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## Business and Investment Subcommittee

### OPEN MINUTES

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**Minutes of a meeting of the Business and Investment Subcommittee held in Committee Room 1, Municipal Building, Garden Place, Hamilton on Tuesday 2 August 2016 at 12:30pm.**

#### **PRESENT**

Chairperson                      Her Worship the Mayor J Hardaker  
Members                              Cr M Forsyth  
    Cr A King  
    Cr A O’Leary  
    Cr R Pascoe

In Attendance:                      Richard Briggs – Chief Executive  
    Kelvyn Eglinton – General Manager City Growth  
    Nicolas Wells – Strategic Property Manager

Committee Advisors:              Emily Acraman and Becca Brooke

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#### **1. Apologies**

There were no apologies.

#### **2. Confirmation of Agenda**

**Resolved:**                              (Her Worship the Mayor Hardaker/Cr Pascoe)

That the Agenda be confirmed.

#### **3. Declarations of Interest**

No members of the Subcommittee declared a Conflict of Interest.

**4. Policy Review - Municipal and Domain Endowment Fund Policy – (Recommendations to Strategy and Policy Committee)**

General Manager City Growth (GM City Growth) and the Strategic Property Manager took the report as read. They responded to questions from Subcommittee members concerning:

- **Targeted Engagement**

Tompkins Wake had recommended that Council carry out targeted consultation with relevant stakeholders given the fact Council would have more assertive management in its investments under the draft policy. Who the initial consultation will be conducted with will be based on recommendations from the Property Council, the Council would then be able to select other groups or individuals for further consultation if required.

- **Tax Exemption for CCO**

PricewaterhouseCoopers (PwC) was in the process of endeavouring to obtain CCO tax exemption for Hamilton Properties Limited, given it delivered a public service. Further information surrounding this would be made available in the PwC business case.

**Resolved:** (Her Worship the Mayor Hardaker/Cr Pascoe)

That clause 9.10 of the draft constitution of Hamilton Properties Limited records that at least 6 board meetings be held in the financial year.

**Cr King Dissenting**

**Resolved:** (Her Worship the Mayor Hardaker/Cr Pascoe)

That:

- a) the Report be received;
- b) the Business and Investment Subcommittee recommend to Strategy and Policy Committee that the assets and management of the Municipal and Domain Endowment Funds are transferred to a Council Controlled Trading Organisation (CCTO), Hamilton Properties Limited;
- c) the Business and Investment Subcommittee approves the draft Municipal and Domain Endowment Funds Policy and Constitution for Hamilton Properties Limited, noting changes made, and recommends adoption at the next Strategy and Policy Committee meeting;
- d) the Business and Investment Subcommittee approves the timeline for activation and operation of Hamilton Properties Limited attached and recommends adoption of this timeline at the next Strategy and Policy Committee meeting;

Date	Action	Owner
<b>STAGE 1 – APPROVAL STAGE</b>		
2 August 2016	Approve Draft Municipal and Domain Endowment Funds Policy	Business and Investment Subcommittee
August 2016	Approve Draft HPL Constitution	

2 - 30 August 2016	Focused Engagement Undertaken	GM City Growth
30 August 2016	Approve Draft Municipal and Domain Endowment Funds Policy Approve Draft HPL Constitution Approve Business Case	Strategy and Policy Committee
29 September 2016	Council approval of Policy, Constitution and Business Case	Council Meeting
<b>STAGE 2 – SET UP STAGE</b>		
September 2016	Commission report into Director Remuneration Commence recruitment of Directors	GM City Growth
March 2017	Appointment Directors and remuneration approved Approve Letter of Expectation Activate HPL and revocation of CCO exemption (s7(7))	Council (delegated to CCO Subcommittee or equivalent)
<b>STAGE 3 – TRANSITIONAL STAGE</b>		
1 April 2017	<b>Hamilton Properties Limited operational in transitional mode</b>	
April 2017 – June 2017	1 <sup>st</sup> Board meeting Prepare: <ul style="list-style-type: none"> <li>• Contract HCC and HPL</li> <li>• Statement of Intent</li> <li>• HPL strategy and business plan</li> </ul>	Board/Council (delegated to CCO Subcommittee or equivalent)

