

**Northland Regional Council
Property Subcommittee**

**Wednesday, 7 February 2018 at 2.00 pm
Committee Room, Northland Regional Council
36 Water Street, Whangārei**

NORTHLAND REGIONAL COUNCIL

Property Subcommittee Agenda

For meeting to be held in the Committee Room,
36 Water Street, Whangārei, on 7 February 2018,
commencing at 2pm

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

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| | Bill Shepherd | |
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TITLE: Confirmation of Property Subcommittee Minutes
5 December 2017

ID: A1029921

To: Property Subcommittee, 7 February 2018

From: Alicia Jurisich, Property Officer

Date: 30 January 2018

Executive summary:

The purpose of this report is to present for confirmation the minutes of the open Property Subcommittee meeting held on 5 December 2017.

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

Recommendation:

1. That the open minutes of the Property Subcommittee meeting held on 5 December 2017 be confirmed as a true and correct record.

Attachments:

- Open Property Subcommittee Minutes – 5 December 2017

Authorised by Group Manager:

Name: Phil Heatley

Title: Strategic Projects Manager

Date: 30 January 2018

**NORTHLAND REGIONAL COUNCIL
PROPERTY SUBCOMMITTEE**

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

Present:

Full Meeting
Cr Penny Smart (Chair)
Cr David Sinclair
Cr Bill Shepherd (ex officio)

Part Meeting
Cr Rick Stolwerk

In Attendance:

Full Meeting
Property Officer
Property Officer, Parental Leave Cover

The Chair declared the meeting open at 1.00 pm.

Apologies (Item 1.0)
Moved (Sinclair/Shepherd)

That the apologies for non-attendance from:

Cr John Bain;
Chief Executive Officer; and
Strategic Projects Manager

be received.

Carried

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 –
9 November 2017 (Item 3.1)**

ID: A1003470

Report from Property Officer, Maxine Bailey

Moved (Sinclair/Shepherd)

That the minutes of the open section of the Property Subcommittee meeting, held on 9 November 2017, be confirmed as a true and correct record.

Carried

ID: A1013592

Property Subcommittee Meeting
5 December 2017

Business with the Public Excluded (Item 4.0)

ID: A1003469

Report from Strategic Projects Manager, Phil Heatley

Moved (Shepherd/Sinclair)

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:

| Item No. | Item Issue | Reason\Grounds |
|----------|---|--|
| 4.1 | Confirmation of Confidential Minutes of the Council Meeting – 9 November 2017 | The reasons for excluding the public are as stated in the minutes of the open section of the meeting. |
| 4.2 | Purchase of a Commercial Investment 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). |
| 4.3 | Purchase of the Lessees Interest in a Hīhīāua Precinct 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). |
| 4.4 | 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). |

Carried

ID: A1013592

Property Subcommittee Meeting
5 December 2017

Open Meeting

Moved (Shepherd/Smart)

That the committee resumes in open meeting.

Carried

CONCLUSION

The meeting concluded at 2.15 pm.

Unconfirmed Minutes

TITLE: Mt Tiger Forest Quarterly Reporting October-December 2017
ID: A1029919
To: Property Subcommittee, 7 February 2018
From: Alicia Jurisich, Property Officer
Date: 30 January 2018

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.

Recommendation:

1. That the report "Mt Tiger Forest Quarterly Reporting October-December 2017" by Alicia Jurisich, Property Officer, and dated 30 January 2018, be received.
-

Background:

As per the Forestry Management Report, council's consultant, Jenksmax Consulting Limited, is to report back to council every quarter providing an update of Mt Tiger forest. Quarter Twos findings are as follows:

- Pre-harvest planning has commenced for the 1991 stand. This is likely to be harvested around the 2019-20 summer. Inventory results will be analysed in February.
- Industry commentary suggests the log export market will not go a lot higher and maybe undergo a modest correction sometime later in 2018 and will then fluctuate, but average out longer-term slightly below the present levels.
- A January inspection shows the weed control (releasing spray) had gone well on the replanted mid-2016 harvested block (original 1985 stand).
- FENZ, rural fires response team, have carried out a forest induction, been given key access and also worked alongside Jenksmax Consulting Limited to ensure a level of protection and response.

Otherwise business as usual.

Attachments:

- NRC - Mount Tiger Forest Brief Report on Forestry Status – for Oct 2017 to Dec 2017 by Jenksmax Consulting Ltd.
-

Authorised by Group Manager:

