



SUSTAINABLE NAPIER COMMITTEE

Open Minutes

Meeting Date: Thursday 13 February 2020

Time: 10am – 11.10am
11.11am – 11.39am
11.49am – 12.30pm

Venue Council Chambers
Hawke's Bay Regional Council
159 Dalton Street
Napier

Present Mayor Wise, Councillor Price (In the Chair), Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Crown, Mawson, McGrath, Simpson, Tapine, Taylor and Wright

In Attendance Chief Executive, Director Corporate Services, Director Community Services, Director Infrastructure Services, Director City Services, Director City Strategy, Manager Communications and Marketing, Kaihautū (Principal Māori Advisor), Senior Māori Advisor, General Manager National Aquarium of New Zealand

Administration Governance Team

Apologies

Nil

Conflicts of interest

Nil

Public forum

Justin Leydesdorff and Kim Hooper – Napier City Business Inc. (NCBI)

Justin and Kim spoke on behalf of Napier City Business Inc. which represents Napier CBD business and property owners, and addressed their concerns around consultation in relation to large format retail developments outside of the CBD. It was noted that although many of the planned developments will be located within 2.5km of the CBD, consultation with CBD businesses is not currently required.

They asked that consultation be considered as part of the Retail Strategy review due to be undertaken later this year, and hoped that this would also include hospitality businesses which are also impacted by these developments due to the inclusion of secondary/ supplementary services.

They suggested that the sum effect of large format retail developments should be considered, and asked what will happen to the CBD if Council continues to support these outside of the CBD.

In response to questions from Councillors the following points were clarified:

- It was confirmed that developments such as the Kmart development on Prebensen Drive, the 'Gravel Pit' development and the proposed Taradale Road development have been approved without notification to CBD businesses. There is currently no requirement to consult with these impacted parties under the Retail Strategy.
- It was confirmed that NCBI were approached for information in relation to the developments but not for consultation.
- Justin and Kim agreed that it would be beneficial to establish a panel to review the Retail Strategy and noted that this panel should include representatives from the hospitality, as well as retail, industries.

Announcements by the Mayor

Nil

Announcements by the Chairperson

The Chair advised that he has requested a report to come to the next Sustainable Napier Committee meeting regarding establishing a working group for indoor sports facilities.

It was noted that the following minor matters not on the agenda would be discussed following the agenda items:

- Public forum – consultation on large format retail development
- The opening of Te Kōhungahunga Atawhai
- Update on dirty water projects

Announcements by the management

The Director Infrastructure Services provided the following updates to Council:

Chlorine free capable water supply network review

It was noted that stage one of the procurement process - expressions of interest - is now closed for submissions. Seven submissions were received and are now with the tender evaluation team.

Three waters management review

Officers are now moving into stage two of this review following confirmation of government funding, and workstreams are now underway in order to commence this work.

Confirmation of minutes

Nil

AGENDA ITEMS

1. NATIONAL AQUARIUM DETAILED BUSINESS CASE

<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	841656
<i>Reporting Officer/s & Unit:</i>	Antoinette Campbell, Director Community Services

1.1 Purpose of Report

The purpose of the report is to receive the National Aquarium of New Zealand Detailed Business Case (DBC), approve the communications and engagement plan, and apply to the Provincial Growth Fund and Government for funding.

At the Meeting

The Director Community Services spoke to the report, noting that the proposal has changed significantly from the Indicative Business Case and original consultation. She provided an extensive overview of the process followed to date, outlined the options available to Council and covered the officer's recommendations as set out in the report.

The Principal Māori Advisor spoke to the Cultural Case, which is included in the Detailed Business Case, and advised that an aquarium based on indigenous knowledge would be a global first. The Cultural Case and Detailed Business Case marry indigenous knowledge with western science for a better understanding of our environment as a whole. He suggested that, should the proposal proceed to the revenue generation stage, that Ngāti Kahungunu post-settlement entities should be approached before pursuing other potential partnerships.

The General Manager for the National Aquarium of New Zealand discussed the changing nature of aquaria, noting that this proposal is an opportunity for Council to be inclusive of our community both regionally and nationally and to do this properly.

