

Notice of Meeting:

I hereby give notice that an ordinary Meeting of Hamilton City Council will be held on:

Date: Thursday 25 June 2015
Time: 1.30pm
Meeting Room: Council Chamber
Venue: Municipal Building, Garden Place, Hamilton

Richard Briggs
Chief Executive

Council OPEN AGENDA

Membership

Chairperson	Her Worship the Mayor J Hardaker
Deputy Chairperson	Cr G Chesterman
Members	Cr M Forsyth
	Cr M Gallagher
	Cr K Green
	Cr A King
	Cr D Macpherson
	Cr G Mallett
	Cr A O'Leary
	Cr R Pascoe
	Cr L Tooman
	Cr E Wilson
	Cr P Yeung

Quorum: A majority of members (including vacancies)

Meeting Frequency: Monthly

Jude Pani
Democracy Manager

19 June 2015
Telephone: 07 838 6883
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www.hamilton.govt.nz

Terms of Reference:

- To carry out leadership functions including advocacy and facilitation on behalf of the community.
- To exercise all non-delegatable and non-delegated functions and powers of the Council.
- To make those decisions which are required by legislation to be made by resolution of the local authority.
- To consider any matters referred to it from any of the Standing or Special Committees.
- To authorise all expenditure not delegated to staff or other Committees.
- To receive the Council Risk Register and legal issues reports.
- To receive reports from the Audit & Risk Committee.
- To develop and approve the draft Long Term Plan (LTP) (including any amendments or variations) and Annual Plans (including the Budget and Funding and Financial policies); ensure their effective communication to the community; hear submissions and approve the final plan.
- To approve the Hamilton Plan and to retain overview of it through setting direction on key strategic projects and receiving regular reports on its overall achievement
- Make decisions in respect of District Plan matters.
- The authority to agree to settle and submit draft consent orders to the Environment Court relating to an appeal on a Proposed District Plan, Plan Change, Plan Variation or Notice of Requirement to designate land or for a heritage order, or a resource consent application.
- The authority to reject a private plan change request.

Financial:

- To determine all financial matters not delegated.
- To receive reports of the exercise of financial delegated authority pursuant to the Public Bodies Contracts Act 1959.
- To approve Council's borrowing programme and treasury management strategy.
- To undertake the statutory audit processes and to consider and approve the external audit arrangements, to receive the Auditor's reports and to approve the audited annual report.

Procedural Matters:

- Delegation of all Committee powers.
- Adoption of Standing Orders.
- Confirmation of all Standing and Special Committee minutes.
- Approval of Special Orders.
- Employment of Chief Executive, setting of the Chief Executive's performance targets and review of the Chief Executive's Performance and Remuneration (in accordance with the Employment Agreement).
- Other Delegations.

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1 Apologies

2 Confirmation of Agenda

The Council to confirm the agenda.

3 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

4 Public Forum

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum. Each speaker during the public forum section of this meeting may speak for three minutes or longer at the discretion of Her Worship the Mayor.

Please note that the public forum is to be confined to those items falling within the terms of the reference of this meeting.

Speakers will be put on a Public Forum speaking list on a first come first served basis in the Council Chamber prior to the start of the Meeting. A member of the Council Democracy Team will be available to co-ordinate this. As many speakers as possible will be heard within the allocated time.

If you have any questions regarding Public Forum please contact Democracy by telephoning 07 838 6825.

Committee: Council

Date: 25 June 2015

Report Name: Council Minutes - Open - 28
May 2015

Author: Jude Pani

Status	<i>Open</i>
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Recommendation

That Council confirms and adopts as a true and correct record the Open Minutes of the Council Meetings held on 28 May 2015.

1. Attachments

- Attachment 1 - Council Minutes - Open - 28 May 2015

Council

OPEN MINUTES

Minutes of a meeting of the Council held in Council Chamber, Municipal Building, Garden Place, Hamilton on Thursday 28 May 2015 at 1.30pm.

PRESENT

Chairperson	Her Worship the Mayor J Hardaker
Deputy Chairperson	Cr G Chesterman
Members	Cr M Forsyth
	Cr K Green
	Cr A King
	Cr D Macpherson
	Cr G Mallett
	Cr A O'Leary
	Cr R Pascoe
	Cr L Tooman
	Cr E Wilson
	Cr P Yeung

In Attendance	Chief Executive, General Manager City Environments, General Manager City Infrastructure, General Manager Community, General Manager Customer Relationships, General Manager Events and Economic Development, General Manager Performance and Chief Financial Officer,.
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Director of Operations H3, City Planning Unit Manager, Strategic Property Unit Manager, Programme Manager – Bylaws and Communications Unit Manager

Committee Advisors	Mrs J Pani and Mrs M Birch
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Opening Prayers

The Opening Prayers were led by Reverend Doctor Susan Thompson, a member of the Methodist Community.

Altrusa Award – Women’s Empowerment Principles

Members of Zonta Hamilton/Waikato presented a certificate to Hamilton City Council to recognise Hamilton City Council signing the Women’s Empowerment Principles. Pam Witten and Vicki Mee spoke on behalf of Zonta Hamilton/Waikato and presented the certificate to Mayor Julie Hardaker and Chief Executive, Richard Briggs.

Minute’s Silence

A minute’s silence was held to recognise the recent death of the former Hamilton City Councillor and Member of Parliament for Hamilton West, Dorothy Jelicich.

1. Apologies

Resolved: (Her Worship the Mayor Hardaker/Cr Chesterman)

That apologies from Councillor Gallagher be accepted.

2. Confirmation of Agenda

Resolved: (Her Worship the Mayor Hardaker/Cr Chesterman)

That the Council confirm the agenda, noting the following additional tabled documents: recommendations from the Strategy and Policy Committee meeting held on 26 May (Item 7) and a memo from the City Planning Unit Manager (Item 9).

3. Declarations of Interest

No members of the Council declared a Conflict of Interest.

4. Public Forum

There were no speakers in the public forum.

5. Council Minutes - Open - 30 April 2015

Resolved: (Her Worship the Mayor Hardaker/Cr Chesterman)

That Council confirms and adopts as a true and correct record the Open Minutes of the Council Meetings held on 30 April 2015.

6. Recommendations to Council - Finance Committee Meeting 21 May 2015

Councillor Pascoe, the Chair of the Finance Committee, presented the recommendations of the Committee Meeting held on 21 May 2015. These recommendations were moved by Councillor Pascoe, seconded by Councillor Mallett.

This item was deferred until later in the meeting to enable Councillor Pascoe to review the draft minutes from the 21 May Finance Committee meeting to confirm the proposed amendments to the New Zealand Local Government Funding Agency Documents.

7. Recommendations to Council - Strategy and Policy Committee Meeting - 26 May 2015

Councillor O'Leary, the Chair of the Strategy and Policy Committee, presented the recommendations of the Committee Meeting held on 26 May 2015, which were tabled at the Council Meeting.

The 26 May 2015 Strategy and Policy Committee agenda, including all attachments, is available via the following link:

<http://www.hamilton.govt.nz/our-council/meetings-and-minutes/Pages/default.aspx>

Clarity was sought on whether the tabled recommendations could be received on to the agenda given the legislative requirement for the agenda to be circulated two clear working days prior to the meeting.

The Democracy Manager advised that the circulation of information after the Committee meeting which was held on 26 May 2015 was notified on the Council agenda that had been circulated in accordance with Standing Orders; and that the Council had resolved to receive the tabled documents when the Agenda was confirmed under Item 2.

The Democracy Manager also commented that the Strategy and Policy Committee received notification that the recommendations from the 26 May Committee meeting would be presented to the Council on 28 May for consideration.

It was requested that the recommendations expressed in parts be voted on part by part.

It was confirmed regarding a bylaw deliberation and adoption report, that Council could accept or reject the recommendations in total. Council could also make changes.

Resolved: (Crs O'Leary/Chesterman)

1. Older Persons Plan

That Council:

- a) Approves the Hamilton Older Persons Plan as presented to the Committee; and
- b) Notes that progress on the Plan will be reported six-monthly through the Community Forum Subcommittee

Councillors Macpherson and Mallett dissenting.

Resolved: (Crs O'Leary/Yeung)

2. Public Art Plan & Development Guide

That:

- a) Council adopts the revised Draft Public Art Plan and Development Guide as presented to the Committee;
- b) Council notes that a Terms of Reference for a Public Art Subcommittee is to be reported back to the 7 July Strategy and Policy Committee; and
- c) the Art in Public Places Policy be deleted.

Resolved: (Crs O'Leary/Chesterman)

3. Stormwater Bylaw 2015 Deliberation & Adoption Report

That:

- a) Council determines that the Hamilton Stormwater Bylaw 2015 does not give rise to implications under the New Zealand Bill of Rights 1990;
- b) Council accepts the recommended changes to the Hamilton Stormwater Bylaw 2015 as shown in Attachment 1 to the Committee report and adopts the Stormwater Bylaw 2015;
- c) Council adopts the associated Stormwater High Risk Facilities Register; and
- d) the Hamilton Stormwater Bylaw 2015 comes into force on 28 September 2015.

Councillors King and Macpherson dissenting.

Resolved: (Crs O'Leary/Chesterman)

4. Dog Control Policy and Bylaw 2015 Deliberation and Adoption Report

That Council:

- a) Amends the draft Hamilton Dog Control Policy and Register with the following changes:
 - (i) Remove Hammond Park from the Dog Control Off-Lead Exercise and Prohibited Areas Register
 - (ii) Update the Policy with the tracked changed wording so it is easier to read.
- b) Adopts the Hamilton Dog Control Policy and Bylaw 2015 to come into force 1 July 2015.
- d) Adopts the amended Dog Control Off-Lead Exercise and Prohibited Areas Register; and
- e) Revokes the Hamilton City Dog Control Bylaw 2009 on 1 July 2015.

8. FIFA U-20 World Cup New Zealand 2015 - Update

The General Manager Events and Economic Development and the Director of Operations H3, presented this update report on Hamilton hosting matches as part of the FIFA U-20 World Cup.

It was noted that:

- There had been extremely positive feedback from the FIFA organising committee, including the condition of the playing grounds;
- There was an excellent contribution to the success of Hamilton hosting this event by the Council team;
- Along with the \$357,000 income from the private sector, there was an additional \$20,000 “in kind” support from Sky City;
- The \$160,000 hosting fee was used within New Zealand;
- The costs to Council did not include staff time;
- The surplus would be returned to the Event Sponsorship Fund; and
- Confirmation there would be no carry-forward funding from the Event Sponsorship Fund.

Resolved: (Her Worship the Mayor Hardaker/Cr Chesterman)

That the report be received

9. Frankton Railyards - Tyres

The General Manager Events and Economic Development presented this update report regarding the removal of the abandoned tyres from the Frankton Railyards and their relocation to other sites.

Additional information on how tyre storage is managed and regulated, prepared by the City Planning Manager in response to discussion at the 26 May 2015 Strategy and Policy Committee Meeting, was tabled.

The GM summarised the current situation and commented that with the high media interest he would attempt to clarify some of the issues, including Council’s contractual obligations.

During questions to staff it was noted:

- Council was introduced to the sub-tenant Pacific Foods by Kiwirail, which gave staff comfort to enter into the contract;
- Contract entered into with Pacific Foods was for a permissible activity;
- There was no indication of potential compliance issues with thresholds being triggered;
- Issues with tyre storage were brought to Council’s attention by a neighbour and the Fire Service;
- A system was being introduced to ensure that with the passage of time, the organisation did not lose institutional knowledge;
- EcoVersion has advised they are using the two sites – Waihi and Taupo – temporary storage solutions;
- EcoVersion intend to extract two products from the used tyres; firstly a product to make new tyres and secondly a bitumen modifier which is used for roading construction;
- EcoVersion had confirmed that the project will proceed;
- Council does not have any financial liability;
- Discussions with Kawerau District Council (KDC) were at officer level only;

- Contracts (including milestones) were in place between EcoVersion and KDC;
- Council paid \$250,000 to move the tyres from the Frankton Railyards;
- Council did not receive any of the projected \$8,000 rental income from Pacific Foods; and
- Council needed to be cautious regarding negotiating contracts and their subsequent monitoring and any enforcement issues.

Resolved: (Her Worship the Mayor Hardaker/Cr Chesterman)
That the report be received.

During Item 9:

Councillor Green left the meeting at 3.08pm and rejoined the meeting at 3.20pm.

The Meeting adjourned from 3.25pm until 3.45pm

Councillors Green and O'Leary retired from the meeting at 3.25pm and were not present for voting.

Councillor Mallett retired from the meeting at 4.00pm and was not present for voting.

The Meeting returned to consideration of Item 6.

6. Recommendations to Council - Finance Committee Meeting 21 May 2015 Cont'd

Councillor Pascoe confirmed that the recommendations from the 21 May 2015 Finance Committee Meeting, as noted in the Council agenda, were correct. The attachment to the Committee report provided detail on the changes being requested. The Motion which had been moved by Councillor Pascoe and seconded by Councillor Mallett earlier in the meeting was then put.

Resolved: (Crs Pascoe/Mallett)

1. Proposed Amendments to New Zealand Local Government Funding Agency (NZLGFA) Documents

That Council approves the changes to the NZLGFA documents presented to the Committee.

