

**Northland Regional Council  
Property Subcommittee**

**Wednesday, 4 October 2017 at 1.00 pm  
Kaipara Room, Northland Regional Council  
36 Water Street, Whangārei**

NORTHLAND REGIONAL COUNCIL

## Property Subcommittee Agenda

For meeting to be held in the Kaipara Room,  
36 Water Street, Whangārei, on Wednesday, 4 October 2017,  
commencing at 1.00 pm.

### MEMBERSHIP OF THE SUBCOMMITTEE

Cr Penny Smart      Cr David Sinclair      Cr John Bain      Cr Bill Shepherd  
(ex officio)

**Recommendations contained in the agenda are NOT subcommittee decisions.  
Please refer to subcommittee minutes for resolutions.**

### OPEN MEETING

***Secretarial note – please be aware that Item 4.1 will be considered at the start of the meeting***

Item		Page
1.0	<b>APOLOGIES</b>	-
2.0	<b>DECLARATIONS OF CONFLICTS OF INTEREST</b>	-
3.0	<b>GENERAL MATTERS</b>	
3.1	Confirmation of Minutes – Property Subcommittee Meeting 5 September 2017	3-5
3.2	Mount Tiger Forest Quarterly Report July To September 2017	6-10
4.0	<b>BUSINESS WITH THE PUBLIC EXCLUDED</b>	11-12
4.1	CBD Investment Opportunity II	13-15
4.2	Confirmation of Confidential Minutes – Property Subcommittee Meeting 5 September 2017	16-18
4.3	Update: Property Subcommittee 2017 Action Notes	19-20
4.4	Sale of Council’s Lessor’s Interest to Freehold a CBD Property	21-22

**TITLE:** Confirmation of Property Subcommittee Minutes  
5 September 2017

**ID:** A987885

**To:** Property Subcommittee, 4 October 2017

**From:** Maxine Bailey, Property Officer

**Date:** 26 September 2017

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### **Executive summary**

The purpose of this report is to present for confirmation the minutes of the property subcommittee meeting held on 5 September 2017.

Councils are required to keep minutes of proceedings in accordance with the Local Government Act 2002.

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### **Recommendation**

1. That the minutes of the property subcommittee meeting held on 5 September 2017 be confirmed as a true and correct record.

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### **Attachments:**

- Ordinary Property Subcommittee Minutes – 5 September 2017
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### **Authorised by Group Manager:**

**Name:** Phil Heatley

**Title:** Manager, Strategic Projects

**Date:** 26 September 2017

## NORTHLAND REGIONAL COUNCIL PROPERTY SUBCOMMITTEE

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Minutes of meeting of the Property Subcommittee  
held in the Kaipara Room, Northland Regional Council, 36 Water Street, Whangārei,  
on Tuesday, 5 September 2017 commencing at 1.00 pm

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**Present:**

- Cr Penny Smart (Chair)
- Cr John Bain
- Cr Rick Stolwerk
- Cr Bill Shepherd (ex officio)

**In Attendance:**

**Full Meeting**  
Strategic Projects Manager  
Property Officer

**Part Meeting**  
Group Manager – Customer Service – Community  
Resilience  
Customer Services Manager

*The Chair declared the meeting open at 1.00 pm.*

### **Apologies (Item 1.0)**

Cr David Sinclair  
Chief Executive Officer

### **Declarations of Conflict of Interest (Item 2.0)**

It was advised that councillors should make declarations item-by-item as the meeting progressed.

### **Confirmation of Property Subcommittee Minutes – 12 July 2017 (Item 3.1)**

**ID: A979252**

**Report from Property Officer, Maxine Bailey**

#### **Moved (Bain/Smart)**

That the minutes of the Property Subcommittee meeting held on 12 July 2017,  
be confirmed as a true and correct record.

