



30 August 2021

[REDACTED]

Sent via email to [REDACTED]

Dear [REDACTED],

REQUEST FOR OFFICIAL INFORMATION RECEIVED – PARTIAL RELEASE OF INFORMATION

Thank you for your request for official information dated 26 July 2021. You have requested the following information from the Queenstown Lakes District Council (QLDC):

1. Can we see all internal documentation and communication relating to QLDC’s decision to proceed with Lakeview - limited to key decisions and key people (in order to make this request practical.)
2. We would like to see details and documents relating to the procurement process for the Lakeview development partners - how were they brought on board and contracted? Augusta Capital and Ninety Four Feet. We would like to view the contracts.
3. In particular - how was the decision to work with Ninety Four Feet Ltd? Does QLDC have any prior connections with this company? [REDACTED]
4. What cost/risk analysis has been done by QLDC of the Lakeview project. Please supply relevant documentation.
5. What is the QLDC return on investment (ROI) analysis for this project? Please supply documentation?
6. How has the Lakeview project been changed to reflect the post COVID social, employment and economic circumstances in Queenstown? Please supply all relevant emails and documentation.
7. Can QLDC please supply all evidence of compliant consultation with the community and elected councillors on the Lakeview Project in relation to the Local Government Act?
8. Can QLDC please provide any and all documentation specifically on the subject of the Lakeview project’s reliance on the arterial roading project? How exactly do these projects relate to each other? Is the arterial road project necessary because of the Lakeview project - especially as post COVID traffic volumes have dropped dramatically and commerce/business/retail has moved out to Frankton?

QLDC response

1. Can we see all internal documentation and communication relating to QLDC’s decision to proceed with Lakeview - limited to key decisions and key people (in order to make this request practical.)

The relevant document trail has been attached in the below attachment entitled "Lakeview Development QLDC Documents". Specifically at the QLDC Council meeting on 26 October 2017 the Council made a number of resolutions, the effect of which was to proceed with the Lakeview development proposal.

The resolution relevant to this advice reads as follows: "...it was resolved that the Council; ... (4.) Authorise the Chief Executive to; ... (c.) negotiate and execute transaction agreements with development partner(s) subject to the parameters."

The following documents are held in this attachment:

Lakeview QLDC Documents:

- QLDC agenda item dated 26/10/2017
- QLDC agenda item dated 28/6/2018
- QLDC Agenda covering report (document for signing and sealing) dated 9/10/2019
- QLDC Agenda item 6 – REOI Report

[Lakeview Development QLDC Documents](#)

Attached in the below attachment titled Professional Advice Documents are the following letters of independent professional advice which were obtained by QLDC in the process of due diligence:

- Minter Ellison Rudd Watts letter dated 8/10/19
- CBRE letter dated 7/10/19
- BDO letter dated 9/10/19

[Professional Advice Documents](#)

Decision to withhold information requested

Commercial sensitivity – letters redacted and attachment withheld

The three letters shared with you above (Minter Ellison Rudd Watts, CBRE and BDO) include redactions, in accordance with section 7(2)(h) of the Local Government Official Information and Meetings Act 1987 (LGOIMA). Section 7(2)(h) of the LGOIMA provides that information may be withheld if it is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.

In this case, QLDC is unable to release the redacted data held in these letters which relate to professional advice on the basis that the documents should be withheld to enable QLDC to carry out without prejudice or disadvantage, commercial activities (s7(2)(h)). The Lakeview development is a live contract that is the basis of ongoing activities and possibly further commercial negotiations with the developer.

The "Lakeview Precinct REOI Evaluation Report" which was attached to the "QLDC Agenda item 6 – REOI Report" in the first attachment has been withheld in full in accordance with section 7(2)(b)(ii) of the LGOIMA. Section 7(2)(b)(ii) of the LGOIMA provides that good reason for withholding information exists if making the information available 'would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information' unless other considerations exist which render it desirable in the public interest to release the information. In this

case, the redactions were necessary to protect the commercial position of those companies (successful and unsuccessful) which responded to the Expression of Interest for the Lakeview Development.

2. We would like to see details and documents relating to the procurement process for the Lakeview development partners - how were they brought on board and contracted? Augusta Capital and Ninety Four Feet. We would like to view the contracts.