2. Community Occupancy Applications – Graham Park and Beetham Park

That Council:

- a. Consents to the Hamilton Childcare Services Trust assignment of lease at Beetham Park to the Waikato Kindergarten Association; and
- b. Approves a variation to Clause 30(a) of the River Glade Archers Incorporated Licence to Occupy at Graham Park.

10. Resolution to Exclude the Public

Resolved: (Her Worship the Mayor Hardaker/Cr Chesterman)

Section 48, Local Government Official Information and Meetings Act 1987

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject 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 follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Council Minutes - Public Excluded - 30 April 2015) Good reason to withhold information exists under	Section 48(1)(a)
C2. Honorary Hamilton Ambassador Award) Section 7 Local Government Official Information and Meetings Act 1987	
C3. Proposed District Plan - Appeals to the Te Rapa North Industrial Zone)	

This resolution 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 which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to protect the privacy of natural persons	Section 7 (2) (a)
Item C2.	to protect the privacy of natural persons	Section 7 (2) (a)
Item C3.	on the grounds that a right of appeal lies to any Court or Tribunal against the final decision of the Local Authority in this matter	Section 7 (2) (a) (i)
	to maintain legal professional privilege	Section 7 (2) (g)

Councillor Macpherson dissenting.

The Meeting moved into Public Excluded Session from 4.15 until 4.50pm.

The Meeting was declared closed at 4.50pm.

Committee: Council

Date: 25 June 2015

Report Name: Classification, naming and reclassification of reserves

Author: Renee McMillan

Report Status	<i>Open</i>
Strategy, Policy or Plan context	<i>Open Space Plan, Operative Sports Park Management Plan</i>
Financial status	<i>There is no budget allocated</i>
Assessment of significance	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

1. Purpose of the Report

- To consider classification and naming of new reserves and change of classification of part of Enderley Park under the Reserves Act 1977 (the Act).

3. Executive Summary

- Through subdivision, over the past two years Council has acquired new land for reserves. This report seeks approval to classify and name these reserves following the processes set out in the Act.
- Classification is a mandatory statutory process for reserves vested in Council through subdivision.
- Enderley Park is classified as recreation reserve. The current and future intended use of Enderley Community Centre does not align with this classification.
- This report recommends Council initiates the process to change the classification of Enderley Park following the process set out in the Act, which includes public notification for a period of one month.

8. Recommendations from Management

That:

- a) The Report be received.
- b) Council hereby classifies and names the reserves described in Schedule One, as recreation reserves, subject to the Reserves Act 1977.

Schedule One

Reserve Name	Area (ha)	Legal Description	Computer Freehold Register	Attachment Reference
Hare Puke Park	8.4307	Lot 505 DP 458063	595035	Map 1
Junction Reserve	0.0519	Lot 39 DP 462567	618024	Map 2
Hillary Park	0.9699	Lot 724 DP 453111	591000	Map 3
Mangaiti Park	7.5880	Lot 701 DP 461506	612101	Map 4
Sandford Park	1.1518	Lot 102 DP 466423	622853	Map 5
Te Awa O Katapaki Esplanade	0.4685	Lot 500 DP 473527	647767	Map 6
Te Awa O Katapaki Esplanade	0.0464	Lot 501 DP 473527	647768	Map 6
Te Awa O Katapaki Esplanade	0.2000	Lot 702 DP 468283	630555	Map 6

- c) Council hereby classifies and names the reserve described in Schedule Two, as local purpose (esplanade) reserve, subject to the Reserves Act 1977.

Schedule Two

Reserve Name	Area (ha)	Legal Description	Computer Freehold Register	Attachment Reference
Sylvester Esplanade	0.1198	Lot 30 DP 466328	622561	Map 7

- d) Council agree to notify the proposed change of classification of part of Enderley Park, part Lot 2 DPS 7131, from recreation reserve to local purpose (community) reserve; and
- e) Staff report back to Council on any objections received and make a recommendation about the change of classification of part of Enderley Park.

9. Attachments

10. Attachment 1 - Reserve Location Plans
11. Attachment 2 - Enderley Park Location Plan

12. **Classification of Reserve Land**

13. Over the past two years, the land parcels described in this report (Schedule One and Two) have been created and vested in Council as reserves subject to the Reserves Act 1977 (Act). They were created and vested under Part 10 of the Resource Management Act 1991 (RMA) as part of the subdivision consent process.
14. The reserves described in Schedule One were vested as recreation reserves. The reserve described in Schedule Two was vested as local purpose (esplanade) reserve.
15. Seven are additions to existing reserves; two are new reserves (Hare Puke Park and Junction Reserve). The reserves are shown in Attachment 1.
16. Section 16(2)(A) of the Act states that where any reserve was created under Part 10 of the RMA and remains vested in Council, Council must by resolution, classify the reserve according to its primary purpose. Classification is a mandatory statutory process for the reserves covered in this report.
17. The Act provides eight classifications to choose from; recreation, historic, scenic, nature, scientific, government purpose and local purpose. Each emphasise the protection of different values.
18. This report recommends the reserves in Schedule One are classified as recreation reserves, consistent with the purpose they were acquired. This classification will enable use and development of these reserves for passive and active recreation and provides Council flexibility in relation to its powers and rights.
19. This report recommends the reserve in Schedule Two is classified as local purpose (esplanade) reserve, consistent with the purpose this reserve was acquired for. This classification will enable Council to manage and develop the reserve as it sees fit, consistent with protecting the esplanade values. This classification provides Council with the greatest level of rights of any classification.
20. Section 16(5)(c) of the Act provides that public notice is not necessary where the proposed classification is a condition subject to which the land was acquired for. On this basis, public notification is not required.
21. Following resolution by Council, staff will notify the Department of Conservation and arrange publication of a notice in the Gazette.

22. **Naming of Reserves**

23. Section 16(10) of the Act provides for reserves to be named at the time of classification.
24. Council's [Road, Reserve and Park Naming Policy](#) (Policy) provides guidelines for naming reserves and requires naming by resolution.
25. This report recommends Council resolves to name the reserves as proposed in Schedule One and Two.
26. Where the reserve is an addition to an existing reserve, the proposed name is the same as the existing reserve. For the new reserves, the proposed names have been developed considering the criteria in the Policy.
27. Hare Puke Park is the proposed name for the future sports park in Rototuna west, refer Map 1 Attachment 1. The proposed name commemorates the late Hare Puke, a Maori All Black, Waikato Rugby representative and respected Kaumatua. The reserve is located on Hare Puke Drive so the name is clearly identifiable within the area in which the park is situated.
28. Hare Puke's family have confirmed their support for the proposed naming.

29. Junction Reserve is the proposed name for the neighbourhood reserve in Queens Avenue, Frankton, refer Map 2 Attachment 1. The reserve is located on land which once formed part of the Frankton Junction Rail Yards, so the proposed name reflects the historical significance of the area and commemorates places of significance to the locality.

30. If approved, all future signage and mapping will use these names, as budgets allow.

31. **Change of Classification of Enderley Park**

32. Enderley Park is primarily used for sports and is also the location of the Enderley Community Centre from which Raukura Hauora O Tainui currently operates the Enderley Medical Centre.

33. Enderley Park is classified as recreation reserve. Under the Act, Council can only grant leases on recreation reserves for recreation and sporting activities and for purposes complementary to the public use and enjoyment of the reserve.

34. This report recommends Council initiate the process to change the classification of part of Enderley Park, the footprint of the Enderley Community Centre, from recreation to local purpose (community) reserve. The proposed area to be reclassified is shown in Attachment 2.

35. Changing this classification would make the existing use of the Enderley Community Centre consistent with the classification. In the long-term, this change would allow greater flexibility for community use of Enderley Community Centre.

36. This change would enable Council to grant leases to voluntary organisations for any of the following purposes: community building, playcentre, kindergarten, plunket room, or other like purposes, under section 61(2A) of the Act.

37. The process for change of classification is set out in section 24(1)(b) of the Act and requires public notification for a period of one-month, giving people the right to object.

38. Following this, staff report back to Council on any objections, for Council to consider any objections and make a resolution on the proposed reclassification.

39. Council's General Manager Community, acting under delegation of the Minister of Conservation, considers any objections, Council's decision and makes a decision. A notice is then published in the Gazette.

40. To achieve this reclassification, the site needs to be surveyed to define the boundary between the local purpose (community) reserve and the recreation reserve.

41. Treaty Implications

42. Consultation has been undertaken with Waikato-Tainui in relation to the proposed change of classification of part of Enderley Park, and Waikato-Tainui supports the proposal.

43. **Financial and Resourcing Implications**

44. Costs relating to the proposed classification and change of classification will be met by the Parks and Open Spaces operational budgets. Costs are estimated to be approximately \$2,000 including public notices, gazette notices and the boundary survey.

45. **Options**

46. Council must complete the classification process under the Act for the reserves covered in this report; it is a mandatory statutory process.

- 47. Council has the option to approve the proposed reserve names proposed in this report, or not; and
- 48. Council has the option to approve notification of its intention to reclassify Enderley Park, or not.

- 49. **Risk**
- 50. Not progressing the reclassification of Enderley Park would mean Council is allowing a use of the reserve not consistent with its classification, which is a breach of section 40 of the Act.

Signatory

Authoriser	Lance Vervoort, General Manager Community
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Map 1: Hare Puke Sports Park (Lot 505 458063)



Map 2: Junction Reserve (Lot 39 DP 462567)



Map 3: Hillary Park (Lot 724 DP 453111)



Map 4: Mangaiti Park (Lot 701 DP 461506)



Map 5: Sandford Park (Lot 102 DP 466423)



Map 5: Te Awa O Katapaki Esplanade (Lot 702 DP 468283, Lot 500 DP 473527 and Lot 501 DP 473527)



Map 6: Sylvester Esplanade (Lot 30 DP 466328)



Enderley Park – Part of Lot 2 DPS7131 to be reclassified from Recreation Reserve to Local Purpose (Community) Reserve



Committee: Council

Date: 25 June 2015

Report Name: Request to increase
membership of Hamilton
District Licensing Committee

Author: Kelvin Powell

Report Status	<i>Open</i>
Strategy, Policy or Plan context	<i>Supports the City Safety Plan</i>
Financial status	<i>Any recruitment costs will be recovered from fees</i>
Assessment of significance	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance and Engagement Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

1. Purpose of the Report

- Approval to appoint two additional members to the Hamilton District Licensing Committee (DLC) to meet workload demand.

3. Executive Summary

- The Sale and Supply of Alcohol Act 2012 (SSAA) requires local authorities to establish DLCs.
- The function of the DLC is to consider and determine all applications for licences, Manager's certificates and temporary authorities and enforcement application for special licences.
- A robust recruitment process to select DLC members was undertaken September-November 2013 in conjunction with Waikato and Waipa District Councils. This was based on a good practice approach recommended by the Ministry of Justice.
- Council approved the appointment of Sara Brown as the Commissioner and John Gower, Jennie McFarlane, Patsi Davies and Brett McEwan as committee members. Jennie McFarlane was subsequently appointed as the alternate Commissioner.
- The Committee has been in existence since November 2013. A workload review indicates a need for additional DLC members to ensure applications continue to be decided in a timely manner.

9. Recommendations from Management

That:

- a) The Report be received;
- b) Staff commence a recruitment process, based on the recruitment process used to identify the initial committee members, to identify two additional members for the Hamilton District Licensing Committee;
- c) An Internal Selection Panel comprising of the General Manager City Environments, the City Safe Unit Manager and the DLC Commissioner be approved; and
- d) The Internal Selection Panel recommendations be presented to Council for approval and appointment.

10. Attachments

11. There are no attachments for this report.

12. Key Issues

13. Demand for increased membership
14. Since its inception in November 2013, the Hamilton DLC have made 1067 decisions and held a total of 35 hearings. This is a significantly higher level of activity than surrounding territorial authorities but is comparable and in some instances surpasses activity in the metropolitan centres.
15. The following table benchmarks workload demand. The decisions column relates to unopposed decisions made by the Commissioner alone, while hearings feature the full sitting of the DLC.

DLC	Total Members	Commissioners	Decisions	Hearings
Hamilton	5	2	1067	35
Wellington	9	3	2166	28
Christchurch	8	4	2997 (2014) 750 (2015)	23 (2014) 4 (2015)
Dunedin	7	2	974	18
Tauranga	5	3	923	5
Rotorua	6	2	188*	13
Waikato	4	2	354	7

16. The need for hearings results from opposition to licence applications by the reporting agencies (NZ Police, Council and Population Health), by a member of public or third party or through a decision by the Commissioner to hold a public hearing pursuant to the various provisions of the Act.
17. While the best estimate of likely demand was made when establishing the DLC, this has shown to be a bit light. Increasing the number of members on the DLC would better manage current demand. This approach has recently been successfully adopted by Waikato District Council.

- 18. Outline of proposed recruitment process
- 19. The good practice approach recommended by the Ministry of Justice, is for Councils to publicly call for Expressions of Interest (EOI) for the role of members of the DLC.
- 20. A public ‘expression of interest’ process linked to a common role description and will be co-ordinated by Democracy staff.
- 21. Applications will be initially reviewed by staff against the national competencies and criteria and sent to a proposed Internal Selection Panel comprising of the General Manager City Environments, the City Safe Unit Manager and the DLC Commissioner.
- 22. The Internal Selection Panel will short list candidates for interview based on a range of factors including location within the region, relevant range of skills and experience in alcohol licensing, knowledge of alcohol related harm and experience of a hearing environment.
- 23. The recommended applicants will be submitted to Council for final approval and appointment.

