

**I give notice that  
an Ordinary Meeting of Council will be held on:**

<b>Date:</b>	<b>Tuesday, 31 May 2022</b>
<b>Time:</b>	<b>1.00pm</b>
<b>Location:</b>	<b>Council Chamber 107 te Heuheu Street Taupō</b>

# **AGENDA**

## **MEMBERSHIP**

**Chairperson** Mayor David Trewavas  
**Deputy Chairperson** Cr Christine Rankin

**Members**

- Cr John Boddy
- Cr Kathy Guy
- Cr Tangonui Kingi
- Cr Kylie Leonard
- Cr John Mack
- Cr Anna Park
- Cr Kevin Taylor
- Cr Kirsty Trueman
- Cr Yvonne Westerman
- Cr John Williamson

**Quorum** 6

**Gareth Green**  
**Chief Executive Officer**

## Order Of Business

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<b>2</b>	<b>Conflicts of Interest</b>	
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**3.1 ORDINARY COUNCIL MEETING - 26 APRIL 2022**

**Author:** Shainey James, Governance Quality Manager

**Authorised by:** Nigel McAdie, Legal, Risk and Governance Manager

**RECOMMENDATION(S)**

That the minutes of the Council meeting held on Tuesday 26 April 2022 be confirmed as a true and correct record.

**ATTACHMENTS**

1. Council Meeting Minutes - 26 April 2022

**4.1 NEW PUBLIC ROAD NAMES - TAUHARA MANAGEMENT LTD, KOKOMEA VILLAGE**

**Author:** Louise Wood, Senior Resource Consents Planner

**Authorised by:** John Ridd, General Manager Policy and Strategy

**PURPOSE**

This item is being presented to Council to make a decision on new public road names within the Tauhara Management Limited subdivision.

**EXECUTIVE SUMMARY**

There are a number of new public roads within this subdivision that require names. Tauhara Management Limited (the developers) have selected the preferred names in consultation with Nga Hapu o Tauhara. The proposed road names are considered appropriate and there are no duplications or similarities to other road names in the Taupō District.

**RECOMMENDATION**

That Council approves the following road names:

- Ngaru Crescent
- Tai Road
- Repo Street
- Manga Street
- Ruku Lane
- Uta Lane
- Tatahi Lane

**BACKGROUND**

The proposal has not been presented previously.

This item is being presented to Council to make a decision on new public road names within Stages 1B, 2 and 3 of the Tauhara Management Limited subdivision, to be known as 'Kokomea Village'.

The subdivision originates from the East Urban Lands masterplan consent for residential and commercial development that was granted in 2009 and covers all of the land to the east of Lake Terrace to the ETA boundary and up to Napier Road to the north. The western part of the masterplan area adjoining Lake Terrace was granted variation and subdivision consents last year to Tauhara Management Limited for residential lots, a retirement village and a commercial centre.

The subdivision is under construction and the developer would now like road names for the roads and lanes that will service the residential lots within Stages 1A, 2 and 3.

**DISCUSSION**

The proposed road names are considered appropriate given that there are no duplications or similarities to other road names in the Taupō District and they also meet the requirements of the ASNZS 4819 Rural and Urban Address and Road Naming Standard 2011. Therefore the preferred option is to approve the road names as proposed.

The developer has selected the preferred names and have consulted with emergency services (Police, St John Ambulance and Fire Service). No objections were raised by these parties.

Based on this information it is considered that the road names presented are appropriate. Council has the following options:

1. Accept the names

2. Reject the names
3. Select alternative names

**OPTIONS**

Analysis of Options

The developer has selected their preferred road names and the names are considered to be appropriate given that there are no duplications or similarities to other road names in the Taupō District. It is not considered effective to reject or select alternative road names given the level of acceptance by key parties.

Option 1. Accept the road names

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• The road names are unique</li> </ul>	<ul style="list-style-type: none"> <li>• Selection of an alternative road names would require further consultation</li> </ul>
<ul style="list-style-type: none"> <li>• There are no other similar road names within the District</li> </ul>	
<ul style="list-style-type: none"> <li>• There has not been any negative feedback on the names</li> </ul>	

Option 2. Reject the road names

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Opportunity to select potential alternative road names that may be more suitable</li> </ul>	<ul style="list-style-type: none"> <li>• Selection of alternative road names would require further consultation</li> </ul>

Option 3. Select alternative road names

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Opportunity to select potential alternative road names that may be more suitable</li> </ul>	<ul style="list-style-type: none"> <li>• Selection of alternative road names would require further consultation</li> </ul>
	<ul style="list-style-type: none"> <li>• The item would be required to be presented to Council again</li> </ul>

Analysis Conclusion:

It is considered appropriate to accept the road names presented by the developer.

**CONSIDERATIONS**

**Alignment with Council’s Vision**

Council’s vision is ‘to be the most prosperous and liveable district in the North Island’. This is accompanied by a core set of values to underpin decision-making, the following of which are relevant to this particular proposal: Authentic; Charming; Vibrant; Quality.

**Financial Considerations**

There are no financial impacts associated with the proposed road names.