**Carried**

### **Business with the Public Excluded (Item 4.0)**

**ID: A979253**

**Report from Strategic Projects Manager, Phil Heatley**

#### **Moved (Smart/Shepherd)**

1. That the public be excluded from the proceedings of this meeting to consider confidential matters.

ID: A981487

Property Subcommittee Meeting  
5 September 2017

2. That the general subject of the matters to be considered whilst the public is excluded, the reasons for passing this resolution in relation to this matter, and the specific grounds under the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

<b>Item No.</b>	<b>Item Issue</b>	<b>Reason\Grounds</b>
4.1	Confirmation of Confidential Minutes of the Council Meeting – 12 July 2017	The reasons for excluding the public are as stated in the minutes of the open section of the meeting.
4.2	Council's Dargaville Office	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to carry on, without prejudice or disadvantage, commercial activities 7(2)(h).
4.3	Report on Joint Venture Annual Meeting	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to carry on, without prejudice or disadvantage, commercial activities 7(2)(h).
4.4	Property Subcommittee 2017 Action Noted	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to carry on, without prejudice or disadvantage, commercial activities 7(2)(h).

**Carried**

## **Open Meeting**

### **Moved (Smart/Shepherd)**

That the committee resumes in open meeting.

**Carried**

## **CONCLUSION**

The meeting concluded at 2.15 pm.

ID: A981487

Property Subcommittee Meeting  
5 September 2017

**TITLE:** Mount Tiger Forest Quarterly Reporting July to September 2017

**ID:** A987340

**To:** Property Subcommittee, 4 October 2017

**From:** Phil Heatley, Strategic Projects Manager

**Date:** 25 September 2017

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### **Executive summary**

The purpose of this report is to present background information and an update on Council's Mount Tiger Forest by way of the attached report from Ian Jenkins of Jenksmax Consulting Limited, Council's forestry consultant.

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### **Recommendation**

1. That the report Mount Tiger Forest Quarterly Reporting July - September 2017 by Phil Heatley, Strategic Projects Manager and dated 25 September 2017 be received.

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### **Attachments:**

- Mount Tiger Forest, Brief Report on Forestry Status July to September 2017 by Jenksmax Consulting Ltd.

