

**Property Subcommittee**  
**Tuesday 3 July 2018 at 8.30am**

# **AGENDA**

## Property Subcommittee Agenda

Meeting to be held in the Council Chambers, 36 Water Street, Whangarei  
on Tuesday 3 July 2018, commencing at 8.30am

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

### MEMBERSHIP OF THE PROPERTY SUBCOMMITTEE

Chair, Councillor Penny Smart  
Councillor John Bain      Councillor Bill Shepherd (Ex-Officio)      Councillor David Sinclair  
  
Councillor Rick Stolwerk  
(Alternate Councillor)

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<b>6.6 Hotel and Conference Centre</b>	
<b>6.7 Receipt of Action Sheet</b>	

**TITLE:** Confirmation of Minutes - 8 June 2018

**ID:** A1080164

**From:** Alicia Jurisich, Property Officer

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### Recommendation

That the minutes of the Property Subcommittee meeting held on 8 June 2018 be confirmed as a true and correct record.

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### Background

The purpose of this report is to present for confirmation the minutes of the Property Subcommittee meeting held on 8 June 2018.

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

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### Attachments

Attachment 1: 2018 06 08 Property Subcommittee Minutes  

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### Authorised by Group Manager

**Name:** Phil Heatley

**Title:** Strategic Projects Manager

**Date:** 26 June 2018

## Property Subcommittee Minutes

Meeting held in the Council Chambers  
36 Water Street, Whangārei  
on Friday 8 June 2018, commencing at 2.00pm

### Present:

Chair, Councillor Penny Smart  
Councillor Bill Shepherd (Ex-Officio)  
Councillor David Sinclair

### In Attendance:

**Full Meeting**  
Councillor Rick Stolwerk  
NRC Chief Executive  
Strategic Projects Manager  
Property Officer

**Part Meeting**

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The Chair declared the meeting open at 2:03pm.

### Apologies (Item 1.0)

#### Moved (Sinclair/Shepherd)

That the apologies from Councillor John Bain for non-attendance be received.

**Carried**

### Declarations of Conflicts of Interest (Item 2.0)

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

### Confirmation of Minutes - 8 May 2018 (Item 3.1)

ID: A1071312

Report from Alicia Jurisich, Property Officer

#### Moved (Shepherd/Sinclair)

That the minutes of the Property Subcommittee meeting held on 8 May 2018 be confirmed as a true and correct record.

**Carried**

## Port Nikau - Further Council Easement (Item 5.1)

ID: A1069653

Report from Phil Heatley, Strategic Projects Manager

Moved (Sinclair/Shepherd)

### Recommendation(s)

1. That the report 'Port Nikau - Further Council Easement' by Phil Heatley, Strategic Projects Manager and dated 24 May 2018, be received.
2. That the Property Subcommittee approve the lifting of the Easement 6185577.1 in Port Road, Whangarei, subject to the same conditions as those relating to Easements 6165858.1, 6156637.1 and 6298710.1 as agreed at the Property Subcommittee meeting of 4 April 2018.

Carried

## Business with Public Excluded (Item 6.0)

Moved (Smart/Shepherd)

### 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	Reasons/Grounds
6.1	Confirmation of Confidential Minutes - 8 May 2018	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.
6.2	Options for a Significant Property Development	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
6.3	Progress on Purchase of CBD Properties in Order to Freehold	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).
6.4	Purchase of a Hihiaua Precinct Property	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or

		disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
6.5	Marsden Point Rail Link Property	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
6.6	Kaipara Service Centre - Concept Plan Options	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).
6.7	KDC Community Hub Concept	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).
6.8	Update of Property Subcommittee Action Notes	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).

**Carried**

### **Moved (Shepherd/Sinclair)**

The Chair reopened the meeting and proposed an additional recommendation. Councillor Shepherd moved that a recommendation go to full council that Councillor Rick Stolwerk be an alternate member of the Property Subcommittee.

**Carried**

### **Conclusion**

**The meeting concluded at 5:05pm.**

**TITLE:** Mt Tiger Forest Quarterly Report April-June 2018

**ID:** A1079272

**From:** Alicia Jurisich, Property Officer

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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.

Ian Jenkins will be present at the meeting to answer any questions.

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### Recommendation

That the report 'Mt Tiger Forest Quarterly Report April-June 2018' by Alicia Jurisich, Property Officer and dated 25 June 2018, be received.