**Legal Considerations**

Local Government Act 2002

The matter comes within scope of the Council’s lawful powers, including satisfying the purpose statement of [Section 10](#) of the Local Government Act 2002. That section of the Act states that the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. It is considered that the cultural well-being of communities is of relevance to this particular matter.

The proposed road names have been evaluated with regards to the relevant road naming regulations and are consistent with these requirements.

### **Policy Implications**

There are no known policy implications.

### **Māori Engagement**

Taupō District Council is committed to meeting its statutory Tiriti O Waitangi obligations and acknowledges partnership as the basis of Te Tiriti. Council has a responsibility to act reasonably and in good faith to reflect the partnership relationship, and to give effect to the principles of Te Tiriti. These principles include, but are not limited to the protection of Māori rights, enabling Māori participation in Council processes and having rangatiratanga over tāonga.

Our statutory obligations outline our duties to engage with Māori, and enable participation in Council processes. Alongside this, we recognise the need to work side by side with the ahi kaa / resident iwi of our district. Engagement may not always be required by law, however meaningful engagement with Māori allows Council to demonstrate good faith and our commitment to working together as partners across our district.

For new public road names, consultation with Māori is required. The developer has consulted with Nga Hapu o Tauhara with which there is a formal relationship / kawenata, and the names were put forward by Nga Hapu o Tauhara. The names all relate to water i.e. Ngaru – wave. As such, the road names are supported by Nga Hapu o Tauhara.

### **Risks**

There are no known risks.

### **SIGNIFICANCE OF THE DECISION OR PROPOSAL**

Council's Significance and Engagement policy identifies the following matters that are to be taken into account when assessing the degree of significance of proposals and decisions:

- a. The level of financial consequences of the proposal or decision;
- b. Whether the proposal or decision will affect a large portion of the community or community of interest;
- c. The likely impact on present and future interests of the community, recognising Maori cultural values and their relationship to land and water;
- d. Whether the proposal affects the level of service of an activity identified in the Long Term Plan;
- e. Whether community interest is high; and
- f. The capacity of Council to perform its role and the financial and other costs of doing so.

Officers have undertaken a rounded assessment of the matters in clause 11 of the Significance and Engagement Policy (2016), and are of the opinion that the proposal under consideration is of low importance.

### **ENGAGEMENT**

Taking into consideration the above assessment, that the decision is of a low degree of significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

### **COMMUNICATION/MEDIA**

No communication/media required.

### **CONCLUSION**

It is recommended that Council approves the road names as presented.

### **ATTACHMENTS**

1. Map of New Road Names

**4.2 TAUPŌ AIRPORT AUTHORITY REQUEST FOR FUNDING**

**Author:** Danielle Klue, Finance Business Partner

**Authorised by:** Kevin Strongman, General Manager Operations and Delivery

**PURPOSE**

To request a loan facility for the Taupō Airport Authority (TAA) from Council of \$300,000.

TAA202205/06 resolution from the Taupō Airport Authority Committee Meeting held on 16 May 2022: That the Taupō Airport Authority Committee recommends to Council that a loan facility of \$300,000 from Taupō District Council to Taupō Airport Authority should be approved to support TAA to meet its short-term operational cashflow commitments.

**EXECUTIVE SUMMARY**

TAA's revenue has been negatively impacted by Covid-19 and the Airport has undergone some land development and therefore requires additional funding to be able to continue to operate in the short-term.

The preferred option is for Council to provide a loan facility to TAA of \$300,000. The interest rate charged to TAA would be Council cost of funds plus a credit margin.

\$200,000 will initially be drawn down and paid back over a maximum period of 5 years. \$100,000 is available for future drawdowns if needed.

**RECOMMENDATION(S)**

That Council approves the loan facility to the Taupō Airport Authority of \$300,000.

**BACKGROUND**

The proposal has not been presented previously.

TAA is a 50/50 joint venture between Taupō District Council (TDC) and the Ministry of Transport (MoT). TAA is classified as a TDC Council Controlled Organisation (CCO).

As is the case with many Airports the TAA's operating revenue has been negatively impacted by Covid-19 in the past two years and therefore TAA requires a loan to be able to fund operational expenses to keep the Airport running. When comparing the revenue from landing fees and terminal passenger charges to the same month prior to Covid-19/March 2020 the total impact is a \$250k reduction in revenue.

The need for a loan has been accelerated recently with \$110k of costs to clear the land around the Airport of scrub being incurred earlier than expected, this land clearing has increased the area available to crop so will mean increased haylage revenue in the future. If it wasn't for Covid-19 impact above TAA probably would have had the funds to do this work.

**DISCUSSION**

Based on this information it is considered that there are 5 options. All options are allowed within the Treasury Management Policy.

Council will engage our treasury and tax advisors PricewaterhouseCoopers (PwC) as to; the appropriate margin that should be added to the interest rate based on the TAA's shadow credit rating, any tax consequences, and to prepare the appropriate documentation. They have done similar work for other councils that have lent to CCO's, and recommend the facility instrument as the best way for TDC to provide the financial support required by TAA. The facility will be able to be utilised if needed in the future (should this be required) without further establishment costs and also sets up the framework for lending to other CCO's.

