

MACKENZIE DISTRICT COUNCIL

MINUTES OF A MEETING OF THE TEKAPO PROPERTY GROUP HELD IN THE LAKE TEKAPO COMMUNITY CENTRE, TEKAPO ON TUESDAY, NOVEMBER 11, 2014, AT 1PM

PRESENT:

Cr Murray Cox (Chair)
Mayor Claire Barlow
Stella Sweeney
Richie Smith
Wayne Barnett (Chief Executive)

IN ATTENDANCE:

Stephen Gubb (Hughes Developments)
Arlene Goss (Committee Secretary)

APOLOGIES:

Apologies were received from Cr Graham Smith, Cr Russell Armstrong and Paul Morris, Finance and Administration Manager.

DECLARATIONS OF INTEREST:

There were no declarations of interest.

MINUTES:

Resolved that the minutes of the meeting of the Tekapo Property Group held on October 7, 2014, be confirmed and adopted as the correct record of the meeting, including those matters taken under public excluded.

Claire Barlow/Wayne Barnett

PUBLIC EXCLUDED

Resolved that the public be excluded from the following part of the proceedings of this meeting namely:

1. Previous minutes, Tekapo Property Group, October 7.
2. Hughes Report to Tekapo Property Group.
3. Land Sale.

**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**

Previous minutes
Tekapo Property Group,

Commercial sensitivity
Enable commercial

48(1)(a)(i)

October 7.	negotiations.	
Hughes Report to Tekapo Property Group	Commercial sensitivity	48(1)(a)(i)
Land Sale	Enable commercial negotiations	48(1)(a)(i)

This resolution is made in reliance on Section 48(1)(a)(i) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows: *Previous minutes of the Tekapo Property Group under sections 7(2)(i) and 7(2)(b)(ii). Hughes Report to Tekapo Property Group under section 7(2)(b)(ii), Land Sale under section 7(2)(i).*

Claire Barlow/Wayne Barnett

The Tekapo Property Group continued in open meeting.

**THERE BEING NO FURTHER BUSINESS
THE CHAIRMAN DECLARED THE MEETING CLOSED AT 3.03PM**

CHAIRMAN: _____

DATE: _____

**MINUTES OF A MEETING OF THE TEKAPO PROPERTY GROUP HELD IN THE
LAKE TEKAPO COMMUNITY CENTRE, TEKAPO ON TUESDAY, NOVEMBER
11, 2014, AT 1PM, TAKEN PUBLIC EXCLUDED PURSUANT TO THE
PROVISIONS OF THE LOCAL GOVERNMENT OFFICIAL INFORMATION AND
MEETINGS ACT 1987**

PRESENT:

Cr Murray Cox (Chair)
Mayor Claire Barlow
Stella Sweney
Richie Smith
Wayne Barnett (Chief Executive)

IN ATTENDANCE:

Stephen Gubb (Hughes Developments)
Arlene Goss (Committee Secretary)

APOLOGIES:

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DECLARATIONS OF INTEREST:

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HUGHES REPORT TO TEKAPO PROPERTY GROUP:

Stephen Gubb spoke to this report. Resource consent has been approved. There are key matters to discuss around preparation for bulldozers on VC1 land. The next consent package is the engineering consent - he is expecting variations to be lodged this week. In parallel with this is the application currently with Environment Canterbury to get storm water approved. This application has gone in and is ready to be processed. Expecting to have this through in a couple of weeks.

Regarding the contract for site work - Aurecon has been awarded this contract this morning. The chief executive spoke with Aurecon yesterday and it is appropriate to push the button subject to getting storm water consent through. A few questions have been asked in relation to the programme. Sealing has been pulled forward by a month as we don't allow sealing in May. They will be on site in mid-January after the holiday break. A warning needs to go to the businesses regarding this start date.

We need to talk to contractors regarding where they park and store their machines while working in Tekapo. The chairman suggested putting gravel on VC2 land and using it as a car park. A press release is required.

Regarding the encroachments, Mr Gubb said the focus has been on the mini-golf issue and this is now resolved subject to documentation. A site meeting was held yesterday which resolved a minor issue regarding the future use of the mini-golf land. A new agreement will be to agree on what will happen in front of the tavern. Mr Gubb circulated two sketches showing suggested land use options. These are attached to the minutes. Mr Gubb also said there will be no loss of car parks to the current motel when the encroachment is resolved.

