

Minutes of an ordinary meeting of the Queenstown Lakes District Council held in the Council Chambers, 10 Gorge Road, Queenstown on Thursday 23 July 2020 commencing at 1.00pm

Present:

Mayor Boulton; Councillors Clark, Ferguson, Gladding, Lewers, MacDonald, MacLeod, Miller, Shaw and Smith

In attendance:

Mr Mike Theelen (Chief Executive Officer), Mr Stewart Burns (General Manager, Finance, Legal and Regulatory), Mr Peter Hansby (General Manager, Property and Infrastructure), Mr Tony Avery (General Manager, Planning and Development), Mr Aaron Burt (Senior Parks and Reserves Planner), Mr Brandon Ducharme (Senior Infrastructure Development Engineer), Ms Erin Moogan (Maintenance and Operations Manager), Ms Zoe Burton (Solicitor), Mr Ulrich Glasner (Chief Engineer), Mr Ian Bayliss (Planning Policy Manager), Ms Liz Simpson (Senior Planner – Urban Development), Mr Stephen Batstone (Recovery Manager), Ms Michelle Morss (Deputy Recovery Manager), and Ms Jane Robertson (Senior Governance Advisor)

Apologies/Leave of Absence Applications

An apology was received from Councillor Copland (on approved leave of absence).

Apologies for potential early departure were received from Councillor Lewers and Councillor MacDonald.

The following requests for Leave of Absence were made:

- The Mayor: 17-21 August 2020
- Councillor MacDonald: 10-16 August 2020

Councillor MacLeod noted that his commitments over the coming weeks as a Commissioner for Proposed District Plan hearings might result in his absence from some upcoming Council meetings and activities.

On the motion of the Mayor and Councillor Gladding the Queenstown Lakes District Council resolved that the apologies be accepted and the requests for leave of absence be granted.

Declarations of Conflicts of Interest

No declarations were made.

Public Forum

1. Mr Steve Winter (Paterson Pitts Group Ltd (Surveyor acting for Queenstown Commercial Ltd and representing Brent Mitchell))

Mr Winter addressed agenda item 1 and 2. He noted that Paterson Pitts had managed Queenstown Commercial's recent applications for easements in reserves. He was aware that the Council had been critical that Queenstown Commercial had installed services before easements were approved. He acknowledged that his lack of knowledge and experience about the requirements of the Reserves Act had contributed to this problem and he had undertaken to meet with parks and reserves staff to address this.

2. Daryl Rogers

Mr Rogers asserted that the Council should divest itself of Queenstown Airport as it was not a core service and the Council could not "umpire whilst also playing the game". Removal of the airport from the Council's portfolio would help Council to fulfil its decarbonising goals detailed in the Climate Change Action Plan. Owning an airport was also a high financial risk in light of Christchurch Airport's plans to expand and should be deemed too high a risk for a council.

3. John Hilhorst

Mr Hilhorst asked the Council to embrace Christchurch Airport's plans to develop in Tarras as an opportunity for the community to develop a knowledge-based economy and an Alpine City in Queenstown. The Queenstown Airport land on Frankton Flats could be sold and the money raised could support infrastructure and other community needs. The rates take from alternative developments on Frankton Flats would be at least \$16M per annum, which was more than three times the airport's current dividend.

4. Gillian MacLeod

Ms MacLeod considered that Christchurch Airport's plans to develop a new airport in Central Otago was "game over" for Queenstown Airport. The future growth of Queenstown Airport was therefore not tenable or useful for this district. The ultimate deciding factor would hinge on where Air New Zealand decided to base its service and they had long expressed concerns about flying into Queenstown.

5. David Jerram

Mr Jerram was excited at Christchurch Airport's plans to develop a new airport at Tarras. He urged Council not to fight the proposal but to accept that the days of Queenstown Airport were numbered. The announcement affected the Council's decisions on Ladies Mile and work on the Spatial Plan and activity/spending on both should stop. The Council was also obliged to instruct Queenstown Airport to change its Statement of Intent and to plan for an eventual shut-down.

