

**Minutes of deliberations by the Queenstown Lakes District Council on the 2024-34 Long Term Plan and Development Contributions Policy held in the Council Chambers, 10 Gorge Road, Queenstown on Wednesday 28 August 2024 commencing at 9.30am**

**Present:**

Mayor Glyn Lewers; Councillors Bartlett, Cocks, Ferguson, Gladding, Guy, Smith, Tucker, White, Whitehead and Wong

**In attendance:**

Mr Mike Theelen (Chief Executive Officer)\* and Ms Jane Robertson (Senior Democracy Services Advisor); one member of the media; no members of the public; + \*many other staff (some of whom are identified separately below)

**Apologies**

An apology was received from Councillor Bruce.

**Declarations of Conflict of Interest**

No declarations were made.

**Agenda Introduction**

Dan Crosby (Organisation Performance Manager) presented a general introduction to the session. He noted that the next important date in preparation of Long Term Plan (LTP) 2024-34 was **5 September 2024** when the Plan would be finalised.

**High level Financial Update**

- Presented by Stewart Burns (GM, Assurance, Finance & Risk).
- Growth: Wānaka actual rates slightly lower than forecast (4.3%). Whakatipu and Arrowtown actual rates slightly higher than forecast (2.7%)
- Increased debt and rates in years 2 and 3.
- Officers are setting rates concurrently and resolution for rates adoption will be presented for Council meeting on 19 September 2024.

**Consultation Topics**

- Presented by Naell Crosby-Roe (Stakeholder and Democracy Services Manager).
- Four key topics in consultation:
  - Topic 1A Targeted rates (for CBD street upgrades). Targeted rates on Queenstown Town Centre properties were proposed as an option because (a) these residences are close enough to the Town Centre to have increased benefit of amenity and increased property values.
  - Topic 1B Targeted rates on town centre properties for arterials 2025/26. To derive the full benefit need to complete stages 2 and 3 and this is not included in current long term plan.

- Topic 2 Bring forward investment in community and sporting facilities.
- Topic 3 Support alternative funding options being pursued (e.g. up front development contributions).

*Consideration of Topic 1B*

Comment: Town centre properties not receiving double the value (65/35 split) and have been greatly inconvenienced by the roadworks (which continue). At present, property values would not have increased and may even have decreased and is impossible to quantify benefits of town centre upgrades.

Agree: Do not support the extra targeted rate for the CBD properties. Question 1B: support option 2, that is, do not apply CBD targeted rate and use existing Whakatipu Roding rate for 2025/26.

*Consideration of Topic 1A*

Extensive discussion of the options including different options in different years. Do not support adopting an option that will require further consultation. The Council (by majority) eventually agreed to support option 1, that is, do apply the CBD targeted rate proposed.

*The meeting adjourned at 11.13am and reconvened at 11.23am.*

*Consideration of Topic 2: Bringing forward investment in community and sporting facilities*

Agree to support this as proposed.

*Replacement of LPG at Queenstown Events Centre*

A new power line has been brought into the Events Centre by Aurora Energy which will facilitate easier conversion to electrical heating. Through design can work out whether to retain LPG as a back-up.

*Consideration of Topic 3: Support for pursuing alternative funding options (including upfront development contribution).*

The Council noted that this did not require a decision or investment but had been included for general feedback which has provided a mandate to pursue other options.

**Internal Submissions**

*Balanced Budget Statement:* Funding of depreciation: Local Government Act 2002 requires an unbalanced operating expenditure to be explained.

*Rating base information:* Need to state the projected number of rating units.

*Inflation* additional disclosure provided in the significant forecasting assumption to further explain Council's approach.

*Safety of drinking water KPIs*

Changes to mandatory performance measures relating to the safety of drinking water and need to update two existing KPIs. Agreed to support the proposed changes.

*Change to Significance and Engagement Policy*

Naell Crosby-Roe explained the situation with the strategic assets list and the fact that because Auckland City Council operated under a different statute, its requirements for inclusions on its Strategic Asset List were also different. The changes presented are in order to be consistent with other councils. Agreed to support the proposed changes.

*Stanley Street carpark*

Can be largely self-funded from parking revenues and there will be pressure to deliver now that the community can see it. Further exploration of opportunities to continue outside the LTP process.