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### **Authorised by:**

**Name:** Malcolm Nicolson

**Title:** Chief Executive Officer

**Date:** 25 September 2017



## NRC - MOUNT TIGER FOREST

### BRIEF REPORT ON FORESTRY STATUS - For July 2017 - September 2017

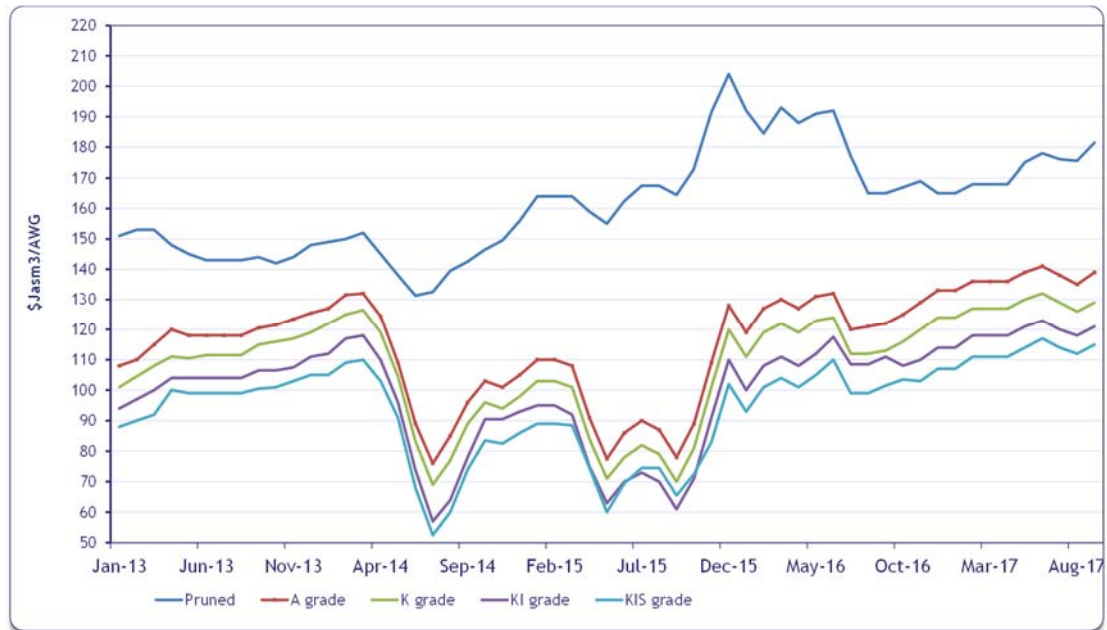
#### 1 Background

- This is the third report, for the period July 2017 to September 2017.
- The Jan-Mar 2017 report was the first report for the new Council, and was more descriptive than usual, containing an introduction to the NRC forest commercial holding and background information.
- Ian Jenkins, Council's forestry adviser and consultant, attended the Property Subcommittee Meeting 5 April and provided a presentation.
- A formal YE 2017 report was presented to Council - "*Forest Management Plan - Reporting Actual Performance Against Targets 2016-17*" on 22 August and is not repeated here, except to note that for the YE 30 June 2017, the forest continues to be managed in accordance with the Forest Management Plan, and all planned activities were successfully undertaken - with the final financial outcome being a favourable result (\$52K or 55% less spent than the \$118K budget).
- This report therefore provides a brief update of activities and relevant comments for the last quarter - being the first quarter of the new 2017-18 financial year (FY 30 June 2018).

#### 2 Forest Harvesting

- At present there are no forest harvest activities underway in Mt Tiger forest.
- The next planned harvest is 23 ha (a. 11,000 tonnes - 1991 stand) scheduled and budgeted for the summer of 2019-20, or when market conditions are favourable.
- Harvest timing should ideally be market driven, as well as taking account of logistics re: equipment/crew availability and working in with other local small blocks to minimise establishment and set-up costs.
- Pre-harvesting planning activities (inventory, harvest plan, consents, etc) will start later this year to have this 1991 block "harvest ready" and thus provide more flexibility and allow prompt harvest start-up.
- Given the next harvest is still 2 years away, for interest only, the graph below shows recent export log prices.

## NORTHLAND REGIONAL COUNCIL - Forestry Report Q1 2017



- 2010 and 2011 were reasonable years for NZ forest growers exporting logs, but the market dipped during late 2011 and early 2012, but steadily recovered during 2013. As can be seen above, the past year and 2017 in particular has seen excellent export log prices.
- Most industry commentators seem to believe the log export market will not go a lot higher and maybe undergo a modest correction some time later in 2017 and will then fluctuate, but average out longer-term slightly below the present levels.
- Looking forward, who knows for certain what log prices will do, but general industry sentiment at the present time is positive, at least in the medium to long term for export logs.
- The Jan-Mar 2017 report contained some commentary about future forest market demand and supply as it pertains to the NRC forest.

## 2 Forest Development Programme

- The NRC Mt Tiger silvicultural work and forest development activity planned for the 2017-18 budget year is very simple.
- Given the age class distribution of the forest and that all tending works are up-to-date, this year sees no pruning, thinning or fertilising operations required.
- The 2017-18 year and budget covers the replanting of the area harvested in mid 2016 (the 1985 area of a.15 ha).
- The pre-plant preparation was undertaken prior to July and within last financial year.
- The work plan and budget this year are therefore for the completion of the re-establishment of this area, namely the planting and releasing.
- The replanting operations are being managed by Northland Forest Managers Limited (NFML).



*NORTHLAND REGIONAL COUNCIL - Forestry Report Q1 2017*

- The replanting was undertaken in July, by Silvicultural Contractors Limited.
- The total cost of planting (trees [less deposit already paid], transport and labour) was \$10,688, 11% higher than budget, due to higher than estimated labour costs.
- Also it was decided to apply fertiliser tablets at planting to promote early tree growth. This was unbudgeted and the labour cost was \$1,296. This sum can be accommodated within the overall 2017-18 budget.
- The quality of the seedlings planted into the NRC block was generally very good. All trees had root collar diameters greater than the 5 mm minimum standard. All seedlings looked to be in good health and colour.
- Quality control plots undertaken during planting showed the prescribed planting specifications were met and on average 1067 sph were planted.
- The planting operation was undertaken in accordance with strict HSE provisions and no issues or incidents were noted.
- The releasing of the plantings is scheduled for November or December subject to weed growth, and is budgeted at \$5,300.