- 24. Person specifications
- 25. DLCs are quasi-judicial (similar to Statutory Management Committees).
- 26. Members must have experience relevant to alcohol licensing and need to demonstrate that they do not have any conflicts of interest.
- 27. Some people are ineligible for inclusion on the list, including anyone who has a conflict such as being involved in the alcohol industry, a constable, a Medical Officer of Health, a licensing inspector or an employee of council.
- 28. Elected members can be eligible for the DLC provided they meet the same eligibility criteria under the Act and have experience relevant to alcohol licensing.

29. Financial and Resourcing Implications

- 30. DLC members are remunerated on the basis of hours spent in hearings and are not paid a retainer. On that basis increasing the size of the DLC is unlikely to cost more. The DLC would not meet more often, rather the workload would be spread across a greater number of members to better manage availability. This is a cost recovery activity.

31. Risk

- 32. The volume of hearings dealt with by the Hamilton DLC means there is great reliance placed upon current members. If insufficient members are not available, hearing and decision delays may result.
- 33. As most DLC members have other roles that they perform, this can create problems in trying to assemble a quorum to hear matters.

Signatory

Authoriser	Brian Croad, General Manager City Environments Group
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Committee: Council

Date: 25 June 2015

Report Name: 2016 Local Authority Elections
- Online Voting Trial

Author: Jude Pani

Report Status	<i>Open</i>
Strategy, Policy or Plan context	<i>Local Electoral Act</i>
Financial status	<i>There is not budget allocated</i>
Assessment of significance	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

1. Purpose of the Report

2. For the Council to consider registering an interest with Local Government New Zealand (LGNZ), by the 30 June 2015 deadline, to enable Hamilton City Council to participate in online voting for the 2016 Local Authority Elections.
3. It is recommended that the Council registers such an interest with LGNZ, conditional upon Council approving the costs associated with any trial and some aspects of the requirements for online voting being resolved to the satisfaction of the Electoral Officer.

4. Background

5. On 12 May 2015, Associate Minister of Local Government, Louise Upston announced the Government had set requirements for a possible trial of online voting. The requirements (accessed via the following link) are a guide for councils to decide if they want to trial online voting at the 2016 local authority elections: www.dia.govt.nz/online-voting.
6. LGNZ has called for expressions of interest by 30 June 2015 from councils interested in taking part in the trial. Cabinet will then consider whether there is sufficient scale and representation to proceed with the trial.
7. Interested territorial authorities then need to confirm compliance with requirements and at the end of 2015 the Government promulgates regulations to authorise an online voting trial.
8. The costs of any trials undertaken are to be borne by the local government sector.
9. Territorial authorities that choose to participate in a trial must:
 - Accept responsibility for ensuring there is adequate resourcing for an online voting trial in their area;
 - Ensure that they meet security expectations and
 - That they maintain the integrity of local elections practice.
10. Such council assurance and processes are then required to be audited by the Chief Government Information Officer.
11. There are some aspects of the trial requirements that need clarification and currently the Electoral Officer is working with LGNZ and the Department of Internal Affairs (DIA) to resolve issues regarding the requirements.

- 12. Elected Members have previously signaled interest in Hamilton City Council being involved in a trial of online voting.
- 13. The purpose of this report is to ensure that the Council registers an interest within the stipulated timeframe, noting that there are matters to be worked through and final approval by the Council, including costs.
- 14. The Electoral Officer will report to the Council when all matters have been resolved and costs have been established.

15. Recommendations from Management

That:

- a) The Report be received; and
- b) The Council registers an interest with LGNZ, for Hamilton City Council to participate in online voting for the 2016 Local Authority Elections, conditional upon:
 - (i) Council approving the costs; and
 - (ii) The technical aspects of the election process relating to councils participating in the online voting trial being resolved to the satisfaction of the Electoral Officer.
- c) Council notes that it will receive a report for decision on whether to participate in an online trial when full costs are known and all the requirements for the trial are resolved.

16. Attachments

- 17. There are no attachments for this report.

Signatory

Authoriser	Jason Dawson, General Manager Customer Relationships Group
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Committee: Council

Date: 25 June 2015

Report Name: Clarence Street Theatre -
Approval of Gifting to
Community Trust

Author: Sean Murray

Report Status	<i>Open</i>
Strategy, Policy or Plan context	<i>Hamilton Arts Agenda, Hamilton City Theatre Review</i>
Financial status	<i>There is not budget allocated</i>
Assessment of significance	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

1. Purpose of the Report

2. To activate an earlier Council resolution (27 November 2014) which agreed in principle to gift the Clarence Street Theatre to a community trust that will continue to operate the theatre for the benefit of the performing arts community across the city and region.

3. Recommendations from Management

That:

- a) The Report be received;
- b) Council approves the agreement to gift Clarence Street Theatre (buildings and fixtures only) to the Clarence Street Theatre Trust;
- c) Council approves a once only operational start-up grant of \$75,000 to be paid in the 2015/16 financial year
- d) Council approves a payment of up to \$150,000 for the purpose of earthquake strengthening works on the building if required, on the terms in the agreement.

4. Attachments

5. Attachment 1 - Deed of Gift - Hamilton City Council and Clarence Street Theatre Trust
6. Attachment 2 - Council report 27 November 2014: Asset Analysis - Clarence Street Theatre (note - subsequent resolution differs from management recommendation)
7. Attachment 3 - Background Information on Clarence Street Theatre Trust

8. Background

9. The review of the Hamilton City Theatres which concluded in 2014, proposed a rationalisation of Council-owned theatre facilities from three to one, with the Founders Theatre remaining under Council operation. As a first step the Meteor Theatre was gifted to a community performing arts group at the beginning of 2014. In November 2014 a proposal was received via Creative Waikato for a similar gifting model for the Clarence Street Theatre. Refer report dated [27 November 2014 'Asset Analysis - Clarence Street Theatre'](#) linked here and attached as attachment one.

10. At the 27 November 2014 meeting, Council made the following resolution:

Resolved: *(Her Worship the Mayor Hardaker/Cr O'Leary)*

a) That the report be received.

b) That Council accepts in principle the proposal that Clarence Street Theatre (building and fixtures only) be gifted to a community trust that will continue to operate the Theatre for the benefits of the performing arts community across the city and region.

c) That the Chief Executive be authorised to negotiate with the new trust an arrangement that is equitable with that of an earlier agreement between the One Victoria Trust and Council regarding the ongoing operation of the Meteor Theatre.

d) That once an agreement (and full terms) has been accepted in principle that management report back to Council with a recommendation to approve the agreement at its meeting on 26 February 2015.

11. Management have completed discussions and agreed terms with the newly formed "Clarence Street Theatre Trust" created in response to both the Creative Waikato proposal for the Clarence Street Theatre and Council's resolution to enter into a gifting agreement for the theatre.

12. Attached is the agreement for Council approval.

13. Elected Members should note that the proposal relates to the building and fixtures only for the Clarence Street Theatre, not the land itself and that should the Trust cease to use the property for its intended purpose for any reason, ownership would revert back to Council without financial obligation. The Trust cannot treat its arrangement with Council and the building gifting as a tangible asset with which to secure any debt funding.

14. Financial and Resourcing Implications

15. As reported to Council on 27 November 2014 the exit of Council's interest in the Clarence Street Theatre (building and fixtures) will generate average annual (based on a five year calculation) savings of \$114,000 in net operating costs (including depreciation) and \$153,000 per annum in projected savings in capital expenditure. This adjustment has not been included in the 10-Year Plan budget

16. These savings will offset the proposed year one operating grant to the Clarence Street Theatre Trust and contribution to earthquake-strengthening contribution (if required).

17. The Trust will be responsible for the payment of local body rates (HCC currently set at \$3,069).

Signatory

Authoriser	Sean Murray, General Manager Events and Economic Development Group
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Placeholder for Attachment 1

ITEM 7/15 Clarence Street Theatre - Approval of Gifting to
Community Trust.DOC

Deed of Gift - Hamilton City Council and Clarence Street
Theatre Trust



Committee: Council **Date:** 27 November 2014
Report Name: Asset Analysis - Clarence Street Theatre **Author:** Sean Murray

Report Status	<i>Open</i>
Strategy, Policy or Plan context	<i>Hamilton Arts Agenda, Hamilton City Theatres Review</i>
Financial status	<i>There is not budget allocated</i>
Assessment of significance	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

1. Purpose of the Report

2. The purpose of this report is to report back to Council on the outcome of the work of Creative Waikato and recommend an option in respect of the on-going ownership of Clarence Street Theatre.

3. Executive Summary

4. A review of Hamilton theatres was commissioned in 2012 in response to under-utilisation of Council theatres, ongoing maintenance costs, the aging state of the theatres and a proposal within Council's 2012-22 10-Year Plan to consider the sale of Clarence Street Theatre to help reduce city debt.
5. At the 28 August 2014 meeting Council instructed the Chief Executive to work with Creative Waikato to explore the possible sale of the Clarence Street Theatre to the current users of the site and report back to Council on the matter.
6. Creative Waikato has prepared a proposal to Council on behalf of its users. The proposal effectively seeks the gift of the theatre to a newly formed "Trust" plus a grant/loan of \$150,000 in the first year.
7. The sale of Clarence Street on the open market would have a positive cash impact (using a 5 year average) of \$351,000 per annum; based on a sales price of \$1.5m. It is noted that due to unique nature of the theatre it would take 6 to 12 months to sell.
8. Clarence Street could be used, to a limited extent, as theatre cover should the Founders Theatre upgrade be approved within the 10 Year Plan.

9. Recommendations from Management

10. That the report be received.
11. That Council continues to own and operate the Clarence Street Theatre (status quo) until such time as Founders Theatre upgrade is completed.
12. That Management are instructed to develop a revised operating model to will increase

“community group” utilisation of the Clarence Street Theatre and reduce the capital renewals budget as a part of that new operating model; and report back accordingly to Council on the introduction and outcomes of a new operating model.

13. That once the Founders Theatre upgrade is complete a report on the possible sale of Clarence Street is updated and presented to Council for consideration.

14. Attachments

15. Attachment 1 - Creative Waikato Proposal - Clarence Street Theatre
16. Attachment 2 - Clarence Street Asset Analysis

17. Background

18. A review of Hamilton theatres was commissioned in 2012 in response to under-utilisation of Council theatres, ongoing maintenance costs, the aging state of the theatres and a proposal within Council's 2012-22 10-Year Plan to consider the sale of Clarence Street Theatre to help reduce city debt.
19. Following research and extensive consultation with the arts community, the Theatres Review report ([link](#)) was prepared by The Stafford Group and presented to Council in February 2013. The review highlighted a major challenge for Council being the lack of utilisation across a portfolio of three under-performing theatres, the need to rationalise the portfolio in order to consolidate both revenue and cost streams and exit where it can from the liability of notable capital costs of assets renewals in the near term.
20. Community feedback during the review process and following its completion was dominated by a concern over the possibility of Hamilton losing the Clarence Street Theatre through a private sale and there was particularly strong advocacy that Council should protect the tenure of the Hamilton Operatic Society who is the dominant user of the theatre.
21. The review also pointed to the need for significant repair and refurbishment of the Founders Theatre being Hamilton's flagship and most utilised (attended) theatre. This is the subject of a separate consideration within Council's 10-Year Plan.

22. Options for the Clarence Street Theatre

23. Sale of property

24. One of the recommendations of the Theatres Review was to sell Clarence Street Theatre. Discussions have taken place with stakeholders and there is the potential opportunity for a sympathetic buyer to purchase the asset however that has yet to be tested. However it should be noted that under a proposal put to Council by Creative Waikato (see attachment one) the option of a sympathetic buyer has not been considered.
25. The market for the theatre itself is difficult to establish dependant on its ultimate use.. The net proceeds of sale could be deployed to directly offset Council debt. Given the unique nature of the property it could take 6-12 months if not more to sell.
26. Although it is of no bearing on the current market valuation Council's acquisition of the Clarence Street Theatre in 1997 was at a cost of \$1.17 million as a part of an accommodation to assist the Hamilton Operatic Society whom at the time was in financial difficulty. If a new theatre were to be built of similar size to The Clarence Street Theatre the cost would be in the \$14-\$16 million range minimum.
27. Should the theatre be sold there could potentially be some considerable disruption for existing users (namely Hamilton Operatic Society, Drury Lane Dance Company, Waikato Youth

Orchestra and Cantando Choir). In addition to the performance activity the theatre also supplies rehearsal and instruction rooms and costume/props storage which would place additional pressure on the current users. Whilst the existing lease terms provide for a minimal 3 month notice period for the termination of occupancy realistically any notice should be on a six months maximum basis.

