconded Cr Esler that Council supports Remit 15 on the Living Wage.

The motion, now being put, was **RESOLVED** in the **affirmative**.

Note: Seven voted for the motion and six voted against the motion.

Remit 18 – Climate Change – funding policy frame

Cr Soper asked as to why Council supported Remit 18 and Cr Thomas took the meeting through an explanation from the workshop.

Remit 17 – Greenhouse gases

Moved Cr Soper, seconded Cr Amundsen and **RESOLVED** that Council supports Remit 17.

Moved Cr Soper, seconded Cr Lewis and **RESOLVED** that Council supports Remit 18.

Moved Cr Amundsen, seconded Cr Ludlow and **RESOLVED** that the report be received with the amendments;

AND THAT

Council provides guidance to His Worship the Mayor, Council's Principal Delegate for the LGNZ Annual General Meeting, on how it wishes to vote on each remit.

19. **MAYOR'S REPORT**

The report was tabled.

Moved His Worship the Mayor, seconded Cr K Arnold and **RESVOLVED** that the report be received.

20. **URGENT BUSINESS**

Nil.

21. **COUNCIL IN PUBLIC EXCLUDED SESSION**

Moved His Worship the Mayor, seconded Cr Amundsen and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, Mr Brian Wood, Chair of ICHL, namely:

- (a) *Confirming of Minutes of the Public Excluded Session of Council - 28 May 2019.*
- (b) *Receiving of Minutes of the Public Excluded Session of the Extraordinary Council Meeting – 5 June 2019.*
- (c) *Receiving of Minutes of the Public Excluded Session of the Infrastructure and Services Committee Meeting - 24 June 2019.*
- (d) *Confirming of Minutes of the Public Excluded Session of the Finance and Policy Committee Meeting - 25 June 2019.*
- (e) *Final Statement of Intent – Invercargill City Holdings Limited.*
- (f) *Southland Museum and Art Gallery Governance Arrangements.*

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

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
(a) Confirming of Minutes – Council 28 May 2019	Enable any local authority holding the information to carry on, without disadvantage, negotiations (including commercial and	Section 7(2)(i)

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
	industrial negotiations)	
(b) Confirming of Minutes – Extraordinary Council 5 June 2019	Enable any local authority holding the information to carry on, without disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)
(c) Final Statement of Intent – Invercargill City Holdings Limited	Enable any local authority holding the information to carry on, without disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)
(d) Southland Museum and Art Gallery Governance Arrangements	Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	Section 7(2)(h)

There being no further business the meeting closed at 6.27 pm.

**MINUTES OF THE EXTRAORDINARY MEETING OF THE INVERCARGILL CITY
COUNCIL HELD IN THE COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION
BUILDING, 101 ESK STREET, INVERCARGILL, ON TUESDAY 24 JUNE 2019
AT 5.00 PM**

PRESENT: Sir T R Shadbolt, KNZM JP
Cr R R Amundsen – Deputy Mayor
Cr R L Abbott
Cr A J Arnold
Cr K F Arnold
Cr T M Biddle
Cr A H Crackett
Cr I L Esler
Cr G D Lewis
Cr D J Ludlow
Cr L F Soper
Cr L S Thomas

IN ATTENDANCE: Mrs C Hadley – Chief Executive
Mr C A McIntosh – Director of Works and Services
Mr A Cameron – Executive Officer
Ms D Peterson - Senior Waste Officer
Ms H McLeod – Communications Advisor
Mr W Cambridge – City Solicitor
Ms L Kuresa – Governance Officer

2. **APOLOGIES**

Cr I R Pottinger.

Moved Cr Biddle, seconded Cr Abbott and **RESOLVED** that the apology be accepted.

3. **PUBLIC FORUM**

3.1 **WasteNet Process**

Mr Nobby Clark was in attendance to speak to this item.

Mr Clark took the meeting through a verbal presentation over and above the document he had recently sent to Councillors about the WasteNet tender process and where to from here. He said that the overlapping of governance into operational service delivery roles within the Council had created a number of issues in the last two to three years. It undermined good governance by elected officials that had recently been reinforced by the independent review of the Don Street project. This had now affected the WasteNet tender process. Governance should be the full Council, Council Committees, Holdco directorships and the directorships of the Council owned companies. The service delivery areas should be the Chief Executive's role and staff below her. Some Councillors with fee paying directorships had conflicts of interest between the governance roles and the personal incomes they received from those roles.

Councillors involved in Holdco, Council owned companies and WasteNet had an undue influence on the advice that full Council received, or in some cases did not get from these sources. Conversely, when the ex-Director of Finance had multiple roles on Holdco and some of the trading companies, there was the reverse effect. This raised accountability issues for Council when the Overseas Investment Office made its ruling on the Forestry Company. A similar scenario had recently prevailed with Cr Thomas being a Councillor, the Chair of the Infrastructure Committee, plus a Holdco directorship, ICPL directorship and a joint-venture directorship. How did one have any faith in the joint venture company when until recently Cr Thomas had a governance role at every layer of that structure? This governance environment had been a major contributor to the WasteNet debacle. How could the Chief Executive hold her Wastenet staff to account for any outcomes when there were elected officials, including the Mayor, sitting on that group? These scenarios were an example of an overlapping governance and an operational role. The following things had impacted on the ability of the three councils to get good outcomes from the WasteNet tender process, including the ratification. WasteNet put the tender process in place before full Council was advised or consulted. Secondly, Invercargill City Council staff had a bias against SDE. The Councillors on WasteNet either colluded with that bias or were unaware of it. Councillors on the Wastenet Advisory Group had declared their preferred tenderer, and had stated their bias. That was reinforced by the WasteNet lawyer at the recent ratification meeting. Given that stated bias, they should not have been involved with the ratification process thereafter. Mr Clark felt that Cr Thomas, being a delegate to WasteNet, with that bias, then lobbied other Councillors before the ratification meeting, during that meeting and after that meeting. He said that Councillors needed to reflect on whether that was appropriate or not. On the issue of Cr K Arnold, she had defaulted on her duties as a Councillor. She left the Public Excluded Council Meeting at the ratification process claiming she would be resigning from Council and reinforced that to several media sources. With her walk out and given the final vote required for the Mayor to use his casting vote, she was not present to provide her vote on this critical issue. Subsequent to that process, the public statement posted by the other two mayors in the media, breached the tender process according to the advice of the WasteNet lawyer in the public meeting. As a consequence of Mr Clark's review of the tender process, a number of suggestions that included a restructure of those who participated on the WasteNet Advisory Group and an ending to the currently live tender to allow a more positive way forward, had been sent to all Councillors. For the tender to stay alive for another 12 months, Southland DisAbility Enterprises had nothing more than a stay of execution and this was a process whereby those Councillors who did not accept the ICC vote two weeks ago and wished to continue to have a preferred tenderer, would now have time to manipulate the ICC voted position by way of a binding arbitration process. As ratepayers, they were opposed to such manipulation and post the local body elections this year, it left the city with only one "get out of jail" card, which was to withdraw from WasteNet and to negotiate with Southland DisAbility Enterprises as a stand-alone council. That was not in anybody's interest. The tender needed to be closed. After this year's elections, a new Council should promote a restructure of WasteNet to clarify both governing and operational roles as reinforced in the document sent to Councillors and also highlighted in the independent Don Street project review. WasteNet partners would need to review any Southland DisAbility Enterprises' bias within the staffing group to ensure best operational monitoring and ongoing advice was maintained back to Council. The restructured WasteNet Advisory Group could monitor Southland DisAbility Enterprises for the next 12 months and during that time give all three councils advice as to where it was placed on 30 June 2020.

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The group felt that like the ratification meeting that was held recently, any subsequent voting should come back to a public session with a division vote, so that ratepayers could assess how each Councillor voted and to show that Council's stated commitment was to transparency.

In response to a question from Cr Thomas as to where Mr Clark got the information from that he lobbied Councillors to vote in a certain way before the WasteNet decision, Mr Clark said he was not prepared to answer that question.

Cr Thomas asked if a copy of Mr Clark's submission could be sent to the Chief Executive for distribution to the Councillors and Mr Clark said he would send a copy to the Chief Executive.

Cr Biddle stated that she was one of the three Councillors who was phoned by Cr Thomas.

Cr K Arnold raised a Point of Order that this was Public Forum and the opportunity was to ask the submitter questions.

Cr Abbott raised a further Point of Order that Cr Thomas had asked a question, to which Cr K Arnold replied that Cr Thomas asked a question of Mr Clark and that was the purpose of Public Forum.

Mr Clark questioned Cr K Arnold's attendance at the meeting.

In response to a question from Cr Biddle as to whether Cr Biddle had mentioned to Mr Clark that Cr Thomas made contact with three Councillors in relation to the tendering process before the process took place; and one Councillor was upset and contacted Cr Biddle with the accusation of Councillors being sued if Councillors supported a motion for Council to go into Public Excluded Session, Mr Clark confirmed this.

In response to a question from Cr K Arnold as to whether Mr Clark was aware that this Council had already voted that all ICHL and subsidiary directorships would come to an end at the end of this Council term, Mr Clark confirmed he was aware of that, but that was not to say that a new Council could not rescind that motion.

In response to a question from Cr K Arnold as to why Mr Clark made the comment that the WasteNet Advisory Group put out the tender for Contract 850 without this Council knowing, Mr Clark explained that he received feedback from some Councillors to say that they could not find any record of WasteNet going to this Council to advise that the tender process was going to be put in place.

In response to a further question from Cr K Arnold as to whether Mr Clark accepted that the tender process did not go ahead without the approval of this Council and it was unanimously approved by this Council, Mr Clark said he did not accept that.

In response to a question from Cr Crackett as to whether he would accept it had gone to Council and been unanimously ratified, Mr Clark said he would need to see proof.

In response to a question from Cr Crackett as to what Mr Clark meant by his comment that he considered going into arbitration 'manipulating the system', Mr Clark explained that when three councils could not agree on a position that they needed to agree on, it was not a matter of two councils out-voting one council but the three councils needed to come to a point of interest where they all agreed. There were three ways to do that: one was to have a mediated hearing; the next was that there were two levels of arbitration, one could be binding and one could not be binding and he was concerned that it may be open to some degree of manipulation of Invercargill City Council's vote.

In response to a question from Cr Crackett as to whether the arbitrator's purpose was to examine the process to come to a binding resolution with no bias and completely independent, Mr Clark said he would not accept that. That meant that the city was undermining its own vote. The city had the power and did not need a third party arbitrator to make a good value judgement. It only needed a third party adjudicator if the position of the city was that it had made a mistake.

Mr Clark said in most binding arbitrations there was usually a next level of appeal.

Cr K Arnold asked if Mr Clark was aware of Clause 12.86 in the WasteNet Shareholders' Agreement that establishes the process for disputes. He replied he was not.

Note: His Worship the Mayor informed the meeting he had been advised by his lawyer that he should not take part in the meeting because he was conflicted through his association with a Blair Vining television production. He felt he should be allowed to conduct the meeting and that he did not have a conflict.

Cr Abbott requested the view of the City Solicitor.

Mr Cambridge said Standing Orders provided that it was a judgement for an elected member as to whether or not a non-financial conflict of interest had arisen. In this case, if a bias or pre-determination was apparent then it had to be because of the conduct that the Mayor may have pre-determined the matter before hearing all relevant information. That was a judgement for each individual member to make. The issue in the Auditor General's Guidelines was the risk that if in fact it was identified that the Mayor had pre-determined and no longer had an open mind, it would affect the decision Council made relating to that resolution.

His Worship the Mayor said he was unhappy with the way this had been handled. He had been sitting in the office all day and it had been sprung on him just before the Council meeting, which he felt was not good governance.

Cr K Arnold asked who had raised the issue. His Worship the Mayor replied it came from 'our' lawyer, but he did not know who instructed the lawyer.

Cr Crackett explained the use of green screen and asked who had approved the background in the video. His Worship the Mayor said he did not know. The Mayor said it was symbolic of how this issue had been treated. He would be going to the Auditor General and laying out what had been going on and the pressure that had been put on Councillors.

Councillors questioned now that he had heard advice from the City Solicitor whether he would continue to chair the meeting, His Worship the Mayor said he would.

In response to a question by Cr Ludlow, His Worship the Mayor confirmed he had participated in the video but only in front of a green screen.

Upon further questioning he said he had provided the voiceover that was a “ra-ra” comment rather than “vote for me”. The Mayor said he was not sure if Council had the right to carry on with the meeting. Nineteen days ago this Council decided to reject the tender. Council was completely in the right and you could not, according to Standing Orders, relitigate an issue until six months had passed, he said.

Cr Amundsen clarified the Agenda for today was not about reversing the decision.

Cr K Arnold clarified that 19 days ago Council had discussed Contract 850 and today’s meeting was about Contract 650.

His Worship the Mayor referred to the motion to exclude the public for items around Contract 650 and Notice of Dispute 850.

Cr Thomas questioned whether the Mayor wanted to cancel the meeting even though it would mean Council could not vote to extend Contract 650, which would leave the SDE employees without jobs.

His Worship the Mayor suggested passing that resolution and rejecting the rest.

5. **PUBLIC EXCLUDED ITEM TO BE BROUGHT INTO PUBLIC SESSION**

Moved Cr Biddle, seconded Cr Abbott that Contract 650 be brought into the public meeting.

Cr Soper wanted to stress that no one had lost their job. It was inappropriate for anyone at the table to make the statement that employees at SDE had lost their jobs. What was being considered tonight was a pathway that would ensure that those people had job security for a further 12 months while matters were being looked at in a clear manner. She stated that she still had conflict of interest and she was voicing the same conflict of interest she announced earlier but she came to this meeting in good faith because it was entirely contrary to what the Mayor tried to say from the top table. There was nothing contrary to Standing Orders in what was on the Agenda tonight. This meeting should proceed because no part of what was proposed in any of the recommendations in the public session and other recommendations in the public excluded session had the potential to relitigate in the way the Mayor had described. There was nothing contrary to Standing Orders that prevented Council from going ahead with this meeting and making reasonable decisions Council needed to make as part of a joint council committee, which was WasteNet. She was totally opposed to any move stating this meeting did not proceed from this point. She was saddened that the intent was put on the table to try and bring any item out of public excluded session while the matter of whether Council continued with the items in the public agenda was still an issue to be dealt with. She urged Councillors for this meeting to proceed as she had a very personal reason, (which led to her

declaring a conflict) as to why it was necessary that this meeting proceeded tonight.

Cr Biddle spoke for the motion on the table on the basis of transparency, that it had already been in in the media.

Cr Ludlow spoke against the motion as there were questions surrounding financial matters that could only be answered in committee.

Cr Abbott said he could clarify the figures, to which Cr Ludlow responded that was not the figure he wished to question.

Cr Lewis said he supported going into Public Excluded Session to avoid the perception that Councillors were voting for political motives.

Cr Esler said the move to bring it into public session was electioneering.

His Worship the Mayor felt it was a cynical view and Cr Biddle took exception to Cr Esler's remarks.

Note: A division was taken.

The motion, now being put, was **LOST**.

6. **CONFLICTS OF INTEREST**

The Mayor raised the need to address conflicts of interest before proceeding with the meeting. Cr Soper said she had a conflict that she had already declared.

The following Councillors said they did not have a conflict of interest:

- Cr K Arnold
- Cr Amundsen
- Cr Crackett
- Cr Lewis

His Worship the Mayor noted there were enough to have a Quorum.

7. **MAJOR LATE ITEMS**

Moved Cr Amundsen, seconded Cr Ludlow that the Major Late Items be discussed at tonight's meeting.

Councillors Amundsen, Crackett and K Arnold spoke in favour of the motion.

His Worship the Mayor and Cr A Arnold spoke against the motion.

The motion, now being put, was **RESOLVED** in the **affirmative**.

Note: Cr A Arnold voted against the motion.

8. **COUNCIL DECISION MAKING – RECYCLABLES ACCEPTANCE SERVICES' CONTRACT**

Mrs Hadley said her report set out the things Councillors needed to be thinking of when they were considering contracts relating to recycling acceptance services. She made the distinction that it was not legal advice but identifies legal issues for consideration. She thought it was helpful to Council as the governors and decision makers for the city. She thought it would also be helpful to the media in terms of reporting on this story to understand this was set within a statutory context that makes it difficult for Elected Members to step outside. Mrs Hadley explained the Triennial Agreement and the implications on collaboration between councils. WasteNet and the Waste Advisory Group are specifically identified in the Triennial Agreement. She also cited the Local Government Act and its requirements around collaboration and stewardship, and specifically mentioned Section 14 of the Act about considering the 'well beings' mentioned in Section 10. Mrs Hadley also referred to Council's obligations under the Waste Minimisation Act and the joint venture agreement with Southland District Council and Gore District Council establishing a joint committee, with its resultant delegations. In 2018 Council delegated to the joint venture the delegation to prepare tender documents for the renewal of Contract 650, which was approved by Council in August. The delegation included setting the terms and conditions for the assessment of the tenders received and the process that would be used for the assessment of those tenders. Legal guidance was that once attributes are set by the RFP process Council is only able to evaluate and select the winning tender against those attributes. The delegation made in August 2018 was an extension of the existing delegation to WasteNet. While not explicitly referring to the joint venture, it is likely Council would be bound by the terms of the joint venture with respect to the conduct of the RFP process. The agreement you have entered into establishes a dispute procedure. The decision that you made 19 days ago was not deliberative in response to the RFP process. It did not award a tender but it did not give a direction on where to go from there. In wrapping up, Mrs Hadley said Councillors had to balance a number of obligations and issues in making a decision. They needed to be mindful of those because of the dispute resolution process that they needed to discuss. The decision is not purely a commercial one but is part of the statutory obligations under the Waste Minimisation Act and the Triennial Agreement under the Local Government Act, so Councillors could find that their decision-making is reviewed, that is why we have been cautious around the identification of interests. There was a risk of a higher standard of decision-making required with judicial review.

His Worship the Mayor moved that the report be received.

His Worship the Mayor disputed the accuracy of Mrs Hadley's comments and questioned whether her report was stepping into the role of Elected Members. Councillors had been told they hadn't asked the powerful questions in prior situations and this was the opportunity to ask the powerful questions on rubbish and recycling and whether they had served the 82 disabled workers well.

Cr Abbott asked whether the dispute resolution was particular to this agreement, as it is different to the Local Government Act. Mrs Hadley replied that she believed legal counsel would say the specific outweighs the general and it was entered into willingly by the parties.

Cr Biddle said the report included only a selection of the clauses in the Triennial Agreement and she would have preferred that it included them all. Cr Biddle said she had received advice and then she highlighted Elected Members' responsibilities in decision making under the Local Government Act and said the report only considered part of their responsibilities around decision making.

Cr K Arnold reinforced the point that Council in August 2018 had delegated responsibility to the Waste Advisory Group and the setting of terms and conditions and the process for assessment of tenders. Council was only able to evaluate and select the winning tender on the attributes it delegated to the Waste Advisory group to establish.

Cr K Arnold asked for Cr Biddle's advice to be tabled and for the advisor to be named. Cr Biddle agreed to table her notes but declined to name the advisor.

The motion was seconded by Cr Amundsen and now being put was **RESOLVED** in the **affirmative**.

Moved Cr K Arnold, seconded Cr Amundsen that these factors be taken into account in considering the report on Contract 850 Recycling Acceptance Services.

Cr A Arnold raised that there had been the option at the meeting 19 days ago to end the RFP process. It was raised in discussion but wasn't voted upon. Council voted against accepting the WasteNet recommendation and the Chief Executive was now trying to show Councillors they had no choice but to accept it. He believed she should be showing Councillors how they could achieve what they voted for in a legal and honourable manner.

Cr Soper raised a Point of Order (25.2)(b) (regarding disrespectful language) that Cr A Arnold was directing inappropriate comments against a staff member and she would like it to stop.

His Worship ruled against the Point of Order saying in a robust discussion there would always be collateral damage.

Note: Cr K Arnold raised a Point of Order (25.2)(a) (bringing disorder to the attention of the Chairperson) that Mrs Hadley was not entitled to enter the debate and requesting that the public gallery maintain order.

His Worship said that members of the public had called out during the previous meeting as well.

Cr Amundsen suggested it be passed on to staff that in future that reports be more explicit so Councillors knew exactly what decisions they were making.

His Worship the Mayor said the intent of the previous meeting was to stop the process going ahead. Councillors were clear that they knew what they were doing. He had voted twice and knew what he was voting for. To say it is alive and can't be discussed in public "gobsmacked" him, yet the mayors of Southland District and Gore District were able to speak publicly without a conflict. Council did not want this tender to go forward but, because it had not expressly said that, it was interpreted as Council didn't know what it was doing.

Cr Ludlow said that Council was clear that it would not accept the recommendation of WasteNet but was not clear on anything else, unfortunately. There was an effort tonight to try and tidy up an outcome for the next 12 months for Southland DisAbility Enterprises, which was nothing to do with Contract 850, the only thing to do with Contract 850 was a legal issue. He was interested in getting on and having the discussion in public excluded session.

The motion now being put was **RESOLVED** in the affirmative.

Note: Cr A Arnold voted against the motion.

Cr Biddle asked if the media would be notified of the decision following consideration of Extension of Contract 650, so people wouldn't be kept waiting.

Cr Thomas replied it would require ratification by the other councils. Mrs Hadley said Gore District would meet the following night but she was unsure when Southland District was meeting. Ms Peterson said it would meet the next morning.

Cr Abbott said Council could still advise the media of the way Invercargill City Council voted.

Cr Thomas advised that WasteNet would issue a press statement.

9. **COUNCIL IN PUBLIC EXCLUDED SESSION**

Moved Cr Amundsen, seconded Cr Crackett and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, with the exception of Mr W Cambridge, City Solicitor, namely:

- (a) *Extension of Contract 650.*
- (b) *Contract 850 – Notice of Dispute.*
- (c) *Contract 850 – Notice of Motion.*

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

Note: His Worship the Mayor and Cr A Arnold voted against the motion.

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
(a) Extension of Contract 650	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)

- (b) Contract 850 – Enable any local **Section 7(2)(i)**
Notice of authority holding the
Dispute information to carry on,
without prejudice or
disadvantage,
negotiations (including
commercial and
industrial negotiations)

- (c) Contract 850 – Enable any local **Section 7(2)(i)**
Notice of authority holding the
Motion information to carry on,
without prejudice or
disadvantage,
negotiations (including
commercial and
industrial negotiations)

The meeting moved back into public session.

There being no further business the meeting closed at 7.32 pm.

MINUTES OF THE EXTRAORDINARY MEETING OF THE INVERCARGILL CITY COUNCIL HELD IN THE COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING, 101 ESK STREET, INVERCARGILL ON TUESDAY 16 JULY 2019 AT 9.00 AM

PRESENT: Sir T R Shadbolt, KNZM JP
Cr R R Amundsen – Deputy Mayor
Cr R L Abbott
Cr A J Arnold
Cr K F Arnold
Cr T M Biddle
Cr A H Crackett
Cr I L Esler
Cr D J Ludlow
Cr I R Pottinger
Cr L F Soper

IN ATTENDANCE: Mr C McIntosh – Acting Chief Executive
Mrs P Gare – Director of Environmental and Planning Services
Mr D Foster – Interim Director of Finance
Ms M Brook - Manager Strategy and Policy
Mr T Holiday – Policy Analyst
Ms L Kuresa – Governance Officer

2. **APOLOGIES**

Cr G D Lewis and Cr L S Thomas.

Moved Cr Abbott, seconded Cr Soper that and **RESOLVED** the apologies be accepted.

3. **INTEREST REGISTER**

Nil.

4. **REPORT OF THE CITY BLOCK CONSULTATION**

The report had been circulated.

Moved His Worship the Mayor, seconded Cr Soper and **RESOLVED** that the report be received;

AND THAT

The submissions be received and considered by Council;

AND THAT

The late submissions from R Hodgkinson and GEM (2004) Ltd be received and considered.

4.1 Melvin Butler

In addition to his written submission, the submitter tabled a copy of his verbal submission and took the meeting through it.

In response to questions, Mr Butler gave the following answers:

1. There has been no consultation with the community to work out what could be better spent with that block of land? It's good to develop a retail precinct but what is going to happen to the rest of the land. We should be looking more at residential apartments that could be sold to bring people back to the CBD.
2. \$30 million will be put in for Stages 1, 2 and 3, so what happens to Stages 4, 5 and 6? The problem is we can't get private investors. If private investors won't invest in something, doesn't it tell you it's not a good investment? Why are we getting involved in this development? HWR want Council to be involved in the CBD development but why don't they let Council get involved in their other investments?

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.2 David Kennedy on behalf of Lynley Irvine for the Invercargill Public Art Gallery

In addition to their written submission, the submitter commented that the Invercargill Public Art Gallery supported the development. They wanted to make Council aware of the value of their institution, what they had to offer and what could be done in partnership in ensuring that the development was a vibrant space in the city.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.3 David Kennedy on behalf of Southern Farmers Market

In addition to their written submission, the submitter emphasised that no other institution in Invercargill had been as successful and regularly celebrated in cultural diversity and the activities of small business entrepreneurs as the Southern Farmers Market. It was identified in a survey that the Southern Farmers Market provided the opportunity for people to sit down and eat, whereas most markets did not. This showed a nice community feel about the market.

In response to questions, Mr Kennedy gave the following answers:

1. Invercargill is definitely lacking a space for a square-type hub. When the Farmers Market was operating from the carpark across the road from Council, he had proposed having a covered carpark during the week and a market place during the weekends, which could also be used for events.
2. There is a lot of financial support for attracting outside businesses to the inner city block. Why spend so much money on large businesses outside our region, how about supporting some of the local businesses? The businesses at the Farmers Market struggled to get that kind of support in the past on previous sites.

Having a sustainable space for the Farmers Market to operate from would be good value for the city, so some investment in that area, more than commercial concerns from outside our region, would add value.

3. \$30 million is a lot of money and some of that money could be focused on local businesses.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.4 **Matt Couldrey**

In addition to his written submission, the submitter said that he fully supported the proposal because people had their homes and workplaces but people also needed a place where they could socialise, enjoy and bring their families.

In response to questions, Mr Couldrey gave the following answers:

1. I moved to Invercargill three years ago to work.
2. My work has kept me here but I like Invercargill and the people. Having a place in the inner city where people can get out of the wind and rain could help bring people into the city centre.
3. In Rotorua they closed off the streets for food markets on Thursday nights. It's an opportunity for all the retailers to bring out their own marquees into the street. That worked for about a year but then they decided it didn't go far enough, so they built a covered structure and that's worked well since.
4. People got more creative with the space they had. There were already a lot of restaurants and bars in that street, which was why they closed it off. Over time more restaurants and bars moved into that space. Providing the heat and shelter from the wind and rain brought people into that shelter, so while they were there, they spent their money.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.5 **Mike Sanford**

In addition to his written submission, the submitter said he supported the development because it was an opportunity to "fix our city for our children and their children's future."

In response to a question, Mr Sanford gave the following answer:

1. There has been a 75% or higher support for this development on What's On Invers.

His Worship the Mayor thanked submitter for taking the time to present to Council.

4.6 **Don Moir**

In addition to his written submission, the submitter said that he did not normally endorse territorial authorities being involved in property development but the public good in this case overrides those concerns. He was a firm believer in the concept that "if you build it they will come". He was sure facilities would be well utilised. He supported HWCP being part of this project.

In response to questions, Mr Moir gave the following answers:

1. Esk Street being occasionally closed off for events and markets is a great idea. The more that's done to entice people into the inner city to use that area in a recreational way, the better.
2. I don't know enough about this project to know whether there is a financial return. That doesn't concern me because there is a public good that needs to be done here. The issue is that if someone doesn't pull those buildings down and rebuild in that area, I shudder to think what will happen. This is only one block of the city and the same situation was replicated elsewhere. I've been working on the Langland's Hotel site doing monitoring on the adjacent buildings and it staggers me the state of those buildings. It's hard to quantify the public good in financial terms.
3. I don't see any reason for Council not to be part of this project because it is putting money into it to achieve public good. I don't endorse Council being involved in trying to manage this project, that needs to be left to the developers.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.7

Kari Graber

In addition to her written submission, the submitter said that she wanted to see Invercargill thrive as it had a lot of assets and positive things going for it, but she had concerns in terms of what was being put into the block development and the amount of money being put into it when people kept saying it was for "social good".

In response to questions, Ms Graber gave the following answers:

1. The median household income is from Statistics NZ. The 2018 Census statistics has not been released, so the median income according to Statistics NZ is \$27,400 but that is not the most current figure, so it would have increased with the cost of living.
2. There is a high proportion of wealthy people in this small region.
3. I know that Council offers low income housing, so that could be built into the development. A housing development could be built in the CBD that is attainable to people who want to buy it for Air BnBs and want to purchase it for anything people want. Council also needs to look at retirement facilities and what makes this city liveable. It's about having access and the Museum needs to be sited in the CBD if it is being moved.
4. We need to look at it in that bigger picture. The block is a good development but the right elements need to be included in it.
5. If this development did not involve ratepayer money, I would say do whatever you want. When talking about ratepayer money, we have to think about it long term as to what it will look like. We can only take so much money from ratepayers.
6. We do have a bit more disposable income, which is why smaller businesses do well in Invercargill but we also have a major poverty divide in this city and we need to think about how everyone is affected by this development.
7. I support the development if the elements I've outlined today are included. Once those elements are included, we are moving back to the community, if Council is moving out of its core services.

8. The \$30 million could be enough for the development including the elements if it was done right, but it requires a rethink on how the whole thing is being put together.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.8 Lindsay Buckingham

The submitter took the meeting through the key points in his written submission.

In response to questions, Mr Buckingham gave the following answers:

1. I'm not against development but I am concerned as to whether we are doing the right thing. Without a long-term plan and a bigger picture where this piece of the jigsaw fits into that bigger picture is a concern.
2. I agree that Council is not driving this development, which is a positive, but the hesitation is that HWCP are not property developers. They are successful business people but their business is not primarily retail, food and beverage or that kind of commercial development. Their business skills lie elsewhere, with all due respect to the O'Donnell's.
3. It's difficult for me to accept that there are experts involved in this project because I can't see the evidence of that and it's within the Council. I'm not Mr Negative but I'm being Mr Realist by saying that we have to go into these things with an open mind. My submission might make gloomy reading but to go forward, you still need to know why Council is at the situation is at now. We need to look forward with positive eyes and we need to be targeted, need to have the big plan and we need to be focused. I agree that Mrs Hadley is bringing in various consultants, which is great, but we seem to have the cart before the horse. We have been going around the mulberry bush for the last 25 to 30 years and if we don't do something, nothing will be done, but we still need to do the right thing. I'm not sure if this is the right thing here. It's a wonderful idea and a wonderful development but will it be the fix. I have great concerns that it won't be the fix that we're looking for.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

The meeting adjourned at 10.40 am and resumed at 11.00 am.

4.9 Bridget Forsyth on behalf of the Cancer Society NZ

In addition to their written submission, the submitter commented that "smokefree" was critical in this development. She tabled copies of "The fresh air project" and took the meeting through it.

In response to a question, Ms Forsyth gave the following answer:

1. The Government legalising cannabis is something we are preparing a position statement for and our point of view is that we only want clean air in lungs, so if you're talking about smoking cannabis, we are not on board with that. It's still combustion into lungs.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.10 Chris Henderson

In addition to her written submission, the submitter tabled her presentation and took the meeting through it.

In response to a question, the following answer was given.

1. I am aware of the cost to rejuvenate the buildings but earthquake proofing could be done quite modestly.
2. There are a lot of creative people around, engineers and others who would love to support the development and make it happen in situ.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.11 Vicky Henry

In addition to her written submission, the submitter said that this development was an opportunity for Council to demonstrate its commitment to implement urgent measures to mitigate climate change. Cities around the world were looking at sustainability and this should be a guiding principle of every Council initiative.

In response to questions, Ms Henry gave the following answers:

1. With Council being financial contributors to this development, Council needs to identify its guiding principles to connect the big plan together.
2. More of the old buildings need to be saved because once heritage is gone, it's gone. I understand there is a lot of work behind the scenes to put a big plan together and the anchor tenant will have a lot of say in that as well. It would be good to see those old buildings being more inclusive to the city as a whole. Council's responsibility is to the whole CBD and not just part of it, so that's where it is conditional support for me. I agree that Council should support this development but Council has a lot of people to report to. The other thing is the sustainable aspect, we are lucky to have the Richardson's involved. Their fore-thinking and leadership is amazing and we need to be grateful that we have that but Council also needs to be involved and support this by saying that climate change is going to happen and Council is going to do something about it.
3. There needs to be more movement in and out of the buildings.
4. The development needs to encourage people to linger for longer. It will need carparking because we like to park at the door but I would question how many carparks we need.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.12 Bryan Campbell

In addition to his written submission, the submitter said that the plan needed to attract a good future of Invercargill. He outlined his concerns as set out in his submission.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.13 **Stuart MacDougall**

In addition to his written submission, the submitter said he supported the CBD upgrade and commended Scott O'Donnell from the Richardson Group for his forward thinking on this development.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.14 **Jared Cappie and Cathy Jordan on behalf of Healthy Families**

In addition to their written submission, the submitters said that Council had a vital role in helping to create and sustain the great environments where we live, learn and play and they appreciated the support received from Council. They thanked Council for its continued support for Healthy Families initiatives and leadership to enable groups to think about health and wellbeing to build healthier communities together.