6. Cath Gilmour (Chair, We Love Wakatipu)

Ms Gilmour did not consider that a new Central Otago airport would have the same constraints as Queenstown Airport. The Council should push QAC to remove any suggestion of air noise boundary expansion from its Statement of Intent. The long-term value of staying on Frankton Flats was questionable when no expansion was possible.

There was no sense there being three international airports within an hour of each other and the eventual loss of commercial flights to Queenstown Airport was serious. Planning consent for the Tarras airport may not be lengthy, as it was a natural candidate for the expedited system. A reset had been sought and this announcement was surely a trigger.

Confirmation of Agenda

On the motion of the Mayor and Councillor MacDonald the Queenstown Lakes District Council resolved that the agenda be confirmed without addition or alteration.

Confirmation of Minutes

On the motion of the Mayor and Councillor Clark the Queenstown Lakes District Council resolved that the minutes of the ordinary meeting of the Queenstown Lakes District Council held on 25 June 2020 be confirmed as a true and correct record.

Councillor MacLeod abstained from voting because he was not present the meeting.

1. Request to exchange Recreation Reserve Land in Lake Hayes Estate

A report from Aaron Burt advised of a need to transfer an area of recreation reserve land, currently occupied by a formed road constructed by Queenstown Commercial Ltd ('QCL'). The formed road would eventually vest in Council as legal road but to achieve this, the land had firstly to be transferred or swapped with a different area of freehold QCL land, so that its reserve status could be revoked and the new land vested as recreation reserve. The report recommended that Council approve the exchange, subject to resource consent being granted and any appeals determined.

Mr Burt presented this report and items 2 and 3.

On the motion of Councillor Lewers and Councillor Clark it was resolved that the Queenstown Lakes District Council:

- 1. Note the contents of this report; and**
- 2. Authorise that 45m² of recreation reserve on Lot 321 DP 37403 (Area A) is exchanged with 45m² of freehold land on Lot 403 DP 379403 (Area B), and that land is vested as recreation reserve; and**
- 3. Agree that any transfer is conditional that notified Resource Consent RM200276 is granted, any appeals to such have otherwise been determined.**

2. **Above Ground Electricity Easement – Queenstown Commercial Limited Stage 7 Subdivision, Lake Hayes Estate**

A report from Dan Cruickshank (Property Advisor, APL Property Ltd) assessed an application from Queenstown Commercial Ltd for an above ground electricity easement over recreation reserve. The easement had been subject to public consultation because a substation and transformer would be permanently established on the reserve resulting in a material change to the reserve, but no submissions had been received. The report therefore recommended that the easement be granted, subject to the payment of easement fees.

On the motion of Councillor MacDonald and Councillor Shaw it was resolved that the Queenstown Lakes District Council:

1. **Note the contents of this report;**
2. **Approve an above ground electricity easement over recreation reserve Lot 321 DP 379403, for the benefit of Queenstown Commercial Limited, with the location of that development identified in ATTACHMENT A, for the right to convey electricity and right to transform electricity in favour of Electricity Southland Limited, shown on ATTACHMENT B as 'Area I'.**
3. **Require that easement fees be charged; and**
4. **Delegate signing authority to the General Manager Community Services**

3. **Underground Services Easements over Cardrona Domain – Mt Cardrona Station Ltd**

A report from Dan Cruickshank (Property Advisor, APL Property Ltd) assessed an application for underground easements across the Cardrona Domain needed to meet conditions of the Cardrona Wastewater Agreement and Stakeholders Participation Agreement. The report noted that granting the lease would not affect the ability of people to use and enjoy the reserve, nor would it have any long-term permanent effect on the reserve. Accordingly, the proposal did not have to be subject to public consultation and the report recommended that the underground services easements be approved.