28. One consideration in selling Clarence Street Theatre is that if a significant upgrade of Founders Theatre is to take place then the city may not have access to any Theatre for up to a year while refurbishment work is undertaken. On this basis it is recommended that as part of a sale the opportunity be investigated to retain the right to utilise Clarence Street Theatre should Founders Theatre be closed for refurbishment.
29. **Creative Waikato Proposal – Gift and Operating Grant**
30. At Council's request Creative Waikato have prepared a proposal (attachment one) on the future options for the Clarence Street Theatre on behalf of its users. All options effectively seek the gift of the theatre to a newly formed "Trust" plus a grant/loan of \$150,000 in the first year.
31. Creative Waikato's preferred option is Option 1 being the gift of the theatre to a "Trust" and award of a \$150,000 operating grant in the first year. This would have certain delivery conditions attached to it and the option for Council to regain ownership should the activity of the "Trust" fail.
32. Option 2 is a partnership model whereby Council would be a party to the "Trust" Board and effectively tied to the operating organisation.
33. Option 3 is the more tenable option for Council as it is essentially Option One but with the inclusion of community outcome targets (that could include financial viability) which if unachieved could trigger a return of the theatre into full Council ownership at any time.
34. **Status Quo – Retention of Clarence Street Theatre by Council**
35. A further option is that Council retains the Clarence Street Theatre on an as is basis and continues to operate it through Council's H3 operation. Should a refurbishment of the Founders Theatre proceed in 2016/17 it will provide some cover for theatrical performance to continue in the city during the refurbishment and remove any disruption to existing users.
36. However a status quo option would have to consider feedback from the 2013 Theatres Review and management should be tasked to work with the performing arts community to determine a better operating model that will encourage greater use of the facility by community performance groups.
37. Equally management will review the nature of the facilities at the theatre which is likely to lead to a restriction of some of the technical capabilities of the performance areas and therefore renewals costs. This is to ensure it does not cannibalise the opportunity for greater utilisation and revenues at Founders Theatre.
38. **Impacts on the exit of the Clarence Street Theatre ownership and operation by Council**
39. The theatre currently resides within Council's H3 (venues) operation which includes the Founders Theatre. The total number of dedicated theatres staff is four (across the two theatres) with all other staff requirements either shared across all of the other venues (for example business development, administration etc.) or delivered through a variable cost model where the user (client) pays. Much of the theatres equipment is shared across the venues including Claudelands Event Centre.
40. The second attachment to this paper outlines the budgeted OPEX (excluding Council overhead depreciation charges) and CAPEX position for the next five years. The theatre costs Council a

little over \$100k per year to operate and has variable capital expenditure requirements dependant on asset renewals schedules.

41. Fiscal implications on options presented (based on a five year average):

42. Sale of Property

43. The net positive impact on annual budget of an open market sale of the property is estimated at an immediate positive gain over current position of \$351,800 per annum.

Reduction of Council debt	\$1,525,000 (less any costs of sale est. \$50,000)
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Reduction of Council loan repayment	\$ 84,800 p.a.
Reduced OPEX	\$ 114,000 p.a.
Reduced CAPEX	\$ 153,000 p.a.
Net positive impact on annual budget	\$ 351,800 p.a.

44. Gift and Operating Grant

45. The net positive impact on annual budget of gifting the theatre and providing a \$150,000 per annum operating grant is an immediate gain over current position of \$117,000 in year one and an immediate gain over current position of \$267,000 per annum in years 2 and onwards.

46. Status Quo

47. No change to budget. (Alternative operating model - yet to be determined - likely to reduce revenue and expenditure but with a similar net result; likely CAPEX savings in year 3 and beyond).

Signatory

Authoriser	Sean Murray, General Manager Events and Economic Development Group
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The Clarence St Solution

Proposal from the Clarence St Solution Working Party to
Hamilton City Council
Supported by Creative Waikato

October 2014



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1. Proposal Objectives
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Proposal Objective

1. Protect and preserve Clarence St Theatre for Hamilton
2. Transform Clarence St into a vibrant, sustainable, community managed facility and realise its potential
3. Utilise Clarence St to bring together and support the vibrant performing arts groups in Hamilton
4. Preserve the reputation of Hamilton and its Council as a place that cares about and invests in its culture

Executive Summary

The Hamilton City Council Theatres Review published in 2013 recommended the sale of Clarence St Theatre due to its low utilisation and high cost to Council. Further inquiry into the needs of the community and cultural sector by Creative Waikato revealed that the theatre in fact has significant potential. The core reasons for Clarence St Theatre's underperformance are accessibility, affordability, and lack of strategic programming and community engagement.

Clarence St Theatre has clear potential to be transformed into a sustainable and thriving cultural and performing arts hub. Community consultation and both quantitative and qualitative research confirms these assertions. Discussions with the community revealed that most music and performance art groups in the city are effectively homeless 'gypsies' and are in dire need for affordable and accessible places in which to gather, develop and perform. Lack of accessibility to storage, rehearsal and administrative spaces are also issues of key importance.

The Hamilton performance sector, and in this case more specifically musical groups have the potential to come together for the first time under the Clarence St Theatre banner and to work together collaboratively. Such a model will deliver creative growth for the whole city. Creative quality and competence will improve, technical expertise will sharpen, audiences will multiply and reputation will soar.

Theatres lie at the absolute heart of creative expression in communities. Clarence St Theatre is currently Hamilton's most technically complete and fit for purpose theatre. To dispose of Clarence St would represent wastage at an unprecedented level and a death-knell for the creative future of Hamilton.

Therefore, this proposal is in fact, very simple.

Let us together save this Hamilton cultural asset, work together and create something of extraordinary value for future generations of Hamiltonians.

Financial Overview

The following table is a top line summary of the completed financial modeling, as requested by Council. The modeling demonstrates the effect of a potential purchase price of Clarence St Theatre on the Trust's ability to cover operating costs and to provide capital upgrades over a given time.

Three purchase price scenarios are shown at \$1.5m, \$0.5m and nil purchase prices. \$1m is not shown, as the operation is shown to be unviable at \$0.5m. See Appendix 1 for the full Profit and Loss and Cashflow budgets.

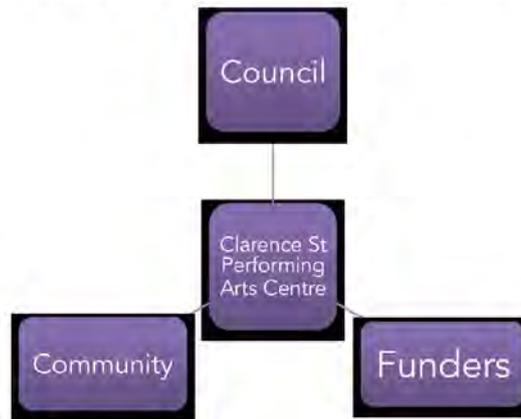
Cashflow Forecast Closing balance	Year 2	Year 5	Year 10
\$1.5m purchase price	-624,691	-974,954	-1,872,787
\$0.5 purchase price	-391,723	-278,186	-608,056
Nil purchase price	-151,351	184,717	226,497

What this clearly shows is that while Clarence St Theatre can within three years (maximum) become a self-sustaining performing arts centre, a new Trust cannot achieve this with the burden of the cost of land and property.

The community brings enormous value to the proposition; strategy, governance, community engagement, capacity development, management, expertise, strategic programming and community development.

Community Funders will also contribute with assistance with operating costs and ongoing capital improvement.

We must all meet in the middle, and all contribute to achieve this great outcome for our community.



Proposal Options

OPTION 1

Gift Clarence St to newly formed Trust

- Hamilton City Council to gift Clarence St Theatre and land of to a newly formed and independent Trust to be established for the purpose of seeing out the Vision for Clarence St Theatre
- Support Clarence St Theatre in the first year with seeding operational funds of \$150,000
- If after 10 years of operation, the theatre cannot be run as a viable financial proposition without subsidy, the land and property title will be returned to Council at no cost.

OPTION 2

Custodial Partnership

- Ownership of Clarence St Theatre transferred to new Trust in trust for 25 year agreement
- Annual Profit share return to Council of 10% from Year 3
- Interest free loan from Council of \$150,000, repaid over 8 years starting year 3
- Representation by Council on the Board
- After 25 year, profit share ceases.
- If not successful, return in full at no cost to Council

OPTION 3

Community Outcome Delivery Model

- Transfer ownership of Clarence St Theatre to new Trust with the responsibility of delivering on specific community outcome KPIs
- Support with seeding operational funds of \$150,000
- Agree cultural community outcome targets:
 - Community Engagement (numbers of creative groups operating in the venue)
 - Audience Development (growth of numbers attending cultural events)
 - Venue Community Utilisation (% of capacity)
- Undertake annual reporting and 3 year reviews. If the Trust is deemed to not to be achieving the agreed objectives then the land and property title will be returned to Council at no cost.

* All options require HCC to complete an engineering report on the building structure before handover

Background

Clarence St Theatre is located on the corner of Tristram and Clarence Streets in the Hamilton CBD. Clarence St Theatre and the site on which it sits has been a performing arts venue for Hamilton for the best part of a century starting life as a simple hall for musical revues and performances. In the early 1980s, Hamilton City Council gifted the land to the Hamilton Amateur Operatic Society who in the late 1980s fundraised with the community large financial sums and developed the venue that now exists today.

The theatre was designed as a multipurpose facility with excellent bar and restaurant facilities for regular shows and dinner and shows that Hamilton Operatic Society staged on a frequent basis. These shows proved extremely popular. The theatre was, and still is today seen, as one of the best theatre-restaurant facilities in the country and is a significant cultural asset to the city of Hamilton.

In the late 1990s HAOS experience difficult financial times and could no longer sustain operation of the theatre alone. The theatre, land and accumulated debt was transferred to Council ownership.

The theatre offers a flexible space, allowing for a maximum of 550-seated patrons at any one time (144 balcony seats and 406 stall seats). Flexibility is provided by the seating arrangement, which can be reconfigured with the inclusion of tables for dining. The stage has a traditional proscenium arch which is a unique offering for Hamilton for a venue of this capacity.

The theatre has undergone various levels of improvement with the auditorium being renovated approximately seven years ago and a recent major upgrade of its electrics. The venue has six dressing rooms located below the stage together with a green room containing a unisex toilet/shower area. To build a new theatre to Clarence St specifications in the current economic climate would cost approximately \$12m.

Clarence Street Theatre is a multifunctional performance venue for concerts, theatre, musical theatre, comedy, dance, community meetings, together with a large number of events including professional and commercial. Community and professional groups are attracted to the theatres versatility and excellent facilities. Patronage comparisons between the three Hamilton theatres shows that Clarence St has increased the most, growing by 38% (or 6.7k patrons) during past three years (prior to Meteor handover).

Auckland Theatre Company, Massive Theatre Company, The NZ Comedy Festival, both national and international touring productions have enjoyed the theatre. Locally, Hamilton Operatic Society, Drury Lane Dance Company, Trust Waikato Symphony Orchestra, other orchestras, choir, bands, dance troupes and schools performances have all found Clarence St Theatre a versatile place to work and inhabit.

The Clarence St Solution

Vision: Hamilton is celebrated for its performing arts because of Clarence St

Mission: Realise a sustainable and unified hub for performing arts in Hamilton

Strategies

Come Together, Right Now

- A home base for orchestras, choirs, bands, musical theatre and more
- Affordable and accessible spaces for performance and rehearsal
- Affordable and accessible spaces for storage and administration

The Snow Ball Effect

- A go-to place for music and performing arts
- On-sell for future audience development
- Mobilise the performing arts volunteer army
- Music and other creative groups collaborate in imagined and unimagined ways
- A place for unity and increased sustainability – smooth the peaks and troughs

Clever Programming

- Habit forming quality
- Main Billing and Development programmes
- Programme diversity: music, dramatic and musical theatre, dance, comedy, opera, film
- Series programming

Share the Love

- Share expertise and talent
- Share calendars and audiences
- Share spaces
- Share management, marketing and promotion

A New Financial Model

- Low cost, high frequency hire
- Food and beverage as profit centres
- Attract new external funding through efficiencies and impressive collaboration
- Profitable programming – efficiencies and space maximisation
- Appealing and responsive to sponsors
- Commercial hire is the gravy (not the main course)

Financial Plan

Financial projections (see Appendix 1) for the theatre have been based on utilisation of the new business model. It is understood however that the purpose of a community owned theatre is to return community outcomes, not to return profit.

Theatre hireage projections are based on \$300 per day plus 10% of ticket revenue at 30% occupancy in year one, 45% in year two and 60% thereafter. Projections also include rent for the offices and rehearsal space plus inside charges and a portion of a profit on the bar and ticket sales. These figures are conservative, and considerable consultation indicates they are realistic and achievable. Projected actual expenses are based on numbers provided by Hamilton City Council.

As already indicated, the forecast Profit and Loss reports show three scenarios, being purchase cost of the land and buildings at \$1.5m, \$.5m and \$nil. Capital would need to be raised in order to fund the purchase, and again a business model has been used to reflect this scenario and includes paying interest and repaying capital over 10 years. Any good business will try to repay capital as quickly as possible to reduce interest costs.

The projected cash flows show the theatre cannot sustain any capital cost for the building.

Forecast for maintenance and upgrades are realistic. The building will need work on an ongoing basis and this must be taken into account. Should any major works be required beyond the forecasts then the Trust will need to secure funding at that time.

In conclusion, based on financial modeling, and in order for the theatre to survive and thrive, the only viable financial option is to obtain the land and building as a gift. The Trust would also require working capital to remain viable through the first few years.

Governance

The proposed Trust Board would have strong governance experience and be a non-representative Board.