In response to questions, Mr Cappie and Ms Jordan gave the following answers:

1. Yes, we do support the block investment. The urban design would complement the block.
2. We have been working with H&J Smiths and Council around having more lockable bike spaces in the CBD. We want more people to bike and walk into the CBD, so they need places to lock things up.
3. Having good public spaces in the CBD was evident through the Matariki event where there was an area to play, sit and enjoy their surroundings in a relaxed way.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.15 **Neighbouring Retailers Group (NRG) – Ben Fokkens, Bernie Brown, Richelle Holland and Paula Winslade**

In addition to their written submission, the submitters tabled a copy of their verbal submission and took the meeting through it.

In response to questions, the submitters gave the following answers:

1. Most of the businesses we represent are all on the outskirts of this development block.
2. As a group we are looking at the bigger picture. We don't have any hidden agendas or vested interest other than what is best for the city for generations to come and for all the community. The one constant thing has been the steady decline of the CBD over the years and we have the

opportunity to invest in that decline. Earlier the word “pride” was spoken about and as smaller retailers, we are at the coal face day in and day out and we’re meeting and greeting visitors and locals and getting feedback on different things. It has become increasingly difficult to remain upbeat about the environment around the inner city, so we fully support Council’s involvement in HWCP and in what is going to be a game changer for the future of our city.

3. It would be great for the CBD to get people interacting on a regular basis by having Esk Street closed off for a few hours on a particular day for a market. The Matariki festival was great due to the number of people who attended and took part. So it would be good to have that consistently on a weekly basis as long as it was regulated and that there is consultation around it.
4. There are definitely some great aspects of it, for example carparking. There could be a linkage through other aspects on the outskirts of the design so that it was interacting between all areas.
5. I spent seven years in Wellington working for Shoe Clinic in Lower Hutt and there has been a decline in shops on High Street, so inner city living would help rejuvenate the CBD.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

The meeting adjourned at 12.12 pm and resumed at 1.30 pm.

4.16 **Nicola Glew**

In addition to her written submission, the submitter provided a PowerPoint presentation on future proofing the investment so there was a viable future and meeting the expectations of what people were asking for.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.17 **Judy Ramsay**

In addition to her written submission, the submitter objected to the building figures and was concerned about the amount ratepayers would be required to pay.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.18 **Mark Simmons**

In addition to his written submission, the submitter discussed the medical facility he was working on which was being proposed within the CBD upgrade. He believed Council’s core responsibilities were not commercial development which was better delivered by the private sector. The buildings currently in the CBD did not have an economic future and those undertaking this upgrade had the necessary experience to address these issues.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.19 **Jeffrey Walker**

In addition to their written submission, the submitter said he was not objecting to the upgrade, just the Council's involvement as it was not a core activity of Council. It had been portrayed on the Council website that the process had been approved but now the ratepayers were being asked to contribute and the venture would not proceed without Council's involvement. The contingency of 25% was more than should be expected. Council did not have unlimited funds and if this venture was approved then Council could not fund something else.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.20 **Jude Anton Sands**

In addition to his written submission, the submitter said a development of this size had associations for different generations and while these buildings were dangerous as they were, they could be restored instead of being replaced. He was concerned there was not enough population to sustain a mall.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.21 **Noel Peterson**

In addition to his written submission, the submitter said it was important not to stand in the way of progress but it needed to be planned very carefully as there were a lot of implications that could not be seen. He suggested this was a private enterprise between commercial business and Council, and Council was being seen as a soft touch which was expensive to the ratepayers. This would restrict future infrastructure investment options as there was a limited pool to put into other infrastructure needs. He believed this investment was only for a select group of the community and not everyone would use it.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.22 **Gaire Thompson on behalf of Pascoe Properties Limited as part of Thompson Property Group**

In addition to his written submission, the submitter said this was a risky investment which the ratepayers should not be asked to fund. Full information and figures needed to be provided before any decisions were made. Ongoing servicing costs had not been included. The cost was not always value.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.23 **Margaret Cook on behalf of Southland Community Housing Group**

In addition to their written submission, the submitter said they supported the plan. Two hundred and seventy new houses per year would be required to house 10,000 new citizens in Invercargill. The proposed CBD would help with this.

In response to a question regarding inner city living, Mrs Cook said the Southland Community Housing Group would support this.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

4.24 Nobby Clark on behalf of the Invercargill Ratepayers Association

In addition to their written submission, the submitter tabled a paper of their concerns including how Council would manage the loan and why other options had not been investigated.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

Note: Cr A Arnold left the meeting at 2.53 pm.

4.25 John Rikkerink

In addition to his written submission, the submitter read said the wellbeing of the whole community needed to be considered and this did not take that into consideration. Council was already over extended financially and the CBD needed to be considered in the Long Term Plan. Good practice would be to fix the city block instead of building a new mall. Ratepayers with shares in the Richardson Group would be considered more important than those who do not. For ratepayers this money would be better spent for rent rather than funding a mall they would not use. He believed there were two Invercargill's – one privileged and middle class, and one struggling.

In response to a question about just the city's contribution, Mr Rikkerink said it was taking the guts out of the city and changing it. Instead of going up it could have gone out. If we don't have money to spend, how can businesses thrive?

In response to a question about green space within the CBD or in adjacent areas, Mr Rikkerink replied that most of these were charged.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

The meeting adjourned at 3.31 pm.

**MINUTES OF THE RE-CONVENED EXTRAORDINARY MEETING OF THE
INVERCARGILL CITY COUNCIL HELD IN THE COUNCIL CHAMBER, FIRST FLOOR,
CIVIC ADMINISTRATION BUILDING, 101 ESK STREET, INVERCARGILL ON
WEDNESDAY 17 JULY 2019 AT 9.15 AM**

PRESENT: Sir T R Shadbolt, KNZM JP
Cr R R Amundsen – Deputy Mayor
Cr R L Abbott
Cr A J Arnold
Cr K F Arnold
Cr T M Biddle
Cr A H Crackett
Cr I L Esler
Cr D J Ludlow
Cr I R Pottinger
Cr L F Soper

IN ATTENDANCE: Mr C McIntosh – Acting Chief Executive
Mrs P Gare – Director of Environmental and Planning Services
Mr D Foster – Interim Director of Finance
Ms M Brook - Manager Strategy and Policy
Mr T Holiday – Policy Analyst
Ms L Kuresa – Governance Officer

2. APOLOGIES

Cr G D Lewis and Cr L S Thomas.

Moved Cr Abbott, seconded Cr Soper that and **RESOLVED** the apologies be accepted.

3. REPORT OF THE CITY BLOCK CONSULTATION

3.1 Cain Duncan

In addition to his written submission, the submitter commented that this was an opportunity to revitalise our city for people to come and enjoy the inner city. It will set the scene for our children and invest in the future of our city. He was happy to pay the extra on his rates to see this development went ahead and most of Invercargill residents felt the same way. He encouraged Council to support this project and invest the \$30 million required to bring life back into our inner city.

In response to questions, Mr Duncan gave the following answers:

1. There has been a proposal around closing down Esk Street for vehicles for quite some time and I would like to see that happen.
2. We came home seven years ago for family reasons and work purposes. The inner city had life then but I have seen a gradual decline over the last decade.

3. The redevelopment would draw people into the entire inner city. At the moment retailers are out at Leven Street, so there's no opportunity for those retailers to get that foot traffic.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

3.2 **Bob Simpson**

In addition to his written submission, the submitter tabled a copy of his verbal submission and took the meeting through it.

In response to questions, Mr Simpson gave the following answers:

1. We had an organisation called Vibrant Invercargill and we got into the Inner City Steering Committee with four councillors and four from Vibrant Invercargill involved but there was a greater level of involvement and local input at that stage. This was the key component of it but for political and other reasons, Council chose not to put money into the carpark.
2. There are risks involved in any development. The Council contribution was modest but it was much less ambitious than this in a physical sense and money sense.
3. I am opposed to Council investing \$30 million in the block the way it is at the moment. There is a good argument for Council not being involved in commercial development because it's competing with ratepayers. I could be convinced to put money into art galleries and museums in the block, where they are community responsibility.
4. The ILT closed its tenders in the middle of last month and we still haven't heard what happened. It would not surprise me if that was because the price was a bit more than what they expected for the hotel project. There is so much uncertainty at the moment and I don't believe we will get the growth that some people are expecting.
5. I didn't think Mitre 10 would survive but it has but it's beyond my comprehension how things can keep growing. I don't think this proposal is addressing sustainability and other issues. We need more community reaction where people can talk to each other with time to look at some art and be challenged. It's not all about shopping. The reason why we are where we are is because there hasn't been good planning and there haven't been planners on the case. I am keen for Council to have a look at this before making a commitment because this is a serious amount of money.
6. I was in favour of Amtex and Council was asked to put the money in for five years for the development to start, but there were clauses about paying the rent, which was a much more calculated package, but it didn't happen due to political reasons.
7. The problem we deal with here is doing things well because it's a serious business and that's why you have urban planners to look at everything. This is not new but I proposed two elections ago that we try and get the Museum into the inner city. I'm happy to have pedestrian activity in the inner city, not necessarily in that block but there are buildings like The Southland Times building that are suitable for the Museum. Some years ago there was the DIC building and the Farmers building and I suggested the art gallery go into there.
8. I don't want to stop the momentum of this project, I want to see it better directed.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

3.3 Sue Smith

In addition to her written submission, the submitter commented that this project had been taken to a whole new level. She agreed that the city needed a revamp but not at the expense of increased rates.

In response to questions, Ms Smith gave the following answers:

1. My children have left home but it's a home base for them to come back to.
2. My children don't agree with this development because they have been brought up that if you can't pay for it, you don't have it. I am concerned that there are others in this situation where we've worked hard for a home and the reality was that she couldn't afford it anymore.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

3.4 Carolyn Weston

In addition to her written submission, the submitter voiced her concern that there was lack of public consultation on this important project.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

3.5 Carolyn Weston on behalf of the Blind Citizens New Zealand Southland Branch

In addition to their written submission, the submitter said that the majority of people from the Blind Citizens New Zealand Southland Branch were concerned about the increase in rates.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

3.6 Neil McAra on behalf of Southland Chamber of Commerce

In addition to their written submission, the submitter emphasised the strong linkage that the SoRD's plan identified the need for 10,000 more people by 2025 and the CBD being a significant project underpinning that growth and opportunity.

In response to a questions, Mr McAra gave the following answers:

1. With the linkage to tourism attracting people to come to Invercargill, we need activities and things to do in the inner city. It will benefit Invercargill but there is a wider benefit for the whole of Southland.
2. There will be more job opportunities with this project and a growth in housing, which will mean a wider population to rate upon and therefore negate some of those issues around rate increases.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

The meeting adjourned at 10.16 am and resumed at 10.50 am.

3.7 Janette Bradshaw

The submitter took the meeting through the key points in her written submission.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

3.8 Louise O'Callaghan

The submitter took the meeting through the key points in her written submission.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

3.9 Carol Jaspers

In addition to her written submission, the submitter said that she was not here to fund someone else's build as a ratepayer.

In response to questions, Ms Jaspers gave the following answers:

1. The development is wonderful but it should not be funded by ratepayers. It's a commercial venture and if SIT was happy to take up a corner site and do the clearing and job involved, then the developers who are managing this project need to look for more organisations like SIT to fund this project.
2. As a ratepayer, I expect Council to maintain the streetscape and continue to do what it's supposed to do.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

3.10 Roger Hodgkinson

In addition to his written submission, the submitter took the meeting through the key points in his submission and commented that Council should seriously consider looking at the whole aspect of the inner city and how it would be in 50 years' time.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

3.11 Scott O'Donnell

In addition to his written submission, the submitter said that this structure had a long life to suit the needs of the consumer.

In response to questions, Mr O'Donnell gave the following answers:

1. We are not asking Council to manage this, we are asking Council to be an investor in this project and have all the rights through its normal shareholding to appoint Board members for them to have their say and do normal commercial things. We believe that the team we have assembled have the commercial skills to deliver good outcomes.

2. We want to retain the Invercargill story that was once there. We can't retain the buildings because they are past their use by dates but we can retain the stories, the photos, the trinkets, tiles, lampposts, the Burt Munro Cambridge Arcade, all those things you want to repurpose and use them again.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

The meeting adjourned at 11.45 am and resumed at 12.05 pm.

3.12 **Brendan McElhinney**

In addition to his written submission, the submitter said he saw some significant financial risk with this investment and referred to his submission for further clarification.

His Worship the Mayor thanked the submitter for taking the time to present to Council.

There being no further business, the meeting finished at 12.15 pm.

**MINUTES OF A MEETING OF THE BLUFF COMMUNITY BOARD HELD IN THE BLUFF
MUNICIPAL CHAMBERS, GORE STREET, BLUFF ON MONDAY 22 JULY 2019
AT 7.00 PM**

PRESENT: Mr R Fife (Chair)
Mrs G Henderson
Mr G A Laidlaw
Mrs P Young
Cr I L Esler

IN ATTENDANCE: Cr G D Lewis
Cr A J Arnold
Mr R Pearson – Roading Manager
Ms M Frey – Interim Parks and Recreation Manager
Ms L McCoy - Manager - Parks Planning
Mrs N Allan – Service Centre Manager
Ms L Kuresa – Committee Secretary

2. **APOLOGY**

The Chairman said that Mrs W Glassey had not put in an apology for tonight's meeting.

3. **PUBLIC FORUM**

Nil.

4. **INTEREST REGISTER**

Moved, R Fife seconded Cr Lewis and **RESOLVED** that the report be received.

5. **MINUTES OF THE BLUFF COMMUNITY BOARD MEETING HELD ON
10 JUNE 2019**

Moved G Henderson, seconded Cr Esler and **RESOLVED** that the minutes be accepted as a true and correct record with the amendment in Item 8, where the second last paragraph should say "New Plymouth" and not "Hamilton".

6. **REPORT OF THE BLUFF PUBLICITY/PROMOTIONS OFFICER**

The Chairman informed the meeting that Mr Beer could not attend the meeting due to illness.

Moved G Laidlaw, seconded P Young and **RESOLVED** that the report be received.

7. **BLUFF ACTION SHEET**

Mr Pearson and Ms McCoy took the meeting through the report.

Moved G Henderson, seconded G Laidlaw that the report be received.

Mr Pearson informed the Board of some problem areas that had been identified that needed more work on:

1. Foyle Street/Slaney Street – the bank was starting to slip and fail and the footpath was starting to tilt the wrong way. There was a need to consider how that bank could be stabilised. There were a range of options to look into to protect the road in the long term.
2. There was a situation where a bank against a footpath and one of the local residents thought that the Council was at fault for eroding the bank. It had been an ongoing issue that needed to be resolved.
3. It was identified that there was some movement of the ground around the monument. A Geo-Tech Report was needed to identify what was going on.

Ms McCoy informed the Board that Environment Southland had advised that a meeting would be held at the beginning of August to meet with the commercial fishermen with regard to the Bluff Boat Ramp. A workshop would then be held with the Bluff community to ensure that they were happy with the plan.

Ms Frey said that there had been reports of late night vandalism and bad behaviour at the Bluff Cemetery. Staff were looking at the option of possibly closing the gate to vehicles and having it opened for maintenance purposes only. She asked for feedback on this matter. She had been advised that this type of activity was happening frequently.

The Chairman said that after investigation into the footpath going into Stirling Point, it was discovered that it was water running across the footpath and in some areas it was water running off the hill.

In response to a question on street sweeping, Mr Pearson said that Council was working in Bluff and Invercargill to ensure that the sweepers were completing all their rounds.

Cr Esler identified the following:

1. There was still some rubbish at the back of the Rowing Club, which looked untidy.
2. Something needed to be done with regard to parking at Omaui because people were only able to park on the gravel area, which only had space for three to four cars. Mr Pearson said that there was a need to identify those extra parking spaces, so they could add those into the plan for inclusion in budgets for future years.
3. There was a recent erosion where the sea had been coming in that needed to be monitored. There had been a build-up of sand, which was an ongoing issue.
4. The signage for the ship's graveyard had been checked and there was still an ongoing issue where the printing could not be read. This item was discussed and it was identified that Parks staff were working on this.
5. An advertisement for a working bee would be done to do gravel work on the Omaui track next Sunday afternoon.

In response to a question on progress on the track from Stirling Point, Ms McCoy explained that a resource consent would be submitted to Environment Southland this week for the structural work to go ahead.

Ms Frey commented that it had been a complicated matter given the coastal erosion issues but the design was not retaining structure, it was more of a lighter footprint. Resource consent was up to 20 working days but if the information was not correct. Environment Southland would request further information, which added to the 20 working days. She would like to see it open before summer.

The motion, now being put, was **RESOLVED** in the **affirmative**.

8. **CHAIRMAN'S REPORT**

The report was tabled and the Chairman took the meeting through it.

8.1 **Gun Pit Meeting**

The Chairman said that this item was covered under the previous report.

8.2 **Oyster Industry**

The Chairman said he had received an email from John Kirkman regarding an opportunity for a transitional social science partnership. He took the meeting through the information and after discussions, it was agreed that the Board supported the study to be carried out so that Bluff had a viable oyster industry for the next 100 years. It also agreed that there needed to be more controls around recreational fishermen having access around the fishery area.

Moved R Fife, seconded G Laidlaw and **RESOLVED** that the Board acknowledges the letter and supports the concept.

8.3 **Zone 6 Meeting**

The Zone 6 Meeting was held in Gore. Mrs Henderson and Mr Laidlaw had attended the meeting and they took the meeting through a verbal report.

8.4 **Bluff Community Group Meeting**

The Chairman reported that as part of the Bluff Vision Statement, it was agreed at a previous Board meeting that two meetings per year would be held with all community groups in Bluff. A meeting would be held in early August to keep in contact with those groups. A mail-out of the Bluff Vision statement was to be carried out but that would now be done after the Elections. After he made some enquiries, he was advised that even though it was coming from the Bluff Community Board and not any particular person, it could be looked at as some form of electioneering.

8.5 **Parks and Recreation Workshop**

The Chairman attended the Workshop and it was interesting to get the views on how the Bluff community could go forward with regards to the reserves. There were some good discussions, especially around the infrastructure regarding the number of tourists. He also learnt that counts were carried out on how often the toilets were used and the Stirling Point toilet was used more, compared to the one by the Bluff Service Centre. He said it was a good opportunity to discuss issues that affect Bluff.

Moved R Fife, seconded Cr Esler and **RESOLVED** that the report be received.

9. **FINANCIAL STATEMENTS**

Moved R Fife, seconded G Laidlaw and **RESOLVED** that the report be received.

10. **URGENT BUSINESS**

10.1 **Bluff Coastal Clean-up**

Cr Esler informed the meeting that with Conservation Week coming up, there was an official Bluff Coastal Clean-up being held on Saturday 21 September. The Bluff Hill Group was organising it and they were looking for volunteers. It would be advertised as it was an official Conservation Week activity.

The Chairman said he would get that advertised on the Bluff Community Board Facebook page as well.

There being no further business, the meeting finished at 8.02 pm.

**MINUTES OF A MEETING OF THE COMMUNITY SERVICES COMMITTEE HELD AT
SPLASH PALACE, 56 ELLES ROAD, INVERCARGILL ON MONDAY 29 JULY 2019
AT 4.00 PM**

PRESENT: Cr R L Abbott (Chair)
Cr A J Arnold (Deputy Chair)
Cr T M Biddle
Cr I L Esler
Cr G D Lewis
Cr L F Soper
Cr R Currie – Environment Southland

IN ATTENDANCE: Cr R R Amundsen
Cr D J Ludlow
Mrs G Henderson – Bluff Community Board
Mr R Pearson – Manager Roding
Mr P Thompson – Aquatic Services Manager
Mrs M Foster – Manager Library and Archives
Ms M Napper – Community Development Manager
Ms L Kuresa – Governance Officer

2. APOLOGIES

His Worship the Mayor, Cr R Currie and Cr A J Arnold for lateness.

Moved Cr Abbott, seconded Cr Soper and **RESOLVED** that the apologies be accepted.

Note: Cr A Arnold and Cr Currie joined the meeting at 4.02 pm.

3. PUBLIC FORUM

3.1 Jack Lovett-Hurst – Support for Employers Project

Representatives from Nga Kete Matauranga Pounamu Charitable Trust where Jack Lovett-Hurst coordinates a programme called SOAR (Securing Our Aspirational Realities), were in attendance to support Mr Lovett-Hurst through his presentation to the Committee. A copy of the Support for Employers booklet was tabled for the Committee's information.

In response to a question as to how Mr Lovett-Hurst felt having the role of being an advocate for people with disabilities, Jack said he felt proud because he knew that he was doing something to help others as well as giving back to the community.

In response to a question as to what Council could do to support him in this new role, Jack said he would like to see disability be more visible and more included in the community.

A round of applause was carried out to acknowledge Mr Lovett-Hurst's presentation to the Committee.

A representative from Nga Kete Matauranga Pounamu asked if there were any job opportunities for people with disabilities with Council. Cr Abbott said that he would speak to the Chief Executive about that.

Ms Napper said that over a year ago there a position within Council that was reviewed and the outcome of that was that a young man with a disability was now responsible for going around Council and collecting all the recycling and to ensure that paper was available for all photocopiers. He was now a permanent part-time employee at Council and he was so proud of it.

Cr Abbott thanked representatives from Nga Kete Matauranga Pounamu Charitable Trust and Mr Lovett-Hurst for his presentation to the Committee.

4. **INTEREST REGISTER**

Cr Soper informed the Committee and she was now the Council representative on the Southland Warm Homes Trust.

5. **MINUTES OF MEETING HELD 13 MAY 2019**

Moved Cr Soper, seconded Cr Biddle and **RESOLVED** that the minutes be approved.

6. **COMMUNITY DEVELOPMENT REPORT**

Ms Napper took the meeting through the report.

Moved Cr Abbott, seconded Cr Esler and **RESOLVED** that the report be received.

7. **URGENT BUSINESS**

7.1 **Managers' Reports**

Cr Abbott thanked Mr Thompson and Steve Cook for the tour of Splash Palace before the Committee Meeting.

Managers updated the Committee on what was happening within their department's operations.

Moved Cr Abbott, seconded Cr Soper and **RESOLVED** that a vote of thanks be given to Mrs Foster and her team for a successful Library Open Day.

There being no further business the meeting closed at 4.33 pm.

**MINUTES OF A MEETING OF THE REGULATORY SERVICES COMMITTEE HELD IN
THE COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING,
101 ESK STREET INVERCARGILL ON TUESDAY 30 JULY 2019 AT 4.00 PM**

PRESENT: Cr R R Amundsen – Chairperson
Cr T M Biddle – Deputy Chairperson
Cr K F Arnold
Cr A H Crackett
Cr D J Ludlow
Cr L F Soper

IN ATTENDANCE: Cr R L Abbott
Cr I L Esler
Cr G D Lewis
Cr L S Thomas
Mrs G Henderson – Bluff Community Board
Mr M Morris - Environmental Legal / Technical
Mr T Boylan – Planning Manager
Ms L Devery – Senior Planner
Ms S Baxter – Policy Planner
Ms E Dickson - Team Leader - Compliance
Ms H McLeod – Communications Advisor
Ms L Kuresa – Governance Officer

2. **APOLOGIES**

His Worship the Mayor.

Moved Cr Soper, seconded Cr K Arnold and **RESOLVED** that the apology be accepted.

3. **PUBLIC FORUM**

Nil.

4. **INTEREST REGISTER**

Nil.

5. **MINUTES OF MEETING HELD 14 MAY 2019**

Moved Cr Crackett, seconded Cr Soper and **RESOLVED** that the minutes be approved.

6. **CITY CENTRE REPAINTING INITIATIVE – 3 LEVEN STREET,
INVERCARGILL**

Ms Baxter took the meeting through the report.

In response to a question as to whether this fund was historically a retrospective one where Council reimbursed the company after the work was carried out, Ms Baxter confirmed that was the case.

In response to a question as to how well this fund was marketed, Ms Baxter explained that the information was hard to access for this fund, which was one thing that was being addressed.

Moved Cr Soper, seconded Cr Crackett and **RESOLVED** that the report be received,

AND THAT

It be **RECOMMENDED** to Council that Council resolves the payment of the repainting initiative, valued at \$3,650 (incl GST).

7. **CITY CENTRE REPAINTING INITIATIVE – 168-174 DEE STREET, INVERCARGILL**

Ms Baxter took the meeting through the report.

Moved Cr Soper, seconded Cr Biddle and **RESOLVED** that the report be received;

AND THAT

It be **RECOMMENDED** to Council that Council resolves the payment of the repainting initiative for 174 Dee Street, valued at \$1,000 (incl GST),

AND THAT

It be **RECOMMENDED** to Council that Council resolves the payment of the repainting initiative for 170 Dee Street, valued at \$1,750 (incl GST).

8. **PROPOSED RIGHT OF WAY NAME IN RELATION TO THE SUBDIVISION OF 690 TWEED STREET**

In response to a question as to how common it was to name a street after a horse, Mr Boylan said it was very common at Ascot Heights. There were at least three streets named after race horses.

In response to a question as to whether there was confusion for emergency services with the pronouncement of “Aadies” as a street name or other street names similar to that, Mr Morris explained that would have been checked as part of the recommendation process. The Oreti Street and Oreti Road issue came about before amalgamation when Southland County had Oreti Road and the City would had Oreti Street.

Moved Cr K Arnold, seconded Cr Biddle and **RESOLVED** that the report be received,

AND THAT

It be **RECOMMENDED** to Council that Council adopt the following proposed road name:

- That Area A (Right of Way to provide access and services to seven lots) be named Aadies Way as it is the developer's preferred name and meets Council's naming convention.

9. **PROPOSED RIGHT OF WAY NAME IN RELATION TO THE SUBDIVISION OF 50 PALMER STREET**

Moved Cr Biddle, seconded Cr K Arnold and **RESOLVED** that the report be received,

AND THAT

It be **RECOMMENDED** to Council that Council adopt the following proposed road name:

- Areas A and B (Right of Way which provides access and services to seven lots) be named Lindsay Way as it meets Council's naming convention.

10. **2019/20 DOG CONTROL REPORT**

Moved Cr Soper, seconded Cr Ludlow that the report be received,

AND THAT

It be **RECOMMENDED** to Council that the adopted report be advertised for public information and forwarded to the Department of Internal Affairs as required under the Act.

Cr K Arnold said she did not have an issue with the report but it was difficult to make comparisons when the previous year's report was not included. She suggested that for future reference, it would benefit everyone to include the previous year's report, so that people could see what the changes were. Mr Morris said that would be put in place going forward.

Ms McLeod informed the Committee that all the reports for the last six years were on the ICC website, so that the public could compare those to the current report.

The motion, now being put, was **RESOLVED** in the **affirmative**.

11. **MAKING THE PROPOSED INVERCARGILL CITY DISTRICT PLAN OPERATIVE**

Ms Devery took the meeting through the report.

Moved Cr Ludlow, seconded Cr Soper that the Committee receive the Making the Proposed Invercargill City District Plan Operative report and that it be **RECOMMENDED** to Council that:

- 1.1 Council approve the Proposed Invercargill City District Plan pursuant to clause 17 of Schedule 1 of the Resource Management Act 1991; and

- 1.2 That the approved Invercargill City District Plan be publicly notified and becomes an operative District Plan in accordance with Clause 20 of Schedule 1 of the Resource Management Act 1991 on 30 August 2019; and
- 1.3 That Council affix the Council seal to the document confirming approval.

In response to questions, the following answers were given:

1. The tools that have been given to staff now mean that plan changes can be made more efficiently than before. For example, if it was a plan change to a certain area, if that is the only area affected it could be done like a resource consent, which goes through in a quicker timeframe. As soon as the District Plan is made operative, changes can be made.
2. A plan change can be made to an operative plan, but you have a variation to a proposed plan. That just means that the planners have to keep referring to the essentially operative plan.
3. There are no restrictions on the Airport in terms of its operating hours. The Airport has very clear and defined operational boundaries with the flight paths, which put a number of controls on what can occur.

The motion, now being put, was **RESOLVED** in the **affirmative**.

12. **URGENT BUSINESS**

Nil.

There being no further business, the meeting finished 4.24 pm.

**MINUTES OF A MEETING OF THE INFRASTRUCTURE AND SERVICES COMMITTEE
HELD IN THE COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION
BUILDING, 101 ESK STREET, INVERCARGILL ON MONDAY 5 AUGUST 2019
AT 4.00 PM**

PRESENT: Cr L S Thomas – Chairperson
Cr I R Pottinger – Deputy Chairperson
Cr A J Arnold
Cr K F Arnold
Cr I L Esler

IN ATTENDANCE: Cr L F Soper
Cr T M Biddle
Mrs C Hadley – Chief Executive
Mr C McIntosh – Director of Works and Services
Mr R Pearson – Roading Manager
Mr P Horner – Building Assets Manager
Ms L McCoy – Parks Planning Manager
Ms H Guise – Council Land Advisor
Ms L Kuresa – Governance Officer

2. **APOLOGIES**

Cr AN H Crackett and His Worship the Mayor.

Moved Cr K Arnold, seconded Cr Esler and **RESOLVED** that the apologies be accepted

3. **NOTICE OF URGENT ITEMS**

Moved Cr A Arnold, seconded Cr K Arnold and **RESOLVED** that the matter with regard to Disposal of Reserve Lands be taken in Public Excluded Session and that representatives from the BMX Club be authorised to be speak under Public Forum.

4. **PUBLIC FORUM**

4.1 **Southland BMX Club (Elizabeth Park) Development Proposal**

Jo Parnham, President of the Southland BMX Club and Ngarita Te Patu, Club Secretary, were in attendance to speak to this item.

Ms Parnham referred to the report in the agenda and said that the club had grown from 40 riders to 82 last season and the space was not big enough to cater for the numbers.

In response to questions, the following answers were given:

1. BMX NZ is bringing in a new track standard nationally, which means that the current track will only be able to hold low level meetings. With this new track we would be able to hold right up to national level meetings.

2. Some of the tracks won't have to upgrade because they are all upgrading at the moment. A lot of the clubs are upgrading sealed corners and higher start ramps and all the criteria that the tracks require. By developing a new track it would mean that the track would be coming up to that required standard, which would mean that we could hold bigger meetings and other kids would make the effort to travel for competitions.
3. BMX has always been on the rise and within our club that has fluctuated over the years. There is a decline around the age of 14 years, so BMX is trying to keep kids in the sport. Most of our membership is concentrated around the 6 to 9 year age group.
4. The only way for club riders to gain regional and national experience is to travel out of Invercargill to other tracks at their own expense. We would like a track that is the equivalent or slightly better, so that the kids do not have to travel and people can travel here for meetings.
5. We have riders from all around Southland who travel in for training, but we've had to hold our training over two nights to fit everyone in, which is a good thing but we want to give everyone the best opportunities to train.

Cr Thomas thanked Ms Parnham and Ms Te Patu for taking the time to present to the Committee. He said that this item would now be brought forward in the agenda for discussion.

5. **SOUTHLAND BMX CLUB (ELIZABETH PARK) DEVELOPMENT PROPOSAL**

Ms McCoy took the meeting through the report.

The Committee commended everyone involved with this project for the work they had put in and agreed that it was a good thing for our community.

Moved Cr K Arnold, seconded Cr Pottinger and **RESOLVED** that the report be received;

AND THAT

It be **RECOMMENDED** to Council that Council support and conditionally approve the concept of re-development of the BMX track within Elizabeth Park (as shown in Appendix 1), subject to approval of final redevelopment project design by the Parks Manager;

AND THAT

Council support and conditionally approve Southland BMX Club to relinquish their current lease early and development of new lease upon approval of final redevelopment project design to cover the proposed new area;

AND THAT

Council support and conditionally approve public consultation of the Elizabeth Park Management Plan to allow for re-development.

6. **INTEREST REGISTER**

Nil.

7. **MINUTES OF MEETING HELD 24 JUNE 2019**

Moved Cr K Arnold, seconded Cr Esler and **RESOLVED** that the minutes be approved.

8. **URGENT BUSINESS**

Nil.

9. **PUBLIC EXCLUDED SESSION**

Moved Cr Thomas, seconded Cr Pottinger and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely:

- (a) Minutes of the public excluded session held 24 June 2019.
- (b) Contract 848 – Urban Pavement Rehabilitation 2019-2020.
- (c) Disposal of Reserve Lands.

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
(a) Minutes of the Meeting – 24 June 2019	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	Section 7(2)(i)
(b) Contract 848 – Urban Pavement Rehabilitation 2019-2020	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	Section 7(2)(i)
(c) Disposal of Reserve Lands	Enable any local authority holding the information, to carry on without prejudice or disadvantage, (including commercial and industrial negotiations)	Section 7(2)(i)

There being no further business, the meeting finished at 4.41 pm.

**MINUTES OF THE FINANCE AND POLICY COMMITTEE MEETING OF THE
INVERCARGILL CITY COUNCIL HELD IN THE COUNCIL CHAMBER, FIRST FLOOR,
CIVIC ADMINISTRATION BUILDING, 101 ESK STREET, INVERCARGILL ON
TUESDAY 6 AUGUST 2019 AT 4.00 PM**

PRESENT: Sir T R Shadbolt, KNZM JP
Cr D J Ludlow – Chair
Cr G D Lewis – Deputy Chair
Cr R L Abbott
Cr R Amundsen
Cr I R Pottinger

IN ATTENDANCE: Cr K F Arnold
Cr A H Crackett
Cr I L Esler
Cr L F Soper
Cr T M Biddle
Mrs C Hadley – Chief Executive
Mr C McIntosh – Director of Works and Services
Mr D Booth – Manager Financial Services
Mrs E Harris Mitchell – Manager Communications and Secretarial
Services
Mr T Holiday - Policy and Reporting Analyst
Ms H McLeod – Communications Officer
Mr D Luoni - Manager - Southland Museum
Ms L Kuresa – Governance Officer

2. **APOLOGIES**

Cr L S Thomas and His Worship the Mayor for lateness.