Mr Ducharme joined the table and presented the report with Mr Burt.

Councillor Smith advised that the Wānaka Community Board had been consulted, on both the topic itself and the intention to present the report directly to Council rather than via the Board. He advised that Board members had raised no objection to the proposed way forward. The Cardrona Community Association itself had not been consulted.

Mr Ducharme responded to questions about timeframes. Although uncertain of a specific completion date, he confirmed that motivation was high to expedite the works. Mr Burt detailed the process for completing the works, noting that a reserve permit need to be in place and this was covered in the recommendation. There was also discussion about the grantees, noting that these would be the parties eventually providing other infrastructural services to the township.

On the motion of Councillor MacLeod and Councillor MacDonald it was resolved that the Queenstown Lakes District Council:

- 1. Note the contents of the report;**
- 2. Approve underground services easements over:**
 - a. Local Purpose (Site for a Public Hall) reserve Lot 1 DP 411508 subject to Section 48 of the Reserves Act 1977.**

[Note: easements are also required over the following Council owned land, but is not reserve. These do not require the full Council Delegation of the Minister's Consent, but they are included for completeness to illustrate the greater context;]

- b. QLDC freehold land Section 3 & 4 Block X Town of Cardrona, Section 2 Block XI Town of Cardrona and Section 1197R Block I Town of Cardrona.**

for the following purposes:

- a. Right to convey water and sewerage in gross in favour of QLDC.**
- b. Right to convey water and gas in gross (grantee to be confirmed)**
- c. Right to convey telecommunications in gross (grantee to be confirmed)**
- d. Right to convey electricity in gross (grantee to be confirmed)**

subject to the following conditions:

- a. An agreement to grant easement is to be entered into between the applicant and QLDC. All costs associated with preparing the agreement are to be paid for by the applicant.**
- b. Grantees where not already confirmed, to be approved by the General Manager Community Services.**

- c. Any necessary resource consent, including for earthworks, and any relevant variations, are first obtained for the proposed development associated with the easement request.
 - d. No works may be undertaken within the reserve, unless a Reserve Permit is first sought and granted. The applicant shall contact APL Property to seek such a Reserve Permit, at least one month prior to any works within the reserve. A certificate of public liability cover by those undertaking the works is to be supplied. A bond may be required under the Reserve Permit, and this sum could be \$5,000 and is to address any damage to the reserve.
 - e. The applicant shall notify and actively liaise with the QLDC Infrastructure Department in advance of any onsite works, so they can oversee and provide input relating to any existing in-ground infrastructure.
 - f. A suitably qualified archaeologist as approved by the QLDC Parks and Reserve Department is to oversee the works and seek an Archaeological Authority from Heritage New Zealand should that be required.
 - g. All activities shall be undertaken in accordance with Worksafe New Zealand's standards for the work environment.
 - h. A comprehensive safety plan must be prepared and implemented, at the applicant's cost, to ensure a safe environment is maintained around the easement/excavation site, to ensure public safety.
 - i. Final alignment of the easement to be agreed with Council.
 - j. Within three (3) months of completion of the associated works the applicant is to provide QLDC with a surveyed easements and signed Deed of Easement.
 - k. All reinstatement works shall be completed to the satisfaction of Council's Parks and Reserves Department, and within the timeframes dictated.
3. Agree notification of the intention to grant the easements is not required, as the statutory test in Section 48(3) of the Reserves Act is met for the reasons set out in this report;

4. Delegate authority to approve final terms and conditions of the easements and execution authority to the General Manager Community Services; and
5. Agree to exercise the Minister's consent (under delegation from the Minister of Conservation) to granting of easements as above over Lot 1 DP 411508.

4. **Proposed Integrated Three Waters Bylaw**

A report from Janine Cole (Environmental Protection Advisor) presented the draft Integrated Three Waters Bylaw and Statement of Proposal for adoption in order to undertake public consultation in accordance with the Special Consultative Procedure.