The chairman asked regarding the placement of bus parking in the western car park. He referred to the Tekapo Parking and Landscape Concept Plan Report, pages 22 and 23. Aurecon is proposing that bus parking be on the western side of the car park as shown on page 24. He asked where the public toilets would go. Originally this was planned for the end of the tavern but it could go on the mini-golf site.

Mr Gubb said the site was a commercial opportunity to sell to a developer. Including a public toilet would reduce our options on this. The toilet, bus shelter, information site hasn't been addressed in the Parking and Landscape Concept Plan and needs to be added.

The group agreed that having a toilet block at the end of the tavern was the best idea, rather than on the mini-golf site.

It was noted that the property group instructs the chief executive and Stephen Gubb to negotiate on option 2A (shown in the minutes attachment) with the tavern owners.

Mr Gubb then tabled the draft Tekapo Parking and Landscape Concept Plan Report. The council commissioned this report. If there are any problems with this we need to go back to Aurecon and Boffa Miskell. Mr Gubb will provide feedback to them regarding the lack of a public toilet. This report recommends a single-lane road through the development.

Stella Sweney asked if there will be any restrictions on parking times in the development. The Mayor said we could put these in even if we don't enforce them.

Regarding bus parking, figure 10 on page 24 is the recommended option. There is some clarification needed regarding bus parking options. The chairman said it was important to read through this report and provide feedback to Mr Gubb so he could pass it to the authors of the report.

Mr Gubb said there is a philosophical debate around car parking. This proposed plan means there would be a shortfall of car parks in the summer peak on the worst days. This is not a catch-all plan. The Mayor asked if, in the meantime, we can use VC2 land with gravel for peak time parking.

Mr Gubb suggested parking over the crest of the hill next to the lake. Cars would not be seen from the tavern but would be seen from the church. The group did not favour this idea. Stella Sweney said Lakeside Drive has additional parking and is a short walk from the shops. Once the footbridge is in people can park at the church and walk across.

The chairman asked if we could put some temporary boards up with copies of the plans in the village to show people what is happening. Plan one to nine from the traffic and landscape report would be suitable for this purpose. This would be helpful over the holiday period when holiday home owners are in town.

Mr Gubb to check with Earth and Sky regarding whether they are comfortable with their name being on the plans.

Stella Sweney asked regarding the vegetation shown on plan 4 as it shows trees on an intersection. This was thought to be an error.

The chairman said there are different parking options shown on the report so we need to only have one option before this goes to the public.

Mr Gubb asked what council's intention was regarding the village green. This has been allowed for in the Tekapo reserve fund. When would a contract be let to advance that design? The chairman has spoken to the playground group, they are waiting for us to provide them with our plans. We can give them our concept and they could take it away and come back with a plan for the playground. Next discussion is for Cr Cox to speak to them about this. No reason to delay this. Why not do the village green in January when the earth work is done. It is anticipated this will happen at the same time.

The Tekapo Parking plan is to go on the agenda for the Tekapo Community Board meeting next Monday.

Mr Gubb tabled a plan of the Lots in the development and offered to go over the progress made on each Lot. This plan is included in the attachments to these minutes.

Foodstuffs – This is an unconditional agreement. There is a requirement on council to share the parking plan, but other than that there are no obligations pending.

Earth and Sky – This agreement is to be confirmed by November 30. Mr Gubb spent time with Mr Murray yesterday and their expectation is that they will be confirming on that date.

Lot 2 – An offer has been received from Mr McNabb to build a building here and offer it back to council with an opportunity to purchase. If not purchased, his investors are happy to own it. What brand would he operate under? He currently operates the Monteiths Bar in Hamner Springs. The chief executive said the option of having sign-off on building design is very attractive. We want to ensure a quality build. There is a concern about council getting involved in things we are not competent at. This proposal would take away the development risk. Need to go back to Mr McNabb for more information about his business and investors to ensure a robust package is offered to council.

Lot 4 – Sale and Purchase Agreement is with YHA at the moment, subject to council sign off. This matter will be discussed further later in the meeting.

Lot 7 – This has development capability and could be put out to the market place. We need to ensure that the Lot 4 and 7 buildings talk to each other and have shared use of parking. Would be worth doing some quick design work to show the expectations of council around scale, appearance and parking. This would result in a valuable package to put out to the market. Lot 7 is still a possibility for council development. Discussion was held on this idea. To do this we would need more work done and a deal with YHA finalised. Would need to workshop it with the council, with drawings and scenarios included in the discussion.