TAA is expecting increased revenue once the redevelopment project is finished and the impact of Covid-19 is lessened, therefore it anticipates to be able to meet the repayment due dates and also to be able to repay in full prior to the end of the loan term.

Under the joint venture deed all costs incurred in maintaining, managing and improving the airport shall be borne one half by the Crown and the other by TDC. Therefore we will be seeking to explore with MoT their commitments to cover their portion of this loss. However the decision around the loan is needed now so that TAA has cashflow.

The estimated interest rate is ~5%, which over a 5 year term would equate to quarterly repayments of ~\$11,400 for the \$200k initial drawdown.

**OPTIONS**

Analysis of Options

Option 1. Council provides loan facility to TAA - margin added to interest rate to reflect risk of TAA

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Small interest revenue to Council to help cover the cost of implementing the loan</li> <li>• Reflects risk of default by TAA</li> <li>• Shows proper process to TAA Joint Venture partner MOT, external audit and regulators / rating agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Higher cost to TAA, could increase repayment risk to Council</li> <li>• Increases Council's external net debt, as the loan to TAA is unable to be included in liquidity calculations for regulators and rating agencies</li> <li>• Reduces Council's available funds OR Council would need to fund by external loan to avoid reduction in available funds</li> </ul>

Option 2. Council provides loan facility to TAA - no margin added to interest rate

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Cheaper for TAA (of which Council is a 50% joint-venture partner)</li> </ul>	<ul style="list-style-type: none"> <li>• Credit risk to Council not recognised</li> <li>• Council won't recover cost paid to implement the loan</li> <li>• Increases Council's external net debt, as the loan to TAA is unable to be included in liquidity calculations for regulators and rating agencies</li> <li>• Reduces Council's available funds OR Council would need to fund by external loan to avoid reduction in available funds</li> </ul>

Option 3. Council provides loan facility to TAA - zero interest loan

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Cheaper for TAA (of which Council is a 50% joint-venture partner)</li> </ul>	<ul style="list-style-type: none"> <li>• Cost to Council/rate payers</li> <li>• Sets a precedent for any future CCO lending</li> <li>• No incentive for TAA to repay the loan early or to only borrow for necessary costs</li> <li>• Credit risk to Council not recognised</li> <li>• Council won't recover cost paid to implement the loan</li> <li>• Increases Council's external net debt, as the loan to TAA is unable to be included in liquidity calculations for regulators and rating agencies</li> <li>• Reduces Council's available funds OR Council would need to fund by external loan to avoid reduction in available funds</li> </ul>

Option 4. Council acts as guarantor for TAA to get a loan or overdraft direct with the bank or LGFA

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Does not increase Councils external net debt</li> </ul>	<ul style="list-style-type: none"> <li>Some ambiguity exists as to the TAA's status as a legal entity with no specific powers to borrow in the Deed of Establishment</li> <li>Overdraft would incur facility fees on top of interest, so would be costly.</li> <li>Council is still taking on risk as acting as guarantor.</li> </ul>

Option 5. Council does not lend to TAA or act as guarantor

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Council does not take on any risk of lending</li> </ul>	<ul style="list-style-type: none"> <li>If TAA cannot secure a loan on their own the Airport will run out of money and therefore will not be able to continue operating.</li> <li>It is unlikely that TAA would be able to borrow on an unsecured basis.</li> </ul>

Analysis Conclusion:

It is recommended that option 1 is approved by Council.

**CONSIDERATIONS**

**Alignment with Council’s Vision**

Council’s vision is ‘to be the most prosperous and liveable district in the North Island’. This is accompanied by a core set of values to underpin decision-making, the following of which are relevant to this particular proposal: World Class; Quality; Resilient and Value.

**Financial Considerations**

The financial impact of the proposal up to \$17,000 to engage our treasury and tax advisors to provide advice and prepare documentation.

Some of this cost will be offset by the credit margin on the interest rate that Council will charge to TAA.

Councils external net debt increases, with the loan to TAA unable to be included in liquidity calculations for regulators and rating agencies (as mentioned in options above).

Long-term Plan/Annual Plan

The facility establishment expenditure outlined is currently unbudgeted.

**Legal Considerations**

Local Government Act 2002

The matter comes within scope of the Council’s lawful powers, including satisfying the purpose statement of [Section 10](#) of the Local Government Act 2002. That section of the Act states that the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. It is considered that economic well-being is of relevance to this particular matter.

No external party authorisations are required for the proposal.

**Policy Implications**

The proposal has been evaluated against the following plans:

- ✓ Long Term Plan 2021-2031

The key aspects for consideration with regards to this proposal are as follows:

The proposed changes are in accordance with the Treasury Management Policy adopted as part of the LTP 18-28 (amended policy adopted on 30 November 2021).