At the QLDC Council meeting on 26 October 2017 (refer above attachment) the Council made a number of resolutions, the effect of which was to proceed with the Lakeview development proposal.

The resolution relevant to this advice reads as follows: “...it was resolved that the Council; ... (4.) Authorise the Chief Executive to; ...”a. issue a request for an expression of interest (EOI) seeking development partners for the Land, with an intention to shortlist and seek formal request for proposals (RFP) from that shortlist; (b.) consider offers for the Land as a whole, or in selected packages and seek the Council’s approval of the short listed parties and financial parameters;...”

Decision to withhold remaining information requested

Commercial sensitivity – documents withheld in full

QLDC has decided to withhold the Development Agreements relating to the Lakeview Development in accordance with section 7(2)(h) of the Local Government Official Information and Meetings Act 1987 (LGOIMA). Section 7(2)(h) of the LGOIMA provides that information may be withheld if it is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities

In this case, QLDC is unable to release the contracts or the Development Agreement on the basis that the document should be withheld to enable QLDC to carry out without prejudice or disadvantage, commercial activities (s7(2)(h)) . The Development Agreement is a live contract that is the basis of ongoing activities and possibly further commercial negotiations with the developer.

3. In particular - how was the decision to work with Ninety Four Feet Ltd? Does QLDC have any prior connections with this company? [REDACTED]

QLDC has not had any prior connections with Ninety Four Feet.

4. What cost/risk analysis has been done by QLDC of the Lakeview project. Please supply relevant documentation.

QLDC has previously supplied [REDACTED] with the Lakeview Development indicative programme business case on or about 26 May 2021 that was publicly available on our website.

In addition to this, the advantages and disadvantages (risks) for the Lakeview Project addressing the council decision to proceed with a transaction approach (under development agreement) over a

straight sale, can be found in the commentary and options section(s) of the 17 August 2017 publicly available council report, item 5 - Lakeview commercial land development objectives and ownership (page 189 paragraphs 29 to 40). [Full Council \(qldc.govt.nz\)](https://www.qldc.govt.nz).

The 26 October 2017 report (also available at the above website link) provides a further assessment of the risks with the approach taken by the council in the transaction recommendations and 'go to market' strategy section of the report (page 83, paragraphs 70 to 78).

QLDC has also provided the following (27 July 2021) media response to your earlier question regarding who had provided QLDC the commercial advice referenced in the two reports (refer below attachment).

[Indicative Programme Business Case 2016](#)

5. What is the QLDC return on investment (ROI) analysis for this project? Please supply documentation?

Other than what has been provided in previous council reports and documents (referenced above) the 29 July 2021, Lakeview Infrastructure Programme – Budget Adjustment Council report references (in paragraph 61):

“The proposed budget adjustments required for the subdivision works effectively adds \$3.2 million to the cost of sale for the land. This combined with the additional \$1.8 million for site clearance works equates to \$5.0 million, which will reduce the forecast “net surplus” for the Lakeview transaction to approximately \$27 million.”

A full breakdown of Lakeview Project costs and currently anticipated returns is provided in the following attachment. Please note this assessment does not include the value of the Lynch Block (subdivision Lot 16) or any potential profit share payments from QT Lakeview Developments.

[Lakeview Financials August 2021](#)

6. How has the Lakeview project been changed to reflect the post COVID social, employment and economic circumstances in Queenstown? Please supply all relevant emails and documentation.

The Lakeview project is a long term (10 to 15 year) project, expected to span multiple economic cycles with clear objectives (approved by full Council 17 August 2017) around maximising financial return and minimising risk to ratepayers and developing a well-designed residential focused mixed-use precinct quickly and efficiently.

The Lakeview project was not considered by the Council for Crown Infrastructure Partners (CIP) funding but was considered by the Council as part of the 2021/31 Ten Year Plan (post COVID) process.

7. Can QLDC please supply all evidence of compliant consultation with the community and elected councillors on the Lakeview Project in relation to the Local Government Act?

Commentary regarding consultation with the community is provided within the various council reports and documents referenced above. In summary the Lakeview sale and development plan is the culmination of 20 odd years of planning, public consultation and investment. In fact the work began in the period 1998 to 2002 when the Council seriously looked at how it might better utilise the land to help solve some of the emerging issues (at that time) of an economy reliant on traditional tourism and construction based activities, including difficulty attracting private sector investment in the Queenstown Town Centre and countering urban growth or “sprawl” away from the Queenstown Town Centre.