Lot 5 – There has been interest expressed by Coldwater/Mr Burtscher. We need to discuss if Lot 5 and 6 are something we want to sell together. Mr Gubb said we need to have good justification for having off-market negotiations with Mr Burtscher when others are saying they would like a chance to participate in negotiations. Mr Gubb tabled a list of expressions of interest for the group to consider. This is attached to these minutes. Questions were asked regarding some of the names on the list.

The Mayor asked how we can protect Tekapo from low-quality retailers operating in the new development. Once the land is sold and the building leased there is nothing council can do.

Lot 6 – Michael Burtscher is interested in Lot 6 and in regular contact with Mr Gubb.

The chairman said we need to get an agreement that Lot 5 is to provide space for tenants and that he sorts out the problems with the Kohan Restaurant. We would build this into the

contract. The deal on Lot 6 includes placing a value for improvements required on the Godley Hotel. There was discussion on some sketches of the concept for Lot 6 which have been seen by some members of the property group.

The group agreed to progress negotiations on Lot 5 with Coldwater/Burtscher.

Resolved that the property group instructs Mr Gubb to progress the sale of Lot 5 with Mr Burtscher.

Richie Smith/Claire Barlow

Lakeside Drive - Mr Gubb said there has been a request from Mr Tosswill to extend some milestone dates to achieve what's needed. We have a potential hurdle around the value of the Lakeside Drive site. Two valuers have come up with very different prices. Mr Gubb said there are three reasons for the differences between the parties. The first is the weighting given to another sale the council made to Speedy for land around the motor camp. But Speedy already had a lease on that land so this was a weighted agreement. The second reason was that Mr Tosswill's valuer has said the views are impeded by the trees. We need to reach agreement on tree clearance to resolve this. The third reason is the argument that the risk of resource consent is on Mr Tosswill. But the land is zoned to do what Mr Tosswill wants to do anyway. Also, the deal is conditional on him getting a resource consent so the risk is shared.

This needs to be debated. Our valuers are trying to meet with Mr Tosswill's valuers and this will possibly happen next week.

The Mayor asked what happens when you can't reach an agreement. We could dismiss the valuers and get together and do a deal. Mr Tosswill is unlikely to abandon the project at this stage. He has come to us with a bundle of requests. These are all outside the agreement and need negotiating. This could form part of the negotiation process.

The other path is to appoint a third valuer for an arbitration. This does not deal with the other matters that need negotiating, and both sides need to agree that whatever the third valuer comes up with is binding on both. This approach is likely to disappoint us. Mr Gubb recommends that the valuers meet as planned, then put them to one side and meet with Mr Tosswill and negotiate an outcome. Council would then ask our valuer if he can support that outcome.

The chief executive said this is an off-market deal and council would be exposed if it went ahead without the support of a valuation. The chairman thought our valuation was sound in the first instance. If we cannot get valuation support, council would need to put the land on the open market to achieve market value.

Mr Gubb said some encroachments have been suggested by Mr Tosswill to enable his planning for buildings and roads on the site. This includes a retaining wall, and there is an easement that benefits Genesis which needs to be resolved. This is related to the intake for Lake Tekapo water for power generation going under the site. The property group felt Mr Tosswill would not have much luck if he asked Genesis to give up the easement.

Council has requested a time extension to approve the subdivision, with sign-off delegated to the property group chairman Cr Cox.

LAND SALE TO YHA:

The chief executive said the new contract with the YHA reflects common practice and he believes it is acceptable to recommend that it gets presented to council. The key aspect of concern regarding this is around going back to the community with the decision.

An email would be sent to everyone on the interested parties email list with an opportunity for people to come and talk to Wayne Barnett (council) and Mark Wells (YHA) one-to-one. This would not include a public meeting. It would be in the form of a drop-in session.

A date for the drop-in session was discussed. December 2 or 9 was suggested as the best dates. Stella Sweney said a visual picture of the YHA concept would really help in communication with the community. Arlene Goss will contact Mark Wells to organise this.

Resolved:

1. That the report be received.

Richie Smith/Stella Sweney

2. That the property group recommend that council approve the sale of Lot 4 to the YHA.

Claire Barlow/Richie Smith

3. That the property group approve the proposed communication plan.

Claire Barlow/Richie Smith

OPEN MEETING:

Resolved that the property group continue in open meeting.