Moved Cr Abbott, seconded Cr Lewis and **RESOLVED** that the apologies be accepted.

3. **PUBLIC FORUM**

Nil.

4. **INTEREST REGISTER**

Nil.

Note: His Worship the Mayor joined the meeting at 4.01 pm.

5. **MINUTES OF THE MEETING HELD 25 JUNE 2019**

Moved Cr Amundsen, seconded Cr Ludlow and **RESOLVED** that the minutes be approved.

6. **PRE-ELECTION REPORT**

Mr Booth took the meeting through the report.

Moved Cr Ludlow, seconded Cr Abbott and **RESOLVED** that the report be received.

7. **HIGHLANDERS RUGBY CLUB LIMITED PARTNERSHIP (HRCLP) AND INVERCARGILL VENUES AND EVENTS MANAGEMENT LIMITED (IVEM)**

Cr Biddle alluded to the state of Rugby Park and said that Rugby Park was struggling to meet the criteria of rugby teams being able to play at the Stadium. She asked what Council could do to prevent this happening in the future.

Cr Ludlow reported on the meeting that was held with Mrs Hadley and Mr Clark on this matter and said that the feedback from Mr Clark with regard to the away games was that the Highlanders Team could net more if they played games elsewhere. That was a reflection of attendances at games.

Mrs Hadley assured the Committee that the condition of Rugby Park was not raised at all in that meeting.

In response to a question as to whether the condition of Rugby Park was an ongoing concern for Council, Mrs Hadley said she had informed Council that she was concerned with the condition of Rugby Park and she was seeking additional advice on it. She believed that the understanding that Council had about the condition of Rugby Park at the time of its purchase and the condition as it is, and there was a big gap between those two things. She had spoken to Council before about what she saw about a pending significant liability for Invercargill.

Cr Biddle said that if it was a significant liability for Council, it should be taking it into consideration now rather than later, especially if Invercargill was at the risk of losing games for the province.

Cr Ludlow said that the original reason for the Highlanders Rugby Club Union asking to end the agreement was due to financial reasons but not due to the conditions of the grounds.

In response to a question as to whether Council could ask for a two-yearly game, Cr Ludlow explained that it would go beyond the agreement because next year was the last year it would exist. Having a new agreement was not an option for Council but for the Highlanders Rugby Club Union to decide.

Cr Amundsen suggested that Council should look at future opportunities to secure games in Invercargill and Cr Ludlow explained that Council would not be closed off to the idea of securing future games. The Highlanders Rugby Club Union could approach the Events Committee for support to secure future games but the chance of having one on year games was what they were looking at changing.

Moved Cr Ludlow, seconded Cr Abbott and **RESOLVED** that the report be received;

AND THAT

It be **RECOMMENDED** to Council that the agreement with the Highlanders Rugby Club Limited partnership and Invercargill Venues and Events Management Limited, be cancelled on year and one game early;

AND THAT

Both parties having agreed to the termination of the contract will act in good faith;

AND THAT

Council notes this will absolve the Invercargill City Council in its capacity of guarantor to the agreement between Invercargill City Council (ICC) and New Zealand Rugby Union Incorporated.

8. **URGENT BUSINESS**

Nil.

9. **PUBLIC EXCLUDED SESSION**

Moved Cr Ludlow, seconded Cr Amundsen and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely:

(a) *Minutes of the public excluded session held 25 June 2019.*

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
(a) Minutes of the Meeting – 25 June 2019	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(i)

There being no further business, the meeting finished at 4.15 pm.

TO: COUNCIL
FROM: COUNCILLORS SOPER AND CRACKETT
MEETING DATE: MONDAY 12 AUGUST 2019

**VISIT TO OTHER CITIES TO INVESTIGATE IMPACT OF DESIGN PRINCIPLES IN
CBD DEVELOPMENT**

SUMMARY

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RECOMMENDATIONS

That the report “Visit to Other Cities to Investigate Impact of Design Principles in CBD Development” be received;

AND

That Council takes the time and invests in the targeted planning to ensure that any decisions taken now on CBD revitalisation cater for the world of 2050, as well as today.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> No
2.	<i>Is a budget amendment required?</i> No
3.	<i>Is this matter significant in terms of Council’s Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> No
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> No
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> No.

FINANCIAL IMPLICATIONS

Nil.

VISIT TO OTHER CITIES

As per resolution at the Council Meeting of 28 May 2019, we visited three other Local Body areas with similar city profiles and CBD challenges; Lower Hutt, Porirua, and Palmerston North.

All three cities were selected due to having existing traditionalist box malls built some years ago, with Lower Hutt's Queensgate (est.1986; redeveloped 2006) being the most well-publicised, and showing how the dominance of one large mall with 150 shops can alter the fabric of a central city.

The intention of the visits was to explore the impact of design principles of malls on the CBD's in those locations, and to query any strategies those Councils had put in place to improve the functionality of their CBD's and to integrate / incentivise quality civic features into any development plans.

We intended to explore how a core central city that has suffered from lack of investment, lack of renewal and drift of pedestrian interest and quality (leading to low pedestrian numbers) could reinvigorate the streetscape with targeted planning and future vision.

All three Councils we visited were open and enthusiastic to share their experiences and expertise, and to discuss their future planning objectives. All offered any further assistance or support with Invercargill's planning that the Council might find useful and sent through collateral that we may find useful.

Of special interest was that all three cities had invested heavily in significant Arts and Culture infrastructure as part of, or close to the cornerstones of their CBD's - Lower Hutt's Dowse Museum & Gallery; Porirua's Pataka Art + Museum; Palmerston North's Te Manawa Museum of Art, Science & History. An observation would be that such cultural 'hearts' are an essential part of activating the life of a revitalised CBD, and giving residents a wealth of opportunities to visit / linger / take pride in the core of the city.

Lower Hutt provided a copy of three volumes of their Central City Transformation Plan, and Palmerston North provided a copy of the PowerPoint used to introduce us to their past and current approaches to development.

One thing that became apparent was that if we do decide to commit to the proposed CBD project and if we decide to take a longer-term game changer role, there is significant opportunity for Invercargill City Council to use smart urban design principles to create something really quite different.

We gained the definite impression that any proposal we support must not be an autonomous mall entity that contributes little to the physical, social and commercial fabric of the centre city. What we observed is that the traditional box-malls we saw were all inward-focussed; to some extent sucked the life out of their surroundings; and created vacuums for hospitality and retail.

We discovered that Council is well poised to take advantage of the subsequent learnings, strategies and planning to mitigate the 'vacuum' effects of a mall that these three cities have taken over a decade or so to realise.

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We believe Council is in a fortunate position where it can influence what are considered the negative effects of malls, such as the 'blank' box outward face of a traditionalist mall, before they happen. It became apparent that the modular and individual facades proposed for in particular the Esk and Tay Street sides of the development, are integral to smart urban design to allow a pedestrian to feel as though they were on a bustling street of outward-facing shops, rather than walking alongside a single flat internalised institution.

What we discussed as some of the additional antidotes to mitigate negative effects were:

- **Activate the 'cultural heart'**. Make cultural offerings one of the many things the CBD provides as reasons to visit and linger. Council has investment in these projects planned. It is essential these do not get pushed back.
- **The importance of transport links**. Including a central bus interchange; walkability in the CBD; catering to increasing numbers of cyclists; paying early attention to parking policies; having city gateways established and easy to negotiate.
- Link the core block being redeveloped to other parts of **a walkable city**, so that one large mall does not become the only destination
- Incorporate **Maori and Pacifica** cultural expression within the City Centre as an integral part of planning.
- Explore the use of **incentive funds to encourage inner city development and repurposing** buildings in the CBD ; including the encouragement of inner city living as part of CBD activation for 24-hour living. Palmerston North and Lower Hutt in particular have developed incentive funds, and adapted their District Plans to assist with repurposing buildings to residential.
- Promotion of the Central City as **the quality location of choice** for major fashion and other stores yet to arrive in Invercargill
- **Strategic Open Spaces** that support active recreation for all ages; including development of inner city 'pocket parks'; attention to paving and street furniture, and to street character and the vitality of the street scene. Palmerston North has a whole inner-city green square it has revitalised and brought to life with outdoor art, walkways and moveable pocket parks on trailers; Lower Hutt has a riverside park and walkway; Invercargill can potentially activate Wachner Place and Otepunu Gardens.
- Incorporate street art (murals, tactile objects) to enliven and create personality. Palmerston North had only to give their community permission, rather than investment, to create activation in this space. *"Simply give people permission, and they will create"* - Keegan Aplin-Thane, Policy Planner, PN City Council
- Developing laneways and 'eat streets' that offer an intimate, quality pedestrian experience distinct from the primary street network.
- Attention to visual detail and glazing at street level; pedestrians should be able to see into buildings in walkable streets; no blank, inner-facing walls. The revitalisation of Palmerston North's Broadway is a good example of this urban design thinking. One of Palmerston North's solutions to activate their streets was to alter the District Plan and

establish a fund where when development, or redevelopment, occurs, urban design principles are triggered. The Council uses this fund to assist Architects and Developers to get the best urban design outcomes for the city streetscape.

- **The encouragement of 'events' in the CBD** - the City Centre as the place to socialise, and the place to form an attractive, safe family destination; fun things to do; places to go; picnics to be had; a family city centre (which also boosts retail trade, and can include outdoor markets and reasons to visit on weekday evenings).
- Applying a Crime Prevention through Environmental Design Strategy.
- Incorporating sustainable / energy-efficient thinking into the built environment - solar; EV charging; waste minimisation; recycling as a start.
- Disability-friendly planning from the start - an accessible and useable CBD that makes spaces work for all; including the streetscape paving / footpath renewal / toilets / lighting / transport hub / easy way finding.
- Acknowledge Invercargill's weather patterns. Have at least some areas with canopy cover for outside activities and dining.
- Create a highly visible and vibrant youth scene - look at how to attract technology and knowledge-based businesses; perhaps a young entrepreneur incubator hub in conjunction with SIT.
- Provision of signage and information display panels to educate people on historical, cultural and the built identity of the CBD.
- Value the remaining CBD heritage outlined in the Heritage Strategy.

TO: COUNCIL

**FROM: DAVE FOSTER – INTERIM DIRECTOR OF FINANCE AND
ANDREW CAMERON – GENERAL MANAGER
INVERCARGILL CITY HOLDINGS LIMITED**

MEETING DATE: MONDAY 12 AUGUST 2019

CITY BLOCK DEVELOPMENT DUE DILIGENCE

SUMMARY

Invercargill City Council is being requested to invest as a shareholder in the development of the Dee/Tay/Esk and Kelvin Streets CBD Block. The details of that development are set out in the material that has been supplied to the public as part of the consultation process.

In June 2018 Invercargill City Council identified that before any further investment in HWCP Management Limited (as the entity then thought to be undertaking the development) the business case, including any due diligence undertaken be presented to Council.

The Business Case prepared by HWCP Management Limited was included in the consultation material.

This paper brings together the material that may be considered by Invercargill City Council as part of its decision making process and in compliance with its earlier resolution. The paper has been drafted so as to include as much material as possible in the public.

Included with the consultation material were reports by New Zealand Institute of Economic Research and Colliers International Real Estate Management Limited. While these reports were prepared by HWCP Management Limited to support its business case it is appropriate, where they can be supported by independent evidence that Invercargill City Council use their findings as part of its diligence.

An important part of the consideration is that the investment is outside of Invercargill City Councils ordinary risk tolerance. There are however a number of factors to consider when determining whether to accept a higher risk.

Having said that this does not remove the obligation on Invercargill City Council to accept any higher risk based on a prudent consideration of the issues.

Invercargill City Council will receive further information in the public excluded portion of the meeting that sets out in further detail the commercially sensitive parts of the deliberations.

RECOMMENDATIONS

That the report 'City Block Development Due Diligence' be received;

AND THAT

Council determine that a redevelopment of the inner city is likely to achieve the objective of the Invercargill City District Plan as set out in the Business 1 (Central Business District) Zone of maintenance and enhancement of the primacy of the Invercargill Central Business District as the primary centre for retailing, business,

culture, entertainment, education and social services for Invercargill City and the wider Southland region;

AND THAT

Council's investment in Invercargill Central Limited is consistent with the criteria for investment in property established by its Investment Policy;

AND THAT

Council has not been active in the development of the proposal for the inner city and this has resulted in constraints to fully align community wellbeing outcomes with the commercial objectives of the public private partnership;

AND THAT

Council has, as part of its deliberations, acknowledged its desire for achievement of community wellbeing outcomes by allocating sufficient funds to the surrounding streetscape;

AND THAT

Council acknowledges the cost of the investment reflects the lower commercial returns from a development of this type and the barrier this creates to completion of projects by the private sector alone;

AND THAT

Council can expect the return on investment will exceed the cost of borrowing, and Council cannot be certain it will receive a dividend/cash flow to fund that borrowing before 2029;

AND THAT

Council can be satisfied that the steps taken to date to identify the significant risks to the project, and mitigate the impact if those risks are realised, are prudent;

AND THAT

Council should take this information into account when deliberating on submissions on its proposed investment.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> No
2.	<i>Is a budget amendment required?</i> Yes
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> Yes
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i>

	The matter aligns with the Invercargill City Council District Plan, SoRDS and a number of Council's Community Outcomes.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> Yes, the public have been consulted and submissions received.
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Council will need to consider the Child, Youth and Family Friendly Policy and all other Council policies when making its decision.

INVERCARGILL CITY COUNCIL MULTIPLE ROLES

Invercargill City Council (ICC) has multiple roles in the development of the inner city. They include:

- through its district plan setting broad strategic direction for the relevant zone;
- working with other Councils on strategic goals for the region;
- administration of the district plan and resource consent process (however this was delegated to independent parties in this case);
- enforcement of the resource consent; and
- responsibility for the infrastructure and other services that support the development.

Irrespective of ICC's decision to invest in the inner city redevelopment it will be required to continue to carry out many of these roles. This is not unusual as ICC has similar issues with respect to its ownership through Invercargill City Holdings Limited of the Invercargill Airport Limited. It is however unusual given the scale and timeframe over which the development is proposed to occur. ICC will have to continue to manage these different roles carefully to avoid any actual or perceived bias and/or conflict of interest.

A decision by ICC to invest may not result in the immediate commencement of works. It is noted that a condition of the resource consent is that:

The consent holder must not undertake any demolition prior to providing the Council with written confirmation from a registered trading bank that funding for stages 1 – 3 of the development as identified in the Staging Plan approved in Condition 1 has been obtained.

FURTHER MATERIAL AT TIME OF WRITING

ICC has commissioned Deloitte to prepare a report to identify areas that should be considered as part of its due diligence process. At the time of writing this report is not available. The report will be provided to Councillors when available.

FUNDAMENTAL CONSIDERATIONS

ICC has broad powers under the *Local Government Act 2002* (the Act) to make decisions on behalf of its community. These general powers are balanced by the requirement to take account of the principles set out in the Act.

ICC also has an Investment Policy that states:

Council's primary objective for property owned for development needs or for investment purposes is that it is important for the economic, physical and social development of the Invercargill district and to achieve an acceptable rate of return. Council generally follows a similar assessment criteria in relation to the acquisition of new property investments.

Prior to acquisition of property for the development needs of the district or for investment purposes the property will be assessed as follows:

- *Property for the development needs of the district – a financial and non financial assessment of economic, physical and social benefit to the district, the cost of owning the property and the cost of ownership and assessment.*
- *Proceeds from the disposition of property investments are used for retirement of debt relating to such property, or allocated to general funds, endowment funds or special funds. All income from property investments is shown in the Statement of Comprehensive Revenue and Expenses and forms part of general funds.*

Management Reporting and Procedures

Council reviews the performance of its property investments on at least a six monthly basis, and ensures that the benefits of continued ownership are consistent with its stated objectives.

This report addresses the requirements of ICC's Investment Policy.

ICC recognised that the decision to invest would be a significant decision and undertook consultation with the public, the results of which are set out in the *City Block Deliberation Report*. In that consultation the public were provided with limited options, to invest or not as set out below:

Proposed Option	Advantages	Disadvantages
Invest up to \$30 million in the City Block development. \$20 million investment in the new entity. \$10 million to remain with Council as a contingency. The proposed \$10 million to remain with Council is effectively a \$5 million contingency for budget over-run and a \$5 million contingency for any enhancements that Council may seek as a result of advice and / or submissions received.	Provide a level of confidence to other investors in the project and to investors in the City.	Council does not expect that the investment will make a commercial return in the short to medium term.
	Investment will result in Council having representation on the entity tasked with undertaking the development.	Other Council projects would need to be deferred.
		Annual servicing costs of approximately \$600,000 each year for the loan period based on a \$20 million investment, and up to \$900,000 each year based on the proposed up to \$30 million investment.

Alternative Option	Advantages	Disadvantages
Do not invest in the City Block development.	No further ratepayer funding is committed to the City Block.	Project would likely not progress. Council left owning 50% of the site and buildings that will return little or no income.
	No change to Council's planned capital works or projects detailed in the 2018 – 2028 Long-term Plan.	Risk that the decline of the Invercargill City Centre would accelerate.
		Unlikely that any other development would happen on this site in the near term.
		Alternative uses of the site may not have the same transformational impact that is hoped to be achieved from this development.

In making the decision limited to two (2) options ICC took into consideration section 79(2) of the Act. In particular given that:

- Resource consent had been lodged;
- Other parties had been requested to invest; and
- The investment was to be a public private partnership;

the range of options available to ICC, and therefore available for consultation were limited.

Despite including the risk of not investing in the development for the block and the Business 1 CBD Zone the advantage to the Business 1 CBD Zone was not included as a positive. Arguably it was not included because it is accepted as a given. As a result it is not unreasonable to start the assessment of the investment from the position that something should happen to develop the Business 1 CBD Zone.

The investment by ICC is significant, up to \$30,000,000. Concurrently the investment is not commercial, and as such while there is not an expectation that it will run at a loss there is an increased risk that it will require additional ratepayer subsidies.

ICC is proposing to be an equity holder in Invercargill Central Limited. This entity is a public private partnership as discussed further below. To the extent that ICC, as an equity investor, may be in a position to influence options for the design of the development, this would not amount to a redesign of the project and as such were not presented to the public. ICC included in the consultation a \$5 million contingency for any changes that ICC may seek that further promote community outcomes as a result of advice and / or submissions received. ICC has received a separate report on these issues.

While there may be debate around the size, ICC should start from the position that there is a potential trade-off between community outcomes and the costs of the investment. ICC will need to deal with this trade-off through the public private partnership that is being used to develop this project. While all parties will agree on the need for the development to achieve high level objectives for the city the priority of those objectives may vary slightly.

These fundamental constraints that are particular to this decision:

- Something must happen;
- There is only one option on the table with limited scope for alteration;
- The funding model is set; and
- It includes a public private partnership

will be used as the starting point for the following discussion.

The paper will then consider the more generic risks and costs of a development project.

SOMETHING MUST HAPPEN

Section 101 of the Act requires that ICC act prudently in a manner that promotes the current and future interests of its community.

What is driving the need for a decision?

The Invercargill City centre is perceived to be in decline. The *Decision of Commissioners on the HWCP Management Limited Resource Consent Application* records the following evidence a 1.1.21:

- (a) *Total business across the CBD core decreased by 43 between 2000 and 2017 (-19%). In contrast, the rest of the CBD has increased by 218 businesses in that same period (+26%).*
- (b) *The total workforce of the CBD Core has decreased by 535 people (-22%) between 2000 and 2017 (and more if one considers change since the peak in 2005). See figure 4. In contrast, the workforce in the rest of the CBD has increased by 1025 (+28%) in that same period (2000-2017).*
- (c) *The count of retail businesses in the CBD has decreased by 27 between 2000 and 2017 (-30%). In contrast, the rest of the CBD has increased by 16 retail businesses in that same period (+13%).*
- (d) *Total retail employment in the CBD Core has decreased by 236 people (-29%) between 2000 and 2017. In contrast, retail employment for the rest of the CBD has increased by 824 (+61%) in that same period (2000-2017).*

The cause of this is subject to debate but at 1.1.23 the decision quotes:

Past planning framework and planning decision played a key role (determining where development can occur), as has the physical condition of the building stock. What is evident is the role that LFR (large format retailing) in the CBD fringe has had on changing the viability of many small format comparison retailers in Invercargill and drawing customers and therefore vitality away from the CBD core.

Council in its District Plan has identified the Business 1 CBD Zone that includes a policy to retain existing and encourage new commercial/retail activities in the CBD.

ICC in its District Plan identified the following issue for the Business 1 CBD Zone:

1. *The primacy of the City Centre as the City's primary commercial and retail area is under threat, from the slow pace of development within the City, from new development locating outside the City Centre, from national and international changes in retailing, and from deferred maintenance and structural issues associated with old buildings.*

The District Plan has as objective 1 for the Business 1 CBD Zone:

Maintenance and enhancement of the primacy of the Invercargill Central Business District as the primary centre for retailing, business, culture, entertainment, education and social services for Invercargill City and the wider Southland region.

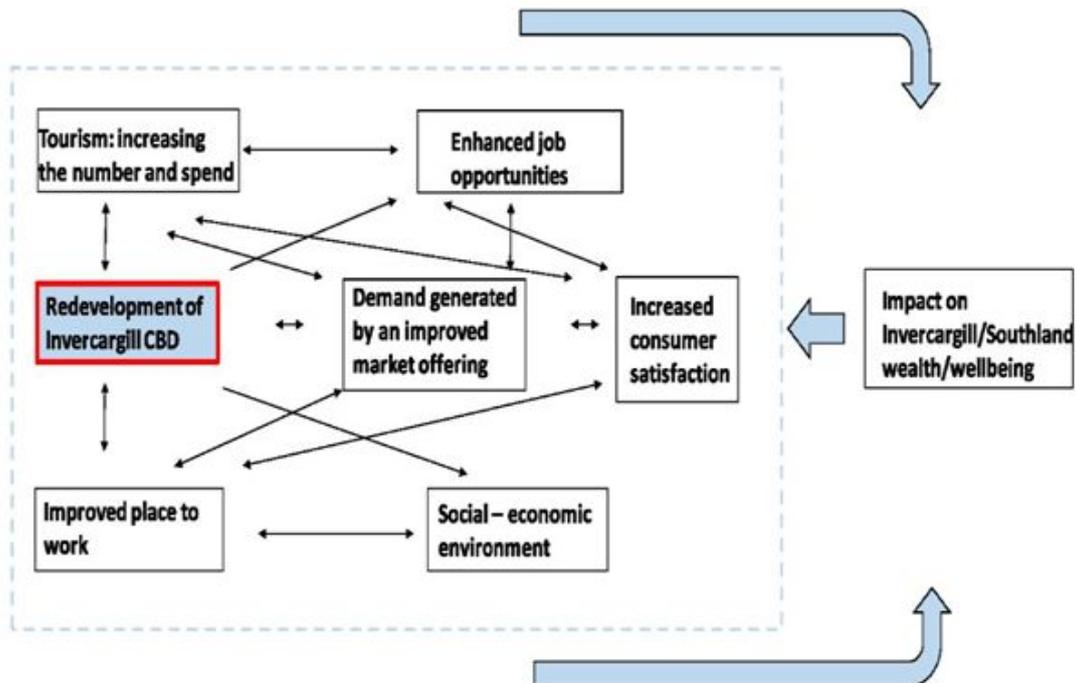
In explaining the policy to establish and implement the Business 1 CBD Zone ICC stated:

Maintaining and reinforcing the viability and vibrancy of Invercargill's CBD is of widespread concern to the Invercargill people and is a key priority for Council.

There has been little new development in the Business 1 CBD Zone. In considering its response to the earthquake prone building requirements in the *Building Act 2004* ICC received submissions. These submissions indirectly provided evidence to ICC as to a potential cause of this decline. In essence it was argued that buildings were not maintained, and would not be strengthened as the return on the investment was not justified by the current level of rent. This lack of re-investment has been cited in the Business Case presented by HWCP Management Limited as a reason for supporting the development.

NZIER prepared a report on the Implications of the Invercargill city centre redevelopment in March 2019 for Invercargill and Southland. Relevantly to the issue of the Business 1 CBD Zone it assessed the potential impact of the decision. The NZIER report provides a framework for assessing the impact of the development:

Figure 4 Framework for thinking about innovation



Source: Adapted from Swann (2016)

The NZIER report notes that:

The key demand signal is that renewal of the city centre is required. This means that over time Invercargill will become a less attractive place to remain or to relocate to – it is a burning platform. Two issues are important:

- *On the supply side, business and local government have come together to redevelop the city centre. The involvement of the private sector suggests that the transformation of the city centre has potential to be the catalyst for other investment;*
- *On the demand side, the redevelopment generates interest over and above would (sic) have happened given the current building stock available.*

A theme during the submission on the earthquake prone building issue supported the above comments with the submitters noting national tenants require 67% of national building regulations and the lack of buildings that satisfy that criteria located in the Business 1 CBD Zone.

The fact that there is demand for retail space in the Business 1 CBD Zone by retailers is supported by the 2019 Colliers International Real Estate Management Limited report Invercargill Central – Demographic and Retail Consultancy. This report supports a finding of *more than sufficient demand for the redevelopment of this block particularly having regard to the additional amount of Food and Beverage space being provided...*

The impact of the investment in the Business 1 CBD Zone is assessed by NZIER. The size of the impact is dependent upon the changes to population numbers in Southland. While part of the rationale for the development is a reversal of retail leakage from Invercargill and increased tourism spend the impact is amplified by population growth of 10,000 in scenario 1 (Sim 1) compared to 3,000 in scenario 2 (Sim 2).

Table 4 Impacts on macroeconomic indicators at the regional level

Change from baseline (2018), in percent and in \$ million (real terms)

Redevelopment simulation		GDP	Household consumption	Wages	Employment	Exports	Capital stock
Sim 1	% change	0.84%	1.17%	0.59%	0.59%	0.40%	1.04%
	Level (\$m)	\$48	\$44	NA	\$14	\$14	\$22
Sim 2	% change	0.51%	0.95%	0.48%	0.48%	0.36%	0.57%
	Level (\$m)	\$29	\$36	NA	\$11	\$13	\$12

Source: NZIER

While not a formal ICC document, the Southland Regional Development Strategy (SoRDS) to achieve population growth of 10,000 by 2025, notes a contemporary urban environment and revitalised Invercargill Business 1 CBD Zone area by 2025 as a step towards that goal. The SoRDS Action Plan included the development of the Cambridge Retail Precinct including a covered 'mall' area as a step towards that objective. While the scale may be different ICC can be satisfied that the current development will fill a similar role.

What would happen if the current development does not proceed?

As indicated above the proposal has been driven by private parties with ICC left to make a decision based on a limited range of options. It is tempting to be cautious and take a wait and see approach. The NZIER did not consider alternative developments but did however consider whether to adopt a wait and see approach given the degree of uncertainty associated with the investment¹. It concluded:

- *The risk and uncertainty with projects like the CBD redevelopment has reduced since 2000 as growth has increased*
- *The number of tourists has grown considerably with Southland experiencing a growth rate well above the national average*
- *The current state of the CBD and whether there is capacity for Invercargill to assist in sustaining those growth rates*
- *Whether rate payers are prepared to take on the risk and uncertainty that a partly funded \$180 million CBD redevelopment require*
- *The substantial risk of doing nothing.*

Since that report ICC has consulted with the ratepayers and the results are considered in the *City Block Deliberation Report*.

The NZIER report also states:

Without the renewal associated with the redevelopment the chances of increasing the region's population permanently would be significantly reduced. The main risk is that the region may lose people as suggested by Roskrug and Pawar (2015). The importance of this result is highlighted by the Venture Southland's Business Confidence survey of 2017 which identified the main challenge for Southland business as being the ability to recruit staff.

ICC has direct evidence of the staffing issues in the HWCP Business Case. The Invercargill Chamber of Commerce submission to the consultation included a number of responses that referenced the role that the development may have on retention and attraction of people to Invercargill. While ICC is not investing in them it is noted that some of the ancillary developments associated with this project are both designed to support the project and generate further demand into the Business 1 CBD Zone.

In its consultation ICC noted that if it did not invest then it was likely that the project would not proceed. It remains the case that ICC's investment is essential for the development to continue in its current form.

Who will the decision impact?

The decision will have an impact on all ratepayers.

The project itself, as a result of its scale, will have an impact on all retail, particularly in the Business 1 CBD Zone. The project already has had a direct impact on those carrying on business in the buildings the subject of the redevelopment proposal.

Section 101(3) of the Act requires ICC to identify the sources of any funding following consideration of:

¹ The issue of uncertainty will be addressed in the financial analysis below

- (i) The community outcomes to which the activity primarily contributes; and
- (ii) The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
- (iii) The period in or over which those benefits are expected to occur; and
- (iv) The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
- (v) The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities and the overall impact of any allocation of liability for revenue needs on the community.

Council has identified three community outcomes from its investment:

- To enhance our City;
- To preserve its character; and
- To embrace innovation and change.

These outcomes also align well with the SoRDS objectives for development in the inner city. The City Block project is seen as contributing to population and economic growth; it preserves part of its heritage character; and contributes to the 'wow factor' in terms of facilities in the CBD.

Council has already identified that it will undertake a funding review as part of the preparation of its 2021/31 Long Term Plan. The decisions it makes relating to funding of this investment should be seen in the light of that review.

Council recognises that its involvement is to ensure the community gets an asset it has already identified as important. The benefits will be felt across the community as a whole rather than to any part or sector of the community. Central business districts are places of social interaction, not just places of business transactions, and the benefits – both direct and indirect – will be experienced by all.

This is a long term project. The benefits are expected to accrue from the commencement of construction; they will change over time. At the start of the project the construction will drive an uplift in the economy. Once the complex is open, the benefits will move from being purely economic to being social and cultural also. The need for the project comes about as a result of decline in the central business district, caused by a range of factors and not one single thing.

ICC proposes that its investment will be debt funded. The operating cost of that debt will be met from the general rates - with no differentials, as it is a service enjoyed by the whole community.

In the medium term ICC expects revenue will cover the cost of interest, and in the longer term dividend flows will start. There is uncertainty at the time of preparing the report as to when that will be and when they will be available to satisfy the interest payments on the debt.

THERE IS ONLY ONE OPTION ON THE TABLE - PUBLIC CONSULTATION

The public has been consulted on this decision as set out in the *City Block Deliberation Report*. As noted above there were limited options given to the public as part of that consultation.

The public have submitted on the merits of the proposal and its capacity to achieve the outcomes identified in that consultation. As expected there were some varying views on the merits of, as opposed to, ICC's investment in the project.

The 2019 Colliers Report included in the consultation material addresses some of the issues raised with respect to the viability of a 'mall'. While opinions will vary Colliers in that report assert that *well located significant retail developments continue to grow and expand both in New Zealand, Australia and worldwide*.

FUNDING MODEL - PARTICIPANTS

At the time of its preparation the City Centre Block Consultation Document [Statement of Proposal] stated that ICC was one of a range of parties requested to invest in the new entity to carry out the development. It was also quoted that the development would cost \$180M.

The funding model involved public and private investment with the balance of the cost funded by borrowing from a bank.

ICC and the other investors were requested to invest \$20 million dollars to contribute towards a \$180 million build cost.

The funding scenario has changed so that the current situation is that ICC is being requested to invest \$25 million, with the other two private sector investors putting in the same amount of equity. This increase in funding required from ICC and the private sector investors is a result in a shortfall of bank funding available at this time.

The fact that there may be a shortfall in bank funding is not a complete surprise. There are a number of factors which have led to this result:

- The banking environment has continued to change with increased emphasis from the central banks in Australia and New Zealand on capital adequacy leading to a tightening of lending criteria across the board; and
- The "Invercargill factor" resulting in a premium imposed on the required returns on the investment compared to developments in metropolitan areas.

This risk was identified by NZIER in their consideration of whether the private sector would step up in the absence of public sector investment. They stated:

*The short answer is no. In the past there have been private initiatives to redevelop Invercargill CBD. These initiatives floundered because of the lack of community support. While we cannot say that we are 100% certain that the private sector would carry out a redevelopment, the demonstration effect of failed previous attempts to rejuvenate the city centre suggest it is most unlikely. **Potentially the commercial returns will likely***

be lower than in major metropolitan centres (increasing the risk) therefore to encourage further business investment requires public intervention.

ICC in allowing for a budget over-run of \$5M, also considered a funding shortfall.

The two private sector investors have agreed to match funding by ICC up to \$25M. The remaining investors have not been asked to increase their investment. The bank will fund the balance of the cost of the investment. The build cost has been reduced to \$160M as discussed below under the cost of the development.

