

Minutes of an extraordinary meeting of the Queenstown Lakes District Council held in the Council Chambers, 10 Gorge Road, Queenstown on Tuesday 17 September 2013 commencing at 1.00pm.

**Present**

Mayor van Uden; Councillors Battson, Cocks, Gazzard, Gilmour, Mann, Mawhinney, Overton, Perkins, Stammers-Smith and Tattersfield

**In attendance**

Adam Feeley (Chief Executive Officer), Warrick Chalmers (Populous), John Schellekens (CBRE) and Jane Robertson (Governance Advisor); six members of the media; approximately 35 members of the public

**Apologies**

An apology for lateness was received from Councillor Battson.

**On the motion of Councillors Cocks and Mann the Council resolved that the apology be received.**

**Leave of Absence Requests**

Councillor Gilmour sought Leave of Absence from 28 September to 11 October.

**On the motion of Councillors Stammers-Smith and Overton the Council resolved that the Leave of Absence be approved.**

**Declarations of Conflict of Interest**

No declarations of Conflicts of Interest were made.

**Confirmation of Agenda**

The agenda was confirmed without addition or alteration.

*Councillor Battson entered the meeting at 1.02pm.*

**Public Forum**

**1. Warren Cooper**

Mr Cooper stated that although he agreed Queenstown needed a Convention Centre, the project being contemplated by the Council should not proceed as there was too much unknown about it. He believed that instead of the direction recommended in the report, the Council needed to exhaust all other opportunities, including a Convention Centre development undertaken by the private sector. He believed that the proposal currently before the Council had been compiled by vested interests, and he considered the proposal shallow and the interests questionable. He noted that whilst central government may contribute \$10M to the project, he did not accept that revenue of \$115M per annum was possible.

Overall, Mr Cooper did not consider that there was sufficient certainty in the current proposal to waste money and he believed that the facility would ultimately be a white elephant.

2. Bryce Whiting

Mr Whiting questioned the legality of the proposal in light of change to the purpose of local government in the new Local Government Act. He doubted that a Convention Centre could be regarded as 'local infrastructure' and it was definitely not a 'core service'. He felt that it should be considered a commercial activity although it was not expected to make a profit and would be partially funded by asset sales, meaning that it would fail the financial prudence tests contained in the Local Government Act 2002.

Mr Whiting disagreed that Queenstown needed a Convention Centre although he acknowledged that the hotels in Queenstown would like to have one. He noted that 'infrastructure' was not defined in the Local Government Act but reasoned that it could be considered those items needed in a modern, functioning society.

Mr Whiting compared the situation in Queenstown with the development of an arts and convention centre on the Gold Coast of Australia which provided seating for up to 6000 people. Despite the fact that it was a huge catchment area containing a large ratepayer base, this project had not been funded locally but by the Queensland State Government as it was deemed national infrastructure rather than local infrastructure. He questioned whether the small ratepayer base in this district could fund an item of national infrastructure.

3. Kim Wilkinson

Mr Wilkinson stated that he strongly supported the Council making a firm commitment to the Lakeview site for a new Convention Centre. He noted that the Council had discussed the project for two years and it made sense now to proceed to the next stage. He referred to predictions from 20 years ago that the Queenstown CBD would become a tourist only area but the development of a Convention Centre on the Lakeview site would bring balance to the type of visitor to Queenstown and dispel the image of it being a party town.

4. Charlie Phillips

Mr Phillips stated that he was speaking on behalf of the Queenstown Chamber of Commerce. The Chamber stood by its written submission supporting the development of a Convention Centre in a CBD location and supported the recommendation to commit to the project, but with the proposed caveats and exit options.

5. Alistair Porter

Mr Porter made the following comments:

- Remarkables Park Ltd had submitted a proposal to develop a Convention Centre on the Remarkable Park site in response to the Council's original request for Expressions of Interest (EOI). Remarkables Park would have contributed \$20M as part of this package.
- The proposal for a Convention Centre outside the CBD had been supported by national experts but the bid had been rejected under the Council's EOI assessment process. Similar doubts about the success of a retail development outside the CBD had been expressed about the original

Remarkables Park development but these concerns had been shown to be unfounded.