Claire Barlow/Wayne Barnett

CERTIFIED AS CORRECT

CHAIRMAN

Tekapo – expressions of interest register

Entity	Proposed interest/use	Status
Robert Bruce (Temuka)	Lease for Subway outlet	Dialogue remains open
Cameron Loader	Retail for niche clothing	No contact for > 6 months
Alan McNabb	Restaurant bar	Confirmed interest in hospitality opportunity on lot 2
Xuan Ou (Timaru)	Food – take away	Requested details of size & timing etc
Noeline Rarere – Haven Corporation	150m2 of retail for apparel	Written registration on file
Tim Rayward – Air Safaris	Expressed interest in land for development	By telecon – no response to request for specific brief
Andrew Colville (for Asian investors)	Hotel development for tour groups	Provided info in VC2 land and requested outline of proposals and background on investors
Richard Scott – Kiwi Style Bike Tours	Small retail space for marketing & booking tours	12 -12 month time frame
Richard Hanson – Aotea Group	Current lessee of Michael Burtscher	Provided info – no further response to date
Stan & Angie Taylor	Lakeside Drive land for home & tourism business	Value assessment provided & dialogue on-going
Jim Speedy	Expansion & development opportunities	No response to request for scope & intentions
Black Peak Gelato	Small retail outlet	Suited to lot 2 development. Visited & dialogue continuing
Maureen Vance	Contemplating establishing a business	No response to request to scope/qualify
Karl Burtscher	Investment/development	Want to understand options that might be available
Matt Hurst	Investment/development	Want to understand options that might be available

Updated 04.11.2014



COMPRISED IN: CT 4250
TOTAL AREA: 3.6500ha
PREPARED BY: J.A. TRIST
Licensed Cadastral Engineer
APRIL 2014



aurecon
www.aurecongroup.com



Catherine Johnson

From: Stephen Gubb <stephen@hughesdev.co.nz>
Sent: Monday, 10 November 2014 3:55 p.m.
To: Wayne Barnett
Subject: Fwd: Tekapo - Mini-golf site - Further options
Attachments: C14003_minigolf_concept_a_20141110.jpg; C14003_minigolf_concept_b_20141110.jpg

Hi Wayne

For your info & review. And will you mind printing copies for tomorrow's meeting please?

Thanks & regards
Stephen

Sent from my iPad

Begin forwarded message:

From: "Jane Rennie" <Jane.Rennie@boffamiskell.co.nz>
To: "Stephen Gubb" <stephen@hughesdev.co.nz>
Cc: "Katherine Eveleigh" <Katherine.Eveleigh@aurecongroup.com>
Subject: Tekapo - Mini-golf site - Further options

Hi Stephen,

Following our conversation the other day, please find attached two further sketch options for the Mini-golf site:

- Option 2A – This shows the retention of the existing Motel car park and a potential development option for the mini-golf site for a combination of car parking, café/retail and small village green
- Option 2B – This shows the implementation of the viewshaft, loss of 6 spaces for the Motel, new car park access off the internal street, 6 spaces for the new development and new café/retail and village green.

Please let me know your thoughts and if you would like to make any changes.

Regards,
Jane

[BML Logo] <<http://www.boffamiskell.co.nz/>>

Jane Rennie | Principal | Urban Designer

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PO BOX 110 | GROUND FLOOR | 4 HAZELDEAN ROAD | CHRISTCHURCH

A hand-drawn architectural sketch of a building facade. The central feature is a large, arched entrance with a decorative pediment. To the left of the entrance is a tall, narrow window with a decorative frame. To the right is a similar window. The entire facade is enclosed within a rectangular frame. The drawing is done in black ink on a white background.