Name	Skill Base
Chris Williams	Communication and marketing, advertising, governance, strategy, networks, profile, leadership, music production
Scott Young	Legal
Leanne Bedwell	Financial
Rachel Balme	Governance, strategy, financial, leadership, musical theatre
Margot Buick	Governance, strategy, choral
Paul Mitchell	Governance, networks, theatre production
Jennifer Ward-Leland	Professional performance acumen, arts management and governance, and industry knowledge.
Patron: Richard O'Brien	International profile, performer, writer, actor, musician, producer, icon.

Community Consultation

Consultation consisted of six key parts involving the community:

1. Formation of working party with cross-sector representation
 - Representation from Hamilton Operatic, orchestras, choirs, University, independent production groups, theatre production groups, bands.

2. Meeting and discussion with Groups. Stakeholders who attended included:
 - Hamilton Chamber Music Society
 - TWSO
 - Hamilton Civic Choir
 - Drury Lane Dance
 - Hamilton Operatic Society
 - Hamilton Brass Band
 - Cantando Choir
 - Male Voices Waikato
 - Waikato River Tones Chorus
 - Mighty River Harmony
 - Opus Orchestra
 - Mosaic Choir
 - Riverlea
 - Musikmakers
 - Playbox
 - Stagecraft

3. Clarence St Open Day – key findings:

- A strong community desire for the theatre to be retained
- Valued features include flexibility, versatility, good design, its role as a gathering place and a home for theatre
- The proposed pricing model for main theatre hire is acceptable and the theatre could expect an increase in hireage and utilization at that the proposed new rates
- Groups are interested in the theatre's ability to supply storage and administrative space
- Groups are concerned at the complexity of programming and accommodating everyone
- Orchestras do not see it as a suitable rehearsal venue

4. Riverlea Meeting

- Meetings with Riverlea were undertaken to explore whether there was a potential for Riverlea activities to merge into the Clarence St building. While it was agreed that there was possibility and potential to do so, the Riverlea Board was clear that their preference was to remain at their current location.
- The Clarence St group believes that there is future potential to combine theatre spaces and activities to get the most efficient use from rehearsal, storage and production spaces as well as share knowledge and grow technical expertise
- However, at the point of writing the Riverlea Board remain fixed in their vision on Riverlea as stand-alone.
- The Board was grateful for the information and engagement and the door remains open for future conversations around collaboration and knowledge sharing once they have resolved the issue of land ownership.

5. User Groups Survey. Key findings:

- 23 organisations responded to the survey
- 65% of all respondents indicated they are likely or highly likely to hire CST at \$300 plus 20%
Those who indicated they would hire CST 90% said they would use the venue between 1-3 times each year
- 53% of respondents indicated they would be highly likely or likely hire the space for rehearsal at the proposed rates
- 10 organisations are considered as key music groups which would be central to the hub
- 80% of the 10 groups indicated they would be likely or highly likely to hire CST at the proposed rates. 70% indicated they were likely or highly likely to hire CST for rehearsal.
- The performance area improvements perceived to be most important are:
 - Sound proofing between front and backstage (57%)
 - Improved rehearsal space (54%)
- Front of house improvements perceived to be most important are:

- Box Office more accessible (essential/important 52%)
- Renovation of the audience area (essential/important 70%)
- Improve access to the upstairs bar (essential/important 60%)

User Groups who responded indicated that they are 'Likely' or 'Highly Likely' to use Clarence St under the new Trust format:

- Cantando Choir
- Waikato Youth Music Association
- Waikato Youth Symphonic Band
- Waikato Rivertones Chorus
- Drury Lane Dance & Performance
- Mighty River Harmony
- Hamilton Operatic Society
- Federation Dance Academy
- Waikato Orchestral Society Inc (TWSO)
- Hamilton Live Music Trust
- Hamilton Civic Choir

Capital Improvement Forecasts

Capital Improvements identified as necessary for the facility are as follows and are reflected in the financial forecasts.

Upgrade	Description	Time Frame	Estimated Cost
Office Space	Current offices upgraded to become shared office facilities for many performance groups. Meeting room and library area installed.	Immediately	\$20,000.00
Foyer	Improved access. Second entry. Garden and social area. Increased size and capacity for patrons. Possible cafe use/configuration.	18 – 24 months	\$150,000.00
Kitchen	Upgraded to increase bar size and accessibility	12 – 18 months	\$50,000.00
Sound proofing	Rehearsal spaces for use when performances are taking place.	12 – 18 months	\$15,000.00
Fly tower	Instillation of a counterweight system. Structural strengthening of the fly tower due to increase in weights.	3 – 7 years	\$500k to \$1 million

Business Plan Overview

The core elements of the Clarence St Proposal Business Plan are:

1. Pricing strategy
2. Strategic programming
3. Marketing strategy
4. Funding and sponsorship
5. Management structure

Pricing

Prohibitive hireage was the key factor responsible for Clarence St Theatre's occupancy decline.

The new model proposes a \$300 per-day charge and a percentage of ticket sales at 10 – 20% capped at the current community rate level. This was level was seen by all as very acceptable by all who were consulted. This compares to the existing flat rate commercial rate of \$2,275 and community rate of \$1,765 per day.

The proposed structure enables the venue to be a viable option for groups that do not traditionally attract large audiences and are not unduly penalised with the capped hire. Based on usage projections based on historic data and new research, the proposed hire cost achieves a viable financial model from an operating standpoint while being accessible at a user level.

Strategic Programming

Clarence St Theatre presents untapped potential for growth in terms of programming. Unlike other major cities in New Zealand, Hamilton currently does not have a venue that offers seasons or programmes of seasons. Clarence St Theatre will change this by this being a key point of difference to other venues in the city.

Clarence Street Theatre will offer a selective programme throughout the year combining local, national and international events. This would include orchestral programmes, brass band programmes, musical theatre programmes, theatre and comedy programmes. There will be a mix of professional, community and commercial events. There will be development (new and emerging talent) product that will be programmed with aspirational product for key professional theatres and music companies.

Brand, Marketing and Promotion Plan

This is an overview of the marketing strategy that would inform the development and completion of a comprehensive marketing plan once the theatre has changed hands.

Marketing Objectives

- Position Clarence St as a professionally run, vibrant, flexible, performance and audience-friendly theatre
- Gain on going buy-in from all the groups the Trust represents, along with their audiences
- Help build the overall Clarence St audience
- Help build a pipeline of performances
- Attract a family of sponsors who work in partnership with the Trust
- Build long-term loyalty with all stakeholder groups

Audiences

- The performing arts community
- The wider Hamilton public
- Local politicians
- Funding organisations
- Creative New Zealand
- The business community
- Theatre groups around New Zealand
- Relevant promoters and performers – New Zealand and international
- Local and national media

Marketing strategies

Strategy	Actions
A fresh, relevant brand	<ul style="list-style-type: none"> - Consult with all key groups to develop branding molecule - Engage local designers to create new designs - Create an accompanying style guide and templates
Sustained stakeholder engagement	<ul style="list-style-type: none"> - Start with a big party! - Develop database - On-going communications - A vibrant and exciting performance programme
Build a loyal family of sponsors	<ul style="list-style-type: none"> - A layered approach - Cash and in-kind supporters - Include key media organisations - Develop communication and engagement strategy

Encourage local ownership	<ul style="list-style-type: none"> - The next level down from corporate sponsorships - Develop mechanism for loyalty and recognition - Build database for use as promotional vehicle
Attract other New Zealand performers and groups	<ul style="list-style-type: none"> - Develop a data base of prospects - Develop a direct marketing strategy - On-going communications - Build long term relationships
Help maximise audiences at all performances	<ul style="list-style-type: none"> - Work in conjunction with all performing groups - Develop marketing plan templates - Use existing relationships and databases to promote all performances - Create umbrella material at regular intervals
Develop packaged offerings	<ul style="list-style-type: none"> - Utilise bar and kitchen facilities to enhance the theatre experience - Create deals for multiple attendances - Develop business-friendly packages
Build digital assets and channels	<ul style="list-style-type: none"> - Develop website to support the brand - Develop a multi-layered social media strategy - Use channels in the appropriate manner to inform, promote and sell

Funding

Discussion regarding future funding of Clarence St Theatre took place with major Waikato community funders and the following key points were made:

- There is support of the concept for community collaboration to grow the creative sector
- Assurance is needed that the Waikato Creative Infrastructure Plan supports the approach
- Assurance is needed that Creative Waikato supports the approach
- Assurance that funding was not 'double dipping' with applications from the facility vs users
- Council support needed via through gifting of the facility together with ongoing support

Sponsorship

There will be a range of sponsorship packages available to all that may want to support the theatre. Innovative sponsorship packages will be offered and valuable revenue will be derived from a variety of sources delivering a potential sponsorship fund of around \$200k.

- Buy a seat campaign: 200 seats offered for \$250 - \$1250 per seat. Potential revenue per annum \$150k
- Annual naming rights for the theatre and foyer = >\$10,000
- Annual naming rights to rehearsal spaces = \$2,000
- Theatre season tickets = \$20,000 (80 tickets @ \$250)
- Programme specific season tickets = \$10,000 (40 tickets @ \$250)
- Season sponsorship = \$10,000

Management Structure

Business Manager/CEO/General Manager (full-time)

- Achieve artistic and fiscal targets set by the Board of Directors/Trust
- Programme the theatre with community and professional activity and develop commercial utilisation
- Establish business and marketing plans
- Provide mentor service for organisations by assisting with marketing of events, development of programmes
- Daily management of venue staff

Theatre Technician (One full-time and one part-time)

- Custodian of the stage house
- Responsible for the correct use of the venue according to Health and Safety standards and in accordance with guidelines of Entertainment New Zealand (ETNZ) and EVANZ
- In consultation with the Business Manager, responsible for programming the theatre and rehearsal spaces
- Maintenance of chattels and equipment owned by the theatre adhering to legislative requirements.
- Mentor support to inhabiting organisations
- Possible education touch point for technical theatre education
- Possible collaboration with Meteor/One Victoria Trust/Riverlea to share resources

Administrator/Ticketing Manager (part-time)

- Administration of the theatre and Trust
- Administration of organisation and support personnel
- Manage the sale of tickets through the venue website and ticketing system

Marketing and Capacity Development Coordinator (part-time)

- Deliver marketing to support to hirers and occupants
- Assist with the development of organisational performance capabilities

Clarence Street Theatre Working Group -Profit and Loss Forecast (Cost of Theatre nil)

	Projected Year 1	Projected year 2	Projected year 3	Projected Year 4	Projected Year 5	Projected Year 6	Projected Year 7	Projected Year 8	Projected Year 9	Projected Year 10
Theatre Occupancy	30%	45%	60%	60%	60%	60%	60%	60%	60%	60%
Rent	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008
Theatre hire @\$300 per day	32,856	49,272	65,700	65,700	65,700	65,700	65,700	65,700	65,700	65,700
Theatre Hire % Ticket Sales	36,132	54,204	72,264	72,264	72,264	72,264	72,264	72,264	72,264	72,264
Inside ticketing charge	54,204	81,300	108,408	108,408	108,408	108,408	108,408	108,408	108,408	108,408
Community Funding	50,000	45,000	80,000	80,000	100,000	100,000	240,000			
	186,200	242,784	339,381	339,381	359,381	359,381	499,381	259,381	259,381	259,381
Kitchen Bar										
Sales	180,000	271,008	361,344	361,344	361,344	361,344	361,344	361,344	361,344	361,344
Cost of Goods Sold										
Purchases	118,800	178,865	238,487	238,487	238,487	238,487	238,487	238,487	238,487	238,487
Rebate to hirer	11,880	18,600	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Cost of Goods Sold	130,680	197,465	262,487	262,487	262,487	262,487	262,487	262,487	262,487	262,487
Gross Profit	49,320	73,543	98,857	98,857	98,857	98,857	98,857	98,857	98,857	98,857
Income from Trading	235,520	316,327	438,238	438,238	458,238	458,238	598,238	358,238	358,238	358,238
Trust Admin/Accounting	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992
Wages	167,496	167,496	167,496	167,496	167,496	167,496	167,496	167,496	167,496	167,496
Marketing	24,996	34,992	50,004	50,004	50,004	50,004	50,004	50,004	50,004	50,004
Security	2,496	2,496	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Electricity	15,540	17,868	20,208	20,208	20,208	20,208	20,208	20,208	20,208	20,208
Gas	7,908	9,084	10,284	10,284	10,284	10,284	10,284	10,284	10,284	10,284
Rates	8,196	8,196	8,196	8,196	8,196	8,196	8,196	8,196	8,196	8,196
R & M Building	27,996	32,196	36,396	36,396	36,396	36,396	36,396	36,396	36,396	36,396
R & M Plant	5,004	5,748	6,504	6,504	6,504	6,504	6,504	6,504	6,504	6,504
Compliance WOF	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496
Office Expenses	9,996	9,996	9,996	9,996	9,996	9,996	9,996	9,996	9,996	9,996
Insurance	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Health & Safety Compliance	5,004	5,004	5,004	5,004	5,004	5,004	5,004	5,004	5,004	5,004
	288,120	306,564	330,576	330,576	330,576	330,576	330,576	330,576	330,576	330,576
Major Maintenance/Upgrade	50,000	70,000					525,000			
Interest										
Total Expenses	338,120	376,564	330,576	330,576	330,576	330,576	855,576	330,576	330,576	330,576
Profit/Loss	-\$102,600	-\$60,237	\$107,662	\$107,662	\$127,662	\$127,662	-\$257,338	\$27,662	\$27,662	\$27,662