Name: Phil Heatley

Title: Strategic Projects Manager

Date: 31 January 2018



NRC - MOUNT TIGER FOREST

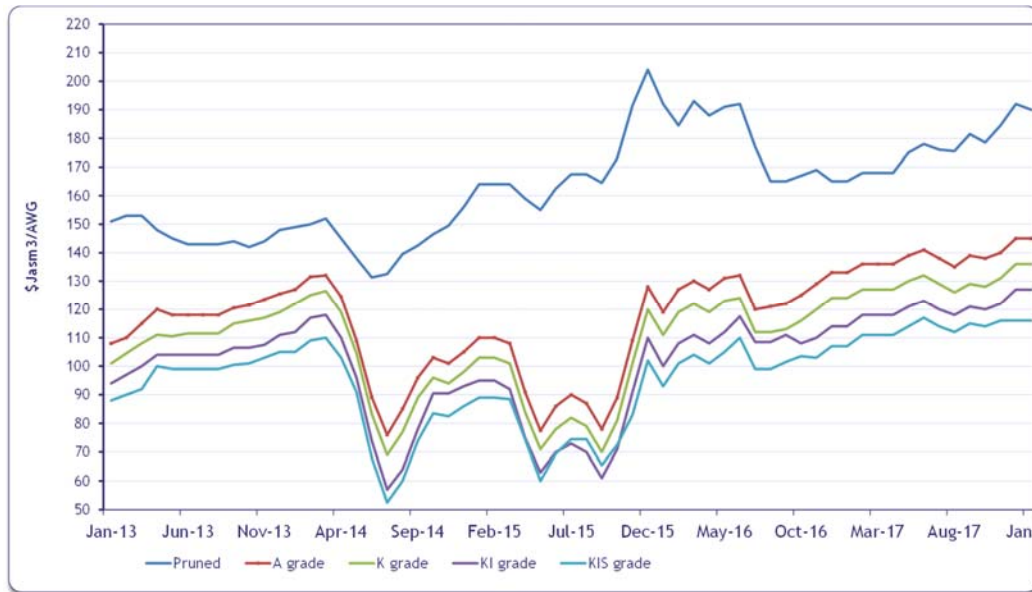
BRIEF REPORT ON FORESTRY STATUS - For Oct 2017 - Dec 2017

1 Background

- This report is for the period October 2017 to December 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 (Jenks), Council's forestry adviser and consultant, attended the Property Subcommittee Meeting 5 April 2017 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.
- Mt Tiger forest continues to be managed in accordance with the Forest Management Plan 2015-2019 and the 2017/18 Work Programme and Budget.
- This report therefore provides a brief update of activities and relevant comments for the last quarter - being the Q2 of the 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 equipment establishment and set-up costs.
- Pre-harvesting planning activities (inventory, harvest plan, consents, etc) have now started, in order to have this 1991 block "harvest ready" and thus provide more flexibility and allow prompt harvest start-up.
- A pre-harvest inventory (PHI) was undertaken in December 2017 by Forest Inventories 2000 Ltd working to an Inventory Plan prepared by Jenks. They were also H&S inducted into the Mt Tiger forest.
- A total of 14 plots were established, representing a 5% sample by area. Density cores were also collected.
- The inventory data is yet to be analysed but will be done early February.
- The inventory cost \$1,400 (+ gst), very reasonable, but was not specifically budgeted until the 2018/19 year - however there will be sufficient savings in other 2017/18 areas to stay within overall forest budget expenditure.
- The next harvest is not planned until 2 years time, but recent high export prices suggest NRC should get ready to harvest sooner than later.
- Given the next harvest is still 2 years away, for interest only, the graph below shows recent export log prices.



- 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. There were some market fluctuations through 2014 and 2015, but a steady increase since. As can be seen above, the 2016 year and last year in particular, have 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 2018 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 2017 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).



- The replanting was undertaken in July. Quality control plots undertaken during planting showed the prescribed planting specifications were met and on average 1067 sph were planted.
- The aerial releasing of the plantings was undertaken in late November by NFML (using Ralph Schultz Helicopters) and was budgeted at \$5,300 (+ gst).
- The actual total cost was at the budget contract application rate on a \$/ha basis but the area sprayed (and planted) was around 13 ha, therefore total spend was \$4,182 (+ gst) or 80% of budget.
- A forest inspection in January 2018 showed the releasing spray had gone well, with good knockdown of the competing vegetation.

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 over last winter caused by storm events required repair which was undertaken at a cost of \$1,512 (+ gst).
- 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 (5) have been undertaken for general inspections, maintenance, trespass, to monitor the replanting, releasing and for operational planning.
- In November, via Onerahi Police, 3 trespass notices were served on illegal forest users (pig hunters) based upon information supplied by our co-operative forest neighbours.
- The NRC:FPS contract for 1st Response Fire Control ended 30th September 2017. FENZ came into legal force on 1 July 2017 and amalgamated the New Zealand Fire Service, the National Rural Fire Authority, 12 enlarged rural fire districts and 26 territorial authority rural fire authorities. As a result FENZ now has the legal responsibility for 1st response for all rural fires and for forest areas such as Mt Tiger. Thus a private contract with FPS is no longer appropriate. Jenks has been working with FENZ to ensure a level of protection and response continues, including meeting with them, providing information, a forest induction and recce, and provision of access keys. We are still sorting out some practical arrangements. The tree crop is insured against fire loss.
- Updated forest records as required.
- 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 have been no developments in the last quarter with respect to the group wanting to reopen the Waikaraka Walkway and no evidence of activity.
- General administration, liaise NRC re environmental and animal control, liaise FENZ, trespasser management and reporting as required.



4 Upcoming Work

- Ongoing field checks for forest maintenance, trespass, etc.
- Process and analyse PHI data for the 1991 stand.
- 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.

Jenks
(Ian Jenkins)
Jenksmax Consulting Limited
16 January 2018

TITLE: Business with the Public Excluded

ID: A1030268

To: Property Subcommittee, 7 February 2018

From: Alicia Jurisich, Property Officer

Date: 30 January 2018

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:

| Item No. | Item Issue | Reason\Grounds |
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| 4.1 | Confirmation of Confidential Minutes of the Council Meeting – 5 December 2017 | The reasons for excluding the public are as stated in the minutes of the open section of the meeting. |
| 4.2 | 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). |
| 4.3 | Farm Inspection Report | The public conduct of the proceedings would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information 7(2)(b)(ii). |
| 4.4 | 2017 Property Transactions | 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, negotiations 7(2)(i). |
| 4.5 | Update on Significant Commercial Property Sale | 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). |
| 4.6 | 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). |

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.

Authorised by:

Name: Phil Heatley
Title: Strategic Projects Manager
Date: 30 January 2018