FUNDING MODEL - PUBLIC PRIVATE PARTNERSHIP

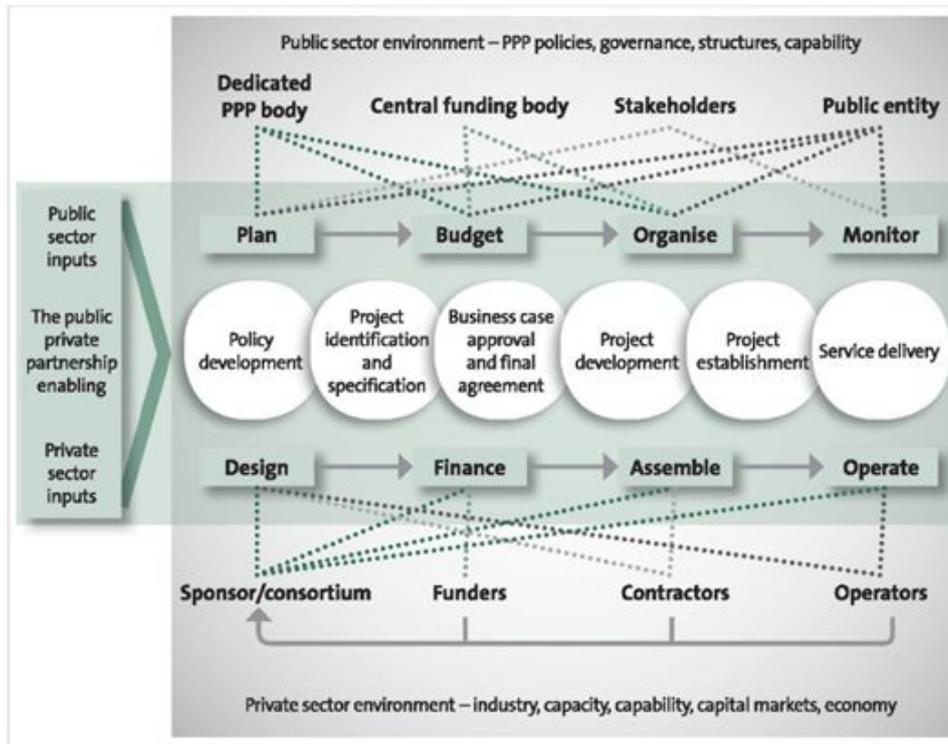
Investment in the development will involve ICC in a public private partnership (PPP). Guidance and commentary with respect to PPPs can be found in the 2011 report *Managing the implications of public private partnerships* by the Controller and Auditor-General (OAG Report).

The OAG Report includes a guide as to the range of public private partnerships (PPP) (see Appendix 1). Without putting a label on it the proposed PPP for the development is closer to a pure private enterprise. In fact, ignoring the lack of commercial return, it is only the as yet unspecified *social wellbeing benefits* that prevent the investment from being purely commercial. ICC would be aware that the closer a project is to private enterprise has implications for the ability of those PPPs to achieve community outcomes.

A topical example would be the role of Air New Zealand in supporting regional areas through its scheduling. This investment in its given form is comparable with that level of emphasis on community outcomes.

The OAG Report also provides the forms of contractual arrangement that are often used in such an arrangement. ICC will in effect be managing the contract via a shareholders agreement and any associated requirements of other public sector funders.

Figure 2
The public private partnership environment



As noted above ICC has identified in its district plan a policy at the highest level for the Business 1 CBD Zone as set out below:

BUSINESS 1 (CENTRAL BUSINESS DISTRICT) ZONE

The Zone seeks to maintain and reinforce the viability and vibrancy of Invercargill’s City Centre by enabling a wide range of activities, by encouraging and maintaining a high level of amenity, and by encouraging good urban design.

Within the Priority Redevelopment Precinct the Council seeks a partnership with the business sector in that it has accepted responsibility for the provision of car parking².

² Invercargill City Council considers that this requirement can be met by the adequate provision of car parking throughout the Business 1 (Central Business District) Zone

This is intended as a significant bonus for redevelopment, enabling utilisation of a greater proportion of the site for building.

The Business 1 Zone makes specific provision within the Entertainment Precinct for entertainment premises, with extended hours of operation and more permissive noise limits than other parts of the City District.

The third precinct within the Business 1 Zone is the Pedestrian-Friendly Frontages Precinct, intended to maintain and enhance the attractiveness and convenience of the City Centre for pedestrians.

The proposed development is within the Priority Redevelopment Precinct of the Business 1 CBD Zone.

To the extent that the ICC, through the Mayoral Forum and other projects, was involved in the SoRDS project it has identified the specific project:

- *Cambridge Retail Precinct – this is a boutique retail precinct to be located between Tay and Esk streets and including a covered ‘mall’ area.*

The SoRDS action plan also noted as one of the immediate priorities:

- *Facilitation vehicle. This involves the formation of a joint venture to undertake the development of the retail precinct in the central city. (contributing parties: ICC, private interests)*

In terms of potential involvement in the development of the PPP ICC has not fully participated in the process to date. ICC and Invercargill, were fortunate that some of the issues that were identified and considered as part of the resource consent process resulted in changes that are beneficial to the achievement of social wellbeing elements of the project.

Some of the submissions received raised concerns about the nature of the PPP. That is in essence the ability of ICC to participate in, and/or influence the outcomes of a PPP. ICC is, through its consideration of this PPP, moving into a space where it requires an understanding of the private sector’s approach to uncertainty (risk), innovation, change, and doing business. An example of this is the changes to the funding requires since the consultation document was released and consequent changes to the proposal.

Figure 4
Risks when public private partnership markets expand

Public sector risks	Private sector/stakeholder risks
Reduced overall governance from shortages of, and inability to retain, public sector skills to interact with the private sector and to manage and monitor PPP projects or programmes	Greater potential for conflicts of interest between advisors and professional experts
Lack of dissemination of good practice through all layers of government	Communities disempowered by increasing complexity and lack of knowledge
Low accountability and a lack of transparency because of more complexity, information asymmetry, and commercial confidentiality	A lack of appropriate local capacity and capability
Little focus or support for local government	Failure to keep communicating with government and stakeholders
Difficulties in managing change and uncertainty within the project, programme, and organisation	

ICC has a range of experience in contracting parties to provide “core PPP” projects (e.g. roading contractors, 3 waters works etc). It does not have a great deal of experience in more sophisticated arrangements, and indeed the OAG Report would suggest that this is true for New Zealand as a whole at the time of writing.

The absence of the ability for ICC to charge development contributions also works against ICC in this regard. ICC in its infrastructure and other services role is required to ensure that the development is serviced and is unable to transfer the monetary burden of those costs to the developer. This is currently true for all developments in Invercargill, but the scale of the development increases the impact on ICC.

It is noted that there is additional funding requested in the *City Block Deliberation Report*. ICC can be satisfied that it has put in place measures to ensure that any requirements from the project are appropriately monitored.

COST / BENEFIT ANALYSIS

ICC must understand what it is achieving by its investment in order to understand the costs and benefits of the project.

Current State of Development

Invercargill Central Limited (ICL) is the entity to carry out the development. ICL is purchasing the land, resource consents, design and demolition from HWCP Management Limited at cost.

As ICL is not carrying out stage 4, 5 and 6 (as set out in the resource consent and included as Appendix 2) the piazza will not be completed by it. This is a minor error in the consultation documents which state that the \$180 million redevelopment will include *an outdoor courtyard providing space for people to enjoy time outside* (piazza). The piazza is to completed as part of the development of stage 5 and is shown in the white area in Appendix 2. While the space

serves an important function in the overall design, and in particular for the proposed developments within stage 5 the funding method for this area is not resolved.

ICC by its investment in ICL is not guaranteeing the development of stages 4, 5 and 6. With the exception of stage 4, these developments while complementary to stage 1, 2 and 3 are stand-alone developments.

The cost for stages 1, 2 & 3 does not include the fit-out of the tenancies. Although the cost, if any, of a fit-out would be recovered from the tenant, there is a risk that further capital will be required to fund the fit-out.

Cost of Development

ICC was requested to invest \$20 million dollars to contribute towards a \$180 million build cost. As noted above as a result in a shortfall in funding available from banks ICC will now be required to invest \$25M.

The increase in funding to \$25M from ICC and each of the private sector investors is not sufficient to offset the fall in bank funding available. As a result Invercargill Central Limited has had to review the project scope and undertake value engineering to reduce the project cost of \$160M. ICL is currently working through the changes required to bring the development within the revised budget of \$160M.

At this stage ICC does not see a detriment to the project from the proposed changes, and in fact the changes may result in an increase in the community benefit. Due to the commercially sensitive nature of some of those changes they will be considered in public excluded discussions.

As noted above a PPP will require ICC to have an understanding of the private sector's approach to uncertainty (risk), innovation, change, and doing business. The final details of the project are still fluid. The public sector will respond to the risk and uncertainty to, within reason, ensure that the outcome is achieved. Further examination of the risks that remain within the project and ICC's appetite and understanding of those risks are set out under the risk reward analysis.

A consequence of the lower returns available in Invercargill is that the development, once complete, will have a valuation less than the cost of building it. This means that ICC will have to write down the value of its investment significantly to reflect this value once the project is completed. This size of this effect is exacerbated by the "Invercargill factor" which assumes that investors will require even greater returns to invest in Invercargill compared to other metropolitan centres. It can be argued that these hurdles to commercial investment support the need for public sector support for such developments.

The write down of the valuation has an impact on the time cost of the investment to ICC. ICC has always indicated that it did not expect a return within the first 10 years. In submissions it has been raised whether ICC has an exit strategy and/or would consider selling its interest in Invercargill Central Limited. While ICC has indicated that it would review its investment periodically the anticipated write down in the value of the investment ensures that it will be

some time before that reduction in value is recovered and hence ICC will have its capital tied up in the investment for some time unless it is prepared to incur a significant loss.

Benefit

As noted previously the starting benefit, if perceived to be such, is that by its investment ICC ensures that the development will progress. The barriers to completion of the project by the private sector identified by NZIER and realised at the time of seeking funding can be partially offset by the investment of public funds. The cost of this has been set out in the consultation documentation noting the above changes.

Although only investing in stages 1, 2 and 3, in acting on this proposal Invercargill will obtain the benefit of stage 4. In addition HWCP Management Limited continues to work with other developers to ensure that stages 5 and 6 are also completed in a timely manner.

ICC can be satisfied that through the PPP it is able to leverage its investment in a manner that it would not be able to achieve on its own.

As noted in the NZIER report now is a good time to invest in infrastructure projects as the cost of borrowing is low. Although ICC has identified that its investment will not make a commercial return, it has also identified that it does not anticipate that it will make a loss. This in part reflects the cost of borrowing for ICC in the current environment. This does however come with risks as discussed below.

A benefit of the reduction in build cost and in level of debt is that Invercargill Central Limited will be more profitable and the interest payments reduced. This improves the likelihood of a return to ICC to in the short/medium term.

RISK / REWARD ANALYSIS

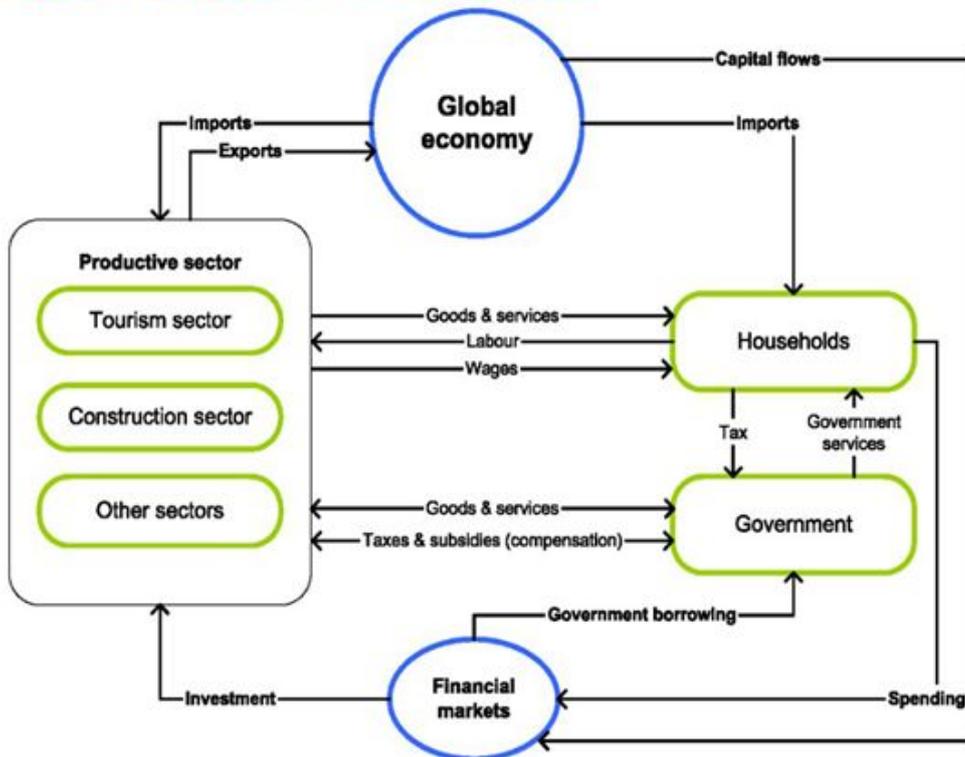
Risk

Any investment of this nature relies on a range of assumptions. At this stage many of these issues can only remain as assumptions or estimates, but it is important that ICC satisfy itself as to the reasonableness of those assumptions. In order to do so ICC should examine the external environment in which the decision is being made.

The NZIER report uses a CGE³ model when working out the impact of any changes. As can be seen there is an impact from both the global and domestic economy. While ICC is not aware of the specific numbers used by NZIER to input into its model it is aware that the modelling was completed in March 2019.

³ This is an NZIER proprietary model

Figure 6 Components of a CGE model



Source: NZIER

Appendix 3 is the current state of the market for the global and New Zealand economy as summarised by Bancorp Treasury ICC’s Treasury Advisor.

As noted above while it is a good time for making infrastructure investments due to the low cost of borrowing this, at least in part, reflects the weak growth of the global and domestic economy. ICC needs to be aware of the risks that further weakness in the global and New Zealand economy would have on the projected benefits from the development as discussed by NZIER.

ICC needs to also be aware that rental income growth will have a portion that is impacted by both domestic inflation and/or levels of consumption. In the event that either of these are lower than anticipated in the financial modelling, due to weakness in the economy this will have a negative impact on the returns achieved.

At the time of writing the Reserve Bank of New Zealand cut the official cash rate by 0.5% to 1.0%. For New Zealand gross domestic product the report assumes that GDP growth picks up to above trend due to fiscal and monetary stimulus.

At a high level the business model is reliant upon two significant assumptions, cost of the build and the rental income received (including car parking income). Approximately \$120 million, before contingencies, of the total costs of the development is as yet uncontracted.

As noted above, while the reduction in bank funding is a positive for the short term cash flow of Invercargill Central Limited it transfers the risk of costs overruns to the equity holders (ICC

and the private developers). In addition ICC has been required to commit the additional \$5 million that it had set aside as part of the consultation for circumstances such as this. The result being that any cost overruns may result in ICC having to seek further consent for funding to complete the project. Invercargill Central Limited is managing the costs of the development closely. They have appointed an experienced project manager and have had quantity surveyors assess the costings to date. As part of the review of the development, following discussions with the bank around funding, further work has been completed to ensure that the build cost is as far as is practicable confirmed within the available funding limits.

There remains a risk that a builder will not be found who can match this price. Invercargill Central Limited is trying to manage that risk by providing as much detail as possible at the time of tender to provide comfort to potential builders around the cost and design.

At this stage tenants have not been confirmed for all of the development. The anchor tenant has signed its lease however and this is a significant portion of the development. Having signed the anchor tenant work has now commenced to sign the balance of the tenancies. Significant work has been completed by consultants on behalf of Invercargill Central Limited to identify and contact potential tenants. A list of tenants has been developed however there is a risk until contracts have been executed that the required tenancies will not be achieved. Invercargill Central Limited will continue to pursue executed leases to ensure that the targets are achieved.

There remains a significant penalty in the anchor tenant lease in the event that the anchor tenant, and associated tenancies/car parking, are not able to be opened by late 2021. At this stage the project remains on schedule to achieve the necessary timeframes to ensure that Invercargill Central Limited is not penalised under the terms of the lease.

The investment is not without risk. ICC does not have a formal risk appetite statement. It is likely that if it had a formal risk appetite statement this investment would be outside that risk appetite as a result of the uncertainty that remains within the project. This should not preclude ICC from making the decision however as there are always occasions when taking into consideration the circumstances surrounding the decision that an entity may take on greater risk to achieve greater benefits or outcomes.

The important thing is to acknowledge and understand the nature of the decision and why it may be different from that which ICC would ordinarily consider. For example ICC notes that the investment requested of it is one that is outside of its core business and is undertaken with a level of uncertainty/risk that is greater than it may otherwise invest in. Having acknowledged that ICC may say that it is otherwise comfortable in taking on those higher risks because of the potential for a greater return to the community from that risk, acknowledging that it will take all steps to manage those greater risks.

Reward

Earlier it was noted that one of the potential benefits of the decision by ICC to invest is that the project will go ahead. That was not a passing statement. While noting that ICC has not

been as active as it could have been in the development of this project, there has been considerable work undertaken by private parties to get the project to the current state.

ICC is presented with the opportunity to ensure that a project with:

- Up to \$50M of private funds;
- possible \$40M of other public funds; and
- significant associated private sector investment supporting the core development of stages 1, 2 & 3 proceeds.

ICC could not on its own achieve those outcomes. While the size and scale of the development creates its own risks, it also creates the potential that it will be truly transformational. To quote from the Resource Consent:

1.1.35 The scale of the redevelopment in the Applicant's proposal is huge. The breath and extent of change it will cause, if approved, will be outlined in more detail in this decision but the following summary is a vignette of what is involved:

- (a) The loss of all of the internal elements of the 19 existing heritage buildings identified in the District Plan, including the iconic Southland Times Building and the delightful but moribund Cambridge Arcade.*
- (b) A completely new streetscape on the southern side of Esk Street, except for the retention of the façade elements of the Coxhead's Building, Cambridge Arcade and the Southland Times Building.*
- (c) A new bespoke office building for the HW Richardson Group (that we call the HW Richardson Tower) on the corner of Esk and Dee Streets, replacing the ornate Lewis & Co and Newburgh Buildings at 29 Esk Street and 33 Dee Street respectively.*
- (d) Complete redevelopment of the block, except for the Reading Cinema and the Kelvin Hotel, with the result that there is over half a kilometre (518.189 metres to be precise) of new or redesigned frontage as part of the development across its four main axes.*
- (e) A new hotel adjacent to and of similar dimensions to the Kelvin Hotel⁴.*
- (f) A five-level car park comprising 29.839 m² GFA⁵ and a new multi-levelled interconnected structure, anchored by a major comparative retail tenant, with a floor*

⁴ Note this building is no longer likely to be a hotel but will be of similar dimensions.

⁵ Gross floor area

plate of 6,086m2 GFA accessed internally and additionally by a reconfiguration of the Southland Times façade to create a central grand entrance.

1.1.36 Every proposal of this scale is an admixture of key themes translated into an integrated design. As we understand it the overarching principles informing the proposal's design were as follows:

- (a) The HW Richardson Tower will be a signature contemporary building providing modern office space to meet that businesses' growing needs, with the ground floor well connected to the retail core; and*
- (b) To achieve a vibrant retail location the development needs the following elements:
 - (i) Adequate and convenient parking to compete with LFR⁶ in other places and provide destination shopping; and*
 - (ii) A diverse menu of food retailing to provide experiential and interactive opportunities as an adjunct to the retail offering not found in LFR creating market differentiation; and**
- (c) There must be an anchored tenant appropriately catered for, having sufficient depth and appeal to operate as a locus for retail with enough gravitational pull to encourage smaller comparative retailers to orbit its sphere; and*
- (d) Good linkages internally and externally; and*
- (e) Differentiated and well-articulated architectural form, especially along Esk Street, that reflects the finer-grained elements of the existing streetscape, albeit with the introduction of considerably new architectural style, and leveraging off that, opportunities for external spaces, including overhangs across pedestrian ways, to enliven the location.*

Having a development of this nature occur further aids ICC in consideration of the balance of the city. It provides an opportunity for master planning and decision making which is otherwise lacking and the ability to further support the potential of the development. This opportunity would not arise if the development was of a smaller scale and/or driven by individual ICC projects such as the Arts Centre or Museum.

If ICC and the private parties are successful in achieving the desired outcomes through the PPP model it creates confidence that ICC could consider further opportunities to undertake similar projects.

The project should ultimately be cash flow positive for ICC, noting that it may take some time for this to occur.

THE RIGHT THING TO DO?

Ultimately having considered the above issues ICC could be satisfied that it is the right thing to do. In particular given the long term nature of the investment, and the concerns raised by

⁶ Large format retail

certain members of the community as to the impact on rates, ICC must consider intergenerational equity in this decision.

Having taken into consideration the:

1. risks;
2. costs;
3. unique nature of the proposed development; and
4. advantages of the PPP

ICC could consider the decision to invest \$25m + redesign costs and ongoing management and monitoring costs as the right thing to do.

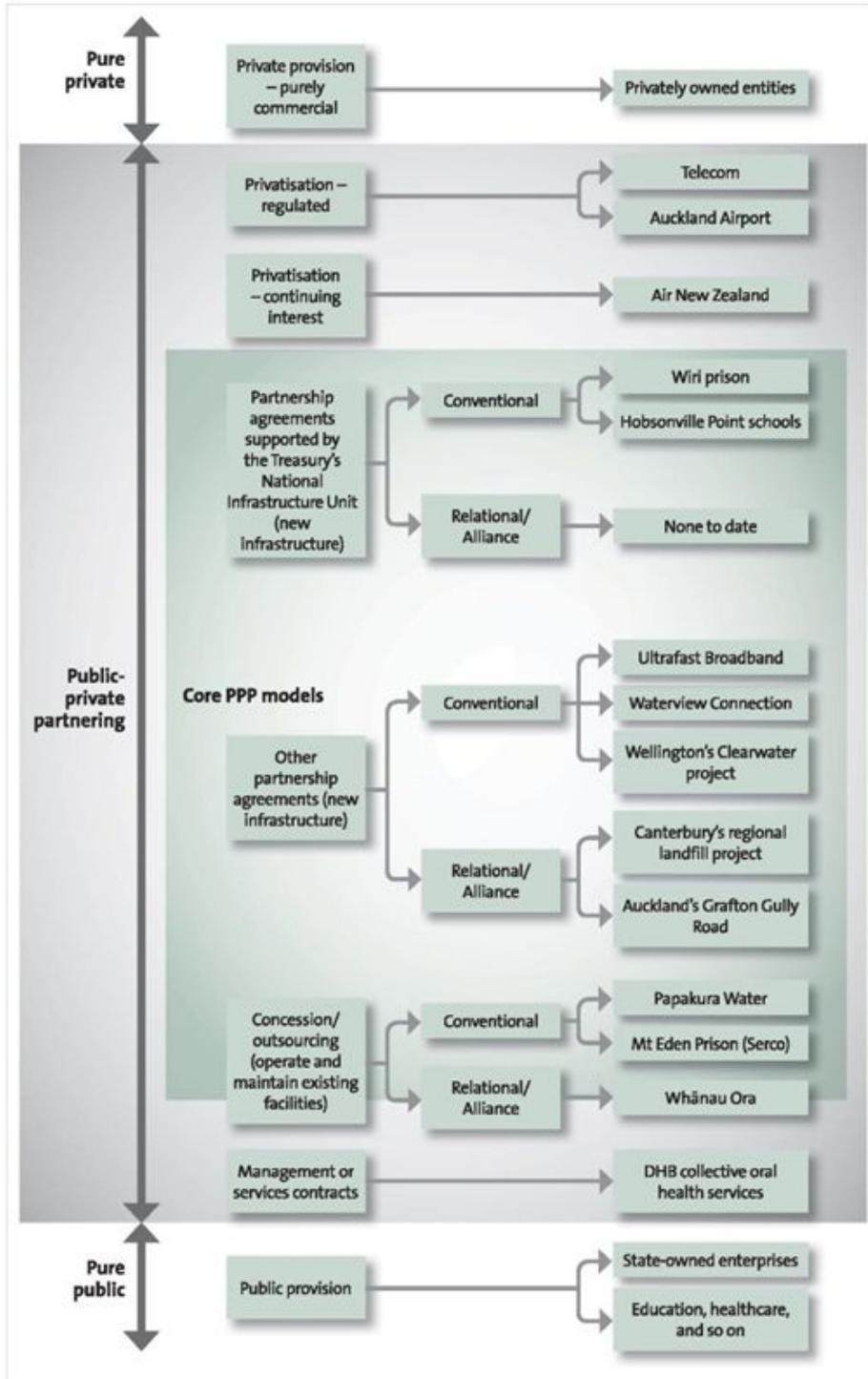
There will always be uncertainties. There will always be those who do not support any project Council proposes to be involved in. This report endeavours to demonstrate that Council has completed all appropriate due diligence.

This project also relies upon other public sector funders. Without their commitment it would not proceed. The final confirmation will not be able to be made by all parties until indicative commitment is given by each.

Council has also received a report *City Block Development Investment Proposal* and the due diligence should allow Council to be assured in its debate on that report.

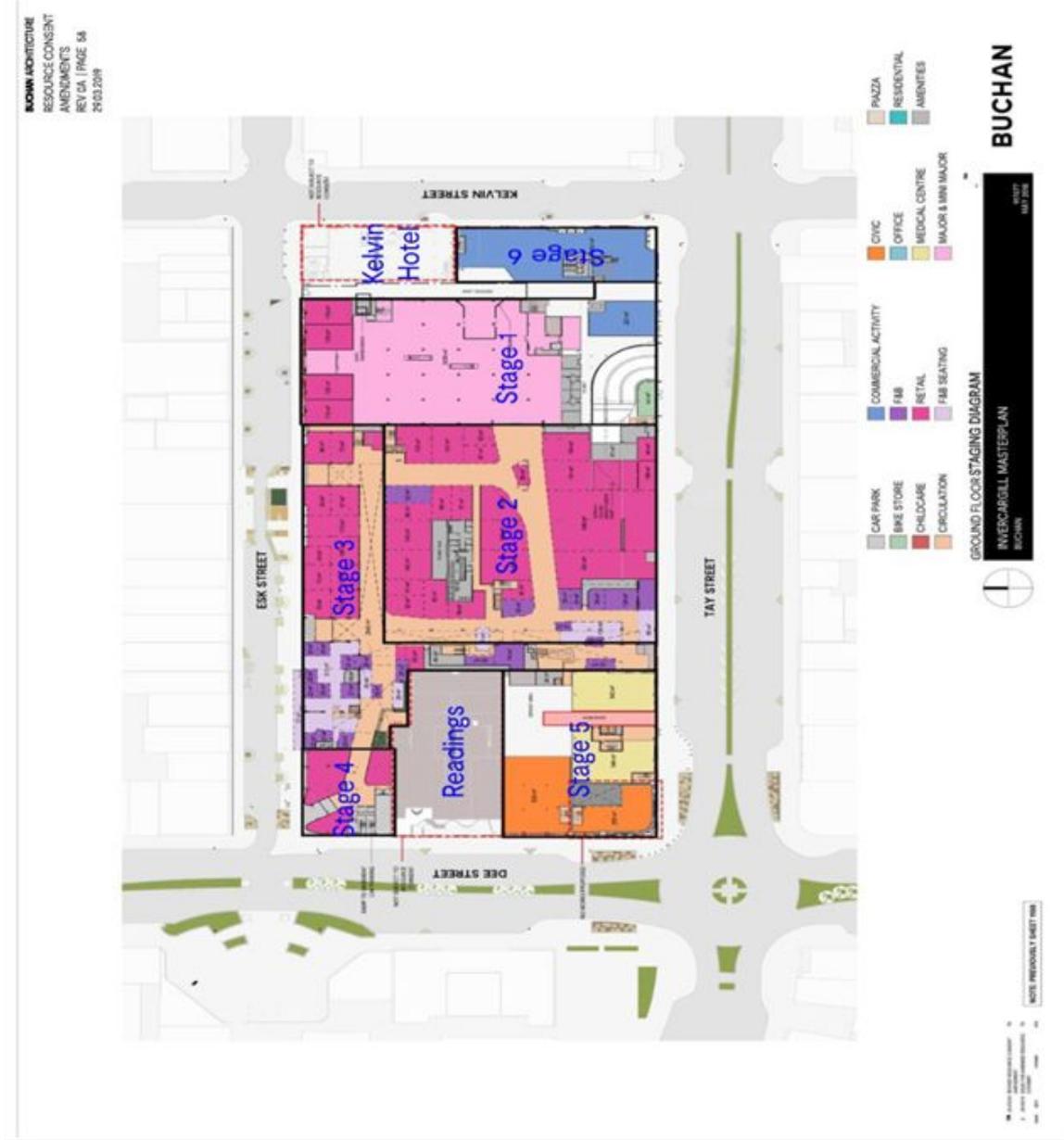
Appendix 1

Figure 1
The partnering spectrum



Adapted from World Bank and the Public-Private Infrastructure Advisory Facility (2007) *Public-private partnership units*.

Appendix 2



Appendix 3

BANCORP TREASURY

BACKGROUND – GLOBAL

Prominent non-government organisations, such as the World Bank, International Monetary Fund and World Trade Organisation, continue to lower their growth forecasts and, along with most central banks, to warn that growth and financial risks are skewed firmly to the downside due to ongoing trade tensions between major economies (notably the US and China) and worrying Brexit developments.

Latest data releases show trade activity, economic growth and manufacturing activity in the world's largest economies slowing to levels not seen since the start of Global Financial Crisis more than a decade ago. This is despite low unemployment rates and very low (or even negative) interest rates.

At the end of July, the Federal Reserve ("Fed") cut the target range for its benchmark Fed Funds rate by 25 basis points, to 2.00%-2.25%. Its forward guidance was not as dovish as expected, with Fed Chair, Jerome Powell, saying that the Fed considers the outlook for the US economy as still favourable. He stated that there is nothing that poses a prominent near term threat and this rate cut was a pre-emptive measure intended to protect the US economy from downside risks, specifically from ongoing trade uncertainty, muted inflation and weak global growth.

The European Central Bank ("ECB") signalled in July that it is close to another round of policy easing through cutting interest rates or expanding its bond buying programme, or a combination of both because of "*lingering softness*" in recent forward-looking Eurozone data. It warned that "*in the absence of improvement ... additional stimulus will be required.*" Market pricing has the ECB taking its benchmark interest rates further into negative territory over the next year.

Boris Johnson was elected UK Prime Minister in July. He has consistently stated that Brexit will happen on 31 October 2019 with or without a ratified formal agreement with the European Union ("EU"). In its latest economic review, the Bank of England saw the prospect of 'No Deal' Brexit as bad for UK growth.

The escalation of the US-China trade dispute and an increase in trade tensions between Japan and South Korea since the start of August have put ongoing trade uncertainty in the spotlight and caused a substantial rush into safe haven assets, specifically the Swiss franc, yen, gold and government bonds.

Despite the less dovish than expected Fed, the benchmark US 10 year Treasury yield, which ended July at 2.02%, fell sharply in early August as the US-China trade dispute escalated and

traded below 1.70% for the first time in since October 2016. The German 10 year bund yield ended July at -0.44%, below the ECB’s benchmark deposit rate (-0.40%), and is currently below -0.50%, which signals more ECB rate cuts.

The Reserve Bank of Australia (“RBA”) cut its cash rate by 25 basis points in June and July, taking it down to a record low of 1.00%. In subsequent speeches, the RBA Governor, Philip Lowe, has made it very clear that Australian interest rates will remain low for a prolonged period and that the RBA’s stance on inflation targeting (between 2.0% and 3.0%) will remain.

At its Board meeting on 6 August, the RBA held its cash rate at 1.00% mainly because “*the Australian economy can sustain lower rates of unemployment and underemployment,*” “*inflation pressures remain subdued across much of the economy*” and the AUD “*is at its lowest level of recent times.*” It repeated that “*an extended period of low interest rates will be required in Australia.*” Although the RBA expressed a neutral bias, market pricing implies RBA cash rate cuts in November and April that will take it to 0.50%.

BACKGROUND - NEW ZEALAND

Change	OCR	90 days	2 year swap	3 year swap	5 year swap	10 year swap
9 July	1.50%	1.67%	1.34%	1.34%	1.41%	1.76%
7 August	1.50%	1.48%	1.21%	1.18%	1.21%	1.50%
Change	Nil	-0.19%	-0.13%	-0.16%	-0.20%	-0.26%

CPI rose 0.6% in the June quarter, up from 0.1% in March, lifting the annual rate from 1.5% in March to 1.7%. This was exactly in line with market consensus and the Reserve Bank of New Zealand’s (“RBNZ”) latest forecast. The June quarter’s CPI rise came from higher petrol prices that drove tradable inflation up 0.9% for the June quarter and 0.1% for the year. The non-tradable CPI rose 0.3% over the June quarter, pushed up by rising rents and insurance, which kept the annual non-tradable CPI rate at its five year high of 2.8%. The RBNZ’s underlying annual inflation measure (the sectoral factor model) was steady at 1.7%.

New Zealand continues to display a solid labour market. The unemployment rate dropped from 4.2% in the March quarter to 3.9% in June, the participation rate was unchanged at 70.4%, the numbers employed rose 0.8% over the June quarter (and 1.7% over the June year) and private sector wages rose 0.8% over the June quarter (and 2.2% over the year).

Market pricing implies two more 25 basis points Official Cash Rate (“OCR“) cuts at the RBNZ’s 7 August and 5 February *Monetary Policy Statements* – taking the OCR down to just 1.00%.

In line with global interest rate trends (lower bond yields and central bank rate cuts), the recent OCR cut and expectations of more OCR cuts, domestic swap rates fell to record lows across the yield curve again in July. The following graph shows just how far local swap rates have fallen over the last 12 months.