Clarence Street Theatre Working Group - Forecasts (Cost of Theatre nil)

CASH FLOW FORECAST

	Projected Year 1	Projected Year 2	Projected Year 3	Projected Year 4	Projected Year 5	Projected Year 6	Projected Year 7	Projected Year 8	Projected Year 9	Projected Year 10
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RECEIPTS										
Trade Debtors Record	383,344	539,197	734,346	734,346	754,346	754,346	994,346	654,346	654,346	654,346
Interest Received										
Loan Receipts										
Loan Capital										
GST Record	14,091	4,829								
TOTAL RECEIPTS	397,435	544,026	734,346	734,346	754,346	754,346	994,346	654,346	654,346	654,346
PAYMENTS										
Trade Creditors Record	491,485	601,327	625,195	625,195	625,195	625,195	1,150,195	625,195	625,195	625,195
Loan Payments										
Overdraft Interest										
Loans Made										
GST Record			3,795	3,795	3,795	3,795	3,795	3,795	3,795	3,795
TOTAL PAYMENTS	491,485	601,327	628,990	628,990	628,990	628,990	1,153,990	628,990	628,990	628,990
NET CASH FLOW	-94,050	-57,301	105,356	105,356	125,356	125,356	-159,644	25,356	25,356	25,356
OPENING BANK	0	-94,050	-151,351	-45,995	59,361	184,717	310,073	150,429	175,785	201,141
CLOSING BANK	-94,050	-151,351	-45,995	59,361	184,717	310,073	150,429	175,785	201,141	226,497

Clarence Street Theatre Working Group -Profit and Loss Forecast (Cost of Theatre \$5.5m)

	Projected Year 1	Projected year 2	Projected year 3	Projected Year 4	Projected Year 5	Projected Year 6	Projected Year 7	Projected Year 8	Projected Year 9	Projected Year 10
Theatre Occupancy	30%	45%	60%	60%	60%	60%	60%	60%	60%	60%
Rent	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008
Theatre hire @\$300 per day	32,856	49,272	65,700	65,700	65,700	65,700	65,700	65,700	65,700	65,700
Theatre Hire % Ticket Sales	36,132	54,204	72,264	72,264	72,264	72,264	72,264	72,264	72,264	72,264
Inside ticketing charge	54,204	81,300	108,408	108,408	108,408	108,408	108,408	108,408	108,408	108,408
Community Funding	50,000	45,000	80,000	80,000	100,000	100,000	240,000			
Income from Hireage	186,200	242,784	339,381	339,381	359,381	359,381	499,381	259,381	259,381	259,381
Kitchen Bar										
Sales	180,000	271,008	361,344	361,344	361,344	361,344	361,344	361,344	361,344	361,344
Cost of Goods Sold										
Purchases	118,800	178,865	238,487	238,487	238,487	238,487	238,487	238,487	238,487	238,487
Rebate to hirer	11,880	18,600	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Cost of Goods Sold	130,680	197,465	262,487	262,487	262,487	262,487	262,487	262,487	262,487	262,487
Gross Profit	49,320	73,543	98,857	98,857	98,857	98,857	98,857	98,857	98,857	98,857
Total Income	235,520	316,327	438,238	438,238	458,238	458,238	598,238	358,238	358,238	358,238
Trust Admin/Accounting	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992
Wages	167,496	167,496	167,496	167,496	167,496	167,496	167,496	167,496	167,496	167,496
Marketing	24,996	34,992	50,004	50,004	50,004	50,004	50,004	50,004	50,004	50,004
Security	2,496	2,496	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Electricity	15,540	17,868	20,208	20,208	20,208	20,208	20,208	20,208	20,208	20,208
Gas	7,908	9,084	10,284	10,284	10,284	10,284	10,284	10,284	10,284	10,284
Rates	8,196	8,196	8,196	8,196	8,196	8,196	8,196	8,196	8,196	8,196
R & M Building	27,996	32,196	36,396	36,396	36,396	36,396	36,396	36,396	36,396	36,396
R & M Plant	5,004	5,748	6,504	6,504	6,504	6,504	6,504	6,504	6,504	6,504
Compliance WOF	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496
Office Expenses	9,996	9,996	9,996	9,996	9,996	9,996	9,996	9,996	9,996	9,996
Insurance	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Health & Safety Compliance	5,004	5,004	5,004	5,004	5,004	5,004	5,004	5,004	5,004	5,004
Operating Expenses	288,120	306,564	330,576	330,576	330,576	330,576	330,576	330,576	330,576	330,576
Major Maintenance/Upgrade	50,000	70,000					525,000			
Interest	27,500	31,792	27,661	22,046	18,372	14,698	11,758	7,839	3,919	-
Total Expenses	365,620	408,356	358,237	352,622	348,948	345,274	867,334	338,415	334,495	330,576
Profit/Loss	-\$130,100	-\$92,029	\$80,001	\$85,616	\$109,290	\$112,964	-\$269,096	\$19,823	\$23,743	\$27,662

Clarence Street Theatre Working Group - Forecasts (Cost of Theatre \$5m)

CASH FLOW FORECAST

	Projected Year 1	Projected Year 2	Projected Year 3	Projected Year 4	Projected Year 5	Projected Year 6	Projected Year 7	Projected Year 8	Projected Year 9	Projected Year 10
	\$	\$								
RECEIPTS										
Trade Debtors Record	383,344	584,124	793,832	793,832	813,832	813,832	953,832	713,832	713,832	713,832
Interest Received										
Loan Receipts										
Loan Capital										
Bank Loan	500,000									
Sub-Total Loan Capital	500,000									
GST Record	14,091	5268								
TOTAL RECEIPTS	897,435	589,392	793,832	793,832	813,832	813,832	953,832	713,832	713,832	713,832
PAYMENTS										
Trade Creditors Record	573,333	649,629	682,031	682,031	682,031	682,031	1,207,031	682,031	682,031	682,031
Loan Payments										
Bank Loan	73,333	82,255	66,548	83,286	79,612	63,690	77,081	73,162	69,242	0
Sub-Total Loan Payments	73,333	82,255	66,548	83,286	79,612	63,690	77,081	73,162	69,242	0
GST Record			4,140	4,140	4,140	4,140	4,140	4,140	4,140	4,140
Overdraft Interest										
Loans Made										
Clarence St Theatre Land & Buildings	500,000									
TOTAL PAYMENTS	1,146,666	731,884	752,719	769,457	765,783	749,861	1,288,252	759,333	755,413	686,171
NET CASH FLOW	-249,231	-142,492	41,113	24,375	48,049	63,971	-334,420	-45,501	-41,581	27,661
OPENING BANK		-249,231	-391,723	-350,610	-326,235	-278,186	-214,215	-548,635	-594,136	-635,717
CLOSING BANK	-249,231	-391,723	-350,610	-326,235	-278,186	-214,215	-548,635	-594,136	-635,717	-608,056

Clarence Street Theatre Working Group -Profit and Loss Forecast (Cost of Theatre \$1.5m)

	Projected Year 1	Projected year 2	Projected year 3	Projected Year 4	Projected Year 5	Projected Year 6	Projected Year 7	Projected Year 8	Projected Year 9	Projected Year 10
Theatre Occupancy	30%	45%	60%	60%	60%	60%	60%	60%	60%	60%
Rent	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008
Theatre hire @\$300 per day	32,856	49,272	65,700	65,700	65,700	65,700	65,700	65,700	65,700	65,700
Theatre Hire % Ticket Sales	36,132	54,204	72,264	72,264	72,264	72,264	72,264	72,264	72,264	72,264
Inside ticketing charge	54,204	81,300	108,408	108,408	108,408	108,408	108,408	108,408	108,408	108,408
Community Funding	50,000	45,000	80,000	80,000	100,000	100,000	240,000			
	186,200	242,784	339,381	339,381	359,381	359,381	499,381	259,381	259,381	259,381
Kitchen Bar										
Sales	180,000	271,008	361,344	361,344	361,344	361,344	361,344	361,344	361,344	361,344
Cost of Goods Sold										
Purchases	118,800	178,865	238,487	238,487	238,487	238,487	238,487	238,487	238,487	238,487
Rebate to hirer	11,880	18,600	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Cost of Goods Sold	130,680	197,465	262,487	262,487	262,487	262,487	262,487	262,487	262,487	262,487
Gross Profit	49,320	73,543	98,857	98,857	98,857	98,857	98,857	98,857	98,857	98,857
Income from Trading	235,520	316,327	438,238	438,238	458,238	458,238	598,238	358,238	358,238	358,238
Trust Admin/Accounting	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992
Wages	167,496	167,496	167,496	167,496	167,496	167,496	167,496	167,496	167,496	167,496
Marketing	24,996	34,992	50,004	50,004	50,004	50,004	50,004	50,004	50,004	50,004
Security	2,496	2,496	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Electricity	15,540	17,868	20,208	20,208	20,208	20,208	20,208	20,208	20,208	20,208
Gas	7,908	9,084	10,284	10,284	10,284	10,284	10,284	10,284	10,284	10,284
Rates	8,196	8,196	8,196	8,196	8,196	8,196	8,196	8,196	8,196	8,196
R & M Building	27,996	32,196	36,396	36,396	36,396	36,396	36,396	36,396	36,396	36,396
R & M Plant	5,004	5,748	6,504	6,504	6,504	6,504	6,504	6,504	6,504	6,504
Compliance WOF	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496
Office Expenses	9,996	9,996	9,996	9,996	9,996	9,996	9,996	9,996	9,996	9,996
Insurance	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Health & Safety Compliance	5,004	5,004	5,004	5,004	5,004	5,004	5,004	5,004	5,004	5,004
	288,120	306,564	330,576	330,576	330,576	330,576	330,576	330,576	330,576	330,576
Major Maintenance/Upgrade	50,000	70,000					525,000			
Interest	82,500	96,782	82,265	66,611	55,509	44,407	33,305	22,204	11,102	-
Total Expenses	420,620	473,346	412,841	397,187	386,085	374,983	888,881	352,780	341,678	330,576
Profit/Loss	-\$185,100	-\$157,019	\$25,397	\$41,051	\$72,153	\$83,255	-\$290,643	\$5,458	\$16,560	\$27,662

Clarence Street Theatre Working Group - Forecasts (Cost of Theatre 1.5m)

CASH FLOW FORECAST

	Projected Year 1	Projected Year 2	Projected Year 3	Projected Year 4	Projected Year 5	Projected Year 6	Projected Year 7	Projected Year 8	Projected Year 9	Projected Year 10
	\$	\$								
RECEIPTS										
Trade Debtors Record	383,344	584,124	793,832	793,832	813,832	813,832	953,832	713,832	713,832	713,832
Interest Received										
Loan Receipts										
Loan Capital										
Bank Loan	1,500,000									
Sub-Total Loan Capital	1,500,000									
GST Record	14,091	5268								
TOTAL RECEIPTS	1,897,435	589,392	793,832	793,832	813,832	813,832	953,832	713,832	713,832	713,832
PAYMENTS										
Trade Creditors Record	491,485	649,629	682,031	682,031	682,031	682,031	1,207,031	682,031	682,031	682,031
Loan Payments										
Bank Loan	220,000	250,404	201,066	251,641	240,539	229,437	218,335	207,234	196,132	0
Sub-Total Loan Payments	220,000	250,404	201,066	251,641	240,539	229,437	218,335	207,234	196,132	0
GST Record			4,140	4,140	4,140	4,140	4,140	4,140	4,140	4,140
Overdraft Interest										
Loans Made										
Clarence St Theatre Land & Buildings	1,500,000									
TOTAL PAYMENTS	2,211,485	900,033	887,237	937,812	926,710	915,608	1,429,506	893,405	882,303	686,171
NET CASH FLOW	-314,050	-310,641	-93,405	-143,980	-112,878	-101,776	-475,674	-179,573	-168,471	27,661
OPENING BANK		-314,050	-624,691	-718,096	-862,076	-974,954	-1,076,730	-1,552,404	-1,731,977	-1,900,448
CLOSING BANK	-314,050	-624,691	-718,096	-862,076	-974,954	-1,076,730	-1,552,404	-1,731,977	-1,900,448	-1,872,787

Clarence Street Theatre Working Group -Profit and Loss Forecast (Cost of Theatre nil)