Mr Hansby, Ms Moogan and Ms Burton presented the report.

It was noted that there was an error in the Statement of Proposal in that consultation would open on 30 July 2020 and not 31 July 2020 as printed in the published agenda.

Ms Moogan detailed the reasons for developing the new bylaw. She recommended a hearing panel consisting of Councillors Lewers, MacDonald and MacLeod. Councillor Gladding advised that she also wanted to join the hearing panel. The Mayor asked the recommendation to be changed to a 'hearing panel of four Councillors, of whom three are needed to form a hearing panel.' It was agreed that this part of the recommendation would be taken separately.

Councillor Clark commended those involved in preparation of the report and bylaw, praising in particular the thoroughness and detail.

Councillor Gladding sought further detail about the consultation already undertaken. She asked staff to include a summary of any pre-consultation in future reports of this nature. She asked about liability and the risk of the bylaw being administered by someone else in the future. Staff confirmed that administration of the bylaw would always sit with the Council regardless of any future operator. Councillor Gladding suggested that a statement to this effect be added to the draft Bylaw.

On the motion of Councillor MacDonald and Councillor Lewers it was resolved that the Queenstown Lakes District Council:

1. Note the contents of this report;
2. Adopt the Statement of Proposal and draft Integrated Three Waters Bylaw for the purposes of public consultation;
3. Approve the commencement of the special consultative procedure in accordance with section 83(1) of the Local

Government Act 2002 in relation to the proposal of a new Integrated Three Waters Bylaw.

On the motion of the Mayor and Councillor Clark it was resolved that the Queenstown Lakes District Council:

4. Appoint Councillors Gladding, Lewers, MacLeod and MacDonald to the hearing panel, three of whom are needed to form a hearing panel to hear and consider the submissions on the proposal and make recommendations to the Council on the adoption of the proposed Integrated Three Waters Bylaw.

5. Supply Boundary Adjustment - 341, 343 and 345 Arrowtown-Lake Hayes Road

A report from Richard Powell (Development Infrastructure Engineer) assessed a proposed extension to the wastewater scheme boundary to include 341, 343 and 345 Arrowtown-Lake Hayes Road, which included the consented waterfall park Hotel and the surrounding land proposed for residential development. The report advised that there was capacity within the network for what had been consented but did not support extending the scheme boundary around parcels of land where the potential future development yield was unknown. Accordingly, the report recommended that the Council approve the proposed water and wastewater service boundary adjustment for Lot 1 DP 540788 only.

Mr Hansby and Mr Glasner presented the report. It was confirmed that only Lot 1 was being added to the scheme and not the other rural or rural amenity lots discussed in the report.

On the motion of Councillor Clark and Councillor Ferguson it was resolved that the Queenstown Lakes District Council:

- 1. Note the contents of this report; and**
- 2. Agree to extend the wastewater supply boundary to include the properties legally described as Lots 1 DP540788 only (excluding Lots 2 and 3 DP 504788).**

6. Budget Adjustment for the Ladies Mile Master Plan and Plan Variation

A report from Liz Simpson (Senior Planner – Urban Development) recalled that the Council had previously approved proceeding with the Ladies Mile Masterplan and Plan Variation. Funding for the project had been provided equally over 2020/21 and 2021/22 but it was now apparent that funding for the work would be required over a much shorter period of nine months. The revised timeframe had resulted in a funding shortfall in the current financial year of \$450,000 that needed to be addressed by a budget adjustment. The report recommended that the Council approve the budget adjustment.

Mr Avery, Mr Bayliss and Ms Simpson presented the report. Mr Avery clarified that the impact was on existing budgets only and the project scope was still in line with the earlier Council decision.

Councillor Gladding spoke in opposition to the recommendation. She did not consider that the Council could guarantee the outcomes by following this course of action. She asked the Council to put the programme on hold and rethink it as part of its considerations of the Long-Term Plan. In her view, the impact of pausing would be insignificant.