### **Māori Engagement**

Council is bound by various Acts to consult and/or engage with Māori, including a duty to act reasonably and in good faith as a Te Tiriti o Waitangi partner. Equally, Council has a responsibility to develop and proactively foster positive relationships with Māori as key stakeholders in our district, and to give effect to the principles of Te Tiriti o Waitangi including (but not limited to) the protection of Māori rights and their rangatiratanga over tāonga. While we recognise Māori in general, we also need to work side by side with the three ahi kaa / resident iwi of our district.

Although good faith does not necessarily require consultation, it is a mechanism for Council to demonstrate its existence and commitment to working together as district partners. Appropriately, the report author acknowledges that they have considered the above obligations including the need to seek advice, guidance, feedback and/or involvement of Māori on the proposed recommendation/s, objective/s, project/s or service/s outlined within this report.

### **Risk**

There is a risk that the anticipated revenue for TAA does not eventuate and TAA is unable to repay the loan.

The risk of default is low provided the increased revenue from the new terminal and carpark eventuates, and impact from Covid 19 continues to reduce. TAA is unlikely to default as it is a CCO between MoT and TDC, who are financially responsible for the airport.

### **SIGNIFICANCE OF THE DECISION OR PROPOSAL**

Council's Significance and Engagement policy identifies the following matters that are to be taken into account when assessing the degree of significance of proposals and decisions:

- a. The level of financial consequences of the proposal or decision;
- b. Whether the proposal or decision will affect a large portion of the community or community of interest;
- c. The likely impact on present and future interests of the community, recognising Maori cultural values and their relationship to land and water;
- d. Whether the proposal affects the level of service of an activity identified in the Long Term Plan;
- e. Whether community interest is high; and
- f. The capacity of Council to perform its role and the financial and other costs of doing so.

Officers have undertaken a rounded assessment of the matters in clause 11 of the Significance and Engagement Policy (2016), and are of the opinion that the proposal under consideration is of low importance.

### **ENGAGEMENT**

Taking into consideration the above assessment, that the decision is of a low degree of significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

### **COMMUNICATION/MEDIA**

No communication/media required.

### **CONCLUSION**

It is recommended that a \$300,000 loan facility is to be made available to Taupō Airport Authority from Council. The interest rate to be higher than what Council is charged to reflect the TAA's credit rating/risk, with a repayment term of 5 years for each drawdown.

This is the fairest arrangement for both Council, its ratepayers and TAA. Council will make a small margin on the interest rate to help compensate for the costs incurred to arrange the loan facility and the risk undertaken of TAA defaulting. This allows the Airport to continue to operate.

**ATTACHMENTS**

Nil

<b>4.3 CONTACT ENERGY LAND TRANSACTIONS - APPROVAL TO PROCEED</b>
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**Author:** Philip King, Property Manager

**Authorised by:** Andrew Peckham, General Manager Corporate

### PURPOSE

To approve the proposed land transactions with Contact Energy Limited (Contact) involving five parcels of land in and around Taupō.

### EXECUTIVE SUMMARY

This proposal was presented to Taupō District Council (TDC) Elected Members on 29 March 2022 and subsequently Officers were instructed to provide additional information. A Council workshop was held 5 May 2022 to discuss the proposed land transaction details which raised one further question, point 5 below. The instructions from Council were to:

1. seek external independent advice on the overall transaction.
2. seek technical subsidence advice on land where TDC is selling subsurface rights.
3. clarify the legal restriction on TDC objecting to future RMA applications is acceptable.
4. update the two July 2021 registered valuations.
5. clarify under what authority is TDC able to sell land at the registered valuation price without going to the open market, in reference to the Rakaunui block proposal.

An independent review was conducted by The Property Group and legal advice sought from Holland Beckett to cover points 1 to 3. The two July 2021 valuations were updated and resulted in a \$13,000 overall increase which Contact has consequently agreed to. Following the receipt of legal advice, we have formed the view that TDC is not required to take the proposed sale of the Rakanui Blocks to the market – it can deal with one party.

The transactions are mutually beneficial as they enable the opportunity to develop idle and underutilised lands. TDC will gain opportunities to provide circa 2.2 hectares of commercial/light industrial land to the market and Contact will be able to develop a “Clean Energy Park” on Contact’s Rakaunui Block in partnership with Te Pae o Waimahia Trust.

The proposal involves a financial transaction in TDC’s favour of \$375,000 (see table below), and a commitment from Contact to cover the majority of associated legal costs. All figures are supported by current registered valuations.

Land	\$ (ex GST)
Oruanui Subsurface Rights	\$120,000
887 Rakaunui Road	\$46,000
Rakaunui Energy Corridor	\$115,000
Otumuheke Road	\$94,000
(Mahoe Street & Crown Road)	\$0
<b>Contact to pay TDC</b>	<b>\$375,000</b>

Allowing for the land transactions to proceed is the preferred option as this will generate a return, allow commercial and industrial growth, dispose of idle lands, provide opportunities for local hapū and maintain a cooperative relationship between Council and Contact.

**RECOMMENDATION(S)**

That Council:

1. Proceeds with five land transactions between Council and Contact Energy Limited as set out in this report.
2. Delegates authority to the Chief Executive to sign Sale and Purchase agreements unless the agreements are significantly different to this proposal.