Appendix 4

MATERIAL REFERENCED IN THE PREPARATION OF THIS REPORT

- Invercargill City Council District Plan – January 2017
- Discussion paper – *Managing the implications of public private partnerships*, Controller and Auditor General, November 2011 ISBN 978-0-478-38328-7
- Minutes and Agenda Invercargill City Council Regulatory Services Committee Meeting 27 February 2018
- Business Case (Feasibility study) – *Our City for Tomorrow April 2019*, HWCP Management Limited
- NZIER report to HWCP Management March 2019 - *Invercargill city centre redevelopment – Implications for Invercargill and Southland*, New Zealand Institute of Economic Research
- *Southland Regional Development Strategy*, Southland Mayoral Forum October 2015
- *Southland Regional Development Strategy – Action Plan 2015 – 2025*, Southland Mayoral Forum November 2016
- *Invercargill Central – Demographic and Retail Consultancy*, prepared for HWCP Management Limited, Colliers International Real Estate Management Limited April 2019

TO: COUNCIL
FROM: MELISSA BROOK – MANAGER, STRATEGY AND POLICY
MEETING DATE: 13 AUGUST 2019

CITY BLOCK DEVELOPMENT INVESTMENT PROPOSAL

SUMMARY

This report contains background information on the process that has been undertaken to determine the community's views on the Council's proposal to invest in the City Block Development. It considers the feedback received during the public consultation process and provides analysis of common themes provided within submissions. As this report responds to submissions received, it should be read in conjunction with the other reports presented to Council to assist in its deliberations.

RECOMMENDATIONS

That the report 'City Block Development Investment Proposal' be received;

AND THAT

Council determine that the community wellbeing outcomes outweigh any inherent risk in investing in the proposal;

AND THAT

Council invest \$25 million in Invercargill Central Limited, relating to stages 1, 2 and 3 of the City Block Development, subject to full and final satisfaction of the design response and all conditions determined by the Chief Executive and the Chair of Invercargill City Holdings Ltd;

AND THAT

The Chief Executive and Chair of Invercargill City Holdings Ltd be delegated authority to invest up to a further \$5 million in consideration of design changes negotiated to enhance community wellbeing outcomes;

AND THAT

This approval gives authority for the Chief Executive and Chair of Invercargill City Holdings Ltd to enter into binding agreements on behalf of Council;

AND THAT

All matters to be reported to Council once completed;

AND THAT

Council notes that allowance for ongoing professional advice, above that sum which is being invested, will be necessary and ongoing, and the Chief Executive is delegated authority to procure such advice utilising existing budgets in the current financial year.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> No
2.	<i>Is a budget amendment required?</i> Yes
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> Yes
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> The matter aligns with SoRDS and a number of Council's Community Outcomes.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> Yes, the public have been consulted and submissions received.
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Council will need to consider the Child, Youth and Family Friendly Policy and all other Council policies when making its decision.

FINANCIAL IMPLICATIONS

The financial implications of this decision have been included within earlier reports.

For every \$10 million of loan, Council would have to pay approximately \$300,000 in servicing costs each year. For an investment of \$20 million in the City Block development, \$600,000 would be required each year. Under Council's current policies this investment would result in a 1.2% rates increase for the average ratepayer.

A further \$10 million would remain with Council. This is effectively a \$5 million contingency for budget over-run and a \$5 million contingency for any enhancements that Council may seek as a result of advice and / or submissions received.

LEGISLATIVE CONSIDERATIONS

The Local Government Act 2002 (the Act) provides that the purpose of local government is to enable democratic local decision-making and action by, and on behalf of, communities and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

When making decisions, Council must have regard to the principles relating to local authorities established in section 14 of the Act. The entire section is included as **Appendix 1**, but Council should be particularly aware of subsections (f) and (fa) which provide:

- A local authority should undertake any commercial transactions in accordance with sound business practices; and
- A local authority should periodically –
 - o Assess the expected returns to the authority from investing in, or undertaking, a commercial activity; and
 - o Satisfy itself that the expected returns are likely to outweigh the risks inherent in the investment or activity.

Council officers consider that the views of the community will help Council to determine whether the expected returns to the social, economic and cultural wellbeing of the community

from the proposed investment, outweigh the risks of being involved in a commercial venture of this nature.

BACKGROUND

The Southland Regional Development Strategy highlighted that creating great places in urban Southland was key to achieving the Region's goal of attracting 10,000 more people to live in Southland by 2025. The Strategy notes that it is especially important to create the Invercargill CBD as a great place to be, at least on a par with other regional centres. It further notes that creation of a regional social focal point in Invercargill, which could comprise a mall, will help build stronger lifestyle values that makes an area more attractive to residents and visitors, and creates a human 'buzz' that keeps people in the area.

In 2017 Council, through Invercargill City Property Limited and Invercargill City Holdings Limited, became an investor/shareholder in HWCP Ltd. Originally the intention was for the company to acquire all land necessary for a development in the Tay/Dee/Esk/Kelvin Streets block.

In September 2018, Council acknowledged that HWCP Ltd had shifted from a land bank to a developer of the inner city block. Invercargill City Properties Ltd has made it clear that it invested in HWCP Ltd as a land bank and Council said it would not invest further funds in HWCP Ltd, as a developer, without undertaking consultation with the community.

Until this time Council had been passive. It was accepted this was a significant change, by this time a sense of momentum had built. Throughout the project Council has found itself in 'catch up' mode, rather than an active participant. The scale of this project is more extensive than anything Council has been involved in previously.

Council determined to engage with the Community on a proposal to invest up to \$30 million in the City Block development. The proposal identified \$20 million as a direct investment and a further \$10 million contingency. The contingency is effectively a \$5 million contingency for budget over-run and a \$5 million contingency for any enhancements that Council may seek as a result of advice and/or submissions received.

The consultation period for the proposal to invest up to \$30 million in the City Block development was opened on 18 May 2019, with submissions closing on 28 June 2019. The availability of the Consultation Document was advertised in The Southland Times, the Southland Express and a postcard delivered to all Invercargill households. Full consultation documents and supporting information were available on Council's website. Copies of the consultation document and submission forms were made available at various supermarkets around Invercargill.

Council officers and Elected Members attended a Hui at the Murihiku Marae and were also available to discuss the proposal at a number of community events in locations around Invercargill and Bluff during the consultation period.

673 submissions were received, with over 40 submitters choosing to speak to their submission at an extraordinary meeting of Council held on 16 and 17 July 2019. Some speakers provided further written material with their submission (**Appendix 2**).

Council also received a great deal of feedback through Social Media. Council's dedicated "Your Money for City Block?" Facebook page reached a large number of people. Feedback from this page is included as **Appendix 3**. Officers recommend that while Council considers this resource as good source of public opinion, each member should consider what weight they will put on feedback received from this media as officers are unable to verify the authenticity of those posting or their views.

It should be acknowledged that Council would not have this opportunity before it had it not been for the drive and commitment of Mr O'Donnell and Mr Thompson.

CONSIDERATION OF SUBMISSIONS

Officers have considered the submissions received and provide the following analysis to assist the Council's debate.

Three groups have emerged from the submission process:

- Those who support Council's proposed investment;
- Those who oppose Council's proposed investment;
- Those who have neither supported nor opposed the proposal, but have raised points that they wish to have considered by Council when making its decision.

Common amongst all submitters, whether they were opposed or supportive of the proposed investment, was the importance of a focus on community and what that could deliver to the City.

Submissions in support

There were a number of themes within those submissions in support of the proposed investment. The top three recurring themes were:

- The City needs to move forward
- This is an investment for future generations
- The current state of the city centre is neglected, run down and in some cases derelict.

These themes reflect widely held concerns with the state of the inner-City as it currently is. Submitters considered that importantly, a revitalised city centre is essential not only for Invercargill, but also for the greater Southland region and the image that we portray to visiting tourists.

The submissions put a focus on past decisions relating to the location of retail as the reason why Invercargill's city centre is in its current situation. This situation is not uncommon, large retailers tend to cluster on the edge of a city. Primarily they need a lot of space for parking and future growth. This has been the experience in Invercargill. Common amongst submitters who were in favour of the investment was the belief that if previous decisions had led to a decline in the attractiveness of the city centre, good future decisions could reverse this trend.

Themes from other submitters were in a similar vein to the three most common identified above. Submitters in support considered that the development will modernise the City, but also that the development had gotten to a stage where it is no longer a viable option for Council not to be involved.

Those who most strongly supported the proposed investment by Council identified that there would be an increase in what they were required to pay in rates and made clear that they were still in support even with the associated increase in cost of rates.

The final theme amongst those in support was recommendations for ways to better ensure that the development met the social needs of the community. Recommendations included an outward facing build using sustainable building practices, creating a mixed use (including accommodation) development, and ensuring that the development included social space, a space where the community could gather and just 'be'.

Submissions in opposition

By far the most common theme in opposition to Council's proposed investment was the objection to the use of rates and the associated rates increase. A number of submitters raised concern as to the impact of this proposal on them personally when they were on a fixed or low income. Some submitters expressed that they could not afford any further increase in rates for a project that was not a core responsibility of Council. This viewpoint was shared by a number of submitters who opposed the use of public money to partially pay for a private investment.

The concern inherent in these submissions over the proper use of public money flows through into the second theme; other projects are more important. Redevelopment and re-opening of the Museum was considered by many submitters to be more important than investing in a commercial development. Other projects such as the new Arts and Creativity Invercargill development, the earthquake strengthening of the Water Tower and developing an alternative water source were all considered projects of a higher priority to some submitters.

These two themes; the inappropriate use of rates money resulting in a rates increase and the potential deferral or loss of more important Council infrastructure or community assets, were supported by the third most common theme in the submissions, the development is not a good investment.

Council has been questioned many times, both in the written and in verbal submissions, over the expected return on investment of this proposal. Submitters considered that there was little information to show that this investment was going to be financially viable and that, while understanding the commercial sensitivity of the development, the information provided did not answer the questions the community would like to know in order to support the proposal.

Many submitters who considered the development was not a good investment made reference to Council's prior investments. This indicates a level of mistrust in Council being involved in investments and will need to be carefully managed should Council determine to invest in the development.

A number of submitters opposed to the proposal were concerned about the loss of heritage from the City Centre. This matter would have been considered as part of the Resource Consent process that has already been completed.

Neutral submissions

Those who neither opposed nor supported the proposal predominantly raised suggestions regarding the impact on community wellbeing of the proposed development. Neutral submitters wished to see the community wellbeing aspects of the proposed development strengthened if Council were to invest. Submitters raised concerns with the growth of available retail space and security of current business, and ask that Council ensure it is satisfied that the development will work for surrounding business also. Submitters also questioned if there was an opportunity to include affordable housing in the mix of the development or its surrounds.

DUE DILIGENCE

This report should be read alongside the report *City Block Development Due Diligence*.

OPTIONS ANALYSIS

Council has been clear in its consultation materials that it proposes to invest in the City Block development for strategic reasons, rather than solely commercial reasons. The following assessment of options was included in the consultation materials and is included again to assist Council in its deliberations.

Proposed Option	Advantages	Disadvantages
Invest up to \$30 million in the City Block development. \$20 million investment in the new entity. \$10 million to remain with Council as a contingency. The proposed \$10 million to remain with Council is effectively a \$5 million contingency for budget over-run and a \$5 million contingency for any enhancements that Council may seek as a result of advice and / or submissions received.	Provide a level of confidence to other investors in the project and to investors in the City.	Council does not expect that the investment will make a commercial return in the short to medium term.
	Investment will result in Council having representation on the entity tasked with undertaking the development.	Other Council projects would need to be deferred.
		Annual servicing costs of approximately \$600,000 each year for the loan period based on a \$20 million investment, and up to \$900,000 each year based on the proposed up to \$30 million investment.

Alternative Option	Advantages	Disadvantages
Do not invest in the City Block development.	No further ratepayer funding is committed to the City Block.	Project would likely not progress. Council left owning 50% of the site and buildings that will return little or no income.
	No change to Council's planned capital works or projects detailed in the 2018 – 2028 Long-term Plan.	Risk that the decline of the Invercargill City Centre would accelerate.
		Unlikely that any other development would happen on this site in the near term.
		Alternative uses of the site may not have the same transformational impact that is hoped to be achieved from this development.

FURTHER STEPS

At its meeting on 28 May 2019, Council resolved that an unbudgeted initial amount of \$200,000, being 1% of the proposed investment of \$20 million, be set aside for the engagement of independent, professional advice for the City Block project. Following the findings of the independent review of the Don Street investment, Council recognises the need for strong oversight of any future investment decisions. Should Council determine to invest in the City Block development, it is important that an allowance for ongoing professional advice, above that sum which is being invested, is made available in Council's budget. Council officers consider that this can be accommodated within existing budgets in the current financial year. Ongoing review of the investment and quarterly reporting to Council will ensure that any further funding needed is included in budgets going forward.

CONCLUSION

For those submitters in support there was a fear for the future if there was no development, there was anxiety over how that would impact both their children and the region. Despite associated costs and doubt over the financials, the development is seen as a positive step forward and one that is long overdue.

Submitters from all different viewpoints considered that the focus on community is important. The development needs to include the community, not just work for the private investors.

Those opposed to the investment fear losing community assets, the affordability of the entire Council work programme and its impact on rates. There is deep concern over the use of public money in a commercial investment when the museum is closed and the Arts and Creativity Invercargill development is not yet underway. These submitters raise concerns with the financial uncertainty of the investment and the record of past Council investments.

Before making a decision on the proposed investment, Council officers consider that Council should determine what it considers to be the social wellbeing benefits to the community from this investment and, in light of the professional advice and submissions received, as well as the wider engagement process gone through, whether the development in its proposed form will deliver these benefits. Council should then satisfy itself that these identified social wellbeing benefits to the community outweigh any potential risks of being involved in an investment of this nature. In doing so, Council should also weigh the risk of not being involved in this investment, and what impact that is likely to have on the social and economic wellbeing of the community.

Local Government Act 2002

14 Principles relating to local authorities

(1) In performing its role, a local authority must act in accordance with the following principles:

(a) a local authority should—

(i) conduct its business in an open, transparent, and democratically accountable manner; and

(ii) give effect to its identified priorities and desired outcomes in an efficient and effective manner:

(b) a local authority should make itself aware of, and should have regard to, the views of all of its communities; and

(c) when making a decision, a local authority should take account of—

(i) the diversity of the community, and the community's interests, within its district or region; and

(ii) the interests of future as well as current communities; and

(iii) the likely impact of any decision on each aspect of well-being referred to in section 10:

(d) a local authority should provide opportunities for Māori to contribute to its decision-making processes:

(e) a local authority should actively seek to collaborate and co-operate with other local authorities and bodies to improve the effectiveness and efficiency with which it achieves its identified priorities and desired outcomes; and

(f) a local authority should undertake any commercial transactions in accordance with sound business practices; and

(fa) a local authority should periodically—

(i) assess the expected returns to the authority from investing in, or undertaking, a commercial activity; and

(ii) satisfy itself that the expected returns are likely to outweigh the risks inherent in the investment or activity; and

(g) a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region, including by planning effectively for the future management of its assets; and

(h) in taking a sustainable development approach, a local authority should take into account—

(i) the social, economic, and cultural well-being of people and communities; and

(ii) the need to maintain and enhance the quality of the environment; and

(iii) the reasonably foreseeable needs of future generations.

(2) If any of these principles, or any aspects of well-being referred to in section 10, are in conflict in any particular case, the local authority should resolve the conflict in accordance with the principle in subsection (1)(a)(i).

Bob Simpson Architect Builder Coordinator

120 Leet Street Invercargill 9810 NZ P: 03 214 4727 M: 021 708 506 E: Bob@a4.co.nz

Let us improve on the “Block Proposal”

In 1995 some Invercargill businesspeople proposed the Amtex Shopping Mall, on the western half of the site for this “Block Proposal”. Cambridge Place was retained. In 1997 Amtex asked the Invercargill City Council to contribute to an underground park for 200 cars. The mall design included a department store on the south, with a food hall and shops to the north, opening on to Esk Street. The Council refused to contribute.

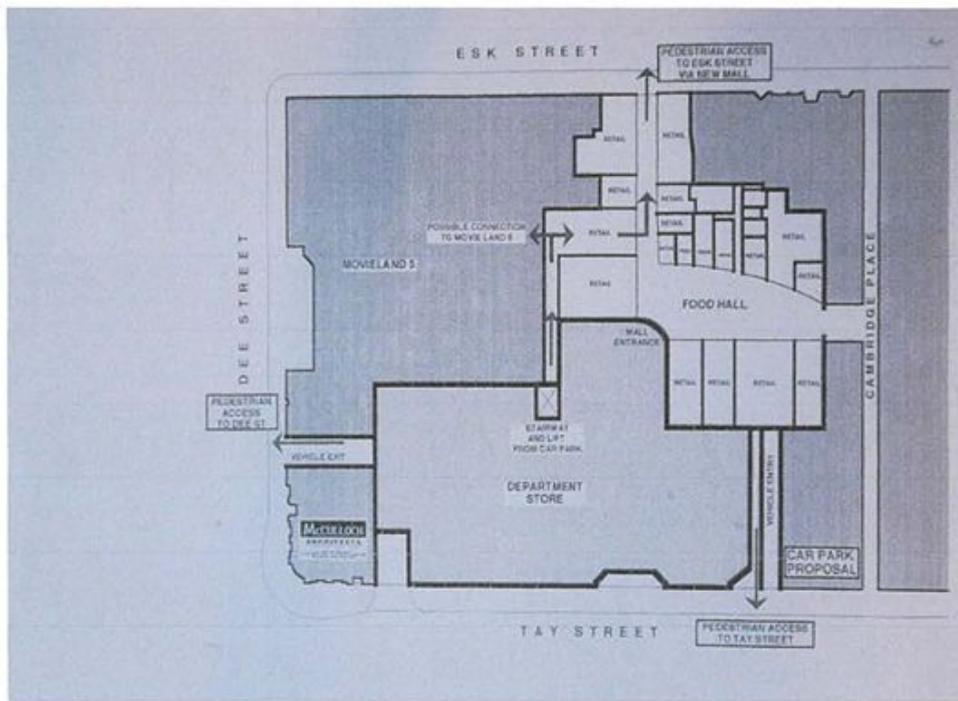
In 1997 I was the chair of the Vibrant City; Physical Environment Committee. I organised a meeting to get the Invercargill City Council to reconsider their decision. I can still see ICC officers Richard King and Alan Ballinger on one side and Tony Butson from Amtex on the other side. The Council again declined the opportunity. This was a sad day for Invercargill.

I congratulate HWPC Management Ltd for purchasing the sites which make up most of this block. Now, I believe, we have a good opportunity to design and build, a viable development on this site.

I ask the HWPC Management Ltd and the Invercargill City Council:

1. To visit Gore and their restored Thomas Green Pub and their arts and heritage precinct;
2. To slow the pace of this proposal and the rush to demolish all the buildings;
3. To take a fresh look at this “Block” site, the adjacent city blocks and vehicle movements;
4. To engage some urban planners. The ICC now have a \$200,000 budget for this and ask the planners to design staged options for the Inner-City, which include a good outdoor public space for community events and facilities for our art, museum and exhibition needs;
5. To obtain reports on the community benefits and the financial viability of the options.

In my experience, subsidising businesses, leads to market distortions and to disaster. Please reconsider this “Block Proposal” and produce some better options.



Ground Floor Plan of “Amtex Winter Garden Centre” 1997



I represent the Invercargill Ratepayers Advocacy Group. We have already made a written submission regarding the proposal by ICC to invest in the City Block project.

Our position is that **we give support to the investment**, but have some serious concerns regarding how that \$20-30m investment will be managed by ICC as a debt.

The initial information by ICC is that the loan needed for the investment would have a 1.25% increase on existing rate levels.

Our concerns:

- When I asked ICC if they had considered other funding options, the response was “council does not consider there is an alternative funding option (to a rate increase) in the short term”.
Why have other options not been explored – like delaying the Water Tower strengthening, sale of land already purchased in the block, sale of the forestry company estate, removal of HoldCo structure a combination of some of these would cover short term payments.
- **ICC has forecast that the project (stages 1-3) will have a positive cash flow by 2022.**

What does a **positive cash flow** actually mean ? - there seems to be 3 definitions:

- (i) there will be some rental income based on the proportionality of the shares ICC holds in the new entity or
- (ii) the ICC share of that income would cover the interest only payments being made on the loan or
- (iii) that income (positive cash flow) would cover more than the interest only payments and would then reduce the principal owing on the loan

We accept that other funding sources may be identified (like the sale of the Forestry company estate) - could help repay the loan principal without longer term impacts on rates.

- If ICC is investing \$20-30m into stages 1-3 and has yet to decide on any investment into stages 4-6, and with the forecasted project cost of stages 1-3 being \$180m, our initial investment would give ICC a **shareholding in the range of 11-16.5%**.
- We are also concerns about the potential end cost of the project - given forecasts, according to Scott O'Donnell, have moved since the initial announcement in Jan 2018 from \$100m, to \$200m and now to \$280m.
- And finally, we have concerns that while stages 1-3 will have a 'positive cash flow' by 2022, ICC, as an ordinary shareholder in the new entity, **“is not projecting that there will be cash available (for ICC) , due to the potential requirements of other funders, until 2029”**.

This means that ICC will have an 'interest only' debt servicing of \$9m over the next 10 years (with no debt principle reduction on the loan unless other sources of income become available).

The critical issue for us is why is our ICC investment not obtaining a positive cash flow in 2022, like other investors and why you are prepared to wait a further 7 years, thus giving other investors a preferential status ?

- We feel that the projected 1.2% rate increase will be built into rates to service the interest only loan repayments, and will remain as an annual 'hidden' factor to ratepayers. This is reinforced by the compounding impact of rate increases, year on year.
- **We believe that ICC should forecast the 'worst scenario' for the loan repayment eg "the loan is predicted to be discharged by 2050 but this forecast may improve if / when other funding becomes available to reduce the overall loan debt level".**

Conclusions

Our major concerns are:

1. That ICC though it's poor financial management of projects like the Awarua Industrial Park, the Forestry Company (Overseas Investment Office) outcome and Don Street .

Those poor financial and reporting results have resulted while Councillors have been appointed Directors in HoldCo and it's trading companies.

We acknowledge the recent changes to those Directorships and would advise that if ICC wishes to have a Director on the new entity, it should **not be a sitting Councillor**.

Given that the new entity will not be subject to any Official Information legislation and that the Councillor / Director model has not worked in the past when it comes to information and good governance, we **recommend an independent Director be appointed**. That Director can report directly to the Finance Committee quarterly, and be replaced if our interests are not being governed well. Such a Director would need financial and project management skills.

2. That ICC should not be prepared to take a less favourable investment return than other investors – based on its' statement that the City Block project is not a good financial investment and only a social investment – solely because of your ability to fund the loan through rate increases.
3. That ICC needs to be prepared to forecast when the loan will be discharged (the worst scenario).

Concern 3 currently leaves ratepayers wondering whether or not you will be leaving future generations with debt repayments on this project.

Thank you for your time

Your money for city block

Submission by Sue Smith, 407 Herbert Street, Invercargill, 9810

Your Worship the Mayor and City Councillors

Introduction

The city needs a revamp.

However, any development should NOT be paid for by the ratepayer.

The current Council intends to use Ratepayers money to subsidise the HWR proposal.

It is not acceptable for the Council to increase the rates or to fund the HWR project because many of the ratepayers do not have the money to pay any rate increases

The recent Council track record is that Council Projects cost more than the budget. For example the Stadium, Don Street office development and Chinese gardens etc.

Submission Detail

I am very concerned for those of us on a low income (who have worked extremely hard to provide and maintain our homes) who seem to be continually subjected to yearly rate increases. This will jeopardise us owning our own homes because the rates will make home ownership unaffordable.

The Council has already planned for yearly rate increases (which low income earners cannot afford) these will be further lumped with another ongoing 1.25% to help fund this project. There is no guarantee that this cost will not escalate. It would appear that those on a high income have not considered the far reaching implications for those who are on a low income.

This is a high risk investment with no guaranteed return. Ratepayers should not be forced to fund this commercial project. No other private investor wants to be involved because they do not see this to be viable or a good investment.

The Council is already servicing substantial debt. It is better financial management to repay the existing debt and also to develop good infrastructure for the additional 10,000 people expected by 2025.

The ratepayers have only been offered one option. Other more affordable and realistic options need to be explored and presented.

There appears to be no reason as to why HWR could not fully fund this high risk development.

Conclusion

The ICC core business is developing and maintaining good infrastructure for the ratepayers of Invercargill.

The proposed development does not fit within this criteria.

Therefore, the Council should reject all proposals of such shared development

The preferred ratepayer option is for HWR to fully fund their proposed development or find alternative investors. There is no need for the ratepayers to be part of this high risk project.

Thank you for considering these very important key issues.

Proposed PPP ICC – HWR – “The Block”

- Reservations, For Example: Don Street Building investment, Awarua Land Investment.
- PPP projects nationwide seldom go as planned.
- Commercial venture to benefit commercial developers, not the wider community, regardless of the wonderful marketing job done to date.
- Not saying yes or no, that is your decision to make.
- Investment in this project will restrict further infrastructure investment options, including many other basic infrastructure investment needs, (Council’s prime responsibility) also other needs such as Social Housing, Social value projects such as the Art Gallery & Museum, Environmental Improvements given the urgent need for sustainability projects and climate change mitigation, and many more needy projects that should perhaps have priority.
- Risk of investment, building sector failures, unknown costs and factors, increased costs, budget blowouts, how will this project (and in fact the city) be affected by climate change / sea level rise by 2100.

- Return on ratepayer investment? Borrowed money, interest bearing over a decade.
- Council consider investing in a Street Arcade instead.
- Consider Provincial Growth Fund / Additional Private Sector funding.

Noel. J. Peterson

Bluff Resident.

Neighbouring Retailers Group represents 24 local CBD business owners and 3 Store managers.

From our experience with the HWCP application process, it's vital to be involved in order to have a voice or assist to make changes to the current plans, and that's why NRG fully support the council's investment of up to 30 Million dollars.

If the decision is against the investment, we fear this development won't go ahead leaving the CBD lifeless and unattractive to visit, we also fear this will mean small local business owners that have invested numerous years and money in the CBD will be forced to close their doors.

Invercargill has spent considerable time and money in order to attract tourism to the town, through major events like, Bluff Oyster festival, Burt Munro and the George Begg Speed Fest it would be devastating to lose interest in these events due to the lack of attraction in the City centre.

This is also why it is vital to get this development underway immediately, so visitors to the town can see there is major developments happening instead of wondering why half the shops are dead and lifeless.

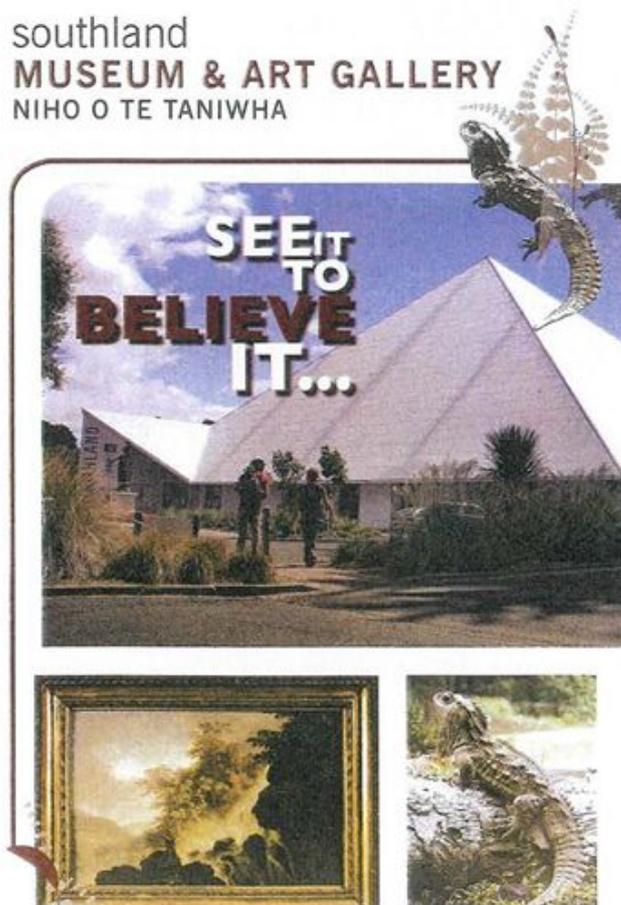
This investment sounds like a lot of money up to 30 million dollars, is actually a small price to pay in the repair and future of the heart of Invercargill.

Invercargill the city where dreams are possible, with this investment Invercargill's dream can become reality.

CLASSIC INVERCARGILL

CLASSIC SOUTHLAND

southland
MUSEUM & ART GALLERY
NIHO O TE TANIWHA



THE PRINCIPLES OF CITY DESIGN

By 2050 the world's population is expected to reach 9.8 billion.

Nearly 70 percent—6.7 billion people—are projected to live in urban areas. We asked the architectural and urban planning firm Skidmore, Owings & Merrill (SOM) a question: How would it design a city of the future? The plan allows **ECOLOGY** 🌿 to guide development. **WATER** 💧 sources are protected and systems are designed to capture, treat, and reuse it. **ENERGY** ⚡ is renewable, and the city becomes more **LIVABLE** 🏡 even as it becomes more densely populated.

All **WASTE** ♻️ becomes a resource.

FOOD 🌾 is grown locally and sustainably.

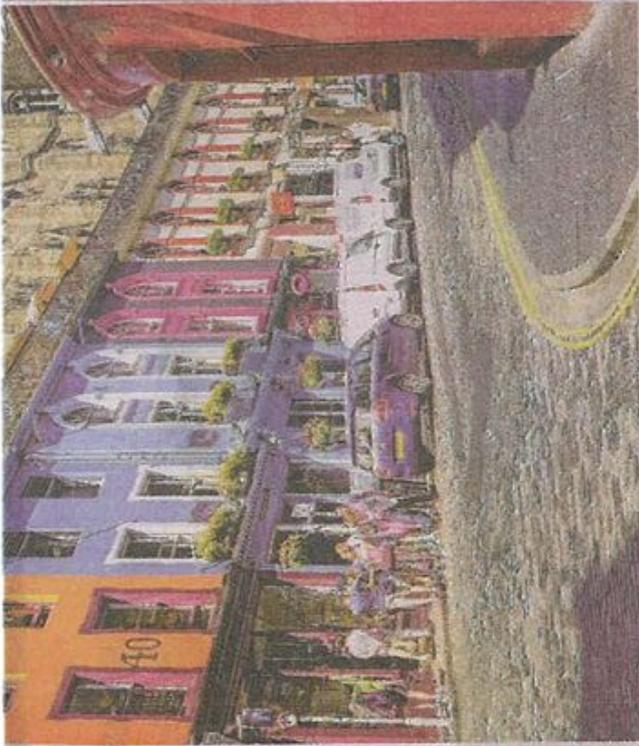
High-speed rail improves **MOBILITY** 🚆. The **CULTURE AND HERITAGE** 🏛️ of the increasingly diverse population are publicly supported.

The **INFRASTRUCTURE** 🏗️ is carbon-neutral, and the **ECONOMY** 💰 is largely automated and online.





termile is one of the largest and most comprehensive regeneration
nes in Scotland. Formerly the home of the historic Edinburgh Royal
ary, the 8-hectare site is located within a conservation area on
urgh's Victorian fringes and includes nine listed buildings.



Victoria St in Central Edinburgh was built between 1829 and 1834 as part
of a series of improvements to the Old Town.



Boutique hotel being planned for All

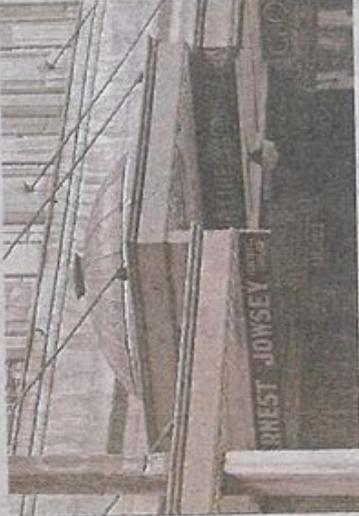
DAVID LOUGHREY ^{ODT} 6/5/19

ANOTHER central Dunedin hotel in a heritage building could become a reality as a local company makes plans for what it describes as a "high tech, boutique" development in lower Stuart St.

Flat Iron Investments Ltd plans to redevelop the Allbell Chambers building near the Octagon.

The 24-room hotel would be on the first and second floors of the category two heritage building.

It is part of a wave of hotel development in Dunedin, including the Distinction Hotel in the former Chief Post Office.



An original cupola, and a design for a new veris entrance.

Dunedin City Council. The company has applied for consent for a hotel "based on the current trend for commercial development".

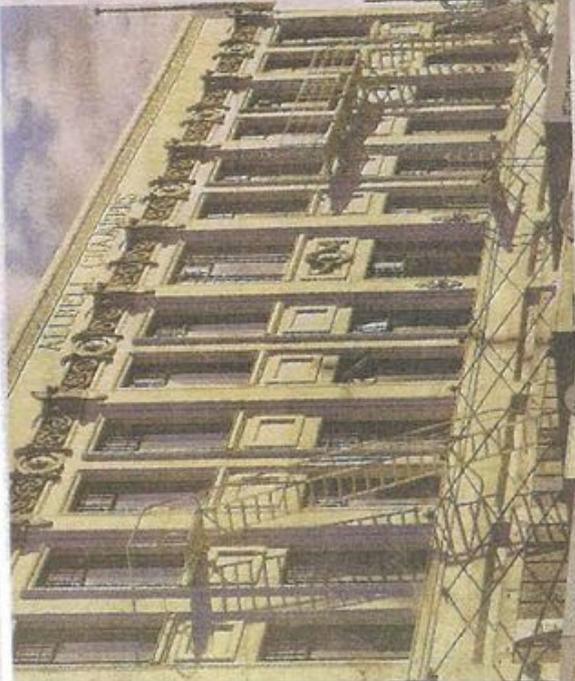
the Chamberson Hotel on the corner of lower Stuart and Cumberland Sts, and a 27-room hotel planned for Fillett St.

That is occurring as annual tourism expenditure in New Zealand has increased by \$11.9 billion, or 44%, in the past five years.