Option 2

	Projected Year 1	Projected year 2	Projected year 3	Projected Year 4	Projected Year 5	Projected Year 6	Projected Year 7	Projected Year 8	Projected Year 9	Projected Year 10
Theatre Occupancy	30%	45%	60%	60%	60%	60%	60%	60%	60%	60%
Rent	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008
Theatre hire @ \$300 per day	32,856	49,272	65,700	65,700	65,700	65,700	65,700	65,700	65,700	65,700
Theatre Hire % Ticket Sales	36,132	54,204	72,264	72,264	72,264	72,264	72,264	72,264	72,264	72,264
Inside ticketing charge	54,204	81,300	108,408	108,408	108,408	108,408	108,408	108,408	108,408	108,408
Community Funding	50,000	45,000	80,000	80,000	100,000	100,000	240,000			
	186,200	242,784	339,381	339,381	359,381	359,381	499,381	259,381	259,381	259,381
Kitchen Bar										
Sales	180,000	271,008	361,344	361,344	361,344	361,344	361,344	361,344	361,344	361,344
Cost of Goods Sold										
Purchases	118,800	178,865	238,487	238,487	238,487	238,487	238,487	238,487	238,487	238,487
Rebate to hirer	11,880	18,600	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Cost of Goods Sold	130,680	197,465	262,487	262,487	262,487	262,487	262,487	262,487	262,487	262,487
Gross Profit	49,320	73,543	98,857	98,857	98,857	98,857	98,857	98,857	98,857	98,857
Income from Trading	235,520	316,327	438,238	438,238	458,238	458,238	598,238	358,238	358,238	358,238
Trust Admin/Accounting	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992	4,992
Wages	167,496	167,496	167,496	167,496	167,496	167,496	167,496	167,496	167,496	167,496
Marketing	24,996	34,992	50,004	50,004	50,004	50,004	50,004	50,004	50,004	50,004
Security	2,496	2,496	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Electricity	15,540	17,868	20,208	20,208	20,208	20,208	20,208	20,208	20,208	20,208
Gas	7,908	9,084	10,284	10,284	10,284	10,284	10,284	10,284	10,284	10,284
Rates	8,196	8,196	8,196	8,196	8,196	8,196	8,196	8,196	8,196	8,196
R & M Building	27,996	32,196	36,396	36,396	36,396	36,396	36,396	36,396	36,396	36,396
R & M Plant	5,004	5,748	6,504	6,504	6,504	6,504	6,504	6,504	6,504	6,504
Compliance WOF	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496
Office Expenses	9,996	9,996	9,996	9,996	9,996	9,996	9,996	9,996	9,996	9,996
Insurance	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Health & Safety Compliance	5,004	5,004	5,004	5,004	5,004	5,004	5,004	5,004	5,004	5,004
	288,120	306,564	330,576	330,576	330,576	330,576	330,576	330,576	330,576	330,576
Major Maintenance/Upgrade	50,000	70,000					525,000			
Interest										
Total Expenses	338,120	376,564	330,576	330,576	330,576	330,576	855,576	330,576	330,576	330,576
Profit/Loss	-\$102,600	-\$60,237	\$107,662	\$107,662	\$127,662	\$127,662	-\$257,338	\$27,662	\$27,662	\$27,662

Clarence Street Theatre Working Group - Forecasts (Cost of Theatre nil)

Option 2

CASH FLOW FORECAST

	Projected Year 1	Projected Year 2	Projected Year 3	Projected Year 4	Projected Year 5	Projected Year 6	Projected Year 7	Projected Year 8	Projected Year 9	Projected Year 10	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
RECEIPTS											
Trade Debtors Record	383,344	539,197	734,346	734,346	754,346	754,346	994,346	654,346	654,346	654,346	
Interest Received											
Loan Receipts											
Loan Capital	150,000										
GST Record	14,091	4,829									
TOTAL RECEIPTS	547,435	544,026	734,346	734,346	754,346	754,346	994,346	654,346	654,346	654,346	
PAYMENTS											
Trade Creditors Record	491,485	601,327	625,195	625,195	625,195	625,195	1,150,195	625,195	625,195	625,195	
Loan Payments	0	0	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	150,000
Overdraft Interest											
Profit Share	0	0	10,766	10,766	12,766	12,766	0	2,766	2,766	2,766	55,363
GST Record			3,795	3,795	3,795	3,795	3,795	3,795	3,795	3,795	
TOTAL PAYMENTS	491,485	601,327	658,506	658,506	660,506	660,506	1,172,740	650,506	650,506	650,506	
NET CASH FLOW	55,950	-57,301	75,840	75,840	93,840	93,840	-178,394	3,840	3,840	3,840	
OPENING BANK	0	55,950	-1,351	74,489	150,329	244,169	338,008	159,614	163,454	167,294	
CLOSING BANK	55,950	-1,351	74,489	150,329	244,169	338,008	159,614	163,454	167,294	171,134	

Clarence Street LTP data for Creative Waikato discussion

Operating position

	Yr1	Yr2	Yr3	Yr4	Yr5	
	2015/16	2016/17	2017/18	2018/19	2019/20	
Operating Revenue	217,500	217,500	217,500	217,500	217,500	
Direct Operating Costs	(320,900)	(319,945)	(326,945)	(377,945)	(311,945)	
Net position - costs	(103,400)	(102,445)	(109,445)	(160,445)	(94,445)	(570,180)

painting

Capital

	Yr1	Yr2	Yr3	Yr4	Yr5	
	2015/16	2016/17	2017/18	2018/19	2019/20	
Renewal of existing capital items - Funded						
Clarence St Fixed assets						
Hanging Points compliance	28,000					
Stage Door Entry Renewal			90,000			
Orchestra Pit removable cover						
Dressing Room Toilet/Shower renewal			135,000			
Disabled Toilet and Shower Backstage				115,000		
Fall Arrest/Catwalk Upgrade	40,000					
Clarence St theatre AV equipment						
Remote LX Dimmer patch fields - 216 ccts			185,000			
LSC Redback 12 channel dimmer, DMX				28,700		
Jands FP12WM 12ch well mount dimmer (FOH cct's)				12,400		
Fibre Cabling					10,300	
Remote Data panels					33,900	
Australian monitor 100volt ceiling speaker - Foyer & LX control					15,300	
Sundry AV plant & equipment	5,100	14,800	10,300	12,500	3,070	
Clarence St in house staging equipment						
Orchestra pit cover	35,700					
Handline set - 13m batten, 3 rope set, blocks and horns			99,200			
House curtain counterweight system			9,400			
Fire curtain counterweight system			9,400			
Steel counterweight 13.5kg		7,100				
Curtains - serge legs			9,900			
PVC Cyclorama - 12.5m x 7.2m, white					5,800	
Sundry Staging plant & equipment			3,600			
Clarence Street Misc furniture and equipment						
Yamaha Piano U1E - cover and stool			21,300			
Yamaha Piano U3			10,600			
Chairs x 90		8,500				
Sundry Misc furniture and equipment	4,800	13,700	9,400	12,100	11,200	
Total Renewal	113,600	44,100	593,100	180,700	79,570	1,011,070

Capital Expenditure

	Yr1	Yr2	Yr3	Yr4	Yr5	
	2015/16	2016/17	2017/18	2018/19	2019/20	
New items - Unfunded						
Auditorium HVAC				175,000	175,000	
Dressing Room HVAC				45,000	45,000	
Wheelchair Access to Stage			100,000		100,000	
Total new items			100,000	220,000	320,000	320,000
						1,331,070

THE CLARENCE ST THEATRE

SOLUTION

Community Ownership, Leadership & Success

OBJECTIVE



Protect and Preserve Clarence St Theatre for Hamilton

Hamilton City Council wish to sell Clarence St Theater due to cost and low usage

Transform



Clarence St into a vibrant, sustainable, community managed venue

Utilise



This valuable space for the performing arts groups in the city

Come Together, Right Now

Create an affordable & accessible hub for the Hamilton Performing Arts Community - for the benefit of us all -



How?

A NEW FINANCIAL MODEL



Low Cost Hireage
High Frequency Usage

Clever Programming
Habit forming quality, delighting & growing audiences

Snow Ball Effect



Performing art groups collaborating in imagined & unimagined ways

Share the Love



Share expertise, calendars, audiences, spaces, talent, marketing and promotion

Request to Hamilton City Council

Gift Clarence St Theatre to the community in order to:

- Preserve Clarence St Theatre as a theatre for the region
- Support and protecting Hamilton's performing arts sector
- Transform it into a sustainable and thriving creative hub for everyone



Clarence St Trust - Trustee Bio's

17 June, 2015

Chris Williams – Chair

CEO King St - 16 years; Chair, Hamilton Gardens Arts Festival – 2009 – 2014; Trustee Hamilton Gardens Arts Festival – 2014 – 2015; Chair, Creative Waikato- 2014 – 2015; Chair and Founding Trustee, The Tron Music Trust – 2014 – 2-15; Partner, The Porch Recording Studio – 2009 – 2015; Trustee, The Creative Thinking Trust, The University of Auckland – 2012 – 2015; Civic Award Recipient for contribution to Arts, Creativity and well-being.

Jennifer Ward – Lealand

Since training at Auckland's influential Theatre Corporate, Jennifer has worked extensively in theatre, film, television, musical and radio for over 33 years. Jennifer was a founding board member of the Watershed Theatre and a co-founder of [The Large Group](#) and [The Actors' Program](#). She is currently President of [New Zealand Actors Equity](#), Patron of [Q Theatre](#), and serves as a trust board member of [Arts Regional Trust](#), [Silo Theatre](#), Clarence St Theatre Trust, and [Actors Benevolent Fund](#). In the 2007 New Years Honours List, she was named an Officer of the New Zealand Order of Merit for services to theatre and the community.

www.jenniferwardlealand.com

Scott Young

Director - Young and Associates Lawyers
Former Chairman Waikato Anglican Boys School Trust (St Paul's Collegiate)
Former Secretary Claudelands Rovers Football Club
Former committee member Hamilton Eastern Suburbs Cricket
Solicitor Hamilton Operatic Society

Rachel Balme CA, B Com

Rachel Balme is a chartered accountant and has worked in various accounting positions over the last 25 years. She is currently Director of Top Line Accountants, a chartered accountancy practice in Te Rapa Hamilton. She is also a director of Forgotten World Adventures, a large tourism business based in Taumarunui. Rachel has worked on various committees including the Local Leadership Team for Chartered Accountants Australia and New Zealand (CAANZ), as well as Treasurer for Hamilton Operatic Society for 5 years plus her current role as Chairman. Prior to that she has worked on various school and pre-school committees, and Chairman of Parents Centre Rotorua for a time.

Rachel is a huge fan of theatre in general, and has performed in several recent Hamilton Operatic productions including *Oliver!*, *Joseph*, *The Secret Garden*, *CATS* and *Phantom of the Opera*.

MARGOT BUICK

Margot Buick has over 25 years experience as a director of public and not-for-profit companies, most with some linkage to the rural sector or to her interest in food science and technology, particularly food production and processing. She is a current director of AsureQuality, a commercial company, providing food safety and biosecurity services globally to the food and primary production sectors with an annual turnover exceeding \$175m and also a Trustee of the Mondeor Trust, a property investment trust. Margot is a Fellow, and past president, of the Institute of Food Science and Technology.

As well as her experience, Margot has a record of ongoing professional development. She completed a Masters of Business Administration at Massey University. Always interested in governance, she has completed a number of training courses through the Institute of Directors (IOD).

Margot's business experience, as well as her professional involvement, ensures she is familiar with the commercial, financial and human resources issues faced by directors. Currently she is a consultant with Project Intelligence providing services in the agribusiness value chain including new business development, project management, IP, strategy development and commercialisation of technology. Prior to this she was Commercial Manager at AgResearch responsible for development, commercialisation and technology transfer into defined markets for products and technologies developed by the company.

Paul Mitchell

Further information to be provided

Leeanne Bidwell

Further information to be provided

Committee: Council

Date: 25 June 2015

Report Name: Property Update - Beggs
Wiseman Building

Author: Nicolas Wells

Status	<i>Open</i>
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1. Purpose

2. For Council to approve the sale of the Beggs Wiseman Building.

3. Background

4. A copy of the report to the 18 June 2015 Business and Investment Subcommittee Meeting is attached (Attachment 1).
5. The Subcommittee requested the following additional information be provided to Council in relation to the seismic strengthening of the building:
 - a. Council's Earthquake-Prone, Dangerous and Insanitary Buildings Policy requires building owners to have undertaken an engineering assessment no later than 1 March 2009 to confirm whether or not their building is earthquake prone. Any building assessed below 33% of the New Building Standard (NBS) is deemed "earthquake prone".
 - b. The Beggs Wiseman Building was seismically strengthened by the previous owner in 1991 by installing a new steel framework.
 - c. In 2007 G A Hughes and Associates conducted an Initial Earthquake Procedure (IEP). The building achieved a score of 77%NBS across and 88%NBS along (above the standard 67%NBS recommended by the New Zealand Society for Earthquake Engineering). The building achieved a Seismic Grade B and is not earthquake prone.
 - d. The 2007 G A Hughes and Associates assessment remains valid. The same Council policy under which the IEP was conducted remains in place today. New legislation is expected to be enacted later this year which may, or may not, require Council to amend its policy. Early indication is that the 33%NBS threshold will remain.
6. At its Meeting on Thursday 18 June 2015 the Business and Investment Subcommittee resolved that:
 - a) *The Report be received;*
 - b) *The Business and Investment Subcommittee recommends that Council sells the Beggs Wiseman Building physically located on the corner of Victoria and Ward Streets, Hamilton, and legally described in the Schedule;*
 - c) *Council markets the property for sale through a public sale process and purchase offers are assessed against criteria that includes:*
 - i *Price considering the current market value as assessed by a Council-appointed*

registered valuer in accordance with Council policy, and;

- ii Development and use, including timeframes, of the purchaser's intentions for the redevelopment of the building and the ability of their redevelopment to enhance the Central Business District and street-scape.*
 - d) Staff present the purchase offers to Council and seek further direction in respect of any matters or issues arising that materially affect the sale process;*
 - e) Council authorises the Chief Executive Officer to (1) prepare an Agreement for Sale and Purchase and (2) any other instruments that are required to give effect to this resolution.*
7. A confidential financial data sheet will be circulated at the meeting.