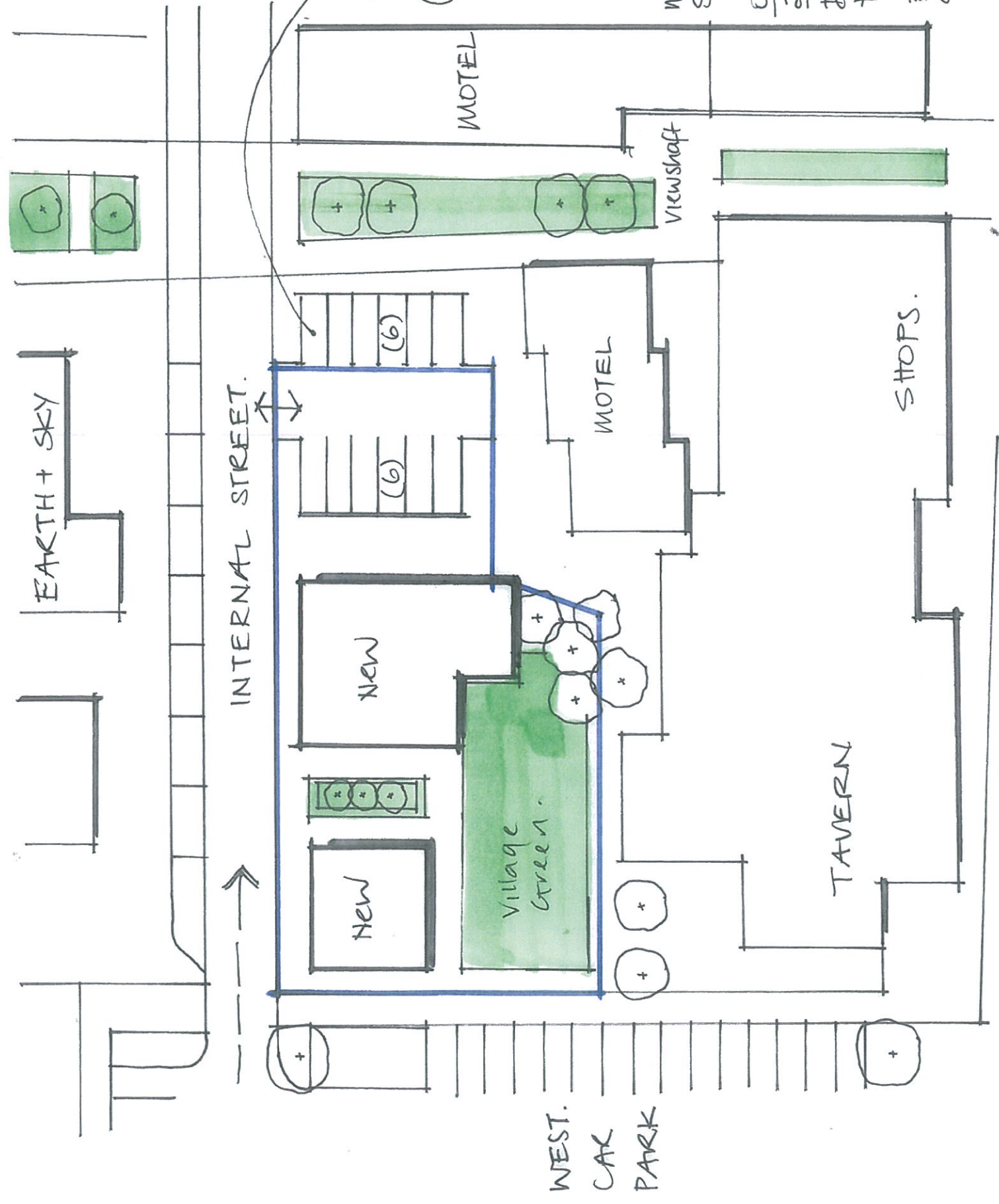
Hand-drawn site plan of a proposed development. The plan shows a 'New' building complex on the left, including a 'New' building, a 'New' building, and a 'New' building. A 'Village Green' is located between the 'New' buildings and the 'MOTEL'. The 'MOTEL' is a long building on the right. A 'TAVERN' is located below the 'MOTEL'. 'SHOPS' are located to the right of the 'TAVERN'. A 'Vehicle access' point is marked on the right. A blue line indicates a proposed path or boundary. Various trees and landscaping are shown with circles and crosses.

OPTION

2A: Existing
Motel carpark
BMW Jire
9.11.14.

Vehicle access

1:400



Some loss of Motel parking (6) to share a new access off street)

MINI GOLF SITE

OPTION -
2B: Maximise dev. potential + green.
BML Jce.
9.11.14.

INTERNAL STREET.

EARTH + SKY

WEST. CAC PARK

STOPS.

TAVERN

MOTEL

MOTEL

Village Green.

New

New

Viewshaft