

**Minutes of a meeting of the Nelson City Council to hear submissions to the Potential Sale of Land for Commercial Development**

**Held in the Council Chamber, Civic House, Trafalgar Street, Nelson**

**On Thursday 12 September 2013, commencing at 9.02am**

---

Present: His Worship the Mayor A Miccio (Chairperson), Councillors I Barker, A Boswijk, G Collingwood, R Copeland, E Davy, K Fulton, P Matheson, J Rackley, P Rainey, R Reese, D Shaw, and M Ward

In Attendance: Chief Executive (C Hadley), Executive Manager Support Services/Acting Executive Manager Community Services (H Kettlewell), Executive Manager Network Services (A Louverdis), Executive Manager Kaihautū/Community Relations (G Mullen), Manager Administration (P Langley), Administration Adviser (L Laird)

Apologies: Councillors A Boswijk and E Davy for early departure

**1. Interests**

Concern was expressed as to the information and comments about the Statement of Proposal for the sale of land at Wakatu Square on His Worship the Mayor's website. It was stated that these comments limited the ability of the Mayor to avoid a biased and pre-determined view of the matter.

Councillor Reese, seconded by Councillor Davy moved a motion

*THAT to assist in maintaining public confidence in the process, and in light of his public statements on this matter, the Mayor is asked to withdraw from hearing and deliberating on this Statement of Proposal.*

Attendance: the meeting adjourned from 9.07am – 9.11am.

On advice from the Chief Executive, His Worship the Mayor said that the implications expressed through the above motion were not anticipated, and that the hearings should continue with all members present.

The Council discussed the motion and different views were expressed.

Resolved

**THAT the motion under debate be now put.**

Copeland/Fulton

Carried

The motion was put and a division was called:

<b>Councillor</b>	
Councillor Barker	Aye
Councillor Boswijk	No
Councillor Collingwood	No
Councillor Copeland	No
Councillor Davy	Aye
Councillor Fulton	No
Councillor Matheson	Aye
Councillor Rackley	No
Councillor Rainey	No
Councillor Reese	Aye
Councillor Shaw	No
Councillor Ward	No
His Worship the Mayor	No

The motion was lost.

Councillor Collingwood declared an interest with the submission from the Nelson Tasman Kindergartens.

## **2. Confirmation of Order of Business**

Concern was expressed as to the amount of time given to submitters in the hearing schedule. A view was expressed that the amount of time provided was sufficient, and that the hearings should be consistent with other such meetings. A differing view suggested that submitters should have a longer time to present.

Councillor Reese, seconded by Councillor Davy moved a motion

*THAT* submitters are given sufficient time to present their submissions subject to the material being relevant to the Statement of Proposal.

The motion was put and a division was called:

<b>Councillor Barker</b>	
Councillor Barker	Aye
Councillor Boswijk	No
Councillor Collingwood	No
Councillor Copeland	No
Councillor Davy	Aye
Councillor Fulton	No
Councillor Matheson	Aye
Councillor Rackley	No
Councillor Rainey	No
Councillor Reese	Aye
Councillor Shaw	No
Councillor Ward	No
His Worship the Mayor	No

The motion was lost.

### **3. Submissions to the Potential Sale of Land for Commercial Development**

#### **3.1 Nelson Tasman Kindergartens**

Wendy Logan spoke to the submission and highlighted key points on behalf of the Kindergartens. She encouraged the Council to ensure kerbs in the proposed area were of a height that increased safety for children. She also asked the Council to consider the effects of shade, access to Anzac Park, and pedestrian access to Bridge Street and the bus depot when making its decision.

### 3.2 Hugh Briggs

Hugh Briggs spoke in support of the proposal and tabled additional information (1596202). He commented on the loss of a large amount of open space and questioned the design concept.

In summary, he said he supported the overall concept but asked the Council to consider changes in line with his submission.

### 3.3 Ken Beckett

Ken Beckett spoke to his submission and emphasised his opinion that the Council should abandon the current proposal.