8. Recommendation

That:

- a) the Report be received;
- b) Council sells the Beggs Wiseman building physically located on the corner of Victoria and Ward Streets, Hamilton, and legally described in the Schedule;
- c) Council markets the property for sale through a public sale process and purchase offers are assessed against criteria that includes:
 - i. Price considering the current market value as assessed by a Council-appointed registered valuer in accordance with Council policy, and;
 - ii. Development and use, including timeframes, of the purchaser's intentions for the redevelopment of the building and the ability of their redevelopment to enhance the Central Business District and street-scape.
- d) Staff present the purchase offers to Council and seek further direction in respect of any matters or issues arising that materially affect the sale process;
- e) Council authorises the Chief Executive Officer to (1) prepare an Agreement for Sale and Purchase and (2) any other instruments that are required to give effect to this resolution.

SCHEDULE

An estate in fee simple comprising all that land contained in Certificate of Title SA13A/1086 South Auckland Land Registry legally described as Lot 1 Deposited Plan South Auckland 15240 comprising 276 square metres more or less and physically located at 445 Victoria Street (on the corner of Victoria and Ward Streets), Hamilton.

9. Attachments

10. Attachment 1 - Business and Investment Subcommittee Report - Property Update Beggs Wiseman Building



Committee: Business and Investment Subcommittee
Date: 18 June 2015

Report Name: Property Update - Beggs Wiseman Building
Author: Nicolas Wells

Report Status	<i>Open</i>
Strategy, Policy or Plan context	<i>Municipal Endowment Policy</i>
Financial status	<i>Budgeted income of \$148K Actual income of \$18K Budget deficit of \$130K</i>
Assessment of significance	<i>Having regard to the decision making provisions in the LGA 2002 and Council's Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

1. Purpose of the Report

2. To recommend sale of the Beggs Wiseman Building.

3. Executive Summary

4. The Beggs Wiseman Building (southern corner Victoria and Ward Streets) is one of the investment assets of the Municipal Endowment Fund.
5. The building is divided into four ground-level retail tenancies. The upper floor contains services (toilets and cleaners sink) and is divided into small spaces let as part of the ground floor tenancies.
6. Three of the tenancies are currently vacant – and have been so for 19 to 27 months. There remains one tenant paying \$18K annual rent (plus GST and outgoings).
7. The building has been actively marketed for new tenants but interest to date has been minimal.
8. There are currently at least three parties interested in purchasing the building. A public sale process will ensure that the greatest possible number of potential purchasers have the opportunity to submit offers for Council's consideration.

9. Recommendations from Management

That:

- a) The Report be received;
- b) The Business and Investment Subcommittee recommends that Council sells the Beggs Wiseman Building physically located on the corner of Victoria and Ward Streets, Hamilton, and legally described in the Schedule;
- c) Council markets the property for sale through a public sale process and purchase offers are assessed against two criteria:

- i. Price considering the current market value as assessed by a Council-appointed registered valuer in accordance with Council policy, and;
 - ii. Development and utilisation considering the purchaser's intentions for the redevelopment of the building and the ability of their redevelopment to enhance the Central Business District and street-scape.
- d) Staff present the purchase offers to Council and seek further direction in respect of any matters or issues arising that materially affect the sale process;
 - e) Council authorises the Chief Executive Officer to (1) prepare an Agreement for Sale and Purchase and (2) any other instruments that are required to give effect to this resolution.

SCHEDULE

An estate in fee simple comprising all that land contained in Certificate of Title SA13A/1086 South Auckland Land Registry legally described as Lot 1 Deposited Plan South Auckland 15240 comprising 276 square metres more or less and physically located at 445 Victoria Street (on the corner of Victoria and Ward Streets), Hamilton.

10. Attachments

- 11. Attachment 1 - Beggs Wiseman Building - Certificate of Title

12. Key Issues

13. Background

- 14. Council purchased the Beggs Wiseman Building in 1994 for \$1,225,664 funded by the Municipal Endowment Fund as an income-generating investment asset.
- 15. The building has been seismically strengthened by installing a new steel framework. In 2007 GA Hughes and Associates rated the seismic performance at better than 67%NBS.
- 16. The property occupies a highly prominent corner location within Hamilton's CBD which is considered "Prime (a store located on a street with good pedestrian traffic and within the centre core)" according to the CBRE & NAI Harcourts Retail Occupancy Survey, however the building itself is in need of some refurbishment and modification. Long frontage to Ward Street is a positive feature.
- 17. Extensive market commentary and analysis of options were fully detailed in a confidential staff report to the Business and Investment Subcommittee on 13 May 2015.

18. Marketing

- 19. It is proposed that the building be marketed for sale through a public tender process that allows Council to consider both price and the intentions of the potential purchaser – specifically the redevelopment of the building and the ability of the refurbishment to enhance the Central Business District and the street-level environment.
- 20. It is proposed that the sale of the building will proceed as follows:
 - Staff will prepare a Tender Information Pack including all relevant detail on the property, Council's intentions for the redevelopment of the building, an Agreement for Sale and Purchase and an outline of the sale process.
 - The Tender Information Pack will be distributed to real estate agents nationally.

- An advertising campaign will be implemented including display advertising on the building, national and specialist print advertising.
- The tender period will be four weeks followed by evaluation, negotiation and a report to Council with recommendations.
- Council can accept or reject any tender – and need not accept the highest price if the associated redevelopment proposal is unacceptable.

21. Recommendation

22. If Council wishes to sell the building it would be prudent to do so now, as this removes the risk of continued vacancy and related exposure to loss.
23. Selling now will release capital invested in the property and there will be no capital expenditure required to refurbish, or reposition the building. If the Council decides to sell “as is” then there should be a publically contestable ‘on-market’ campaign to ensure that the very best price is being obtained and that the process is transparent and competitive.
24. Selling the property largely vacant could incur a discount on value. Purchasers may seek to price risk and costs associated with securing tenants thereby reducing the sale proceeds. As the Central City retail leasing market remains subdued allowances made to reflect these factors could be significant.
25. Advantages
 - A “clean exit” today where any downside is quantified and realized;
 - No further exposure to re-tenanting the property;
 - No further exposure to incentives/costs;
 - Strong investment and interest rate market – good time to sell anything;
 - It is estimated that a marketing campaign and sale could be completed within three months (from date of Council approval to sell).
26. Disadvantages
 - Crystallise any potential loss versus valuation;
 - Lose any potential upside from re-tenanting.

27. Risk

28. Risk has been summarised above.

Signatory

Authoriser	Sean Murray, General Manager Events and Economic Development Group
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COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952



Historical Search Copy

Identifier **SA13A/1086**
Land Registration District **South Auckland**
Date Issued 13 July 1971

Prior References
SA136/64

Estate	Fee Simple
Area	276 square metres more or less
Legal Description	Lot 1 Deposited Plan South Auckland 15240

Original Proprietors
The Hamilton City Council

Interests

Appurtenant hereto are rights of way created by Transfer 337276
SUBJECT TO SECTION 351E (1) (C) MUNICIPAL CORPORATIONS ACT 1954
S525291 Lease to The Hamilton City Council Term 21 years from and including 7.11.1970 and extended to
6.11.2012 - 13.7.1971 at 10.20 am and varied 26.7.1972 at 2.45 pm (renewal covenant)
Appurtenant hereto is a right of way created by Lease S525291 - 13.7.1971 at 10.20 am
The easement created by Lease S525291 is subject to the provisions of Section 351E(a) of the Municipal
Corporations Act 1954
B049748.2 Variation of Lease S525291 and extension of term to 6.11.2012 - 25.10.1991 at 11.32 am

Identifier: SA13A/1086

Reference: Price C/T. 136/64
Transfer No. N.Y.C. Order No. S. 525289

Land and Deeds 33

REGISTER
CERTIFICATE OF TITLE UNDER LAND TRANSFER ACT

This Certificate dated the 15th day of July one thousand nine hundred and seventy-one under the seal of the District Land Registrar of the Land Registration District of SOUTH AUCKLAND

WITNESSETH SA THE MAYOR COUNCILLORS AND CITIZENS OF THE CITY OF HAMILTON a body corporate

is seized of an estate in fee simple (subject to such reservations, restrictions, encumbrances, leases, and interests as are notified by marginal underlines or indicated hereon) in the Land hereinafter described, delineated with bold black lines to the plan hereon, to be set several admeasurement a little more or less, that is to say: All that parcel of land containing 10.93 PERCHES more or less being Lot 1 on Deposited Plan S.15240 and being part Allotment 106 Town of Hamilton West

Appurtenant hereto is a Right of Way over the part Lot 12 Plan 29766 coloured pink and marked Right of Way on Plan 29766 and coloured blue on Plan S.15240 (part C.T. 747/180) created in and by Transfer S.37276

S.525291 Lease to Kiriaki Jones Investments (N.Z.) Limited together with a Right of Way over part Lot 1 Plan 4197 shown coloured yellow on Plan S.15240 (part C.T. 136/64) Term: 21 years from and including 7.7.1970 (covenant) produced 15.7.1971 at 10.20 o/c.

Hamilton City
METRIC AREA IS 276 m²

Ward Street
Victoria Street

Scale: 1 inch = 1 Chain

Assistant Land Registrar

The easement created by Lease S.525291 is subject to the provisions of Section 351E(a) of the Municipal Corporations Act 1954.

The provisions of Section 351E(c) Municipal Corporations Act 1954 are applicable to the within land.

Variation of terms of Lease S.525291 produced 26.7.1972 at 2.45 o/c

DISCHARGED S.564390 Mortgage of Lease S.525291 to The Public Service Investment Society Limited produced 26.7.1972 at 2.40 o/c

DISCHARGED S.564391 Mortgage of Lease S.525291 to Atlas Majesty Investments Limited produced 26.7.1972 at 2.45 o/c

S.598038 Mortgage of Lease S.525291 to A.N.Z. Savings Bank (New Zealand) Limited produced 26.7.1972 at 2.05 o/c

S.623658 Mortgage of Lease S.525291 to General Finance Assistance Limited produced 12.11.1972 at 12.18 o/c

8.087184.3

D T S R ...

Transaction Id
Client Reference (bars)5001

Historical Search Copy Dated 3/06/15 8:48 am. Page 2 of 1

Identifier SAI3A/1086

C.T. 13A/1086

13A/1086

H.087184.1 The outstanding duplicate of Lease S.525291 having been declared lost a provisional lease has been issued in lieu thereof produced 28th day of June at 10.17 o'clock and entered 27th day of August 1976 at 9.00 o'clock
for A.L.R.

H.087184.2 Transfer of Lease S.525291 to City Realities (Holdings) Limited produced 23.6.1977 at 10.17 o'clock entered 29.8.1976 at 9.00 o'clock
for A.L.R.

H.087184.3 Change of Name of Lease in Lease S.525291 to Brickley Holdings Limited produced 28.6.1976 at 10.17 o'clock and entered 28.6.1976 at 9.00 o'clock
for A.L.R.

H.134324 Mortgage of Lease S.525291 of New Zealand Supermarket Limited produced 15.6.1977 at 10.17 o'clock
for A.L.R.

H.157516 Mortgage of Lease S.525291 to National Mutual Life Services Limited produced 10.6.1977 at 10.17 o'clock
for A.L.R.

H.999389.1 Mortgage of Lease S.525291 to ANZ Banking Group Limited - 15.1.1991 at 10.17 o'clock
for A.L.R.

H.049748.3 Variation and extension of term of Lease S.525291 to 6.11.2012 - 28.10.1991 at 11.22 o'clock
DISCHARGED for M.L.R.

H421029.2 Mortgage of Lease S.525291 to Citibank, N.A. - 12.6.1997 at 1.38
FOR DLR

H447779.1 Variation of Mortgage - 8.11.1997 at 9.05
for DLR

H485838.2 Transfer of Lease S.525291 to The Hamilton City Council - 10.6.1998 at 2.31
for DLR

Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject 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 follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Council Minutes - Public Excluded - 28 May 2015) Good reason to withhold information exists under	Section 48(1)(a)
C2. Proposed District Plan - Appeals to the Te Rapa North Industrial Zone) Section 7 Local Government Official Information and Meetings Act 1987	
C3. Proposed District Plan Appeals - Recommended Settlement Position for an Appeal Relating to Industrial Land at Te Rapa)	
C4. Chief Executive Review		

This resolution 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 which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	For the reasons noted in the 28 May 2015 Agenda	Section 7 (2)
Item C2.	on the grounds that a right of appeal lies to any Court or Tribunal against the final decision of the Local Authority in this matter to maintain legal professional privilege	Section 7 (2) (a) (i) Section 7 (2) (g)
Item C3.	on the grounds that a right of appeal lies to any Court or Tribunal against the final decision of the Local Authority in this matter to maintain legal professional privilege	Section 7 (2) (a) (i) Section 7 (2) (g)
Item C4.	to protect the privacy of natural persons	Section 7 (2) (a)