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### 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. The significant matters reported in Quarter Four are as follows:

- Pre-harvest planning has commenced for the 1991 stand. Although budgeted for summer of 2019-20, high export prices suggest council should harvest sooner. Northland Forest Managers Limited ("NFML") have been contracted to prepare the Harvest Plan, expected arrival July 2018.
- The 2017 replanted area is continuing to be monitored by Ian Jenkins. NFML will return this coming Spring to do a further check and some manual releasing in areas.

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### Attachments

Attachment 1: Quarter Four (Apr-Jun 2018) Report [↓](#) 

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### Authorised by Group Manager

**Name:** Phil Heatley

**Title:** Strategic Projects Manager

**Date:** 26 June 2018

## **NRC - MOUNT TIGER FOREST**

### **BRIEF REPORT ON FORESTRY STATUS - For April 2018 to June 2018**

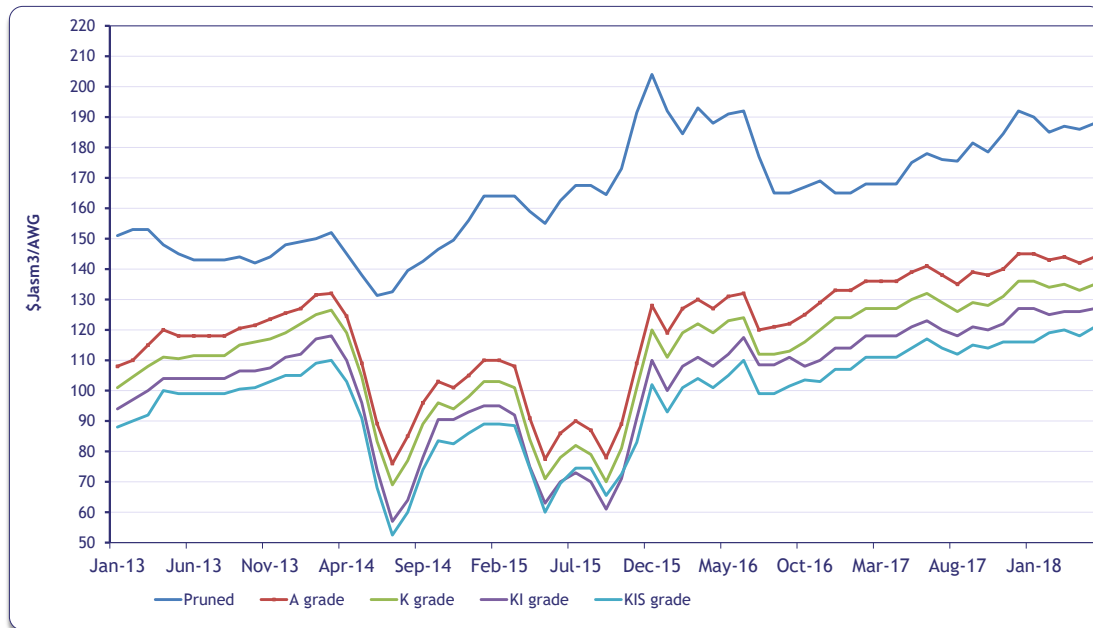
#### **1 Background**

- This report is for the period April 2018 to June 2018.
- 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 2017.
- 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 this quarter - being the Q4 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. 10,500 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) are underway 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 and the results were covered in the Q3 Report.
- The harvest is not scheduled (and budgeted) until summer 2019/20, but high export prices suggest NRC should get ready to harvest sooner than later.
- Analysis of the inventory data also shows there is no real NPV value increase by allowing this stand to grow longer (in volume/mix/value terms).
- The main driver of harvest timing and net result will therefore be log prices and harvest crew/equipment availability.
- 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 last 12 months 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 in the short-term 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.
- The next step in getting the 1991 area “harvest ready” is to have a Harvest Plan prepared. Northland Forest Managers Ltd (NFML) have been contracted to undertake this work. The fieldwork will be undertaken on 29 June. Expecting harvest plan delivery in July.
- We are working towards trying to have this 1991 area harvested this summer if possible and if prices remain high. Of course subject to final Council approvals prior.
- NFML have been asked to further investigate this with respect to contractor availability within their harvest programme.