**BACKGROUND**

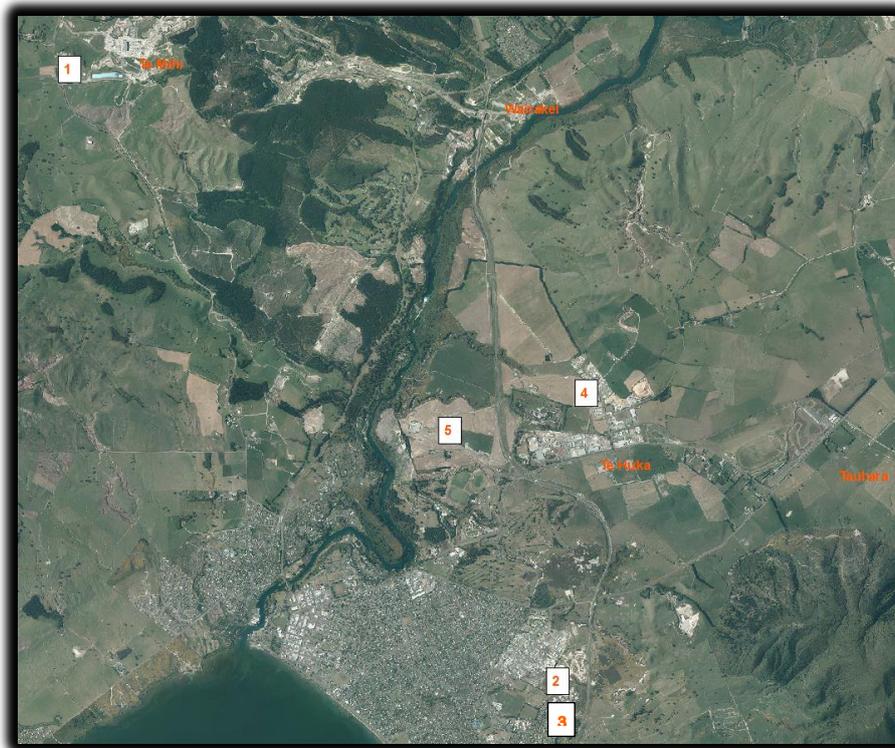
The proposal was presented on 29 March 2022.

TDC and Contact have entered into a Memorandum of Understanding (MOU) that addresses how mutual property rights can be adjusted to suit both parties’ aspirations in relation to five parcels of land. The five proposals are separate transactions that standalone in their own right. The lands may be subject to Public Works Act 1981 (PWA) section 40 obligations and this will be ascertained during the due diligence process. Officers have been, and will continue to be, supported by independent advice throughout including any requirements under the PWA.

**The Land**

The five parcels of land involved in this MOU are shown below and then described individually.

**Overall Location Plan**



**1. Oruanui Saleyards**

The Oruanui Saleyards are close to the Te Mihi production zone and lie within the Wairakei field boundary (the land marked blue below). Contact expect that a useful geothermal resource exists under the land. TDC owns the land, which is leased to Taupō Saleyards Limited. The proposal is to sell Contact subsurface rights by way of an easement at a price of \$120,000 (excl GST if any) so that Contact are able to deviate geothermal wells under the land.

*Oruanui Road Saleyards*



**2. 30 Mahoe Street (Mamaku Street)**

TDC owns this land block over which Contact holds surface and subsurface easements. Contact requires these rights in case they need to reinject at shallow depths in order to address subsidence in the Crown Road bowl. Contact has agreed to restrict its rights so that TDC can develop the land for industrial purposes. Contact have agreed to:

- release surface rights over 0.61 hectares (shown in yellow below);
- retain a 10m wide pipe corridor and a 60m x 45m well pad and retain full subsurface rights;
- allow TDC to utilise the well pad area for temporary uses (shown in hashed black below); and
- TDC granting Contact a Reverse Sensitivity Covenant prior to on-selling any of the land.

*30 Mahoe Street (Mamaku Street)*

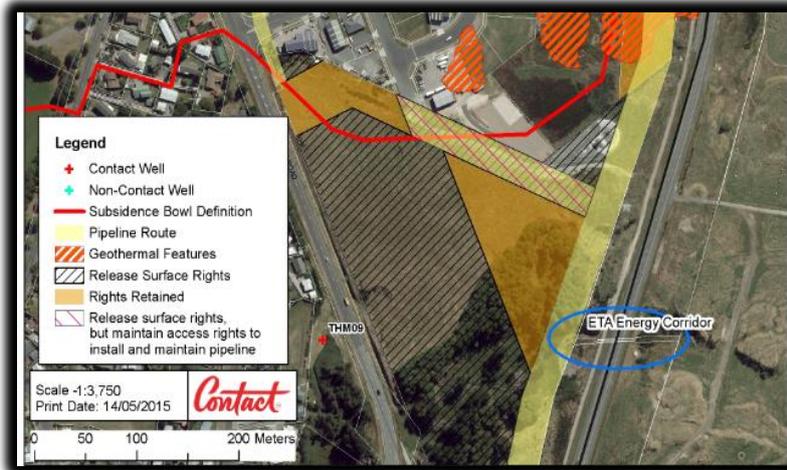


**3. 204 Crown Road (Ashwood South)**

This land was acquired by TDC from Landcorp Farming Limited in 2010. Contact holds rights over the land to assist in undertaking their geothermal activities. TDC wishes to consider the development of the 1.6 hectares of land for commercial and light industrial purposes. Contact have agreed to:

- release surface rights on around 1.6 hectares (shown in hashed black below);
- retain subsurface rights under areas hashed in black and coloured orange on the plan below; and
- TDC granting Contact a Reverse Sensitivity Covenant prior to on-selling any of the land.