- The Council's CEO had been advised as part of the EOI debriefing process that Remarkables Park intended to undertake its own Convention Centre development.
- Resource consent for a Convention Centre development at Remarkable Park on a Greenfields site would be straightforward to obtain and the centre could be operational by 2014. Plans were for it to be able to seat 650 people and hold functions for more than 900.
- The project could be funded by private equity and debt and Remarkables Park did not need an immediate return on capital. It was a business and was serious about the proposal. It was the largest commercial developer in Queenstown and had the resources available to build a Convention Centre right now without any contribution from local or central government.
- Remarkables Park was not concerned about competing with a Convention Centre in the CBD.
- Mr Porter dismissed concerns about his motives in making his public statement about a second Convention Centre the day before the Council meeting, citing various reasons why he had been unable to issue the release at a different time.
- In response to a question about the timetable for the proposal Mr Porter amended his previous comment, stating that a resource consent application could be made before the end of 2013, with construction taking place during 2014 and the centre operational in 2015. The proposal had controlled activity status in the Remarkables Park Zone which meant that the application could be processed on a non notified basis. Accordingly, he was confident that consent would be quick and easy to obtain.

**1. Convention Centre Project: Public Consultation, Options and Next Steps (COU130901X)**

A report from Adam Feeley (Chief Executive):

- Detailed the outcome of the public consultation undertaken on the Queenstown Convention Centre Project;
- Commented on the main issues raised in the public consultation; and
- Set out options and possible next steps for the Council's consideration.

The report recommended that the Council progress the Queenstown Convention Centre Project to the next stage, subject to conditions.

There was general support for the recommendation as members agreed that it only served to commit the Council to taking the next investigatory steps and did not commit the Council irreversibly to the project. It was noted that by taking the position promulgated in the recommendation, central government funding could be sought.

Members questioned at what point a full assessment of costs would be made. It was noted that whilst conceptual costs had been completed for each of the

three sites, final costings would be prepared after a master plan had been developed, but before deciding upon any project development agreement.

Mayor van Uden observed that concurrently with the investigatory work recommended by the report being undertaken, discussions should also take place with Remarkables Park Limited about its Convention Centre proposal. However, she considered that the recommendation as drafted could accommodate these discussions taking place without any addition or amendment being necessary.

Councillor Gilmour noted that the report discussed various concerns expressed by Jan Tonkin of *The Conference Company* which she did not consider were adequately addressed in the report or recommendation. Whilst generally supportive of the proposed direction, she considered that more information than suggested by the recommendation was necessary to enable the Council to make a fully informed decision when the next stage of the project was reached. She suggested a number of amendments to the recommendation to address these concerns.

Following considerable discussion, Mayor van Uden agreed to accept additional points in respect of providing the total cost of the project (as part of the master-plan) and the development of a business case. She also noted that the report back to Council should be pushed out by a further month to 30 November 2013, as she considered that 31 October 2013 was too soon after the new term of Council beginning.

**On the motion of Councillors Mann and Mawhinney  
the Council resolved that it:**

- a. Note the contents of this report, and in particular:**
  - i. the analysis of feedback from the public submissions and survey processes; and**
  - ii. the comments provided in response to the issues raised through the submission process;**
- b. Resolve to:**

**Lead the development of a convention centre proposal at the Lakeview site as part of an integrated development model at that site; subject to:**

- i. Central Government confirming a capital contribution to the convention centre;**
- ii. Council approving:**
  - 1. a master-plan for the Lakeview development that includes the total cost of the project;**
  - 2. a preferred rating model to fund a Council contribution;**
  - 3. a project development agreement for the Lakeview site; and**
  - 4. a business plan**

- c. Direct Council officers to:
- i. Provide Council with an options master-plan for Lakeview by 30 November this year;
  - ii. Undertake a ratings impact analysis for funding capital or operating contributions to the QCC, including rating options;
  - iii. Report back to Council by 30 November 2013 on:
    1. resource consent options and issues for the Lakeview site;
    2. possible transport implications for the development of the Lakeview site;
    3. Infrastructure issues which may arise from the QCC development external to the Lakeview site.
- d. Note the Mayor will issue a media release in respect of this report.

*The meeting concluded at 2.04 pm.*

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**M A Y O R**

8 October 2013

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