*Ballantyne Road*

This project needs more time to progress an agreement re costs, risks and timing. This and *Stanley Street* will be covered in a capital budget adjustment at 24 October 2024 Council meeting.

*The meeting adjourned at 12.36pm and reconvened at 1.06pm.*

## **External Submissions**

Key themes from hearings of submissions were:

- Snow Farm facilities
- Targeted rates in Queenstown CBD
- Upper Clutha sports facilities
- Wānaka Arts Centre Trust ('WACT')
- Climate and biodiversity
- Significance and Engagement
- Active Travel

The Council noted that all project listed above represented additions to the budget.

**Snow Farm facilities:** Discussion about meeting halfway to provide some public toilets with the Trust to contribute to the project as well. But there are other bids for toilets on reserves elsewhere in Wānaka and would need to be a reprioritised project (Ken Bailey, GM, Community & Services). Note that will have to pump and transport waste from the site because it is too distant for a pipe. Ken Bailey to keep Council updated.

**Sports Facilities in the Upper Clutha:** Installation of wooden floors in the Wānaka Recreation Centre needs to stay as a year 3 project and this received significant support through submissions. Cost of repairing is \$130K and replacement with wood is \$500K; installation of a sprung floor would allow for other events but doesn't work for all sports noting the existing floor is considered a standard multi-sport floor. Also need to make provision for replacing line markings.

**Southern Corridor pool:** \$6M for design (and community centre). Indicative location has been identified.

**Wānaka Arts Charitable Trust:** The Trust has requested \$20M in two financial years, plus \$500,000 opex.

The project was not included in the consultation document so have no specific feedback and have not assessed the rating impact. Cannot do a \$40M project without consulting with the community.

Questions received on whether Council can provide land? Agreement on location will provide encouragement and certainty for the community.

The Chief Executive stated that the Council did not yet have a good understanding of the project and it was not currently in the LTP. The Trust's business case provided insufficient detail for the Council's purposes and funding via Scurr Heights proceeds could be made but firstly the Council would need to understand that the centre was what the community really wanted. There was discussion about adding the project to the land strategy and consulting via that but no final position was determined on this although staff were directed to continue discussions with the Trust.

**Climate and biodiversity:** Considered requests from Wānaka Wastebusters for financial assistance to extend lease to include additional land at 189 Ballantyne Road and to contribute 20% towards development of a new hub and centre. No change was made to the LTP.

**Active Travel:** Noted that Government has removed all funding from active travel projects so there will be no NZTA funding available for cycle tracks going forward in this next round under the National Land Transport Programme.

Councillors sought a clearer understanding of the route from Jack's Point.

**Lake Hayes Estate (LHE) and Shotover Country Playground:** Ken Bailey confirmed staff will look at playground renewals and see where LHE and Shotover playground can be fitted in.

**Retaining wall in Brisbane Street:** This is currently in mediation. The Council will have to deliver whatever comes out of the mediation.

Arrowtown Promotion & Business Association request for funding allocation of \$200,000 for the development of a 'Key Moves Consultation and Framework' document for Arrowtown: Agreed that staff will keep working with the association.

### **Opex Discussion**

\$500,000 represents a rates rise of 0.8%. Discussion about submissions about cutting costs but accept that staff costs are not a major contributor and that staff costs often come on the back of capital development. Staff do not work in a great space because of work environment.

Discussion about responses to submitters, with the Chief Executive advising that staff will try to provide tailored responses to submitters where possible.

*The meeting adjourned at 3.33pm and reconvened at 3.41pm. Walter Clarke joined the meeting at this point.*

### **Development Contributions (DC) Policy**

- Internal submissions received to make minor changes to policy wording.
- Map: tidy up on Hāwea water supply and wastewater contribution area maps.
- Discussion about submission to add a new category for aged care room: Will monitor over the coming year to see if there is a need for a new category.
- Remission of DCs for affordable housing but have never implemented this.
- Why isn't DC revenue consistent with other growth? Can only inflation-proof as much as possible and is better if look over a 10-year basis.

*Councillor White left the meeting at 4.01pm.*

### **Next steps**

Further discussion about LTP 24-34 Work Programme to come.

Noted that the Council's decision on consultation topic 1A will require a reallocation of rates.

*The meeting concluded at 4.20pm.*