Councillor Clark refuted this assertion, referring to the amount of work already undertaken on the project and the importance of the Council ensuring that a fully serviced community on Ladies Mile was established. She pointed out that the report was not seeking additional funding, but only to bring existing funding forward.

Clarification was sought on what outcome the Council wanted from the project. Mr Avery advised that the Council did not seek to develop Ladies Mile itself but to prepare a masterplan with a planning framework around it so that it had some control over what was built.

Councillor Smith advised that he supported the principles of integrated planning, but noted that when adopting the 2020/21 Annual Plan the Council had committed to reviewing its consultant spend. He considered that the report presented an extreme and ludicrous level of consultant spend for the outcome it would provide. Mr Avery considered that the costs were consistent with similar processes.

Councillor MacDonald supported the recommendation because he was concerned about the risk of the Council not undertaking this step. Councillor MacLeod observed that at the very least, transport issues in this area of Queenstown needed a positive outcome.

Ms Simpson confirmed that she was contacted at least weekly by developers interested in developing Ladies Mile themselves.

On the motion of Councillor MacDonald and Councillor Clark it was resolved that the Queenstown Lakes District Council:

- 1. Note the contents of this report; and**
- 2. Approve a budget adjustment for the 2020/21 year which increases the budget for the Ladies Mile Masterplan and Plan Variation project by \$450,000, to be load funded with 50% coming from the approved HIF funding (interest free Crown loans) and the remainder being absorbed within the Planning and Development 2020/21 budget.**

Councillor Gladding recorded her vote against the motion.

The Mayor expressed his displeasure at the presentation of another budget adjustment for the Council's consideration. He asked the Chief Executive to remind staff of the need for robust budgeting processes.

7. **COVID-19 Recovery Governance Structure**

A report from Michelle Morss and Stephen Batstone (Deputy Recovery Manager and Recovery Manager) proposed the establishment of a Recovery Steering Group (comprising elected members) to have oversight of the work of the Recovery Team.

Mr Batstone and Ms Morss presented the report.

Councillor Gladding advised that she supported the recommendation but wished to present an amendment to the proposed governance structure. Because the Recovery Steering Group should reflect the views of the Council, a dotted line should be inserted between Full Council and the Recovery Steering Group.

The Chief Executive questioned what change to the relationship Councillor Gladding wished to achieve via this amendment, as it could defeat the purpose of having a steering group. It was noted however, that the officer report identified this risk and the importance of members of the Recovery Steering Group being mindful of the position of all Councillors to ensure the needs of the full Council were met.

There was also discussion about the role of the Climate Action Co-ordinator within the Recovery Working Group Climate. It was agreed that due to the role of this position, it should sit formally within the structure of Recovery Steering Group.

On the motion of Councillor Gladding and Councillor Shaw it was resolved that the Queenstown Lakes District Council:

- 1. Note the contents of this report and approve the recommended governance structure for recovery; and**
- 2. Approve the membership of the Recovery Steering Group as being the Mayor (Chair), Councillor Macleod, Councillor MacDonald, Councillor Copland and Councillor Shaw.**

8. **Queenstown Airport Corporation Board Appointments**

A report from Alice Balme (General Counsel) advised of the resignation of Prue Flacks from her role as Chair of the Queenstown Airport Corporation Board, noting that this left a vacancy both as Chair and on the Board. The report recommended resultant changes within the existing Board members, namely, appointment of present Deputy Chair, Adrienne Young Cooper, as Chair and Board member Simon Flood as Deputy Chair, noting that this would leave one vacancy on the Board in the meantime.

Mr Burns presented the report.

Councillor Shaw asked when the vacancy on the Board would be filled and if this would occur soon. In reply, it was noted that the terms of two Board members were due for renewal in October 2020 and this represented an ideal opportunity also to fill the vacant position on the Board.