30 June 2017	Contract, Statement of Intent, HPL Strategy and business plan approved  Approve delegated authority to manage assets not transferred	Council (delegated to CCO Subcommittee or equivalent)
<b>STAGE 4 – OPERATIONAL</b>		
1 July 2017 (effective)*	Transfer of Cash and Assets	Council (delegated to CCO Subcommittee or equivalent)
<b>1 July 2017</b>	<b>Hamilton Properties Limited fully operational</b>	

- e) the Business and Investment Subcommittee recommends that the Chief Executive is delegated the necessary authority to implement this decision; and
- f) a report from the GM City Growth is presented to the Strategy and Policy Committee meeting with these recommendations and that is to include the business case (PwC report, staff validation, taxation position on CCTO/CCO's and any potential law changes, budget and impact on the financial strategy), and confirmation about how the Domain Endowment Fund will operate and a summary of engagement undertaking.

**5. Policy Review - Freeholding of Council Endowment Land – (Recommendations to Strategy and Policy Committee)**

**Resolved:** (Her Worship the Mayor Hardaker/Cr Pascoe)

That:

- a) the Report be received; and
- b) the Subcommittee recommends to the Strategy and Policy Committee to:
  - i. approve the Freeholding of Council Endowment Land Policy; and
  - ii. delete the current Freeholding of Council Domain & Municipal Endowment Leases Policy.

**6. Policy Review - Sale and Disposal of Council Land – (Recommendations to Strategy and Policy Committee)**

GM City Growth and the Property Manager took the Report as read. They responded to questions from Subcommittee members concerning:

- **Sale for Highest Price**

Where possible Council would obtain the highest price possible for land sold. However under certain circumstances would be permitted to follow the 90% of estimated market value clause in the Municipal and Domain Endowment Fund Policy.

**Resolved:** (Crs Pascoe/King)

That:

- a) the Report be received;
- b) the Subcommittee recommends to the Strategy and Policy Committee to:
  - i. approve the Sale and Disposal of Council Land Policy; and
  - ii. delete the current Property Sale and Disposal Policy.
- c) the Financial Delegation be amended to allow the Chief Executive to negotiate sale and purchase of land where appropriate, at not less than 90% of the estimated market value determined by a registered valuer.

## 7. General Manager's Report

GM City Growth presented the Report and responded to questions from Subcommittee the members concerning:

- **Business Hub**

Funding had been approved for the Business Hub a Project Manager had been appointed with Hamilton City Council acting as an administrator.

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

That

- a) the report be received; and
- b) GM Growth to work with Hamilton Central Business Association, the Property Council, and Chamber of Commerce to deliver a project plan for them to work together to develop a Garden Place masterplan, in order to report back to the next Business and Investment Subcommittee Meeting.

**Cr King Dissenting.**

## 8. Business and Investment Subcommittee - Open Minutes - 29 June 2016

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

That the Subcommittee confirm and adopt as a true and correct record the Open Minutes of the Business and Investment Subcommittee Meeting held on 29 June 2016.

## 9. Business and Investment Subcommittee - Open Action List - 2 August 2016

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

That the Report be received.

**10. Resolution to Exclude the Public**

**Resolved:** (Her Worship the Mayor Hardaker/Cr Pascoe)

**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. Business and Investment Subcommittee - Public Excluded Minutes - 29 June 2016	) Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
C2. Business and Investment Subcommittee - Public Excluded Action List - 2 August 2016	)	

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 prevent the disclosure or use of official information for improper gain or improper advantage Section 7 (2) (j)
- Item C2. to prevent the disclosure or use of official information for improper gain or improper advantage Section 7 (2) (j)

**The Meeting went into a Public Excluded session from 2:28pm to 2:37pm**

**The Meeting was declared closed at 2:37pm**