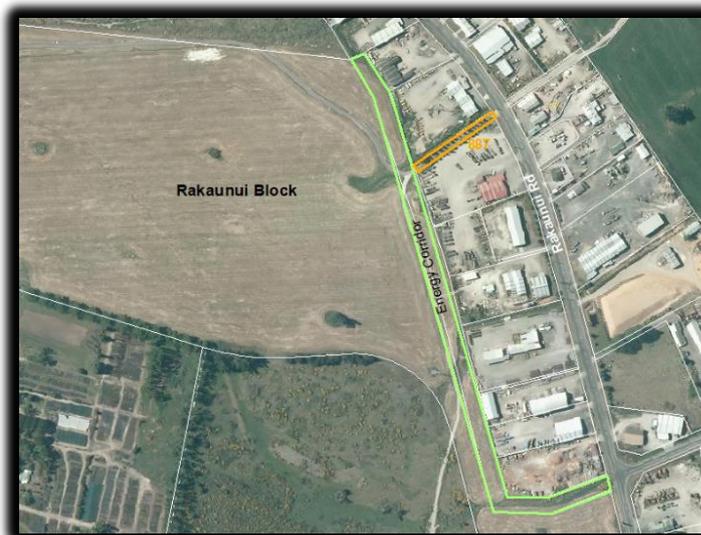
*204 Crown Road*



**4. Rakaunui Block**

TDC owns two blocks of land which adjoin Contact’s Rakaunui Block (known as “887 Rakaunui” shown in orange below and the “Energy Corridor” shown in green below). Contact proposes to purchase these blocks from TDC for \$161,000 (excl GST if any). This purchase supports the “Clean Energy Park” project led by Te Pae o Waimahia Trust (a Forest Hapū Cluster Trust representing six Taupō hapū). Te Pae o Waimahia have recently taken over the Taupō Native Nursery which is adjacent to the Rakaunui Block (shown overpage). Contact will pay all legal and other costs associated with this transaction.

*Rakaunui Road Access*



*Rakaunui Block and Native Plant Nursery*



**5. Otumuheke Block – Road**

TDC owns two strips of land which bisect Contact’s Otumuheke Block (shown in red below). It is believed that the Road Strip was purchased by TDC in the 1880’s for the purposes of constructing a road to Huka Falls, that road was never formed and the land is no longer needed or used by TDC.

The proposal includes the sale of this land to Contact for \$96,000 (excl GST if any), subject to approval by the Department of Conservation and the Patuiwi Reserve Trust. Contact have budgeted for the bulk of the legal and associated costs towards this and have committed to undertake the process.

*Otumuheke Block - Road*



**DISCUSSION**

The following table outlines the key aspects of the proposed transactions.

<b>DESCRIPTION</b>	
Total Land Yields	2.2 hectares of Commercial/Light Industrial land.
Total Purchase Price by Contact	\$375,000 (excl GST if any).
<b>LAND</b>	
Oruanui Saleyards	TDC sell subsurface rights for \$120,000 (excl GST if any).
30 Mahoe Street	Restrict Contact rights. TDC develop or sell land.
204 Crown Road	Restrict Contact rights. TDC develop or sell land.
Rakaunui Block	Contact purchase parcels for \$161,000 (excl GST if any).
Otumuheke Block Road	Contact purchase land for \$94,000 (excl GST if any).

Based on this information it is considered that there are two options.

**OPTIONS**

Analysis of Options

The options available to Council are:

1. Agree to enter into the proposed land transactions.
2. Decline to enter into the proposed land transactions.

**Option 1. Agree to Land Transactions**

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Generates a financial return to Council</li> </ul>	<ul style="list-style-type: none"> <li>• Council may be able to gain a better return in the future</li> </ul>
<ul style="list-style-type: none"> <li>• Provides Council with commercial and light industrial land development opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Landowners adjacent to the Rakaunui Block may question why the two Rakaunui land parcels were not offered up for sale</li> </ul>
<ul style="list-style-type: none"> <li>• Enables the development of a “Clean Energy Park” led by local hapū</li> </ul>	<ul style="list-style-type: none"> <li>• DOC and Patuiwi Reserve Trust may be reluctant to give up legal access in the Otumuheke Block</li> </ul>
<ul style="list-style-type: none"> <li>• Allows Contact access to underutilised land</li> </ul>	
<ul style="list-style-type: none"> <li>• Allows Council to sell idle land</li> </ul>	
<ul style="list-style-type: none"> <li>• Supports a cooperative relationship between Council and Contact</li> </ul>	
<ul style="list-style-type: none"> <li>• Enables collaboration between Council and Contact in supporting developments to ensure positive outcomes for the wider Taupō community</li> </ul>	