### 3 Other activities undertaken

- The 2017-18 budget includes \$16,800 for forest maintenance expenditure, most of which relates to provisions in case of weather/storm damage to the roading network, as well as for the ongoing roadside weed control and general maintenance.
- To date we have had a good run with weather related damage. Small slips onto the forest roads in July caused by storm events required repair which was undertaken at a cost of \$1,512.
- This year an additional \$5,000 has been allocated for noxious weed control in the forest - given NRC's Regional Pest Management Strategy (RPMS) and the need to be seen by leading by example.
- In the past 3 months, regular forest checks (4) have been undertaken for general inspections, maintenance, trespass, to monitor the replanting and for operational planning.
- General administration, liaise NRC re environmental and animal control, trespasser management and reporting as required.
- Updated forest records as required.
- Prepare updated budget information for the 2017-18 year.
- Prepare and attend Council meeting for the 2017 Year end reporting Actual Performance Against Targets.
- NRC Biosecurity is undertaking an ongoing noxious animal control programme in Mt Tiger and the forest is part of the KiwiLink CPCA project (\$8,000 + gst).
- There appears to have been less frequent trespass (pig hunting) issues in the last quarter. Whether this is a timing issue, or there is less activity as a result of increased NRC efforts to curb this, I am not sure, but efforts to prevent illegal access to the forest will continue.
- There have been no developments in the last quarter with respect to the group wanting to reopen the Waikaraka Walkway.
- Some time was spent liaising with a forest neighbour (with NRC's lawyer) who is subdividing his property, to ensure NRC commercial forest activities are not compromised.



#### 4 Upcoming Work

- Ongoing field checks for forest maintenance, trespass, etc.
- Continue with 2017 planting programme, get releasing undertaken in November/December by NFML.
- Initiate road maintenance as required.
- Undertake noxious weed control on forest boundaries.
- Continue work with NRC Biosecurity re pig control initiative/CPCA/trespass issues.
- Continue efforts to resolve Waikaraka Walkway issue.

Ian Jenkins  
Jenksmax Consulting Limited  
24 September 2017.

**TITLE: Business with the Public Excluded****ID:** A987887**To:** Property Subcommittee, 4 October 2017**From:** Phil Heatley, Strategic Projects Manager**Date:** 26 September 2017**Executive summary**

The purpose of this report is to recommend that the public be excluded from the proceedings of this meeting to consider the confidential matters detailed below for the reasons given.

**Recommendations**

1. That the public be excluded from the proceedings of this meeting to consider confidential matters.
2. That the general subject of the matters to be considered whilst the public is excluded, the reasons for passing this resolution in relation to this matter, and the specific grounds under the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

<b>Item No.</b>	<b>Item Issue</b>	<b>Reason\Grounds</b>
4.1	CBD Investment Opportunity II	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to carry on, without prejudice or disadvantage, commercial activities 7(2)(h).
4.2	Confirmation of Confidential Minutes of the Council Meeting – 5 September 2017	The reasons for excluding the public are as stated in the minutes of the open section of the meeting.
4.3	Update: Property Subcommittee 2017 Action Notes	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to carry on, without prejudice or disadvantage, commercial activities 7(2)(h).
4.4	Sale of Council's Lessor's Interest to Freehold a CBD Property	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to carry on, without prejudice or disadvantage, commercial activities 7(2)(h).

**Considerations:**

**1. Options**

Not applicable. This is an administrative procedure.

**2. Significance and Engagement**

This is a procedural matter required by law. Hence when assessed against council policy is deemed to be of low significance.

**3. Policy and Legislative Compliance**

The report complies with the provisions to exclude the public from the whole or any part of the proceedings of any meeting as detailed in sections 47 and 48 of the Local Government Official Information Act 1987.

**4. Other Considerations**

Being a purely administrative matter; Community Views, Māori Impact Statement, Financial Implications, and Implementation Issues are not applicable.

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**Authorised by:**

**Name:** Malcolm Nicolson  
**Title:** Chief Executive Officer  
**Date:** 26 September 2017