He expressed concern at the process, and suggested that Council could face judicial review of the process. He noted his opinions that the information around the Statement of Proposal was not made available to the public in a timely manner and that parts of the information were purposefully withheld.

Mr Beckett cautioned the councillors as to their personal liability should the land be sold beneath its valuation.

In response to a question, Mr Beckett said he did not have a particular view as to the development, rather his concerns were about the process. In response to further questions, Mr Beckett said an agreement could constitute correspondence or any other documents.

### 3.4 John Fitchett Family Trust

John Fitchett said he would support the proposal to sell the land to Windermere Holdings if it was identified to ratepayers that the financial loss of selling the land beneath its valuation price was for the benefit of the Nelson community, in order to ensure a vital anchor store could remain in the central business district.

Mr Fitchett emphasised the importance of an open and transparent process, and encouraged the Council to be proactive.

### 3.5 The Farmers Trading Company Limited

Michael Power and Ahmed Aessop presented the submission from Farmers Trading Company. Mr Power stated that their submission did not consider whether the land should be sold.

Mr Power outlined the position from Farmers, and said the current arrangement, where Farmers occupied two stores, was inefficient. He said Farmers had been looking for a large single footprint building, ideally in the central business district, for about the last seven years, and that Farmers would prefer to stay close to Trafalgar Street.

Mr Power said Farmers was committed to staying in Nelson but needed a solution to their long term occupancy.

In response to questions, Mr Power provided detail as to the previous options that have been explored, however none have eventuated into a permanent solution. He added that the current draft proposal with Windermere Holdings Limited was the best solution they had seen that accommodated their requirements.

In response to a question, Mr Power said the re-development of their current site did not meet their requirements as well as the current proposal, and re-iterated their preference for a single location close to Trafalgar Street.

### 3.6 Seddon Marshall

Mr Marshall spoke to his submission and tabled additional information (1596199). He spoke about the importance of having a Council with vision and leadership.

Mr Marshall said he did not support the sale of land and encouraged the Council to reconsider its position that Wakatu Square was not a strategic asset. He also encouraged the Council to maintain adequate car parking spaces in the city.

Mr Marshall briefly spoke about possible contaminants on the proposed site due to historic usage.

### 3.7 Furama Investments Ltd

David Lyttle spoke to the submission from Furama Investments. He encouraged the Council to carefully consider the urban design effects that the proposed building would have on neighbouring buildings, particularly the possible line of shade cast by the building. He said the proposed building would reduce the options for development of the neighbouring properties.

Mr Lyttle asked Council to ensure that the same amount of land between buildings was afforded to other proposed developments and in accordance with the law.

Mr Lyttle emphasised the possible shortage of parking and suggested that a retail space as proposed would create a high demand for parking. He added that access to buses was important. Mr Lyttle proposed that these issues could be addressed by shifting the building closer to Rutherford Street.

### 3.8 Rutherford Hotel Nelson/Rutherford Holdings Ltd

Bevan McGillicuddy spoke on behalf of the Rutherford Holdings Board of Directors. He said that the main concern was around the potential loss of car parking should the proposed development of Wakatu Square be approved.

Mr McGillicuddy said the submitters were concerned that parking constraints in Wakatu Square would have flow on effects for users of the Rutherford Hotel conference facilities.

In response to a question, Mr McGillicuddy said the proposed development should include a provision that ensured the maintenance of the current number of car parks.

### 3.9 Unichem Nelson City Pharmacy

Renata and Tom Schrader spoke to their submission and said their retail business relied strongly on foot traffic created as a result of being located next to Farmers.

The submitters spoke about how the location of Farmers would affect the flow and volume of foot traffic through the central business district, and the effect this would have on other retailers.

Other points of concern to the submitters were the lack of parking, particularly all day parking, and that the proposed sale price was too low.

In response to a question, the submitters said their preference would be for Farmers to remain where they currently are, and that the current building be re-developed to accommodate Farmer's store requirements.

### 3.10 Scott Gibbons

Scott Gibbons spoke on behalf of the submission from Roger Gibbons. He tabled annex papers (1596191) that detailed concerns with the process, and read these out. Mr Gibbons suggested that the process as it was lacked honesty and transparency, and expressed concern at the potential loss of car parking spaces.