In response to questions from Councillors, the following points were clarified:

- Officers are currently in the process of arranging meetings with the appropriate Ministers. These meetings will need to happen before Council can submit their Provincial Growth Fund (PGF) application.
 - Ngāti Kahungunu have endorsed the proposal and intend to accompany the Mayor to any meetings with Ministers in Wellington, in support.
 - Other partners, such as Hawke's Bay Regional Council, will be approached through the consultation process. It was noted that there is already visibility around this with other Councils as the proposal sits within the Matariki RDS plan.
 - The projections around tourism numbers have been compiled based on business as usual; it is not possible to forecast any pandemics/ emergencies
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etc. that may impact visitor numbers. Council officers noted that the visitor numbers are considered to be conservative.

- The Director Corporate Services spoke to the ongoing operational costs and confirmed that the operating deficit currently sits with Council; however, the Detailed Business Case is a starting point for discussion and there are opportunities to look at depreciation and other ways the deficit could be reduced.
- A specialist financial modeller has been brought in and has been working through the financials with Terra Moana. The financial model has been a joint effort and provides transparency around costs.
- The specialist fundraisers who pulled together the strategy and implementation plan (the plan) believe that the project will appeal to investors. The plan states that it will be important to gain the backing of a high net worth individual in order to attract other investors. Officers confirmed that the revenue generation specialists are confident that the project will be able to achieve the target of \$40Million.
- The Principal Māori Advisor confirmed that the compelling Cultural Case is an invitation for Māori to invest both financially and culturally in this facility. Initial discussions have indicated a high likelihood for Māori to invest; however, formal discussion cannot take place until Council is able to present their Detailed Business Case.
- Government funding has not come through for the second half of the business case yet, and officers have not yet received confirmation whether the application has been approved or not.
- Without Central Government backing the project will not proceed further and Council will then need to consider options for the facility moving forward.
- There are limits on what can be approved through the Provincial Growth Fund and officers have been advised that since the proposal is of National significance it will need to go through Cabinet first.

A number of Councillors advised that they were not comfortable proceeding further until the meetings with Ministers had taken place and the extent of Government's support was known.

Councillors Browne and Mawson left the meeting at 11.10am.

The Chair adjourned the meeting at 11.11am to allow for a short break. Councillors Browne and Mawson returned to the meeting during the break and the meeting reconvened at 11.15am.

Councillor Simpson moved an amended motion, excluding part d. of the officer's recommendation, seconded by Councillor Browne. Following debate, the motion was lost with Deputy Mayor Brosnan foreshadowing further amendments.

A new substitute motion was moved by Deputy Mayor Brosnan, seconded by Mayor Wise.

The Chair adjourned the meeting at 11.39am for administrative purposes, and reconvened at 11.49am.

The wording of the motion was workshopped during the meeting by Councillors, with a number of Councillors noting that they would ideally like to see a contribution towards ongoing operational costs from Government.

Officer's Recommendation

The Sustainable Napier Committee:

- a. Receive the National Aquarium Detailed Business Case.
- b. Note additional Provincial Growth Fund (PGF) funding for completion of Detailed Business Case is to be confirmed following meeting with Ministers.
- c. Note the increased annual operational cost identified in the Detailed Business Case and that alternative options to offset this are being explored.
- d. Approve the high level Communications and Engagement Plan and commence community engagement.
- e. Resolve to apply to the Ministry of Business, Employment and Innovation (MBIE) Provincial Growth Fund (PGF) and other government funds for funding pending meeting with relevant Ministers.
- f. Receive the National Aquarium and Oceans Centre Concept Design.

Substitute Motion

Councillors Simpson / Browne

That the Sustainable Napier Committee:

- a. Receive the National Aquarium Detailed Business Case.
- b. Note additional Provincial Growth Fund (PGF) funding for completion of Detailed Business Case is to be confirmed following meeting with Ministers.
- c. Note the increased annual operational cost identified in the Detailed Business Case and that alternative options to offset this are being explored.
- e. Resolve to apply to the Ministry of Business, Employment and Innovation (MBIE) Provincial Growth Fund (PGF) and other government funds for funding pending meeting with relevant Ministers.
- f. Receive the National Aquarium and Oceans Centre Concept Design.