Tourism is the country's biggest export industry, contributing 21% of foreign exchange earnings.

Flat Iron directors Lauchlan Chisholm and Gregory Paterson did not respond to phone calls from the *Otago Daily Times* yesterday.

However, information on the proposal was included in a consent application made to the



ng boutique ... Allbell Chambers, in lower Stuart St, could be developed as a boutique hotel. PHOTO: GERARD O'BRIEN

buildings closer to the street, with stores on the ground level below offices and apartments.

The project, still under construction, became the first of many that Calthorpe and a young colleague, Zhuojian (Nelson) Peng, have worked on in China. It got the attention of the national housing ministry. And it reinforced a change in mind-set that already was bubbling up from Chinese urban planners—one that then got ratified in a startling way. In 2016 the Communist Party Central Committee and the State Council, the highest organs of the state, issued a decree: From now on Chinese cities were to preserve farmland and their own heritage; have smaller, unfenced blocks and narrower, pedestrian-friendly streets; develop around public transit; and so on. In 2017 the guidelines were translated into a manual for Chinese planners called Emerald Cities.

government is trying, all at once, to design cities more humanely and sustainably and deflate the housing bubble without crashing the economy. No one is sure how to do all that, Wang said.

THE KEY TEST MAY COME in Xiongan, a 680-square-mile stretch of swampy land, including a heavily polluted lake, about 65 miles southwest of Beijing. In April 2017 President Xi Jinping announced, again to general surprise, that he wanted to build a new city there. Ultimately it could house five million people and relieve congestion and pollution in Beijing. Last summer, when I visited the site with He and a vanload of planners, all that had been built was a temporary city hall complex. Chinese tourists strolled the treelined streets. An autonomous shuttle bus circulated experimentally and empty.

TO EASE BEIJING'S CONGESTION, CHINA IS PLANNING **A GREEN, LOW-RISE CITY** THAT COULD BE A MODEL FOR THINGS TO COME.

Calthorpe Associates wrote most of it.

"We were a little surprised," said Zou Tao, director of the Tsinghua Tongheng Urban Planning and Design Institute in Beijing, who also contributed to Emerald Cities. "For more than 10 years we've been telling people to do this. We're still getting used to it—and still figuring out how to make it happen in the real world."

Chinese urbanization is at a turning point. The government aims to move nearly 300 million more people—almost equal to the entire U.S. population—into cities by 2030. China faces both a shortage of decent affordable housing and a housing bubble, because many people invest in apartments and keep them off the market, said Wang Hao, a planner who spent 20 years at the Chinese Academy of Urban Planning and Design. "Half the people have moved into the city; the other half can't afford it," she said. The

Xi has declared Xiongan a project for the millennium. A video in the visitors center shows a low-rise, small-block, and extremely green city. It isn't supposed to be completed until after 2035—an eternity by Chinese standards—but the master plan approved in December suggests it will be consistent with the Emerald Cities rule book. Calthorpe hopes to design part of it.

"We're trying to solve all Chinese city problems," said a landscape architect I met, a woman who preferred not to be identified. "We're not sure we're going to. This place will be an experiment."

The next morning, He took me to see a more spontaneous experiment: a trendy arts district called 798, which lies in northeastern Beijing between the fourth and fifth rings. We waited until midmorning for the subway crowds to thin out—during the morning rush, the queues at some stations stretch all the way outside,

because everyone is leaving one district to work in another. The nearest station to 798 was a few superblocks and about a mile away. Fortunately, dockless shared bikes have lately invaded the capital. We rented a couple and pedaled off.

It was a warm late-summer day, with a blue "meeting sky"—African heads of state were in town, He said, so the government had shut down smoke-spewing factories outside Beijing. The 798 district occupies the site of old factories that used to be outside the city too, before the city engulfed them. After the government closed the complex in the 1990s, artists began occupying the low brick buildings. Gradually a neighborhood of galleries, bars, and shops emerged. The blocks are small because they were laid out for a factory compound.

"This is very close to Portland," He said, as we strolled the narrow streets. "We always take Portland as a good example."

In an alley under a large, idle smokestack, we sipped cappuccinos, discussing the dramatic ideological change in Chinese urban planning. Undoing the effects of 30 years of superblock construction, He said, won't be easy. "Given the scale and the economic challenges, it will take 20 to 30 years. You see points, small pieces here and there. We hope that over time, all the urban landscape will change."

IN THE U.S. LANDSCAPE TOO, islands of hope are emerging in the sea of sprawl.

Ellen Dunham-Jones, an architect and urban designer at Georgia Tech in Atlanta, one of the most sprawling cities on Earth, keeps a database of them. In 2009, when she and June Williamson of the City College of New York cowrote their book *Retrofitting Suburbia*, they reviewed around 80 cases of suburban spaces being transformed, mostly into something urban—that is, denser and more walkable. Today the number of projects in the database has grown to 1,500. Across the country, Dunham-Jones told me, developers are adding buildings mixing residential and retail to some 170 office parks. As online shopping kills hundreds of malls, she said, around 90 are in the process of "becoming the downtowns their suburbs never had."

Market forces are driving the transition. The nuclear family for whom suburban subdivisions were envisioned is no longer the statistical norm; only a little over a quarter of all U.S. households consist of people with

children. Young people are looking for an urban lifestyle, and so are many of the parents they left behind in the suburbs. In the little towns around Atlanta, as elsewhere in the U.S., Dunham-Jones said, "main streets were mostly killed off in the 1970s. Now that the malls are dying, those main streets are coming back."

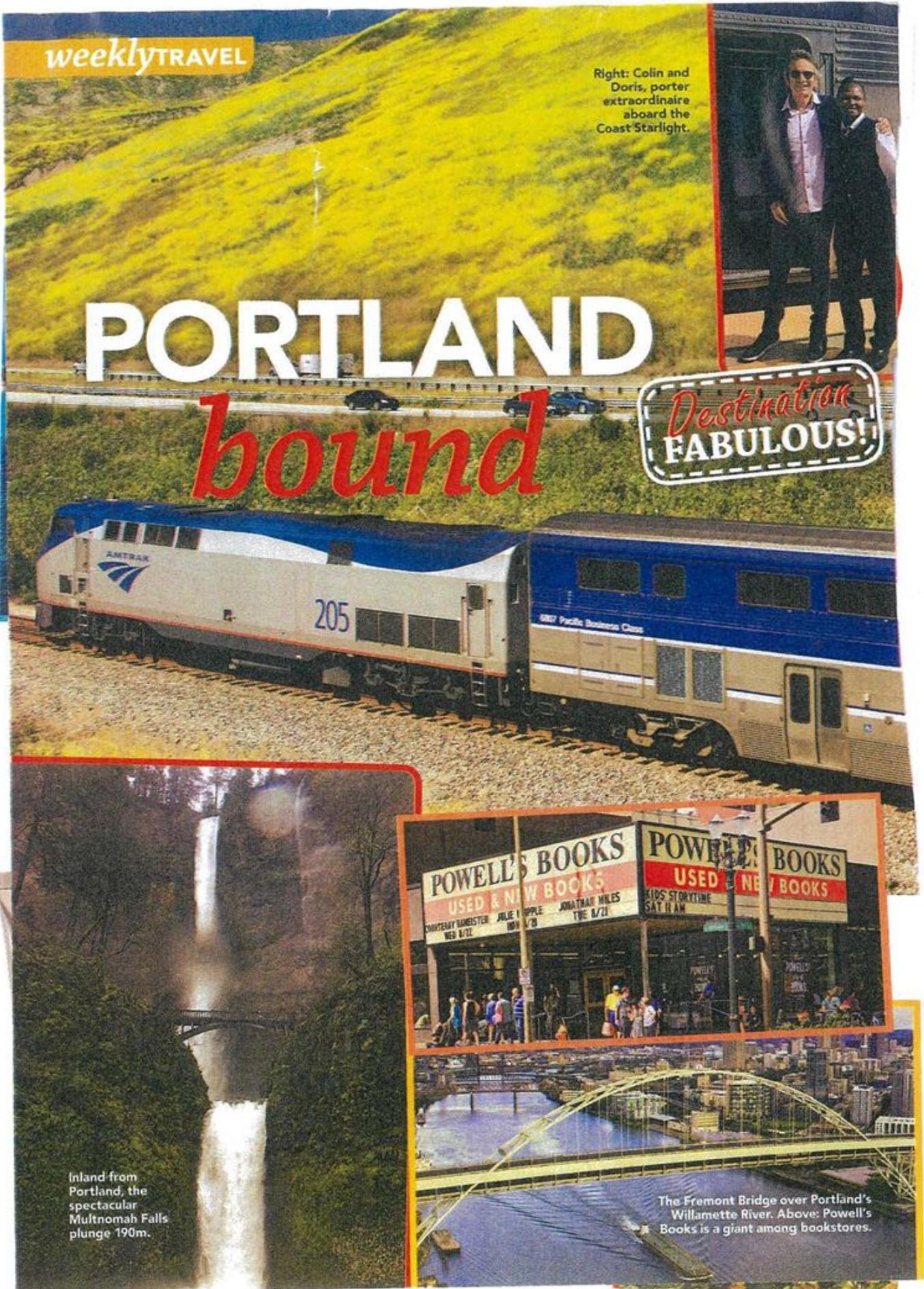
In Duluth, Georgia, 25 miles northeast of Atlanta in Gwinnett County, I visited one. Gwinnett was farm country until sprawl hit like a tsunami, Chris McGahee, Duluth's economic development director, told me. From 1970 to 2008, the county's population ballooned from 72,000 to 770,000, Duluth's from 1,800 to 25,000. "When you leave to go to college, you come back and can't find anything you remember," McGahee said. "Except in downtown Duluth, there's a little string of eight buildings that are more than a hundred years old. For some reason, they survive."

McGahee started work in October 2008, at the height of the financial crisis. Out of the pain grew opportunity. "What the recession did for us is make land affordable," he said. Over the next few years the town managed to buy 35 acres around those eight buildings along the railroad tracks. The buildings were nothing special, just little brick relics from the late 19th century. But they had charm and emotional weight.

They've now become the nucleus of a restaurant district with a music venue that offers experiences people can't get online. Around that Main Street, the town is working to have 2,500 units of housing within a 10-minute walk. Townhomes are selling out before they're finished, McGahee said. He lives in one and walks to work at the monumental city hall, which faces a large green.

The most ambitious revitalization project in the Atlanta area is the BeltLine: an effort to breathe new life into a 22-mile loop of abandoned railway lines around the city center. Five segments of the loop, about a third of the total, are now a paved trail for walking and jogging, biking and skating.

"The economic story is a wild success," said Ryan Gravel, who first envisioned the BeltLine in 1999 for his master's in urban planning at Georgia Tech. The \$500 million that Atlanta has invested in it has stimulated four billion dollars in development, Gravel said, mostly on the city's east side. Where the Eastside Trail crosses Ponce de Leon Avenue, for example, a giant old Sears, Roebuck warehouse has become the Ponce City Market, a food hall, mall, and office complex. A



weeklyTRAVEL

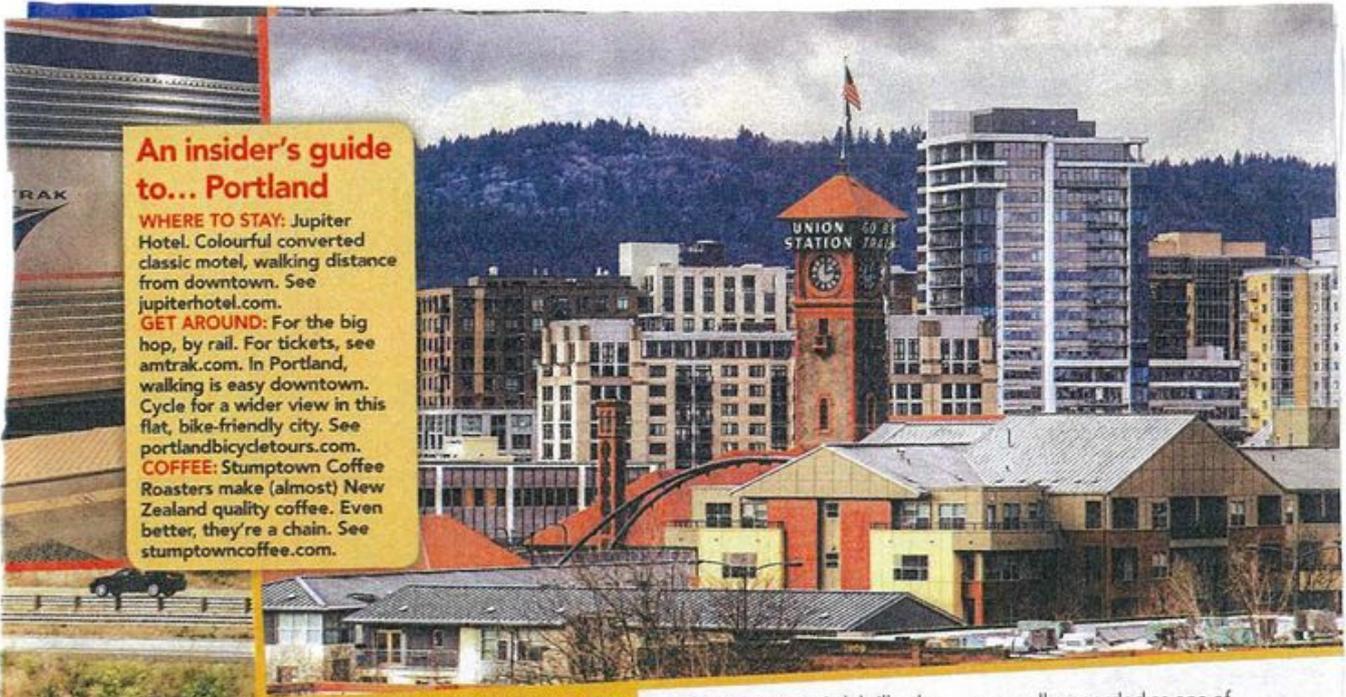
Right: Colin and Doris, porter extraordinaire aboard the Coast Starlight.

PORTLAND *bound*

Destination
FABULOUS!

Inland from Portland, the spectacular Multnomah Falls plunge 190m.

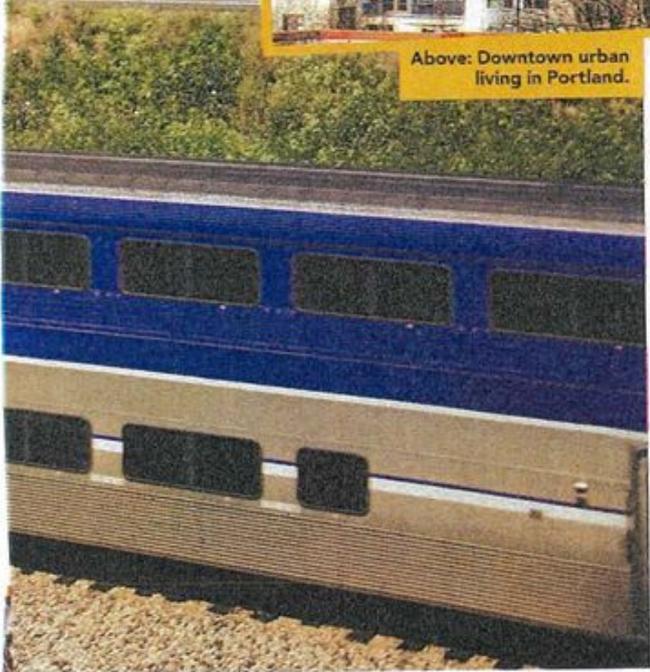
The Fremont Bridge over Portland's Willamette River. Above: Powell's Books is a giant among bookstores.



An insider's guide to... Portland

WHERE TO STAY: Jupiter Hotel. Colourful converted classic motel, walking distance from downtown. See jupiterhotel.com.
GET AROUND: For the big hop, by rail. For tickets, see amtrak.com. In Portland, walking is easy downtown. Cycle for a wider view in this flat, bike-friendly city. See portlandbicycletours.com.
COFFEE: Stumptown Coffee Roasters make (almost) New Zealand quality coffee. Even better, they're a chain. See stumptowncoffee.com.

Above: Downtown urban living in Portland.



COLIN HOGG STAYS ON TRACK TO OREGON'S LARGEST CITY

All my baby-boomer friends are forever off on their hols cruising on cruise ships. But not me. I'd rather cruise on a train.

I got a taste for rail travel a couple of years ago in America, a good place to take train trips. Partly because America is a sentimental country. It hangs onto its dollar notes and its diners, its miles and gallons, and a lot of its old-fashioned ways. Get on the right sort of train and you go straight back in time.

The Amtrak train they call the Coast Starlight is the right sort of train. It is a comfy tourist operation, running all the long way up the west coast from Los Angeles, near the bottom of California, to Seattle, right at the top of America.

We're not going all the way. The wife Philippa and I are just doing the first 30-odd hours, getting off in Portland, Oregon, a city I briefly visited a couple of years ago and have always been keen to get back to.

The train is a weird thrill – the slidey-glidy way it picks up speed, the learning to walk like a sailor down the swaying corridors. Doris is the woman in charge of our accommodations – a two-seater room called a "roomette" which she cunningly converts into a bunk room by night, when we'll be somewhere just south of San Francisco.

There's an observation car with huge views and soft chairs just upstairs. Yes, upstairs. This train is two-storeyed. Doris drops by to take our lunch and dinner bookings.

The wife is on the WiFi signing us up for a cycle tour of Portland. The train hugs the edge of the big beautiful Pacific as we shoot north. Next morning, we wake up in a snow-flecked forest, heading for the border with Oregon.

Our tablemates for breakfast are two older ladies with older names, Portia and Harriett. Who you meet at meals is often as entertaining as the scenery.

By the time we hit Portland, we've seen golden beaches, desert, forest, mountain, vast flooded rivers and spooky valleys. All in 30-odd hours. And, in an added bonus, railway stations are usually and handily slap-bang in the middle of town, unlike awful airports.

We stay four nights in Portland (population 650,000), Oregon's largest city, an old industrial river port, currently

generally regarded as one of the hippest places in America. But what really drew me here is that Portland isn't like the more famous, bigger American cities.

It's another side of America – quirrier, friendlier, the coffee's good, the food and the craft beer fantastic and everywhere like Wellington, only more so.

You can walk the downtown part of town or you can cycle. We did a two-hour guide-to-the-city tour and I didn't even feel, even briefly, afraid.

Portland is mostly flat, jammed full of fatally attractive shops and fascinating. There are 12 bridges across the great big Willamette River that cuts through the city. The more you look, the more you see.

But one place you can't help seeing is Portland landmark Powell's Books, a city-block-sized independent bookstore that claims to be the biggest in the world and where you need a map to get around.

Though Portland's not so big you can't get easily out of town. We hire a car for a day (\$US15 plus insurance) and drive about 40 minutes inland to a place called the Columbia River Gorge, where the spectacular Multnomah Falls plunge 190 metres down at us through moss-covered trees. It's like nature on testosterone.

Then back to the endless temptations of Portland.

Otago Daily Times • Friday, June 21, 2019

Restoration progresses



Scaffolders remove a gantry from the historic S.F. Auburn building in Princes St yesterday, as part of the ongoing restoration work on the building which was gutted by a fire more than eight years ago.

Its owner, heritage property owner Hayden Cavte, said the four-storey building was now watertight and the majority of the earthquake strengthening needed had been completed.

Steamer Basin brewery was set to move into the two storeys on the Bond St side of the building later this year, which was a part of the first stage of the planned rejuvenation of the laneway behind the building.

Work on the Princes St side was planned to start after the brewery had moved in and the restoration of the historic front-shop facade would come after that, he said.

As well as severe fire damage, other issues were encountered during the restoration which meant the project would cost somewhere between \$500,000 and \$1 million.

"That's significant but it obviously reflects our commitment to actually achieving something in that laneway and creating something that currently doesn't exist." **REPORT: TIM MILLER/ PHOTO: GERARD O'BRIEN**

The Southland Times Tuesday, July 9, 2019

12 Opinion

Letters

City block far too risky

I am very concerned at the involvement of the Invercargill City Council in the \$180 million-plus proposed city block development.

First, it is the authority responsible for approving the various consents of a project that it is part of - not a good look.

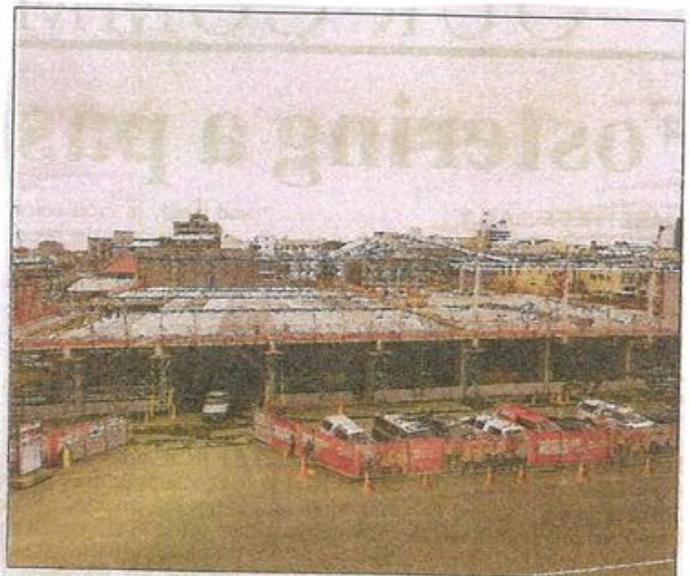
Second, ratepayers have not yet been given information that reflects the true position of this poor investment. The ICC have only provided the interest rate they are being charged for their equity investment, not what HWCP Management Ltd will be paying on their borrowings for this development, which will be likely to incur a rate of about 4.4 per cent plus a line fee of 1.5 per cent on the development portion over and above a base mortgage.

In addition, they are most likely to incur a 1 per cent application fee for these loans.

The end result of all these costs will be a significant cashflow loss while the development is proceeding. This loss will need to be funded along with the rates to the council, the demolition consents, building consents, traffic management consents and consultant costs.

These, combined with the probable escalation of already high building costs, mean this is far too risky an investment for long-suffering ratepayers to have to subsidise.

Gaire Thompson



Up she goes: Construction continues for Kmart's Invercargill store which is scheduled to open later this year. When announced last year, the developers said there would be 147 undercover car parks with about 40 further car parks on the street immediately adjacent to the building. In addition to the 5300-square-metre Kmart there would be eight smaller stores, covering general merchandise, clothing, food and services. **Photo: Giordano Stolley**

Why concrete is bad for the environment?

Is concrete environmentally friendly?

How much co2 does cement produce?

Climate change: The massive CO2 emitter you may not kn

<https://www.bbc.com/news/science-environment-46455844>

Dec 17, 2018 - Cement is the source of about 8% of the world's carbon dioxide emissions. How can this be changed?



Future proofing.

The proposed HWCP inner-city redevelopment is set to offer a huge boost in annual GDP, generate hundreds of jobs, and contribute towards the \$1 billion visitor spend target for Southland tourism. Without investment, we have so much more to lose. It needs to happen.

With consultation now opened by the Invercargill City Council on \$30 million investment into the redevelopment, let them know your thoughts.

To submit, visit

icc.govt.nz/cityblockconsultation/

Council's consultation closes at 5pm on June 28.





ew developments in dispute

ODT 21/8/19
HIL PENNINGTON

CHRISTCHURCH: Engineers have in meeting regulators in a dispute over a new Christchurch building that remains off limits outside of its earthquake design. Documents show Miyamoto International NZ raised 64 issues for its peer review of the design by Seismotech Consulting, but in the process each was marked as "closed" in early 2017.

The Christchurch City Council and Miyamoto International called a latest meeting to discuss a report done for the Ministry of Business, Innovation and Employment.

The MBIE said it was a technical meeting.

The ministry has yet to issue a determination that will decide the building's fate, 18 months after the alert about it was raised by engineering firm Aurecon.

It took the city council nine months to call in the MBIE.

During that time another brandy building was constructed next door, limiting access, and 230 High was put on the market but then withdrawn when the real estate agent learned about consenting issues — though he was not told of the seismic design dispute.

Seismotech's Joo Choo has defended the design but other engineering firms, including Aurecon and Beca, which reviewed the design for the MBIE and found multiple serious faults with it, have refused to comment.

The Miyamoto review shows it challenged Seismotech about the building's earthquake resistance.

Miyamoto was concerned it was not very stiff.

"A quick check indicates the structure is irregular with torsional sensitivity," it said.

"We believe that it is not a very well-configured building" because the shaking of a quake would be focused on its core, instead of the extremities as in a well-configured building, its peer review said.

Miyamoto noted the royal commission into the Canterbury earthquakes had issued a warning about this.

"I don't think our structure is irregular," Mr Joo responded, but added he'd double-checked it anyway "and the results were positive".

Miyamoto's two reviewers — both of them seismic engineers — also protested that the amount the floors would "drift" in a quake exceeded the normal requirement of 2.5%. — RNZ

Thin end of the wedge

ODT 5/12/19
One line exposes the controllers' mindset? I quote from *The Southland Times* online ("Southland retailer H&J Smith Ltd reviewing CBD resource consent decision", June 10): "The money will be used to help market and try to drive people into the CBD."

As a free-market guy I would make my product appealing enough to lure people in — is this effort to drive them in an unintended disclosure of mindset?

But wait — it gets better. "Meanwhile, Invercargill City councillors have approved \$200,000 of unbudgeted funding for independent urban planning advice in relation to the proposed CBD project."

And this isn't even the thin end of the wedge of "unbudgeted" costs.

John Hunter

Invercargill needs expert urban-planning advice

letters ST 27/6/19

There are many ways to improve the Invercargill inner city apart from the current City Block proposal by the Richardson and City Council property companies.

Their proposal is:

- . to spend a total of about \$300 million.
- . to demolish all but three buildings in the block bounded by Tay, Kelvin, Esk and Dee streets.
- . to build a carpark for 850 cars, with the top level six storeys above Tay St.
- . to build a large modernist complex with an American-type shopping mall and a two-level space for a department store.
- . to build an office tower, a medical centre and a new hotel of similar dimensions to the Kelvin Hotel.

Commissioner John Maassen, the chair of the panel that granted resource consent for this proposal, was concerned about the risks of all the buildings being demolished and then the building work not being completed. Then the City Council would own the problem.

I am pleased the council has approved a budget of \$200,000 to obtain urban-planning advice on the inner city.

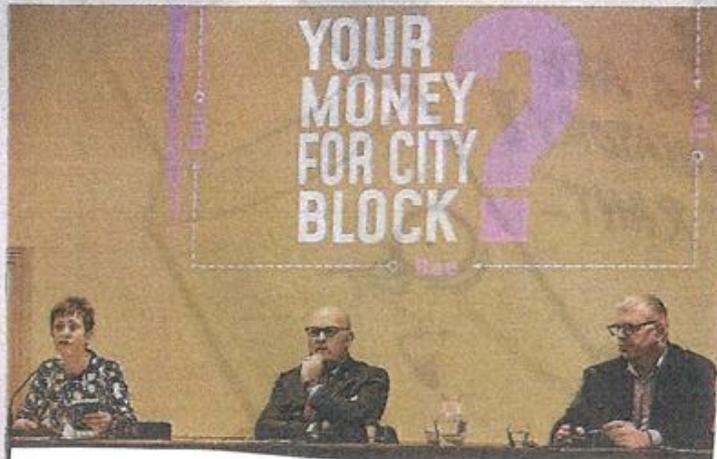
Hopefully the urban-planning report will provide options.

- . to consider the best use for this block.
- . to provide a good outdoor public space for community events to replace Wachner Place.
- . to provide facilities for our art, museum and exhibition needs.

. to provide a useful public transport system and access for pedestrians, scooters and bikes.

I ask the council to get this urban planning report soon. After studying the report, the council and the community will be better prepared to decide on priorities and on the current request to spend \$50m on the block proposal.

Bob Simpson



Assessments find 21 buildings at risk

ETV Local Express 9/5/19

BY LAURA SMITH

TWENTY-ONE buildings in Invercargill and Bluff have been identified as earthquake-prone as a result of 40 engineer's assessments.

New legislation passed in July 2017 changed the criteria for assessing buildings when trying to establish if they were earthquake prone or not.

This prompted what has so far been 366 building assessments which were completed to determine if a further engineer's assessment is required for the council.

Invercargill City Council development liaison manager Simon Tonkin said Invercargill was considered to be a 'medium risk' zone for earthquakes, which meant the council had to determine 'priority areas' in Invercargill and Bluff — of which 23 blocks were identified.

As of the end of April, 16 blocks had been assessed since August 2018.

Mr Tonkin said firstly every property file had to be checked to see if the building



Unsafe: More than 250 Invercargill and Bluff buildings will require an engineer's assessment to determine whether they are earthquake-prone.

had undergone earthquake strengthening.

Each building was then checked against specific criteria outlined in the Earthquake Methodology to see if an engineer's assessment was necessary.

"If council determines a building may

be earthquake prone according to the specific criteria, building owners are notified that they must provide an engineering assessment. This assessment is then provided to council. If required, council staff will next issue an Earthquake-Prone Notice."

Batchelar McDougall Consulting director Graham McDougall said the cost of an engineer assessment can vary significantly depending on a number of factors related to the building being assessed.

He said a basic initial seismic assessment could cost up to \$2000, while a detailed seismic assessment on a complex and/or multi-storey building with a potential strengthening scheme added in could cost \$50,000 or more.

Under the Building Act 2004 once notified, owners in an area of medium seismic risk have 12 years and 6 months for a priority building and 25 years for any other building to complete any seismic work needed.

Southland chases

ST 22/4/19

Infrastructure
Staff Reporters

Southland has received just \$14 million of the more than \$650m distributed by the Government's Provincial Growth Fund, though more applications are being considered. In February last year, the Government announced an allocated billion to the fund, over three years, to enhance economic development and employment opportunities in regional New Zealand.

A Ministry of Business, Innovation and Employment Provincial Development Unit spokesperson said that to date, 46 applications from Southland had been submitted.

Of those, eight projects have funding agreements in place, 17 applications were unsuccessful, one was withdrawn and the remaining 20 were currently being processed, the spokesperson said.

So far \$14,087,977 allocated to Southland, nearly \$2m of that is set out for three projects.

The CBD redevelopment has been funded \$995,000 for a business case and feasibility study.

An aquaculture project has received \$424,976 for a business case study.

funding



Regional Economic Development Minister Shane Jones

\$12m to boost internet connections in the area.

The announcement came as part of a \$44.8m package from the fund to improve digital connectivity in Southland and the West Coast.

The latest approval for Southland came on Thursday, when Jones was in Gore to announce \$3.7m in funding across two projects - \$1.6m for the Maruawai Project, a

major upgrade of the Hokonui Moonshine Museum and Gore's heritage precinct, and \$2.1m for the Hokonui Huanui project, which ensures young people have the skills to take up jobs created by Southland's growing economy.

In February 2018, \$250,000 was approved to go towards a KiwiRail feasibility study into shifting forestry to rail in Southland.

"Funding is released at agreed milestones, which are included in

TURN TO PAGE 2



end up anywhere in the world and they would be gone for good," Muir said.

Atley and Muir have worked closely with O'Donnell around the planned Begg museum concept and they were delighted the spotlight would be shone on the Drummond identity.

The museum will be opened in February next year, on the Thursday before the start of the annual two-day Classic Speedfest

Dave McKenzie, of Invercargill, with his Begg race car, one of the 18 which were built by George Begg of Drummond during the 1960s and 1970s.

ST 10/7/19

event at Teretonga Park.

HWR have worked alongside the Southland Sports Car Club to rebrand the Classic Speedfest and it would now be called the George Begg Speedfest.

O'Donnell said the plan was to help grow the event and to try to attract more people to town for it.

It would include holding a black-tie function at Transport World on the Friday night before the two days of racing.

"It will become a much bigger event for Invercargill than just a two-day race meeting," he said.

"We are trying to build it as a bit of a copy of the Goodwood Revival meeting that they have in England, where all the cars are proper historic race cars and people dress up like when you go to the races.

"A real entertainment spectacular which happens to involve cars."

Property

Evan Harding
evan.harding@stuff.co.nz

Invercargill ratepayers will end up having to pay up to \$50 million if the city commits to investing up to \$30m in a CBD block development.

The Invercargill City Council is consulting with the public on whether it should invest up to \$30m in the new block, and held a public meeting at the Civic Theatre at 5.30pm yesterday to outline the proposal.

However, council chief executive Clare Hadley has confirmed that the council would pay up to \$50m in total if it committed up to \$30m in the first instance.

The public consultation document said the extra \$20m of work would be needed if the development goes ahead, regardless of whether the council invests.

The council would be responsible for the works to integrate the project with the surrounding area, the document said.

"This is an additional expense [of \$20m] to the proposed \$30 million."

Of that \$20m, slightly more than \$6m had been included in the council's Long-term Plan and an additional \$14m would be required.

Hadley said the additional \$20m was not to supply services to the city block.