Considerable consultation took place. This includes:

- Tomorrow’s Queenstown Strategy (2002); Growth Management Strategy (2007); The Town Centre Strategy (2008); and a further business zones capacity study (2013)
- Plan Change 50 rezoning the Lakeview Precinct (2016)

This culminated with a land swap of Council-owned freehold land for an equal area of reserve land which was approved by the Minister of Conservation.

8. Can QLDC please provide any and all documentation specifically on the subject of the Lakeview project’s reliance on the arterial roading project? How exactly do these projects relate to each other? Is the arterial road project necessary because of the Lakeview project - especially as post COVID traffic volumes have dropped dramatically and commerce/business/retail has moved out to Frankton?

This was covered in the partial response to your request dated 23 August 2021.

INSERT FROM 23 AUGUST RESPONSE:

Firstly I wish to highlight that the development agreement between QLDC and Ninety Four Feet is commercial in confidence and as a result we are unable to make it available to the public, however we are able to provide the wording in respect to the arterial clause.

This same commercial sensitivity is the cause for the delay in responding to the other questions as they include many commercial in confidence documents that we are currently reviewing for potential release. Of course the COVID 19 Level 4 lockdown has made this more difficult and time consuming.

The response to your question has been broken onto two separate parts for clarity, as follows:

Part 1: “Can QLDC please provide any and all documentation specifically on the subject of the Lakeview project’s reliance on the arterial roading project? How exactly do these projects relate to each other?”

The Lakeview project does not rely on the arterial roading project because there is no requirement for QLDC to complete the arterial project under its contractual commitments to QT Lakeview Developments, the development agreement (between QLDC and QT Lakeview Developments) specifically states that “... the Queenstown CBD arterial route projects – Thompson/Man Street upgrade is not part of the council works and places no reliance on the arterial upgrade proceeding at any particular time or in any particular manner...” (quote from the Development Agreement).

Last month’s (29 July) Lakeview council report referenced in paragraphs 10, ancillary projects which the council previously decided in 12 March 2020 to undertake concurrently with the Lakeview subdivision infrastructure projects. These capital works on the arterial (highlighted in yellow within Attachment A of the 29 July report) amounted to effectively completing a small portion of works that

were otherwise intended to be undertaken as part of Stage 3 of the arterial project. The works are merely preparatory to Stage 3, and would ensure that work done on the road layout now would not have to be completely undone when Stage 3 is eventually built in around 10 or so years.

Part 2: “Is the arterial road project necessary because of the Lakeview project - especially as post Covid traffic volumes have dropped dramatically and commerce/business/retail has moved out to Frankton?”

Development at Lakeview will reflect part of the estimated traffic flow along the arterial road, but the arterial road is not necessary because of the Lakeview development.

The Queenstown Town Centre Arterial is a key enabling project for the Queenstown Town Centre. Stage 1 will link Melbourne and Henry Streets, removing general traffic from Stanley Street and unlocking a range of other investments that will vastly improve the town centre experience for locals and visitors. Stage 2 will link Gorge Road to Hay Street and Stage 3 (going past the Lakeview site) will link Hay Street to One Mile Roundabout, similarly removing general traffic from Shotover Street and unlocking a range of other investments that will vastly improve the town centre experience for locals and visitors.

Further information is available on our website at: [Queenstown Town Centre Arterial Road \(qldc.govt.nz\)](http://QueenstownTownCentreArterialRoad.qldc.govt.nz)

Public interest considerations

Please note that we consider the interests of the public when making decisions to withhold requested information, including considerations in favour of release, whether the disclosure of the information would actually promote those considerations, and whether those considerations outweighed the need to withhold the information.

Promoting the accountability and transparency of local authority members and officials is in the public interest, as is the general public interest in “good government”. Where possible, we have favoured the release of information.

Right to review the above decision

Note that you have the right to seek an investigation and review by the Ombudsman of this decision. Information about this process is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

If you wish to discuss this decision with us, please contact Naell.Crosby-Roe@qldc.govt.nz (Governance, Engagement & Communications Manager). We trust this response satisfactorily answers your request.

Kind regards,



Phil Jones
Senior Governance and Official Information Advisor