<ul style="list-style-type: none"> <li>Aligns with the goals within the Long Term Plan to continue the sale of surplus land assets to reduce debt, and the TD2050 and Taupo Urban Commercial and Industrial Structure Plan goals to provide industrial land capacity</li> </ul>	
<ul style="list-style-type: none"> <li>Reduced legal costs as Contact will pay the majority</li> </ul>	

**Option 2. Decline Land Transactions (status quo)**

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Maintains control and flexibility for Council over the longer term</li> </ul>	<ul style="list-style-type: none"> <li>Does not generate a financial return to Council</li> </ul>
<ul style="list-style-type: none"> <li>Council may be able to gain a better return in the future</li> </ul>	<ul style="list-style-type: none"> <li>Does not support provision of additional Commercial/Light Industrial land to the community</li> </ul>
	<ul style="list-style-type: none"> <li>Could adversely impact on Council and Contact’s relationship and that of the numerous hapū represented by the Te Pae o Waimahia Trust</li> </ul>
	<ul style="list-style-type: none"> <li>Council will be required to maintain idle lands</li> </ul>
	<ul style="list-style-type: none"> <li>Does not align with the Long Term Plan goal to continue the sale of surplus land assets to reduce debt, or the TD2050 and Taupo Urban Commercial and Industrial Structure Plan goals to provide industrial land capacity</li> </ul>

Analysis Conclusion:

It is considered that Option 1 allowing for the land transactions to proceed is preferred as this will generate a financial return, allow commercial and industrial growth, dispose of idle lands and provide opportunities for local hapū.

**CONSIDERATIONS**

**Alignment with Council’s Vision**

Council’s vision is ‘to be the most prosperous and liveable district in the North Island’. This is accompanied by a core set of values to underpin decision-making, the following of which are relevant to this particular proposal; Resilient, Quality and Value.

**Financial Considerations**

In order to achieve the sale and purchase of the lands various legal costs will be incurred by Council however Contact have committed to covering the majority of these costs. It is anticipated that the legal costs can be funded from the proceeds of the sales (\$375,000) and are estimated at approximately \$20,000 to \$25,000 plus GST and disbursements.

Long-term Plan/Annual Plan

The expenditure outlined is currently budgeted for under Property – Land development.

**Legal Considerations**

Local Government Act 2002

The matter comes within scope of the Council’s lawful powers, including satisfying the purpose statement of [Section 10](#) of the Local Government Act 2002. That section of the Act states that the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the

present and for the future. It is considered that economic, environmental and cultural well-beings are of relevance to this particular matter.

The proposal has been evaluated with regards to a range of legislation. The key legislation applicable to the proposal for sale/purchase of land and registration of interests are the Land Transfer Act 2017 and the Property Law Act 2007.

### **Policy Implications**

There are no known policy implications.

### **Māori Engagement**

Taupō District Council is committed to meeting its statutory Tiriti O Waitangi obligations and acknowledges partnership as the basis of Te Tiriti. Council has a responsibility to act reasonably and in good faith to reflect the partnership relationship, and to give effect to the principles of Te Tiriti. These principles include, but are not limited to the protection of Māori rights, enabling Māori participation in Council processes and having rangatiratanga over tāonga.

Our statutory obligations outline our duties to engage with Māori, and enable participation in Council processes. Alongside this, we recognise the need to work side by side with the ahi kaa / resident iwi of our district. Engagement may not always be required by law, however meaningful engagement with Māori allows Council to demonstrate good faith and our commitment to working together as partners across our district.

Appropriately, the report author acknowledges that they have considered the above obligations including the need to seek advice, guidance, feedback and/or involvement of Māori on the proposed recommendations outlined within this report and acknowledges further that Contact are leading this consultation, with TDC support as appropriate, on the relevant land transactions.

### **Risks**

Landowners adjacent to the Rakaunui Block may question why the two Rakaunui land parcels were not offered up for sale. It is considered a more viable option to sell these land strips as a whole rather than as individual parcels and it will achieve the best outcome for the greater community by supporting Te Pae o Waimahia Trust's Clean Energy Park. Legal advice has confirmed this is an allowable course of action.

DOC and Patuiwi Reserve Trust may be reluctant to give up legal access in the Otumuheke Block. Contact is leading this consultation and negotiation process. These parties already have, and will continue to have, alternate access.

### **SIGNIFICANCE OF THE DECISION OR PROPOSAL**

Council's Significance and Engagement policy identifies the following matters that are to be taken into account when assessing the degree of significance of proposals and decisions:

- a. The level of financial consequences of the proposal or decision;
- b. Whether the proposal or decision will affect a large portion of the community or community of interest;
- c. The likely impact on present and future interests of the community, recognising Maori cultural values and their relationship to land and water;
- d. Whether the proposal affects the level of service of an activity identified in the Long Term Plan;
- e. Whether community interest is high; and
- f. The capacity of Council to perform its role and the financial and other costs of doing so.