On the motion of the Mayor and Councillor Lewers it was resolved that the Queenstown Lakes District Council:

- 1. Note the contents of this report;**
- 2. Accept the resignation of Prue Flacks from the QAC Board;**
- 3. Agree to appoint Adrienne Young Cooper as the Chairperson of the QAC Board;**
- 4. Agree to appoint Simon Flood as the Deputy Chairperson of the QAC Board; and**
- 5. Authorise the Chief Executive to sign the Shareholder's Resolution giving effect to these appointments on behalf of QLDC.**

9. Chief Executive's Report

A report from the Chief Executive sought:

- Agreement to delegate authority to Councillor MacLeod to exercise the Council's vote at the Local Government New Zealand Annual General Meeting on 21 August 2020;
- Approval of a loan agreement with the Wānaka Community Hub Trust that may transfer to a capital grant if the Trust meets several proposed conditions.

Details of recent meetings were also presented in the report.

The Chief Executive noted an addition to part (2) of the recommendation, adding himself as a proxy to exercise the Council's vote at the Local Government New Zealand Annual General Meeting, in the event that Councillor MacLeod was unable to attend.

Members supported the funding support proposed for the Wānaka Community Hub Trust, as it would help the Trust to realise the full potential of its new facility and establish as a thriving and affordable community asset.

On the motion of Councillor MacDonald and Councillor Gladding it was resolved that the Queenstown Lakes District Council:

- 1. Note the contents of this report;**
- 2. Delegate Councillor MacLeod the power to exercise the Council's vote at the Local Government New Zealand**

**Annual General Meeting to be held on 21 August 2020
with the Chief Executive appointed as alternate;**

- 3. Agree to offer the Wānaka Community Hub Trust a free interest-bearing loan of \$500,000, repayable over five years;**
- 4. Authorise the GM Finance Legal and Regulatory to enter into an agreement with the Wānaka Community Hub to record the terms of the loan and also to provide that the loan will transfer to a capital grant if QLDC is satisfied that the Wānaka Community Hub Trust meets the following conditions within the next 12 months:**
 - a. The Wānaka Community Hub Trust agrees to allow a management representative of Council to work with and sit alongside the Wānaka Community Hub Trust Board of Trustees for the next 12 months.**
 - b. The WCHT agrees to a review being conducted by the WCHT BOT/QLDC of the WCHT operational model within 6 months (recommendations to be discussed at 6-month review period). If at the 12-month period QLDC is not satisfied with the progress of the Wānaka Community Hub Trust Board of Trustees, the loan will accumulate interest from this period forward until all conditions are satisfied to QLDC's approval.**
 - c. That subject to the review, fees and charges for building utilisation will align with the QLDC Community Facility Pricing Policy January 2020 where possible (or lower).**
- 5. Authorise the GM Finance Legal and Regulatory to finalise the terms of any agreement subject to the inclusion of the above conditions and a requirement that the decision to transfer the loan to a grant will require a resolution of the Council.**

Resolution to Exclude the Public

On the motion of the Mayor and Councillor Shaw the Queenstown Lakes District Council resolved that the public be excluded from the following parts of the meeting:

The general subject of each matter to be considered whilst the public is excluded, the reason 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 are as follows:

Agenda items:

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
10. Chief Executive End of Term Review	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 where the withholding of information is necessary to: a) protect the privacy of natural persons (including deceased natural persons);	Section 7(2)(a)

This recommendation is made in reliance on Section 48(1)(a) 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 or Section 6 or Section 7 or Section 9 of the Official Information Act 1982 as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above with respect to each item.

The meeting went into public excluded at 2.05pm.

All staff except Ms Pagey left the meeting at this point.

The meeting came out of public excluded and concluded at 2.25pm.

CONFIRMED AS A TRUE AND CORRECT RECORD

MAYOR

DATE

Minutes

Confirmation of public part of minutes:

4 August 2020 (Extraordinary meeting)