## 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). Now called the 2017 stand.
- 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 NFML.
- The replanting was undertaken in July 2017.
- An aerial releasing of the plantings was undertaken in late November 2017.
- A forest inspection in January 2018 showed the releasing spray had gone well, with good knockdown of the competing vegetation.
- A survival assessment was undertaken by NFML in March 2018. It has noted that whilst the survival is average (84.8%), there will be some follow up releasing required.
- Last report explained that the new tree growth has been poor in this 2017 replanted area and the seedlings whilst still alive, have not developed as they should have. This was followed up and reported on.
- A forest health expert (James Hayward) inspected the stand with Jenks in late April.
- The opinion is that he thinks a combination of dry summer (initially to January) especially where the ground is thin, clean and steep, the impacts of thrips, which have been sucking the needles and causing trees to stress, and perhaps some slight knockback from the releasing spray, perhaps worsened because the trees were already under performing, have meant that the new trees have not flushed and grown as expected but they have sat and sulked a bit.
- James thinks they will come away ok in time. There has been growth on them, but just not as we would have liked/expected at this point in time.
- Therefore, we are continuing to monitor them during winter and NFML are scheduled to come back prior to Spring to do a further check, some manual releasing in areas where weeds are competing and undertake blanking of gaps.
- Also we will need to keep on top of the releasing for a while longer and it may need another aerial spray to ensure the trees get away next year.

### **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.
- Until 19-22 June we had a favourable run with almost no weather related damage. Small slips onto the forest roads over last winter caused by storm events required repair which was undertaken at a total 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.
- Over the past 3 months, regular forest checks (7) have been undertaken for general inspections, following up on the replanting issues, maintenance, trespass, for operational planning and most recently, post-storm inspections.
- 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). This was reported on in May from Steve Henderson NRC Biosecurity in a response to a query from a forest neighbour - Ian Franks.
- In April the forest roads were given their annual weed spray to maintain access and water control. Done by Joe Martin at a cost of \$2,820 (+ gst) which included grading sections where roads needed re-shaping to avoid scouring.
- The fence between the Wrack road boundary and Ian Franks was repaired in May, at a cost (1/2 share) to NRC of \$554 (+ gst).
- A contractor has been engaged to fell 12 pine trees (part of 1995 stand) that are near to a forest neighbour's house, and over the past 10 years have grown

to the extent that they pose a risk. Cost estimate is very reasonable at \$900 (+ gst) and work is planned for 30 June.

- The forest gate on Mt Tiger road has been replaced (materials \$306 +gst) after years of vandalism. Costs of installation (Joe Martin) yet to come to hand, but will be minimal.
- Two significant storm and rainfall events have hit Northland in the past month. Up to 200 mm of rain fell in each event. The forest has come through relatively well, but in the last event there have been several trees over roads, slips onto roads, culverts blocked and a small drop out on the harvest road into the 2017 area. Given the amount of rain this is not unexpected. The road has been reopened and remedial action will be undertaken asap.
- All of the costs above and to undertake any corrective work for the storm damage are well within the forest maintenance budget described earlier.
- There have been no further developments in the last quarter with respect to the group wanting to reopen the Waikaraka Walkway and no evidence of activity.
- Jenks has continued with providing advise on the Flyger road pine crop of some 9 ha.
- Discussions have been had and agreement reached to enter into a 5 year Forest Management and H&M Contract with NFML. This will cover the ongoing (but very minor) establishment work (2017 planting and after the next harvest), forest tending and the harvest of the 1991 area. Contract details being finalised ready for signing.
- General administration, liaise NRC re environmental and animal control, liaise FENZ, trespasser management and reporting as required.

#### **4 Upcoming Work**

- Undertake remedial work from storm damage.
- Forest Management Contract completion and signing.
- Ongoing field checks for forest maintenance, after storms, trespass, etc.
- Completion of the harvest plan for the 1991 stand.
- Advance possible harvest this summer with NFML.
- Undertake tidy up of gorse and entrance at Awaroa River Road.
- Monitor 2017 plantings and blanking
- Continue work with NRC Biosecurity re pig control initiative/CPCA/trespass issues.
- Formal YE 2018 Report to be prepared for Council - *“Forest Management Plan - Reporting Actual Performance Against Targets 2017-18”*.

Ian Jenkins

**TITLE: Business with the Public Excluded**

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**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.

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**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	Reasons/Grounds
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6.3	Kaipara Service Centre - Concept Plan Options	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
6.4	Hihiaua Precinct Property Purchase Opportunity	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).
6.5	Waipapa Service Centre	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).
6.6	Hotel and Conference Centre	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).

6.7	Receipt of Action Sheet	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).
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3. That the Independent Financial Advisor be permitted to remain during business with the public excluded.
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## 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.