Officers have undertaken a rounded assessment of the matters in clause 11 of the Significance and Engagement Policy (2016), and are of the opinion that the proposal under consideration is of low importance.

### **ENGAGEMENT**

Taking into consideration the above assessment, that the decision is of a low degree of significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

**COMMUNICATION/MEDIA**

Any communication that is required following the land transaction agreements will be undertaken in conjunction with Contact.

**CONCLUSION**

Undertaking the five land parcel transactions will provide positive benefits for the district including a financial return, provision of commercial/light industrial land, commercial opportunities for hapū and will enable utilisation of idle lands in an efficient and effective manner.

**ATTACHMENTS**

Nil

**4.4 TAUPŌ DISTRICT COUNCIL PERFORMANCE REPORT - APRIL 2022**

**Author:** Gareth Green, Chief Executive Officer

**Authorised by:** Gareth Green, Chief Executive Officer

**PURPOSE**

This report provides Council with an overview of the performance of the organisation.

**RECOMMENDATION(S)**

That Council notes the information contained in the Performance Report for the month of April 2022.

**ATTACHMENTS**

1. Taupo District Council Monthly Performance Report- April 2022

**4.5 COUNCIL ENGAGEMENTS JUNE 2022****Author: Shainey James, Governance Quality Manager****Authorised by: Nigel McAdie, Legal, Risk and Governance Manager****Engagements**

ENGAGEMENT	DAY	DATE	TIME
Tūrangi/Tongariro Community Board public forum (Boardroom, Tūrangi Customer Service Centre, Ngawaka Place, Tūrangi)	Wednesday	1	1.30pm-2pm
Tūrangi/Tongariro Community Board meeting (Boardroom, Tūrangi Customer Service Centre, Ngawaka Place, Tūrangi)	Wednesday	1	2pm-3.30pm
Taupō Reserves & Roding Committee meeting (Council Chamber)	Tuesday	7	1pm-3pm
Taupō / Taupō East Grants Distribution Committee meeting (Council Chamber)	Friday	10	1pm-2.30pm
District Dog Control Committee meeting (Council Chamber)	Monday	13	10am-11am
Mangakino/Pouakani Representative Group meeting (Mangakino Service Centre)	Tuesday	14	10am-noon
Taupō East Rural Representative Group meeting (Wairakei Hall)	Thursday	16	11am-12.30pm
Risk & Assurance Committee meeting (Council Chamber)	Tuesday	21	10am-noon
Performance Monitoring Group meeting (closed) (Council Chamber)	Tuesday	21	1.30pm-3.30pm
Te Kōpū ā Kānapanapa meeting (Council Chamber)	Wednesday	22	10am-3pm
Taupō Airport Authority Committee meeting (Council Chamber)	Monday	27	10.30am-noon
Candidate briefing – Mangakino (Mangakino Service Centre)	Monday	27	1pm-2pm
Candidate briefing – Tūrangi (Tūrangi Service Centre, Ngawaka Place, Tūrangi)	Monday	27	6pm-7pm
Public forum (Council Chamber)	Tuesday	28	12.30pm-1pm
Council meeting (Council Chamber)	Tuesday	28	1pm-4pm
Candidate briefing – Taupō (Council Chamber)	Tuesday	28	6.30pm-8pm

**RECOMMENDATION(S)**

That Council receives the information relating to engagements for June 2022.

**ATTACHMENTS**

Nil

**4.6 MEMBERS' REPORTS**

**Author:** Shainey James, Governance Quality Manager

**Authorised by:** Nigel McAdie, Legal, Risk and Governance Manager

**PURPOSE**

This item permits members to provide any updates relating to their particular wards, portfolios, working parties and report on recent meetings/functions/conferences they have attended as Council's representative.

No debate and/or resolution is permitted on any of the reports.

**CONCLUSION**

Members' reports will be presented at the meeting for receipt.

**RECOMMENDATION(S)**

That Council receives the reports from members.

**ATTACHMENTS**

Nil

## 5 CONFIDENTIAL BUSINESS

### RESOLUTION TO EXCLUDE THE PUBLIC

I move that the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while 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:

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
<p><b>Agenda Item No: 5.1</b> Confirmation of Confidential Portion of Ordinary Council Minutes - 26 April 2022</p>	<p>Section 7(2)(h) - the withholding of the information is necessary to enable [the Council] to carry out, without prejudice or disadvantage, commercial activities</p> <p>Section 7(2)(i) - the withholding of the information is necessary to enable [the Council] to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Section 48(1)(a)(i)- the public conduct of 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 under section 7</p>
<p><b>Agenda Item No: 5.2</b> Appointment of Destination Great Lake Taupō Trustees</p>	<p>Section 7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p>	<p>Section 48(1)(a)(i)- the public conduct of 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 under section 7</p>

I also move that *[name of person or persons]* be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of *[specify]*. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because *[specify]*.