*The motion was declared **lost** by 1 vote to 12 votes. Councillor Simpson voted in favour of the motion.*

Substitute Motion

Committee's recommendation

Deputy Mayor Brosnan / Mayor Wise

That the Sustainable Napier Committee:

- a. Receive the National Aquarium Detailed Business Case.
 - b. Receive the National Aquarium and Oceans Centre Concept Design.
 - c. Note Council's view that this project is of National significance and has outgrown Council's capacity to resource and lead.
 - d. Note Council's support and endorsement for the concept and this facility's ongoing presence in Napier.
 - e. Confirms it will not further the project as set out in the detailed business case without:
 - Government capital support of a minimum of \$35Million.
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- a commitment to ongoing operational costs from Government in recognition that the facility is of National significance.
 - the conversations with Government being reported back to Council along with recommendations on the next steps.
- f. Approve the high level Communications and Engagement Plan and commence community engagement following Government endorsement as detailed in part e.
- g. Resolve to apply to the Ministry of Business, Innovation and Employment (MBIE) Provincial Growth Fund (PGF) and other government funds for funding pending meeting with relevant Ministers.

The motion was declared carried by 12 votes to 1 vote. Councillor Tapine voted against the motion.

Carried

MINOR MATTERS NOT ON THE AGENDA

Public forum – consultation on large format retail development

The Director City Strategy advised that under the District Plan, Council is unable to consider parties that may be economically disadvantaged. Notification must be based on environmental impacts identified through the project. Through the City Vision, there has been a strong drive by Council to make the CBD the best it can be; however, the District Plan must give certainty to land owners.

It was noted that the District Plan Review is currently underway and this particular issue will be part of that work. The matter will firstly come to Council to consider prior to consultation with affected parties, which will include the CBD and large format retail. Following this, Council will decide what will then go out for wider consultation.

The opening of Te Kōhungahunga Atawhai

Councillor Brosnan advised that the Te Kōhungahunga Atawhai officially opened on 12 February 2020 in Ocean Boulevard. It was confirmed that at the time this project was commenced, the Womens' Rest was considered earthquake prone and \$50,000 was set aside in the Long Term Plan in order to provide a similar parent/child facility in the CBD. A more recent investigative report indicates that the Womens' Rest seismic assessment rating may not be as high as initially thought. Council may need to consider the future of this space.

Update on dirty water projects

The Director Infrastructure Services provided an update to Council on the three waters programme, noting that it is very complex.

There are three main programmes; firstly, the Tamatea District metered zone as a pilot project. This is about being able to isolate a particular area within the water network from receiving water from the bulk water mains, and being able to gravity feed water directly into that area from reservoirs. This will allow Council to understand how the area might be isolated, and then to undertake this work. The timeframe for the Tamatea Pilot programme will hopefully be delivered within the next 3-4 months.

Secondly, the ability to treat manganese at the bore, which could involve mainly either chemically treated or green sand filtered treatment. Upon investigation, a treatment plant of sufficient size and capacity for green sand filter treatment would cost around \$6Million. This is not considered to be cost effective and the recommendation is not to pursue this.

Thirdly, the development of a new bore. The selection of locations has followed a multi criteria analysis approach that considered among other criteria, the quality of water in those locations. Two locations have been identified for which approval will be sought to move forward on. The timeframe for this work is difficult to estimate at this time.

A formal paper will come to Council to highlight the overall strategy and to formalise the recommendations.

A Councillor requested the timeframe for the second de-chlorinated water station. The Director Infrastructure Services confirmed that he will look into this and come back to Council.

ACTION: Director Infrastructure Services to provide an update to Council regarding the timeframe for the second de-chlorinated water station.

A further question was raised in relation to what Council's involvement will be in relation to impacts due to the coronavirus, and whether there is an opportunity for Council to request a report addressing the key impacts to the City as a result of this, or to commence discussions with the likes of the Ministry of Social Development to see how Napier might be impacted?

The Chief Executive advised that anything in this space will be led by Government; any response will be Nationally led. Council will need to wait for Government's response to understand the level of Government support. It was suggested that the Civil Defence group would be better placed to raise concerns with Government departments as the matter concerns resilience.

It was noted that both the District Health Board and Central Government have pandemic plans which will come into effect. The Chief Executive confirmed that this could be raised with Matariki RDS to consider from a regional perspective.

PUBLIC EXCLUDED ITEMS

Councillor Taylor / Mayor Wise

That the public and all staff be excluded from the following parts of the proceedings of this meeting, namely:

1. Chief Executive Contract

Carried

The general subject of each matter to be considered while the public was excluded, the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution were 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) to the passing of this resolution.
1. Chief Executive Contract	7(2)(a) Protect the privacy of natural persons, including that of a deceased person 7(2)(g) Maintain legal professional privilege	48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.

The meeting moved into committee 12.30pm.

Approved and adopted as a true and accurate record of the meeting.

Chairperson

Date of approval