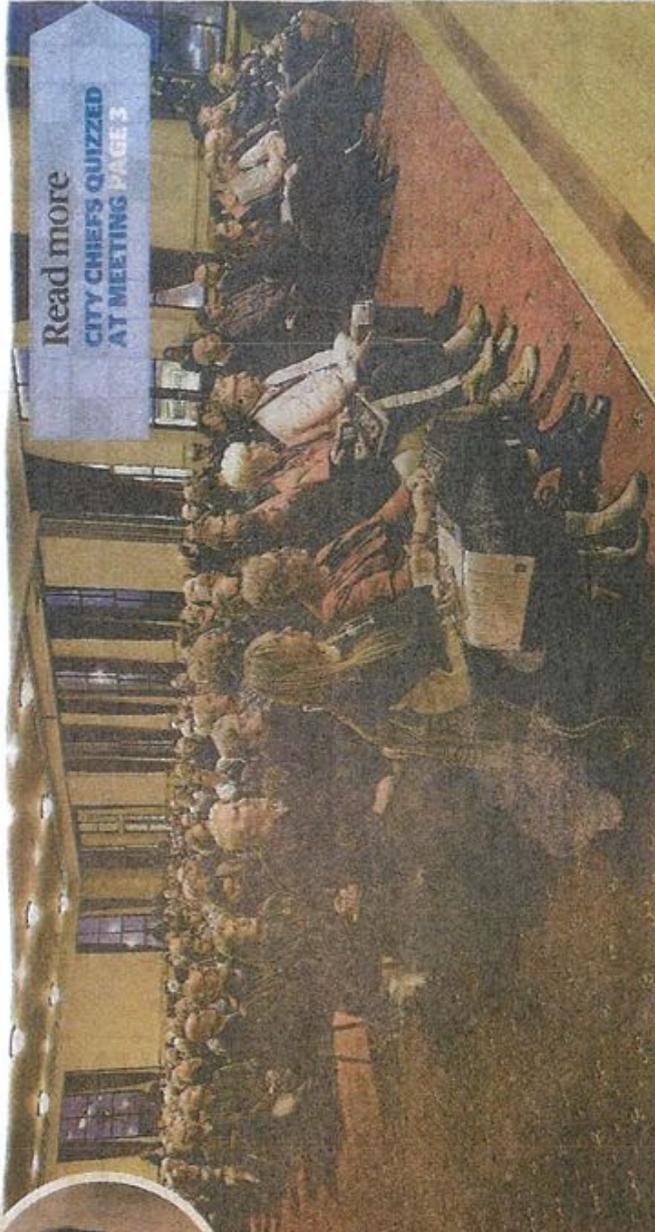
The money would be spent on the "cityscape", including street furniture and roading, she said.

"It is to ensure that the [new CBD development] is integrated into the rest of the CBD in exactly the same way as we do with other commercial properties right now."

"We are not asking for a quick fix ... It's an open-minded consultation and there has been no deal done."

Council CEO Clare Hadley, above

ST 2/15/19



Of the \$30m the council is consulting with the public on, \$20m would be guaranteed money for the project and \$10m would be set aside for potential cost overruns and for any design changes the council may request.

The council was trying to be upfront and honest with ratepayers, Hadley said.

"You start with a project, costs change over time, the shape of the project gets a little altered... and we want to consult once and consult very openly about what it is we are talking about."

Councillors needed to take a 30- to 50-year view about what was best for the CBD when they made their decision, she said.

"That's why we are asking for that much money. We are not asking for a quick fix; we are

asking the community how they feel about us investing in a proposal and getting that right for the long term."

Now was the time for the public to speak up, she said.

She believed it was the most important issue the council would ask for feedback on in the next decade. This was due to the scale of investment and the fact it was a non-core council activity, yet critical to the city.

"It affects everybody in different ways and it's only by getting their feedback we will really understand how people see it."

She predicted a high volume of submissions but said the weight of the argument was what really counted. Councillors had an obligation to consider the weight of the arguments and the council-

lors would consider the impact financially and socially to ratepayers, she said.

Hadley said there was a perception in the community that council investment was a done deal, which was incorrect. "It's an open-minded consultation and there has been no deal done."

The consultation document said the CBD development was unlikely to proceed if the council did not invest, as the returns would be too low to attract enough private investment.

Hadley said that if the project did not go ahead she believed that "in time" something else would.

The council would still be a shareholder in HWCP Management Ltd, which has applied for resource consent to do the CBD development, she said.

More than 200 people showed up last night to discuss the Invercargill City Council's proposed \$30 million investment into the CBD block development.

ROBYN EDIE/STUFF

SIT eyes inner city block for apartments

ST
6/7/19

Development

Logan Savory

logan.savory@stuff.co.nz

ern Institute Institute of Technology apartments are now being rked for Invercargill's CBD development instead of a ad hotel.

/CP Management Ltd director O'Donnell said they have been discussions with SIT officials in weeks after they expressed erest to build apartments as the block development.

plan is to construct SIT nents on the corner of Kelvin y streets.

apartments would fill the f land which was previously rked for an additional hotel y city, on top of the new hotel vercargill Licensing Trust is ng a block over.

ercargill-based hotelier Geoff on - also an HWCP Ltd direc ad indicated he was keen to a hotel as part of the CBD levelment.

onnell said they now fully ted SIT's interest in using part of the block for ents.

's concept plans included 47 droom apartments with 188 total.

chief executive Penny nds said it was just a concept ad stressed there were still oxes to tick before the SIT il gave the project the green

the plan to build the ents does go ahead SIT

"It would bring more foot traffic, it's student-based people who might eat out more, it also brings culture and diversity to the block."

Scott O'Donnell, HWCP Management Ltd director

would buy the land from HWCP Management Ltd and carry out the construction of the buildings.

The ballpark total cost for the fully-furnished apartment buildings was \$17 million which would come from SIT's cash reserves.

The hotel build had initially been set down as the sixth and final stage of the wider CBD block development, however, the SIT apartments could now jump the queue.

A condition of the SIT buying the land would be that the corner of Tay and Kelvin St is the first part of the block to be demolished, which would allow SIT to get on with building the apartments.

Simmonds said rental demand in Invercargill was high and she felt they needed to play a role in boosting the accommodation options in the city.

Initially SIT planned to convert its downtown campus on Don St into apartments, when the SIT's operations there moved to the new Creative Centre at the old St John's Church site on Tay St.

However, Simmonds said the completion of the Creative Centre was still another couple of years away and she felt they needed to act now to help increase the accommodation supply. Turning the downtown campus into apartments remained a possibility down the track, Simmonds said.

SIT's plan to build inner city apartments comes at the same time as Education Minister Chris Hipkins' reform of vocational training, which included a proposed centralised polytechnic merger.

SIT needed to act as if it was business as usual and could not simply play the waiting game, Simmonds said. If the polytechnic merger was to proceed Simmonds believed there would still be the demand to fill the CBD apartments in the future.

SIT's proposal was two-fold Simmonds said, it would add some much-needed accommodation for students in Invercargill and it would also add to the wider CBD block development.

O'Donnell was thrilled by SIT's interest in being part of the block.

"It would bring more foot traffic, it's student-based people who might eat out more, it also brings culture and diversity to the block," O'Donnell said.

"It's evolving all of the time."

SIT's apartment plans were not part of the retail and beverage precinct stage of the project in which the Invercargill City Council was looking at investing in.

The Invercargill City Council was consulting the public as to if it should invest up to \$30m into the project.

CBD bill could hit \$50m

Feedback sought on \$30m
ST 21/5/19
Extra \$20m to improve 'cityscape'

Pitching in to make a street look lovely again

2/27 30/3/19
 "IT'S been more than 20 years" since the central city has been upgraded (Dunedin's annual plan info document), and no doubt essential underground services need to be upgraded or replaced.

The budget, for this essential work, will be substantial, but once in place, underground services are covered up and unseen.

Apparently "We want to create a more people-friendly space with new paving, street furniture, lighting and public art". This work will be done in George St.

Budgets are limited but I feel that Princes St and surrounds are also a big part of the central city and are in real need of a facelift.

First impressions are extremely important, and as visitors walk out from their accomodation, they are met with untidy areas and several empty shops, plastered with real estate signs.

For four years, I, along with a willing group of people, including landlords, retailers, lawyers, accountants and others, worked extremely hard to fill empty shop windows with more than 200 different displays. The windows and shop fronts were cleaned regularly and all (but one) shops were either let or sold during that period. We worked ourselves out of a job, and that was most rewarding.

Since 2004, I wrote a book about our successful project, made submissions and spoke to several people, attached to the DCC, explaining how empty shop windows can become alive again and create an attractive art gallery.

The attractive window frames are there. Every empty shop window should display a large poster, temporarily attached against the glass, depicting one of our unique and beautiful tourist attractions. These posters should be large enough to cover the front area of glass and should be recycled.

Real estate signs should be more attractive and displayed only on shop doors.

All we need is a small budget for printing posters, a willing person to liaise with willing landlords, look

after shop keys and attach and recycle posters, and a person to clean windows and shop fronts regularly.

Come on, DCC. Use a little of this money and get to work immediately. This will create an attractive, vibrant and busy atmosphere and also display beautiful images of our great city.

Bernice Armstrong
Opoho

Heritage building

ALL strength to those such as Lawrie Forbes and their enlightened vision for Dunedin's heritage buildings.

I was interested to read that the name Zealandia has been given to Mr Forbes' restored Crawford St building (ODT, 10.8.19) as I once lived in a building originally known as Zealandia, albeit with a different spelling.

The centenary history of the Dunedin Savings Bank records that by 1928 the DSB had outgrown its High St premises, and "a decision was made to buy from the *Otago Daily Times* a property in Dowling St known as Zealandia Chambers. The cost was \$25,000. The building consisted of a series of shops under a single roof."

I believe that the building also housed lawyers and possibly a dentist prior to the bank's purchase. In subsequent years, the bank modified and extended the building before Westpac finally sold it to a developer in the late 1990s.

The original 1890s Zealandia Chambers in Dowling St is now a very fine, solid and comfortable apartment building, thanks to the restoration by another of Dunedin's far-sighted developers with input from builders and engineers. Evidence of its banking history remains with the "DSB" logo on some ground-floor windows, as well as the impressive internal vault.

Dunedin has much to be grateful for, specially with the number of older buildings that have been saved and restored to new uses.

Murray Smeaton
Fairfield

ODT 18/6/19

Joc O'Donnell
Transport World
Executive Director



CHOCOLATE ROOM OPENING SOON

ONE of the things visitors enjoy most about Bill Richardson Transport World is that it's like taking a trip down memory lane. Evoking nostalgia connects people. It makes us not only remember our history, and reminds us to share our stories too.

When Bill Richardson Transport World was approached with the opportunity to add memorabilia from the iconic Cadbury's factory in Dunedin to our repertoire, it was too good to pass up. You won't miss our newest vehicles, two Cadbury's trucks in that distinctive purple shade.

Opening on Sunday, 7 July - in time for the school holidays - our new Chocolate Room has been built from scratch, from the ground up. To celebrate the day, Jane from the Seriously Good Chocolate Company is even going to be on hand to do a chocolate-making demonstration.

Making the Chocolate Room even more special is the fact that we teamed up with MENZSHED Invercargill, the local branch of a charitable organisation that gives men the chance to learn new skills and meet like-minded people, to build the whole thing. They are all volunteers and it really has been magic tapping into their incredible expertise to make the exhibit a reality.

The porcelain chocolates created from the original Cadbury moulds will be housed in custom-built cabinetry; the little truck models will be displayed on shelves the volunteers painstakingly made. Visitors will sit down and admire the collection on furniture built completely by the MENZSHED team. The volunteers have poured their heart and soul into building the room, and you can tell.

With our Locals Deal giving Southlanders the chance to buy one get one free on admission to the collection, it's the perfect time to stop by and enjoy the whimsy for yourself.

7/7/19 Southland Express



491 Tay Street, Invercargill
0800 151 252 Ext 1
www.transportworld.nz

We asked 187 people in Invercargill if they wanted to see more places in New Zealand smokefree for the health and wellbeing of our people, especially our children/tamariki and rangatahi.

Of these people 66% identified as NZ European or Pākehā, 11% as Māori, 13% as Chinese, 4% as other Asian ethnicities, 3% as Pasifika or Pasifika/Māori, & 3% as other ethnicities.

Their ages ranged from 6 to 87, although one person just wrote Old so maybe they were older... and 9 were under 18.

Only one person in this sample smoked & they said it was only sometimes.

They wanted more smokefree spaces to:

- Protect people from the dangers of second-hand smoke.
- Ensure children don't see smoking as a normal everyday activity.
- Make it easier for people to quit smoking.

96% (n=179) Want all playgrounds to be Smokefree.

Which reinforces the value of the councils' Smoke free Parks & Reserves Policy.



92% (n=172) Want all outdoor areas in cafes, restaurants and bars to be Smokefree.



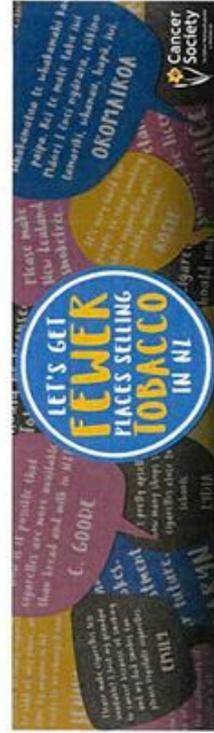
91% (n=191) Want all bus stops, train stations and transport hubs to be Smokefree.



84% (n=158) Want all Smokefree areas to also be Vapefree.



88% (n=165) Want regulations to reduce the number of places selling tobacco.



These were some of the comments they made:

"Smokefree places are important to me because... Because it is not good for the world and people"

Kate age 9

"Smokefree places are important to me because... It isn't good for the country"

Ella age 7

"Smokefree places are important to me because... So I don't get Asthma"

Damian age 7

"Smokefree places are important to me because... Smoking is bad for everyone"

Tim age 9

"Smokefree places are important to me because... Smoking causes fires"

Oliver age 6

"Smokefree places are important to me because... Smoking killed my friend." Harry age 8

"Smokefree places are important to me because it not only reduces the amount of cigarette butts but reduces the amount of people dying and becoming statistics"



"Smokefree places are important to me because of our future generations. Ngā mokopuna"

"Smokefree places are important to me because... We want to set a good example for our children and tamariki"

"Smokefree places are important to me because... For the future of our children, my grandchildren and whānau, the environment, work place, in the home. Hey and why not spend more money on other things you wouldn't do or maybe donate to a good cause xx"

"Smokefree places are important to me because... All areas children are welcome should be Smokefree"

"Smokefree places are important to me because... We need a healthy environment to help prevent cancers"

"Smokefree places are important to me because... Because it smells, it's bad for your health & promotes/encourages young people to start."

"Smokefree places are important to me because... 2nd hand smoke is just as dangerous and if I make the decision not to smoke why should I have to inhale other peoples"

"Smokefree places are important to me because... Research has shown how detrimental smoke is to society's general health. Second-hand smoke is insidious particularly for children."



"Smokefree places are important to me because... I care about my family's health & want to live in an environment where kids don't see smoking at all!"

"Smokefree places are important to me because... I like fresh air when dining outside and not to breathe in tobacco smoke or vapour fumes as that spoils the enjoyment of outside dining"

"Smokefree places are important to me because... More user friendly cleaner air."



- "Smokefree places are important to me because..."
1. It protects me & my family from second-hand smoke
 2. I enjoy fresh air
 3. I can enjoy the taste of my food without the flavour of smoke"

"Smokefree places are important to me because... I don't think people who don't smoke should have to be around it."

"Smokefree places are important to me because... I don't want my family's health affected by someone else's choice to 'pollute' the environment"

"Smokefree places are important to me because... We want to stop everyone smoking"

"Smokefree places are important to me because... Have a great grandson who is 1yr want him to grow up in a better environment than what we have now."

"Smokefree places are important to me because... Clean air is a human and universal right"

"Smokefree places are important to me because... Smoking affects not just the people who do it but those around them"

"Smokefree places are important to me because... In the long term we will spend less on people with the effects on smoking which means more money to go to other health issues"

"Smokefree places are important to me because... I don't want to breathe others smoke"

"Smokefree places are important to me because... I like to breathe clean air!"

"Smokefree places are important to me because... Smoke, Choke, Croak"

"Smokefree places are important to me because... Please include vapefree areas too"

"Smokefree places are important to me because... I am asthmatic & smoking people near me can bring on an attack"

"Smokefree places are important to me because... It is good for our health and environment."

"Smokefree places are important to me because... It is beneficial for our health. It can protect our environment."





This report was written by The Fresh Air Project Otago & Southland Team: Komal Suratwala, Emily Neilson, and Jo Lee from the Southern District Health Board, Bridget Forsyth, Sophie Carty, Diana Power from the Cancer Society of NZ, Otago & Southland Division Inc.

A big thank you to the following people with their support for the project and helping to make it a success: Nicky Aldridge-Masters and Dougal McGowan from the Otago Chamber of Commerce, Mayor Dave Cull of Dunedin, Mayor Jim Boulton of Queenstown Lakes District Council, Ken King from King Media, Damien Newall and Laura Maxwell from The Breeze Dunedin, and Sally Rae from the Otago Daily Times.

freshairproject.org.nz

THE FRESH AIR PROJECT

OTAGO & SOUTHLAND

BACKGROUND

Smokefree outdoor areas decrease people's exposure to second-hand smoke and help to denormalise smoking. This is supported by international and local examples of outdoor dining environments being made Smokefree by regulation. In Otago and Southland, support given to the hospitality sector for Smokefree outdoor dining by the healthcare sector was not consistent or supported by formal evaluation.

OBJECTIVE

The Fresh Air Project Otago & Southland was designed to support cafes and restaurants to voluntarily make their outdoor dining areas Smokefree in identified pilot areas from 1 November 2018 - 31 March 2019 to help meet the government goal of a Smokefree New Zealand by 2025.

METHODS

In Dunedin, Queenstown, and Invercargill, 20 cafes and restaurants were supported to introduce Smokefree outdoor dining throughout the duration of the pilot with resources, advice and promotion. Data was collected through:
1) Semi-structured interviews with venue owners/managers
2) Customer feedback forms
3) Monitoring of engagement with promotional tools

FINDINGS

CAFE AND RESTAURANT OWNER INTERVIEWS

One venue closed down mid-pilot (for reasons unrelated to the project) bringing participating venues to 19. The top 3 reasons for participating in The Fresh Air Project Otago & Southland included:

- 1) To reduce second-hand smoke drift (21%)
 - 2) To create a more pleasant environment for customers and staff (19%)
 - 3) To create a healthier environment for customers and staff (16%)
- For businesses, talking to and upskilling their staff was the most common preparation for going Smokefree. This was supported by resources provided by The Fresh Air Team.

Venues differed in their levels of promotion and communication about the project. Offering different options was important for venues so that the promotional signage and messages fit in with their business values and business model. Some venues even decided to create their own outdoor signage. All felt that support provided by The Fresh Air Team was 'just right'.

The 3 main impacts on business included:

- 1) A decrease in smoke drifting inside (84%)
- 2) An increase in pleasantness of the outdoor area (79%)
- 3) A decrease in smoking-related litter and clean-up (63%)

Other impacts included a decrease in the number of complaints from customers about others smoking (32%), and a slight increase in the use of their outdoor areas (16%). The majority indicated that there was no change in business revenue (63%) or customer numbers (58%). Despite some challenges 100% of pilot venues stated that they would continue to have Smokefree outdoor dining areas at their cafe or restaurant after The Fresh Air Project pilot had ended.

CUSTOMER RESULTS

1542 customer responses were received, with 94% in support of Smokefree outdoor dining.

When asked if the change to Smokefree outdoor dining would affect their return:

- 67% of people would be more likely to visit again
- 29% said it would make no difference
- 3% of people would be less likely to visit again

There were small variations by town/city. Supportive comments reflected a desire for fresh air, general support for the initiative, and the beneficial effects Smokefree outdoor dining had on people's health.

PROMOTION ENGAGEMENT

The positive messaging and community collaboration had a large impact on the success of the project. While momentum was used from success of the national Fresh Air Project, support from local councils, the Otago Chamber of Commerce, and participating businesses were key to local success. Each promotional method had different strengths and weaknesses, and using a combination was beneficial.

Some venues approached the team to sign up after the pilot had started, and many others were happy to join the movement to promote Smokefree outdoor dining. There are now 45 venues with Smokefree outdoor dining featured on the Fresh Air website.

DISCUSSION

The Fresh Air Project Otago & Southland evaluation provides businesses and local government with practical local evidence that becoming Smokefree in outdoor dining areas can work and be beneficial, not only customers, but also for hospitality venues and their staff. Businesses were mindful of any changes that might impact on their reputation, popularity, and profitability. Some businesses received a small number of negative reactions from customers, but mid- and post-pilot findings showed that this was rare, those who did receive negative feedback chose to remain Smokefree because they felt like it was the right thing to do, and many felt they had done the hard work already with making the change to Smokefree. Results found that Smokefree outdoor dining has positive effects on business; including reduced smoke drift, a more pleasant outdoor area, and reduced smoking-

related litter clean up. Furthermore, the pilot found that Smokefree outdoor dining had minimal impact on business revenue. A Smokefree outdoor dining policy would help to even the playing field and remove the risk for the hospitality sector. Evidence from the customer feedback forms found a large percentage of customers supported the change to Smokefree outdoor dining, and many were more likely to visit again. There were only slight variations between cities. Negative responses on social media were more common. Collaboration and positive branding contributed hugely to the success of the project. Building on the success of the Fresh Air Project had in other regions of New Zealand helped to build momentum for change. However, participating venues and community project supporters played a valuable role in helping to communicate messages in a positive and empowering way in the Otago & Southland region.

Southland region. This evaluation provides local evidence of support for Smokefree outdoor dining from both businesses and public. Many owners and managers supported a "level playing field", where the risk was removed completely for businesses. The pilot was resource intense and for greater sustainability a broad collaborative approach is needed. Therefore it is recommended that Queenstown Lakes District Council, Dunedin City Council and Invercargill City Council implement 100% Smokefree outdoor dining as part of the council's alfresco dining policy.

CONCLUSIONS & RECOMMENDATIONS

This evaluation provides local evidence of support for Smokefree outdoor dining from both businesses and public. Many owners and managers supported a "level playing field", where the risk was removed completely for businesses. The pilot was resource intense and for greater sustainability a broad collaborative approach is needed. Therefore it is recommended that Queenstown Lakes District Council, Dunedin City Council and Invercargill City Council implement 100% Smokefree outdoor dining as part of the council's alfresco dining policy.

THE FRESH AIR PROJECT

Fresh Air Project Results in the areas pilots have been carried out so far

Invercargill

- 6 Venues 362** Customer feedback forms
- 95%** (n=344) Supported it - **only 4%** (n=15) Did not support it
- 60%** (n=216) would be **more likely** to visit again because of the Smokefree outdoor dining area
- 38%** (n=136) felt the Smokefree outdoor dining area would make **no difference** to their likelihood of visiting again & **only 2%** (n=8) felt that they would be **less likely** to visit again
- 100%** of the venues chose to stay Smokefree

Combined Otago & Southland (Invercargill, Dunedin, Queenstown)

- *see table on reverse for Dunedin & Queenstown individual results*
- 19** venues participated **1542** customer feedback forms
 - 94%** (n=1442) Supported it – **only 5%** (n=81) Did not support it
 - 67%** (n=1029) would be **more likely** to visit again because of the smokefree outdoor dining area
 - 29%** (n=448) felt the smokefree outdoor dining area would make **no difference** to their likelihood of visiting again & **only 3%** (n=51) felt that they would be less likely to visit again
 - 100%** of participating venues have remained Smokefree & there are now **45 Fresh Air venues** in Otago & Southland.

Christchurch

- 18** venues participated **1861** customer feedback forms
- 94.5%** (n=1750) Supported it – **only 5.5%** (n=102) Did not support it
- 72.4%** (n=1340) would be **more likely** to visit again because of the smokefree outdoor dining area
- 24.5%** (n=59) felt the smokefree outdoor dining area would make **no difference** to their likelihood of visiting again & **only 3.2%** (n=59) felt that they would be less likely to visit again
- 100%** of participating venues have remained Smokefree
- There are now **45 Fresh Air venues** in Christchurch, & **60 Fresh Air Venues** over the whole of Canterbury

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THE FRESH AIR PROJECT

Whangarei

- 11** venues participated
- 442** customer feedback forms
- 94%** (n=417) Supported it – **only 6%** (n=25) did not support it
- 72%** (n=318) would be **more likely** to visit again because of the smokefree outdoor dining area
- 24%** (n=104) felt the smokefree outdoor dining area would make **no difference** to their likelihood of visiting again & **only 5%** (n=21) felt that they would be less likely to visit again
- 10** of the participating venues choose to continue to be Smokefree after the pilot. The venue that withdrew did so due to perceived customer resistance. Positive feedback was received however negative feedback from a small number of regular customers made staff feel 'under pressure' however the cafe has chosen to offer smokefree outdoor dining after 8am and on weekends. They would recommend other businesses adopt smokefree outdoor dining, and felt that smokefree outdoor dining should be progressed, "be good if everyone had to do because then there would be no choice".

There are now **25 Fresh Air Venues** in Whangarei.

Nelson has **25 Fresh Air Venues**

Wairapa (Carterton, Masterton, South Wairarapa) has **9 Fresh Air Venues**

Mackenzie (Twizel, Tekapo, Fairlie) has **9 Fresh Air Venues**



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FRESH AIR PROJECT Customer Feedback Results – Otago & Southland

Do you support this venue having SF outdoor dining areas?		Will you be more of less likely to visit this venue again because of the SF outdoor dining areas?				Gender		Age Group										Café & location	
Yes	No	More likely	No difference	Less likely	Male	Female	> 20	20-29	30-39	40-49	50-59	60-69	70 & over	City	Café	#			
344 95%	15 4%	216 60%	136 38%	8 2%	47 13%	297 82%	12 3%	44 12%	55 15%	52 14%	66 18%	61 17%	62 17%	Inv	Invercargill Totals	362			
6	0	5	1	0	0	6	0	0	0	4	1	1	0	Inv	Make N Bake	6			
167	9	102	70	5	18	148	5	18	29	19	27	28	47	Inv	Cheeky Llama	177			
47	1	26	21	1	7	40	1	9	9	8	16	5	0	Inv	Good Fix	49			
107	3	71	39	1	18	90	5	13	14	17	20	24	14	Inv	Pantry	111			
15	2	11	4	1	3	12	1	4	3	3	1	3	1	Inv	Seriously Good	17			
2	0	1	1	0	1	1	0	0	0	1	1	0	0	Inv	Charles' Kitchen	2			
91%	8%	63%	33%	4%	25%	71%	8%	28%	13%	14%	20%	13%	4%		Dunedin totals				
109	2	88	18	4	21	84	11	21	31	16	13	7	7	Qtn	Café Society	111			
178	8	142	38	11	33	140	10	18	38	40	47	20	11	Qtn	Franks Pantry	193			
201	8	140	62	5	36	164	13	24	38	48	39	24	20	Qtn	Odelay	213			
6	0	5	1	0	1	4	1	0	1	1	2	1	0	Qtn	Provisions	6			
59	4	46	13	4	13	45	6	19	13	8	7	7	2	Qtn	Boatshed	65			
75	1	64	12	0	19	54	10	20	15	9	10	9	2	Qtn	Exchange	76			
7	1	7	0	1	0	6	1	0	4	1	1	0	0	Qtn	Franks Eatery	8			
95%	4%	73%	21%	4%	18%	74%	8%	15%	21%	18%	18%	10%	6%		Queenstown totals				
100	6	67	39	0	23	83	14	45	10	13	19	5	0	Dn	Liquid Assets	106			
124	30	86	52	17	49	99	16	57	26	22	20	12	2	Dn	Modaks	156			
16	0	13	3	0	5	10	2	6	1	2	3	2	1	Dn	Vanguard	16			
20	0	11	9	0	2	15	0	0	5	4	7	4	0	Dn	Perc	20			
146	4	101	48	1	33	111	6	18	15	24	41	33	13	Dn	AllPress	150			
57	2	43	17	0	13	45	2	17	11	7	13	8	2	Dn	Gaslight	60			
1442 94%	81 5%	1029 67%	448 29%	51 3%	295 19%	1157 75%	104 7%	289 19%	263 17%	247 16%	288 19%	193 13%	122 8%		All locations Totals	1542			

*Note not all % add to 100% as some spaces were left blank on feedback forms.

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Comments Supporting Smokefree Outdoor Dining
Bring on Smoke free outdoor areas
Improve the air quality inside & outside
There is nothing worse than smoke being blown inside from cigarettes smoked outside.
Just don't need smoke. Lungs were made for air - especially for kids lungs
No 'butts' about it!
nothing better than sitting outdoors good drink & food & company
What we model is the future
There's plenty of other outdoor spaces for smokers around here. No need for them to be right by the doors/shop
In Hawaii it's illegal to smoke in the streets & I found that AMAZING! So clean & fresh.
Smokefree zone would encourage families to use outdoor area
Who wants to inhale & smell smoke in our beautiful 'fresh island air'?
We are promoting 'fresh air' aren't we?
Main ingredients mostly on powder products Would be so helpful or Base ingredients
Smoke free dope free
Better for my health
Better for EVERYONE
Smoking is the devil -horrible
This would be a fantastic initiative Invercargill-wide. Smokers take & ruin all the good outdoor areas.
Doing a great job.
I don't want smokers ruining the fresh air anywhere near the shop.
Smoking is a disgusting habit that needs to be de-normalised.
It's yuck. you guys rock
It's so great taking my kids to smokefree venues!
Their choice is to smoke but I don't want to share
If someone was smoking outside & the smoke drifted inside I would be likely to leave.
Encourages good health Offer or place Smokefree health options + help places to go to. Kids enjoy fresh air
Don't want cigarette butts laying around and it keeps that nice clean, fresh appeal. I think smokers could still have a designated area, but away from the building with maybe a screen & signage for smokers
I don't want 2nd hand smoke
I support denormalising smoking
Comments that were Ambiguous Re Smokefree Outdoor Dining
Neither for or against
Like what we are achieving in South City -keep it up
Happy either option
Whatever decided wouldn't change us as we come here for good food & coffees.
They could have one area for smokers and one area for non-smokers
Individual choice - not inside though
Gives diners options
"Smoke Free" would make a difference, but I would not stop coming if this didn't happen (great coffee & food)
My husband smokes & will not go anywhere unless he can. Personally I think it is a good idea. I think it is a good idea BUT smoking has been around a very long time & people are addicted.
Too much foot traffic
All good
Lovely atmosphere
Don't dine in -takeaway only
Already voiced my ideas

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Comments that Do Not Support Smokefree or from people who did not support Smokefree Outdoor Dining
We are too 'PC' - people can always choose to eat inside.
A great venue to visit once a walk around the park has been completed.
Because I'm a smoker
I don't see the problem it is outside
Freedom of choice
I notice you have no Gluten free options. Even less likely for meal here.
If people can't smoke inside I think they need an area to smoke outside. Maybe outside you have some tables that are smokefree & others for smokers. P.s I'm a non-smoker.
Could you put some menus @ the beginning of the queue instead of only at the end where you order food & pay
It's not illegal! Stop Being Precious
No Need
I'm a smoker
love this place
Just move these areas away from doors.
No need to further isolate people with additions.
Why not? Free will should be ok to smoke outside (licked yes & comment, then ticked more likely but crossed it out & changed to no difference)
Maybe an ice-cream making workshop please?



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THE FRESH AIR PROJECT



Customers at the participating Fresh Air venues were asked to fill out a feedback form answering these questions:

- Do you support this venue having SF outdoor dining areas? *Yes or No & Comment why/why not?*
- Will you be more likely to visit this venue again because of the SF outdoor dining areas? *More likely, No difference, or Less likely*
- Gender & Age Group > 20, 20-29, 30-39, 40-49, 50-59, 60-69, 70 & over
- Additional comments?

These were the comments from customers at the Invercargill venues. Organised by if they were supportive, ambiguous, or not supportive of Smokefree Outdoor Dining.

Comments Supporting Smokefree Outdoor Dining

Love the Smokefree atmosphere!
Why do we need to have smoking in Queens Park at all
love to sit in the sun - hate smoke
No Smoking
If I am enjoying dining outside in the sun don't want to be breathing in smoke.
I'm in the hospo business, very much appreciate the new attitude to smokefree
Because smoking is gross - people can do it away from restaurants.
Great idea!
It's time to clear the air
Should not smoke in Park. There are children here
Smoking should only be allowed in designated areas.
I don't think it is appropriate to have people smoking near kids
Patrons should be able to dine inside or outside without smoke drifting their way.
We are regulars who thoroughly enjoy the beautiful surrounds, great food, & friendly, efficient service - great coffee.
Would be nice to have option of being outdoors in fresh air
A regular who enjoys the surroundings and friendly, efficient service
It's a delightful outside area which if permanently 'smokefree' would encourage more family use! ☺
Can't stand the smell when eating.
Clean air for the kids ☺
Because it's all a Food eating area
Lovely food and Service Excellent
Totally smokefree would be awesome. No risk of smoke from other tables coming your way.
It's good idea.
Health for children usage in this area
Outdoor smoking is off-pulling when enjoying coffee & cake in clean fresh park air
Because some people have medical issues e.g Asthma.
Lovely customer service, friendly and modern environment. Great outdoor scenery
I usually get up & leave if smoke drifts into a café from outside smokers
Hate smoke blowing over me!
Smoking smells and the Cheeky Llana is very child friendly so the two don't really mix.
So much nicer to sit outside without the smell
I hate sitting in someone's smoke
It is good for kids to not see bad habits.
Please bring back the grapefruit Fruji
All public areas should be smokefree (I'm a smoker and still think this)
Non-smokers shouldn't have to breathe smoky air
All parks & premises should be smokefree

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Comments Supporting Smokefree Outdoor Dining

More family friendly not to be around smokers
Because I enjoy a smokefree environment
Smokefree for ever!
Yes because it is in a park near a children's playground
It is such a lovely area to sit in fresh air
Best place in town. Main meals could be smaller & would still be reasonable price
Keep smokefree for it is a child friendly environment
Yay Amazing!!!
Smokefree environments are so much nicer! :)
If I want to dine outside on a fine day, I don't want to share it with smokers. Also if doors are open smoke can drift into the café.
Love sitting outside in the sun with no smoke lol. Love the fresh air & great coffee/food ☺
Definitely would love my children to play in a smokefree environment
Often I like to sit outdoors to avoid the noise of a busy café. I hate that this usually means I'm surrounded by smoke
Outside is so nice, tobacco smoke is gross
Much better.
Lovely place to come
The sooner everywhere is smokefree the better!
Making it more family friendly & healthy
You are so child friendly
Don't like smokers smoking in cafes second-hand smoke smokefree areas. Thank you very much for my Xmas cake very nice lovely great excellent job well done. Will try your food too in the café love my baking - yummy foods! I used to be a qualified chef/cook in hotels in Queensdown all them years ago
I love this initiative
I don't smoke. I'd admire the courage to stay strong in your values
Family Friendly, healthy clean air :)
Love fresh air - no smoke
All café's outdoor areas should be smokefree
It is nice to breath fresh. There is too much pollution/contamination. Kiwis/people need/could take more action and change the course of this wonderful planet
No one likes to smell smoke while eating! :)
I thought smoking within the CBD area wasn't allowed
Great idea
It's not pleasant tasting smoke with your meal
Great to be able to sit and chat with a friend in a smokefree open air environment.
Great project!
Make Invercargill smoke free!
Because Smokefree dining is great.
Great idea having a healthy \$10 lunch
Smoking is bad for you
Smoke stinks
Fresh air is best. Alean More Lucky to sit out outside in summer!
More outdoor seating?
I think an outdoor Smokefree area is a great idea.
Makes life so much more family friendly
Love this venue. Excellent variety of produce etc.
All public areas should be Smokefree

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Let's start by saying I think a CBD development is long overdue.... however, I don't believe that any thought has gone into how we can integrate this project in to our local community. From day one I believe the MANAGEMENT and main director of the major stakeholder HWCP has had an agenda to do what ever is possible to make their dream come alive. If I went to my bank manager with the current proposal that has been put to the public, my bank manager would slap me and ask What Are You Thinking.