In response to a question, Mr Gibbons said he was not aware that Farmers would only deal with Windermere Holdings, but his concern was largely that no other developers had been consulted on the proposal.

Mr Gibbons said he would provide the Council with a copy of the valuation he had undertaken on the land.

In response to further questions, Mr Gibbons confirmed that in his opinion, Farmers were in live discussions with other developers, and that Gibbons Construction had been in negotiations with Farmers since 2006. He added further that his discussion with Farmers led him to the belief that they would not leave the Nelson central business district.

Mr Gibbons responded to a question about why no development with Farmers had eventuated. He said the development model and funding cap imposed by Farmers restricted options, but he was confident that Gibbons Construction would find a solution.

In summary, Mr Gibbons encouraged the Council to withdraw the proposal and allow other developers that had been involved to follow through with a solution for Farmers.

He added that it was still the opinion of Gibbons Construction that Nelson needed good anchor tenants and that the supply of car parking would remain important for many years to come.

### 3.11 The New Zealand Institute of Landscape Architects, Nelson Marlborough Branch

Rory Langbridge highlighted the submission from the New Zealand Institute of Landscape Architects and expressed concerns the Institute had with the proposed design concept.

In summary, Mr Langbridge said the Institute supported the proposal, however offered suggested improvements for a quality design outcome. He said the proposed development would impact on the surrounding outdoor urban space, especially the linkages, and asked the Council to ensure the building presented as a 'good neighbour' to its surroundings.

Attendance: Councillor Davy left the meeting at 11.21am

### 3.12 Adrienne Matthews

Adrienne Matthews spoke to her submission and expressed concern at the current climate of the central business district. Ms Matthews said she believed the central business district was unappealing to residents and needed re-vitalising.

Ms Matthews noted the lack of free car parking as a concern, and said the proposed development would require a large amount of car parking. Ms Matthews encouraged the Council to ensure boutique stores, as opposed to the large franchise stores, remained in the central business district to promote a point of difference.

In summary, Ms Matthews said the proposal went against the greater vision of Nelson, that it was piecemeal and lacked long term vision.

In response to a question, Ms Matthews said Nelson needed a car parking building to ensure people could move around the city easily.

Attendance: Councillor Boswijk left the meeting at 11.40am.

### 3.13 Topz Shoe Repairs

Don Harris spoke to his submission and said the proposed development would impact negatively on his store. He said the proposed building would create a narrow and dark lane beside his store, thereby reducing its appeal. He also expressed concern about the loss of car parking created by the proposal.

The submitter discussed historic flood events in Wakatu Square.

### 3.14 Achilles Properties Ltd (and Achilles Properties Ltd and Frivin Ltd)

Attendance: Councillor Collingwood left the meeting at 11.45am

Rob Stevenson spoke to the submission from Achilles Properties Ltd and Frivin Ltd and tabled additional information (1596187). Mr Stevenson expressed concern with the process to date, particularly that the valuation has resulted in a figure higher than that of the current proposal.

Mr Stevenson re-iterated the importance of car parking to the vitality of the central business district.

He said he supported moving Farmers, as they were an important anchor store and Nelson needed to provide both anchor and boutique stores. He added his opinion that the proposed building should be moved to the western edge of the Square as this would improve its amenity value and provide space for a green area.

In summary, the submitter asked the Council to withdraw the proposal and leave it to the new Council to consider. He also asked the Council to ensure local developers had the opportunity to participate in the development.

It was noted that this submission from Mr Stevenson covered the points raised in the submission from Frivin Ltd.

### 3.15 Gaire Thompson

Nannette Thompson presented the submission on behalf of Gaire Thompson. Mrs Thompson said they did not support the proposal as it did not contribute to the long term viability of the Nelson central business district. She added that it was their opinion that the valuation did not take into account the costs of necessary improvements to car parking that would be required of such a development.

Ms Thompson encouraged councillors to see the effects of such a building on the road frontage of neighbouring buildings, such as shadows and a lack of appeal.