The numbers just don't stack up for the Holdco as an investor. So you have to ask yourself, why would the council even think about investing in this project. I requested from the council the total investment made to date by Holdco and HWR, and I'm not surprised that the information has not been provided. So I did some of my own homework and noted, ASB Bank currently holds a Fixed and Floating charge over HWCP and this dates back to 2017 when the company was formed.

From day one a persuasive Corporate Body had an agenda to make the rate payers of Invercargill pay for a corporate dream. While the Council's story was all about land banking for future development, HWR was out to build a mall and corporate offices for their company at the cost of the rate payers. The Chairperson said in one of his first newspaper articles that Holdco had over 120 million in cash reserves that should go to this development. Then as time went by we had more great news of a new hotel beginning built by Geoffrey Thompson. This information was only provided to the public some four months ago and now just last week it's not going ahead and we now have SIT buying the land. Geoffrey Thompson has been a director of HWCP since 2017. So you must ask yourselves, why is a director of HWCP now pulling out of building a hotel that would be required in Invercargill? What is preferable a hotel catering for overseas tourists with deep pockets or a student accommodation apartment's which brings minimum spending power and if the current Hitchens desire is achieved very little of anything?

Your right, you don't have to be a genius with an accounting degree to work this one out. The plan changes from Month to Month and you may have sold the followers the big dream of a mall in the CBD with the big anchor tenant that has yet to be confirmed..... maybe this tenant is H&M? who else is coming or are we still dreaming. You build a mall, the current retailers move and then what do we do with all the other vacant buildings that are left behind. I believe if there was more thought going into how do we make it pay its own way, it could be a great destination with residential apartments and local offices but when you are on a one track mind it will end up another non-performing shareholding that the Council are involved in.

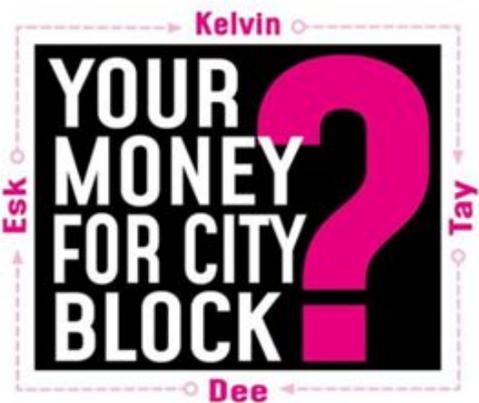
This consultation should have been back in 2017 rather than asking today if they should keep investing in this project that is clearly going backwards before it starts.

I am going to finish with a quote that Scott O'Donnell said "we need do this for our kids future" but there is one thing Scott has missed here, it will be his Kids, Kids, grandkids that will be still paying for this dream. But don't worry to much there will be none of the familiar costs blow outs, or over runs because guess who is going to be managing it?

RELEVANT PUBLIC POSTS/COMMENTS FROM **YOUR MONEY FOR CITY BLOCK?** FACEBOOK PAGE

Your Money for City Block?
May 14 · 🌐

At a meeting tonight, the Invercargill City Council decided to move forward with consultation with our community.
We want to know: Do you think we should invest up to \$30million in the City Block Development?
It's a big decision to make – and it will impact on the future of our city...
[See More](#)



Get More Likes, Comments and Shares
Boost this post for \$45 to reach up to 4,500 people.

7,209 People Reached **1,929** Engagements [Boost Post](#)

👤 Grant Milne, Sheree Mortimer and 17 others 20 Comments 20 Shares

👍 Like 💬 Comment ➦ Share ⌵

Performance for Your Post

7,209 People Reached

212 Reactions, Comments & Shares 📊

66 Like	18 On Post	48 On Shares
1 Love	0 On Post	1 On Shares
4 Haha	0 On Post	4 On Shares
1 Sad	1 On Post	0 On Shares
2 Angry	1 On Post	1 On Shares
117 Comments	44 On Post	73 On Shares
21 Shares	20 On Post	1 On Shares

1,717 Post Clicks

40 Photo Views	0 Link Clicks 📄	1,677 Other Clicks 📄
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NEGATIVE FEEDBACK

1 Hide Post	0 Hide All Posts
0 Report as Spam	0 Unlike Page

Reported stats may be delayed from what appears on posts



Kate Taylor Invercargill City Council needs to invest in its heritage it's all being lost and fast in Southland and it sad!!

Like · Reply · Message · 7w



Joshua Culbertson Yes invercargill need to be Brought into the future not the passed.

Like · Reply · Message · 7w



Rod Tribe Hello,

I was just wondering if Council could provide any projections as to when they would expect the \$20M to be self sustaining, eg requiring no rates funding to service, and also any projections by year as to the possible reduction in parking revenu... [See More](#)

Like · Reply · Message · 4w



Kevin Aitken No bloody way.  1

Like · Reply · Message · 7w



Janie Brown Phillip Watkinson

Like · Reply · Message · 7w



Mike Hughes Our city council is being irresponsible thinking it is ok to invest \$30M in this development at the rate payers expense...plus what they have already invested...considering as rate payers we are not even able to enjoy other facilities that we already ha... [See More](#)

Like · Reply · Message · 6w



Cain Braithwaite Mike Hughes absolutely agree!

Like · Reply · Message · 6w





Cress Mess Based on the flyer with info on the proposed 'investment' which states that if there is no investment by council (ratepayers), "the council would be left owning 50% of a site and buildings that are untenanted and in some cases, not tenatable" (your words). Why bother with 'public consultation' when it seems you have made up your mind already? Surely the consultation should have happened before this stage? This feels very much like consultation to tick a box, not to genuinely garner public opinion...

Like · Reply · Message · 7w



Jacqueline Stewart Couldn't of said it better myself....

Like · Reply · Message · 7w



Bernette Hogan So agree with you. Consultation for the sake of consultation.

Like · Reply · Message · 7w



Kylie Cochrane Exactly

Like · Reply · Message · 7w



Chris Herman Consultation should have happened before buildings became vacant. IF this doesn't go ahead then what happens to the now empty buildings? Another failed venture by council and a not mentioned majority shareholder that the council have let happen right under their noses. This also means that several businesses have closed for absolutely no reason.

Like · Reply · Message · 7w



John Hackett Chris Herman Richardson's and ILT are the owners of Invercargill we're just paying for it upkeep so they can pat themselves on the back. If we did count then we wouldn't have the recycling staff problem.

Like · Reply · Message · 7w



Raewyn Cormack Cress Mess yup just to make it sound like they took into account the public opinion not 4getting if it all buggas up they can chuck the blame on us or some of it at least. 😊

Like · Reply · Message · 6w



Katherine Walsh Definitely! Follow what Queenstown has done by developing frankton flats. Will bring more tourism to the region, meaning more money spent at local stores. Win, win

Like · Reply · Message · 7w



Mike Hughes frankton flats was not a QDC development...is by private investment...big difference...

Like · Reply · Message · 6w



Chris Dawson What exactly is the projected increase in our rates per annum, over and above those already projected LTCCP increases, if we support this plan? My rates are already moving from \$2K to \$3K over the course of the last ten year plan.

Like · Reply · Message · 7w

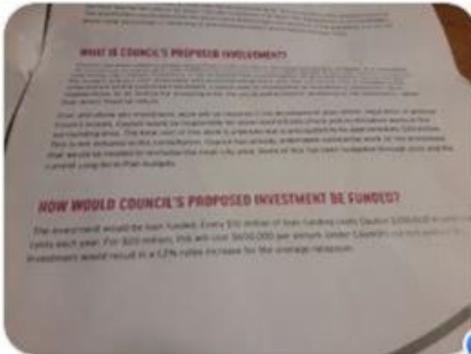


Cress Mess Their flyer says the annual cost to service a \$20m loan is \$600,000 = 1.2% rates increase; so a \$30m loan would be a 1.8% increase (if i've done my sums correctly)...

Like · Reply · Message · 7w



Cress Mess Attached is the info



Like · Reply · Message · 7w



Darryn Turner Cress Mess where did you get that? I haven't seen it.

Like · Reply · Message · 7w



Cress Mess They were being passed out today. Happy to photograph and put up here if you want?

Like · Reply · Message · 7w



Your Money for City Block? Hi folks. These photos are of the document which was included in the agenda for Councillors to adopt (the draft consultation documents). They're available online here:

[https://icc.govt.nz/.../extraordinary-council-meeting-14.../...](https://icc.govt.nz/.../extraordinary-council-meeting-14...)

See More

Like · Reply · 7w



Philip Todd If the public is expected to invest how do we get accountability? Agree with the development but would like to see a cap on the money to be spent and some understanding on the return. Not the blind leading the blind like the Don street building

Like · Reply · Message · 7w · Edited



Your Money for City Block? Hi there Philip, a separate Entity, of which Council would be a shareholder, would be established to run the development.

Like · Reply · 6w



Philip Todd Hopefully it won't be just another entity for double dipping councillors to eye up as an extra income stream. Will the council property company now be wound up?

Like · Reply · Message · 6w



Your Money for City Block? Philip Todd Hi there Philip, are you referring to HWCP? If so this would be a matter for the directors of HWCP and its shareholders, and is not part of this consultation.

Like · Reply · 6w



Write a reply...



Abigail Westcott Generally speaking investing means a goddamn return at some point. If we hand the council all that cash do we get revenue percentages?

Like · Reply · Message · 7w



Your Money for City Block? Hi there Abigail, At the meeting last night it was explained that the development is not expecting to make what is often described as a commercial return (6-8% on investment) in the short-medium term, however it is not expected to lose money either.

Like · Reply · 6w · Edited



Katie Oliver What return are HWCP expected to make from this proposal?

Like · Reply · Message · 4w

 **Maricel Fogarty** Don't invest on this city block development. Council should stick to delivery of basic services not proprietary interest
Like · Reply · Message · 7w 

 **Mike Hughes** agreed
Like · Reply · Message · 6w

 Write a reply...    

 **Samantha Dawson** What happens if you don't? Considering most of said block is already vacant
Like · Reply · Message · 7w 

 **Your Money for City Block?** Hi there Samantha, Our Consultation Documents address your question in part, which are available here: [https://icc.govt.nz/cityblockconsultation/...](https://icc.govt.nz/cityblockconsultation/) See More
Like · Reply · 6w · Edited

 **Lloyd Bryant** About 10 years behind in the city's development, absolutely support it!
Like · Reply · Message · 7w 

 **Bernette Hogan** Whom or what is "Money for City Block?"
Like · Reply · Message · 7w 

 **Howie Turner** Get it done 
Like · Reply · Message · 7w

 **Tania Horton** Hell yes!!!! Not enough progression in the city!
Like · Reply · Message · 7w 

 **Kylie Cochrane** Umm kmart
Like · Reply · Message · 7w

 **Tania Horton** Kylie Cochrane is that all you want?
Like · Reply · Message · 7w

 **Douglas Alderson** Tania Horton I feel that is to far gone not to happen just didn't realise that we were putting 30 million into it .Sorry if this has been covered but how much are the Richardson group putting in as all I've heard is about their building
Like · Reply · Message · 7w



Vick Hayes No

Like · Reply · Message · 7w



Kortnee MacDonald Dont like the idea but had to like the page to keep upto date

Like · Reply · Message · 7w



Geena Louise When are the council going to tackle the other side of Dee St? Cos the buildings between the library and farmers and are a sh*tshow. Ugly, old, mismatched buildings.

Like · Reply · Message · 7w



Carl McKenzie Probably when they have a private investor with deep pockets willing to go into a long term partnership for the good of the city instead of investing in projects which will actually break even within 20 years

Like · Reply · Message · 6w



Write a reply...



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Your Money for City Block?
June 12 at 11:56 AM · [Like Page](#)

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POSTS MADE BY THE PUBLIC DIRECTLY TO THE **YOUR MONEY FOR CITY BLOCK?** FACEBOOK PAGE

 **Katie Oliver** ▸ Your Money for City Block? ***
June 24 at 9:56 PM · 🌐

Im just not sure that i have the confidence in the council to pull this off. Yes we need progress and yes our city deserves to be vibrant cultural and special but at what cost? Our rates are going up every year. This is forcing more people and families towards poverty when food petrol and bills are increasing as are the other basics.

The council have fluffed up many projects overspending by millions already. 4.5million overspent on the don st project and its only at 60% occupancy. How do we expect a new mall to be fully occupied when the city already has so many vacant blocks. Will local businesses be able to afford to lease in the new mall? It is inevitable that there will be an economic downturn soon so how will the mall cope with this? It only takes Trump to have a hissy fit and who knows how that will affect prices of construction. Who on earth allowed k mart to be built around the corner? .. Again taking people away from the city centre as does the waehouse retail park.. why didnt k mart occupy the proposed mall? What business asks their shareholders to invest money into a business that will not make any returns because that is what the council is asking us to do... to invest our money into a business venture that is going to profit private businesses. The council doesnt plan to make a return from this investment... thats not an investment!!!! If it was guaranteed that it was profitable for the council so that profits could subsidise our rates in the future or fund many of the other plans then yes, i would support it wholly. But history says that budgets are blown out of the water so who is to say that 30 million yes 30MILLION, Thats an enormous amount of money...will not go over budget either. A contingency of 10million for a nearly 200million project.... come on... you budget at least another 25% dont you?? Please correct me on any of what ive said but i feel like this 'consultation' is jumping through hoops for the sake of it, in a reactive way and the decision has already been made.

3 Comments

 **Your Money for City Block?** Hi there Katie, Thanks for your feedback. Just a couple of little points to clarify: While there isn't an expectation of commercial-level returns on the investment in the short-medium term - it is not expected there will be NO returns. I.e Council's investment is not expected to result in losses.

While the entire project has been identified as a possible \$200million project, that includes parts of the project which are being entirely funded privately. We'd encourage you to check out the consultation document which shows the area Council is being asked to invest in. Also, Council will not be the only investor - and will not be solely responsible for any potential overruns.

We can assure you that no decisions have been made, and this is why Councillors need your submissions - to help them make informed choices.

We'll make sure your feedback posted here is passed on to Councillors to help them make that decision.

If you'd like to make a formal submission, or take another look at the consultation document and extra information available, click here: <https://icc.govt.nz/cityblockconsultation/>

 **ICC.GOV.T.NZ**
City Block Consultation - Invercargill City Council

Like · Reply · Remove Preview · 1w

 **Katie Oliver** Thank you very much for clarifying. I have made my submission too

Like · Reply · 1w 👍 1

 **Katie Oliver** Maybe plans need to be downsized or completed in phases?

Like · Reply · 1w 👍 1

MESSAGES SENT TO THE **YOUR MONEY FOR CITY BLOCK?** FACEBOOK PAGE

1. Ric Piper



Ric Piper

MAY 15, 2019, 12:14 PM

Coming from Brisbane I was very happy to see money we paid on Tax go towards making the city a more beautiful and enjoyable place to live. Amazing parklands free BBQs and great kids parks etc. This area of New Zealand has stunning towns like Queenstown, Wanaka and Te Anau, all with gorgeous lakes and mountains and a LOT of tourist money gets spent in these towns making businesses boom and making the towns more appealing places. Far too many tourists I know have said "oh Invercargill, I've passed through there". The town needs money spent on it to make it appealing for not just locals but for tourists too. Exciting things for people to do. Queens Park is amazing. Make it a more appealing place so people will want to stay here for a wee while not just pass through. In turn it will help businesses, property prices, infrastructure etc. And everyone will benefit. It needs to be brought up to the modern day like the other towns of the nearby regions.

MAY 15, 2019, 2:34 PM

Thanks. Oh and whilst I'm at it although Queens Park and Andersons park are amazing there is one thing missing which could go in either and would complete them.



2. Kevin Wilson



Kevin Wilson

JUN 5, 2019, 5:53 AM

Want rebuild to go ahead existing area an eyesore.

RELEVANT PUBLIC POSTS/COMMENTS FROM **INVERCARGILL CITY COUNCIL** FACEBOOK PAGE



Invercargill City Council

Published by Hannah McLeod [?] · May 14 · 🌐

...

Tonight, Councillors agreed to move forward with consultation with our community and will be asking all of you: Should we invest in the City Block Development?

Follow this page: [Your Money for City Block?](#) to keep up to date on information, the consultation process, ways to have your say, and more.

Consultation will open on Saturday, May 18.



[Your Money for City Block?](#) 👍 Like Page

May 14 · 🌐

At a meeting tonight, the Invercargill City Council decided to move forward with consultation with our community.

We want to know: Do you think we should inves...
[See More](#)

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👍👤 Lucia Rogers, Rachael Allan and 19 others

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18 👍 Like	18 On Post	0 On Shares
3 😂 Haha	3 On Post	0 On Shares
37 Comments	26 On Post	11 On Shares
6 Shares	3 On Post	3 On Shares

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Nicholas Irons Invercargill City Council, If the intended investment is 30 million dollars obviously rate payers will have to cover development cost whilst its happening. However what is the actual plan is the money for this coming from existing funds? I is it to be borrowed if so how much is each portion? When it's operational and running it should return money every year from that investment if so how much? Does this development investment make business sense? Ignoring all things that make something look pretty it needs to financially make sense if it doesn't go back to the drawing board and think the whole plan over because this city isn't in the position to waste money that doesn't make sense. We already have enough broken and derelict things with nothing happening.

Like · Reply · Message · 7w



Invercargill City Council Nicholas Irons Hi there Nicholas,
We can see you have a lot of valid questions here, but they were posted several days ago.
All of the Consultation Documents and supporting information is now available online here:
<https://icc.govt.nz/cityblockconsultation/>
This should answer most of your questions.

If you still need more information, please email us on policy@icc.govt.nz



ICC.GOV.T.NZ

**City Block Consultation -
Invercargill City Council**

Like · Reply · Remove Preview · Commented on by Hannah McLeod [?] · 6w



Lucia Rogers yes invest

Like · Reply · Message · 6w



Andrew Boutillier If the council is going to invest, rate payers need to be informed about what the on going cash return to the council they will be seeing from that investment. How long till the capital is paid back, and how much will we continue to see from it in the future. How much will this investment lower rates in the long run?

Like · Reply · Message · 7w



Invercargill City Council Andrew Boutillier Hi there Andrew, the potential investment is considered a strategic investment, rather than a commercial one. As such it is not expected that Council's investment in the development will produce commercial returns in the short-medium term, however it is not expected to make a loss either.

It is anticipated that Council's investment will be loan-funded. A more detailed financial breakdown is included in the consultation documents here:
<https://icc.govt.nz/cityblockconsultation/>



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**City Block Consultation -
Invercargill City Council**

 **Leanne Hillas** Awesome. Need to move more quickly tho. This is taking forever. Honestly who in their right mind wants the CBD to stay as it is now???

Like · Reply · Message · 7w · Edited  2

 **Brogz Conway** People pay for shit they don't even know about

Reply · Unhide · 7w · Edited

 **Gay Vidal** Certainly needs that block developed, even as a mall with parking and a single story so that it can be added to when and if required rather than empty shops

Like · Reply · Message · 7w

 **Dorothy Ellen Bulling** If you want Invercargill to lose lots more shoppers to dunedin, do nothing. If you want the city to start coming alive again support this.

Like · Reply · Message · 6w  1

 **Kylie Cochrane** Wouldn't this money be better spent on the museum at least it won't have vacant shops like a mall will and it will end up costing us more in the long run just like the Don Street development and others.

Like · Reply · Message · 7w

 **Kortnee MacDonald** Museum? Maybe better to spend the money on that? Fix our bloody roading too while your at it. Gona get lost in some potholes soon.

Like · Reply · Message · 7w

 **Nathan Surendran**  Top Fan Great decision guys. Well done. Look forward to getting answers to some hard questions...

Like · Reply · Message · 7w

 **Scilla Ann** By the time you make a decision about it, it will be \$40 million

Like · Reply · Message · 7w  1

 **Leanne Hillas** Scilla Ann yes everything goes up while they make decisions 😊

Like · Reply · Message · 7w  1

 **Shona Thomson** Leanne Hillas Or while they don't make decisions !!

Like · Reply · Message · 7w

-  **Aaron Vanessa Adcock** Yes for sure! We need a space like this. Tay/Esk is dying and looks terrible with all the empty shops
Like · Reply · Message · 6w
-  **Sherwin Francis** Do you think its dying because of the look of the place or because retail in general is dead
Like · Reply · Message · 6w
-  **Aaron Vanessa Adcock** **Sherwin Francis** I think because of the look of the place
Like · Reply · Message · 6w
-  |Write a reply...    
-  **Maryka Amos** I'm all for it, time to update
. P. S what's the go with the museum?
Like · Reply · Message · 7w · Edited
-  **Christeen Winder** Go for it u waste ratepayers money anyway
Like · Reply · Message · 7w  1
-  **Neal Eade** It needs to happen why all this now
Like · Reply · Message · 7w
-  **Brogz Conway** Pffft what ever since when do these clowns ask us anything 🤔🤔
Like · Reply · Message · 7w
-  **Andrew Boutillier** Invest.... yes... give rates payers money away.... no!
Like · Reply · Message · 7w  1
-  **Shayne Mchugh Spencer** no
Like · Reply · Message · 7w
-  **Stuart G Munro** More delays from a council that's running from decision making like a scalded cat...
Like · Reply · Message · 7w   3
-  **Christan Harper** Pay ya money baby boomerargill or go on a cruise so we can sort this fossilized piece of dirt for our future.
Like · Reply · Message · 7w  1

Invercargill City Council
Published by Hannah McLeod [?] · May 17 · 🌐

Things to do this weekend:

- 👁️ Check out the consultation documents and submission forms now available at www.icc.govt.nz/cityblockconsultation/ to find out why we're asking you if we should invest in the City Block Development!
- 📝 Note down your thoughts or questions ready to include them in your submission, OR to bring to the public meeting on Monday!
- ✅ Confirm that you're coming to **Public Meeting - Your Money for City Block?** on Monday from 5.30pm at the Civic Theatre - Invercargill where you'll get to hear more about the proposal, and have the opportunity to ask questions.
- 👉 Follow **Your Money for City Block?** so you don't miss out on key information and updates on the consultation.



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14 Likes	9 On Post	5 On Shares
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22 Comments	14 On Post	8 On Shares
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5 Shares	5 On Post	0 On Shares
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Georgous George Kia ora - is there any plan to respond to people's comments so that they can make an informed decision, or are the only channels for dialogue via the public meeting or through phone and email? Thanks.

Like · Reply · Message · 6w



Invercargill City Council Georgous George

Hi George,
Absolutely!
We are waiting for the conclusion of the meeting tonight to make sure that we can reply to as many people as possible with as much information as possible!
We will start responding to all your questions from tomorrow, and will go back over previous posts to make sure we answer everyone 😊
These questions will also help us develop a list of FAQs for our website and future posts.
We're sorry for the delay.

Like · Reply · Commented on by Hannah McLeod [?] · 6w



1



Georgous George Awesome, that's great. Thanks!

Like · Reply · Message · 6w



Invercargill City Council Georgous George Hi George! We just responded to your earlier question - hope that helps. We also want to encourage as many people as possible to head over to [Your Money for City Block?](#) to ask questions and provide feedback, this will make it much easier for us to keep track and make sure nobody is missed 😊

Like · Reply · Commented on by Hannah McLeod [?] · 6w



Write a reply...



Georgous George Thanks for that. It's been noted that a possible disadvantage of investing in the building is that "Other Council projects would need to be deferred". To be able to weigh up the options as a whole, are you able to provide a prioritised list of projects that may be affected/deferred if the investment goes ahead? It's a rather critical piece of information. Cheers.

Like · Reply · Message · 6w



2



Invercargill City Council Hi again George, thanks for your patience on this!
Council's projections are such that we believe all of the projects included in the Long Term Plan can be afforded, as well as the investment.

Like · Reply · Commented on by Hannah McLeod [?] · 6w



PeterorClaire WP Invercargill City Council So \$50m for this mall, \$50m for the museum, how much for the art gallery and anderson's park. Also the water is again up around the \$50m (as far as I can make out). Just where is this money coming from again? Reserves I presume, because as a ratepayer on a fixed income/wage/salary, I don't have an extra \$24k? a month to spare. We only get a small 1-2% wage increase a year (if we are lucky) and you are talking about increasing rates 5-10%pa.

 **Blair Howden** Done my submission. Use the money to provide either:
Subsidised rents for the first 5 years to tennants to attract tennants to the development.
Creating a container mall like what was built in Christchurch to house displaced tennants while the mall is being built.
Providing free parking to give people a reason to park their car here and shop here instead of The Warehouse or KMart.
Building a walkway between KMart and the mall to address issues this new KMart is going to create.

Like · Reply · Message · 6w  4

 **Nicholas Irons** There's alot of talk in all. The documents about generating more money and introducing people to the region. It's all indirect though someone comes and uses the facility etc yes it generates income and work etc.

But what are the legitimate direct benefits. Surely the plan cant be to spend 20 or 30 million dollars on a development. Then spend 600k per year servicing a loan to hopefully introduce income and benefits.
Surely this generates income via rent and other avenues. How much surely there is the chance to generate enough so they payments can be made via this rather than increasing rates.

Otherwise as a rate payer what is the point. A precinct that looks pretty all the shops will most likely cost more to use etc. Then we get a rates increase on that.

So in effect this could actually cost the city on a day to day basis if it doesn't make sense. If it can't cover its own costs its a monumental mistake waiting to happen.

It is not an investment if it doesn't have a return. Tell the actual numbers not the associated stuff please.

Like · Reply · Message · 6w  4

 **Invercargill City Council** **Nicholas Irons**
Hi there Nicholas,
the potential investment is considered a strategic investment, rather than a commercial one. As such it is not expected that Council's investment in the development will produce commercial returns in the short-medium term, however it is not expected to make a loss either.

Further, Council sees its potential investment as contributing to the social and economic wellbeing of the community, rather than commercial returns.

This includes things like creating a more diverse space for people to spend time and enjoy, creating vibrancy within the CBD, and creating a more liveable city.

Like · Reply · Commented on by Hannah McLeod [?] · 6w

 **Maricel Fogarty** If its decided already why bother for the consultation 😞

Like · Reply · Message · 6w  3

 **Invercargill City Council** Hi Maricel, It's absolutely not decided. Council really needs your feedback on this, so please do take the time to make a submission. Everything you need is available here: <https://icc.govt.nz/cityblockconsultation/>

 **Jean Riddler** No museum, no Anderson Park, no art gallery. Where is the funding for these projects going to come from?

Like · Reply · Message · 6w

 **Dan Knowler** Annnnd still we have no museum. 😞😞

Like · Reply · Message · 6w  2

TO: COUNCIL
FROM: RUSSELL PEARSON – ROADING MANAGER
MEETING DATE: MONDAY 12 AUGUST 2019

CITY BLOCK URBAN DESIGN REVIEW

SUMMARY

<p>Council developed an Inner City Master Plan in 2012 however the plan did not envisage a development of the scale of the City Block development. The elements of the previous Plan continue to have some relevance and will be of assistance for future activities.</p> <p>Council has engaged independent advice to review the proposed design approach of the City Block development.</p> <p>Further negotiations with the developers will be required to ensure the urban design elements are suitably detailed and appropriate. This is important so that Council can meet its obligations to the wider Inner City.</p>

RECOMMENDATIONS

That the report “City Block Urban Design Review” is received.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> No
2.	<i>Is a budget amendment required?</i> Allowances will be required in future budgets for specific projects
3.	<i>Is this matter significant in terms of Council’s Policy on Significance?</i> No.
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> No.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> Not directly on this topic specifically.
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Yes. The review looks at how this project will respond to the people spaces within the Inner City,

FINANCIAL IMPLICATIONS

Future budget and project considerations will be required. The impacts of any design review issues are being considered in the City Block Development Due Diligence and Investment Reports.

BACKGROUND

In considering its response to the design of the city block proposal, and separate to any decisions to invest, Council can draw on previous work done which recognises Council's responsibilities for the public realm and urban landscape.

In 2011 Council received the Invercargill City Centre Outline Action Plan for the Inner City from Kobus Mentz from Urbanismplus Limited. This report highlighted eight priority issues which Council could address or lead to start a transformative process for the Inner City.

This Action Plan led to Council commissioning Pocock Design Environmental to develop a Master Plan for the Inner City Revitalisation which took the earlier reports' issues and developed 11 key Precinct Projects which could be undertaken to encourage people to return to the Central Business District.

The Pocock Plan highlighted a number of significant projects which were in the development stage but for which no final location had been decided.

The Master Plan's purpose was to assist, both Council and the business community to make better and more informed decisions. The Plan looked to ensure an integrated approach was being considered and gave the key elements necessary to link to the streets and the features which people who come to the CBD would expect to be able to use, experience and enjoy.

A development of the scale of the City Block Proposal was not envisaged at the time of the Master Plan. However the intent and learnings from the Masterplan development assist in understanding the response which Council should make to a project of this scale. Successful urban design should support development such as the City Block and the wider Inner City development.

Key issues identified in earlier reports continue to have high importance and remain much the same with linkages across the inner city being of high importance, connecting to the public spaces such as the Otepunu Gardens, Queens Park and having a CBD public space for places where the public can use as a true public area. Access and transport needs are also key and ongoing issues which need to be input in designs as any new development is considered and built. The inner city in a wider sense needs to be places where people want to come to, spend time and congregate, enjoying in a wider context. These elements continue to have high importance for a successful inner city.

DESIGN REVIEW

It was recognised that Council needed to have good advice that the design of the development (the City Block) which was being offered to it needed to be tested. Accordingly Council approved the proposal from the Chief Executive to engage expertise to undertake this review.

Mr Mike Cullen and Stuart Niven have been engaged with a brief to provide independent advice on what the impact of the development is likely to have on the Inner City based on the current plans, the resource consent and its conditions. Two interactive workshops have been undertaken with the HWCP Design Team (Developers and Buchan Design Group)

Two design principles were focused on by Cullen and Niven, these being:

Principle 1

That the City Block projects act/be configured – socially and commercially – as a seamless extension of Invercargill Inner City's urban environment.

Principle 2

That the street front composition and block depth qualities of the City Block be better composed to more effectively represent Invercargill's block, building and street authenticity and related visual detail.

The key issues noted from the workshops are:

- The current design is well advanced with much of the design being locked in
- Commerciality considerations are needed for the development (which could limit some changes)
- Cross City Access (laneways) are key urban requirements
- Street Shopfront Composition (including laneways) needs to support the appearance of individual buildings
- Changes to current design (areas or material content) can have cost impacts on the development
- Time pressures exist for delivering the project

Messrs Cullen and Niven will be providing a presentation to the meeting which will overview and explain in detail the key urban interaction issues they have identified and how these can be managed/mitigated and what they see this means to Invercargill.

The workshops reached a level of agreement where the designers have been able to review the impacts of the discussions and identify what likely costs could be seen to be as a result of any change. This work is ongoing and it is hoped to be included in the presentations as it is not available at the time of writing.

It is anticipated that there will be some ongoing negotiations over the content of design changes and the costs and these processes. The budgets identified in the consultation undertaken identified this cost was likely and give some scope of the limitations of those costs.

The key issue which this work is looking to manage is that the development needs to be good for the rest of the CBD (and the development) as well inform on the potential direction Council needs to take with the streetscape immediately adjacent to and equally importantly with the wider CBD.

The work to date would suggest some progress has been made however given the timeline (the lateness of this review) some elements are highly unlikely to be able to be included either from a cost or commerciality perspective.

CONCLUSION

The work undertaken in 2012 still has the basic element/concepts to inform the CDB development with the City Block project and many others.

The review by Cullen and Niven has identified a number of elements of the design where changes are seen to be beneficial to the City (and how this development will operate in the short and longer terms).

Changes to the design (as current) will have cost implications and any agreed changes need to be negotiated into the final design pack for the development.

The recommended changes when incorporated are seen as approaching a better design solution for a “whole of Inner City” view.