In response to questions, the submitter felt it was a matter the next Council should consider, and that the development should not be limited to only Windermere Holdings.

### 3.16 Thompson, Daly and Co

Barry Thompson spoke to the submission. He noted his concerns regarding the Wakatu Square site and suggested that any new building in that area should be situated at the Rutherford Street end of the site. He also suggested that it would be preferable to utilise space from Buxton Square to create a new development that joined the two current Farmers' sites on Trafalgar and Bridge Streets.

The submitter outlined his concerns regarding the proposed sale price, what would happen to the current Farmers sites on Trafalgar and Bridge Streets, and the overall level of car parking in the city centre.

In response to a question, the submitter suggested that there would only be a small beneficial 'ripple effect' from the new development to nearby retailers.

### 3.17 Windermere Holdings Ltd

Paul Smith spoke to the submission. He explained that Farmers had been considering its Nelson central business district location for several years, and had considered numerous offers from developers that had not been suitable. He spoke about the importance of the economic equation being correct prior to any new development taking place, and noted that Windermere Holdings Limited (WHL) would be taking on the contingent risk of refurbishing car parks at the western end of the site, to Council's benefit.

Mr Smith outlined the background to the proposal, and noted that Farmers had identified Wakatu Square as a potential site prior to approaching WHL. He noted the focus that had been placed on urban design, appropriate car parking and the interconnectivity of the development with Trafalgar Street, and emphasised Farmers' preference that the building was as close to Trafalgar Street as possible.

Mr Smith also noted the importance of Council facilitating private investment within the central business district, in order to fortify it against future developments in Richmond and Nelson Junction. He explained the recent Farmers development that had taken place in Pukekohe, and noted the beneficial effects for the local business district there as a result of the development.

In response to questions, Mr Smith said that WHL was happy to consider urban design principles through the development, but noted that doing so would be subject to Farmers' agreement, and to costs being kept within the threshold of the economic equation for the site.

In response to further questions, Mr Smith explained that there had been correspondence and an increasing level of negotiations with Council since late 2012. He said that the written proposal constituted what was currently being consulted on, and that there was no formal sale and purchase agreement at this point.

In response to questions regarding price, Mr Smith explained the way in which price offers were based on the economic equation of the proposed development. He added that WHL would carry a significant cost in demolition and refurbishing car parking at the western end of the site, and added that Council would need to consider whether the benefits to be gained in fortifying the central business district outweighed any potential difference between Council's independent valuation of the land, and the sale price plus the additional costs WHL would be bearing.

In response to questions regarding car parking, Mr Smith explained that WHL would provide financial compensation should there be a decrease in the overall number of car parks available at Wakatu Square. He confirmed that WHL would be willing to work with Council should Council indicate it would prefer to increase the number of car parks available.

In response to questions regarding the effect of the development on other inner city retailers, Mr Smith explained that Farmers had enormous pull power, which tended to rub off on other local properties. He suggested that the overall central business district would also benefit from the regeneration of the current Farmers sites.

Attendance: Councillor Davy returned to the meeting at 1.06pm.

In response to further questions, Mr Smith explained that consideration had not been given to including further storeys with residential apartments on top of the proposed development, and emphasised the differences between developing retail stores and apartment blocks.

### 3.18 Doug McKee

Mr McKee spoke to his submission. He said the Statement of Proposal did not meet the requirements of such a process under the Local Government Act 2002.

Mr McKee said a valuation should have been undertaken at the start of the process and should have been released to the public at an earlier point. He expressed concern that no other developer had been asked to submit on the proposed development.

Attendance: Councillor Matheson left the meeting at 1.40pm.

In response to a question, the submitter was of the opinion that no deal had eventuated between a developer and Farmers to date due to a shortage of suitable land.

Further to questions about the Statement of Proposal, the submitter said it was lacking in information from the start.

There being no further business the meeting ended at 2.00pm.

Confirmed as a correct record of proceedings:

\_\_\_\_\_ Chairperson \_\_\_\_\_ Date