

MINUTES

TITLE: Tasman District Council – Extraordinary Meeting
DATE: Thursday 19 November 2009
TIME: 11.00 am
VENUE: Tasman Council Chambers, 189 Queen Street, Richmond
PRESENT: Mayor R G Kempthorne (Chair), Crs M J Higgins, S J Borlase, S G Bryant, R G Currie, B F Dowler, J L Edgar, G A Glover, J L Inglis, T E Norriss and N Riley
IN ATTENDANCE: Environment and Planning Manager (D W Bush-King), Mayor K Marshall, Crs P Rainey, R Reese, A Boswijk, Senior Executive Technical Services (A Louverdis), Senior Project Manager, Major Projects (S Davies) from Nelson City Council and Administration Officer (J A Proctor)

APOLOGIES

Moved Crs Edgar/Currie
CN09/11/04

**THAT apologies for absence from Cr Wilkins be sustained.
CARRIED**

1 PRESENTATION TO THE TASMAN DISTRICT COUNCIL FROM REPRESENTATIVES FROM THE NELSON CITY COUNCIL ON THE PROPOSED PERFORMING ARTS AND CONFERENCE CENTRE.

Mayor Marshall spoke about the history of the project and advised that submissions closed on 24 November 2009.

Mr Louverdis had been appointed Project Manager and thanked Council for the opportunity to speak. Mr Louverdis advised that Nelson City Council (NCC) had commissioned a BERL report which stated that if a performing art centre were to be built in Nelson, then a seating capacity of 1200 was appropriate for a city of its size. The report indicated that there would be an economic benefit to the region. It was envisaged that the facility would be all inclusive and not solely for the elite. The Berl report stated that an additional 150 beds would be required to cater for the conference market.

Beca AMEC had been appointed and was in the early stages of design. A site had been identified close to Nelson CBD with an adjacent hotel owned by Rutherford Holdings Limited. Mr Louverdis confirmed that the proposed site had undergone geotechnical investigations and nothing untoward had been identified. This report would be sent to the Tasman District Council. The performing arts centre would be owned by the NCC but details of a partnership between Rutherford Holdings Limited which would own the conference centre, and NCC had yet to be worked through.

Mr Louverdis advised that it would cost \$28 million to build the performing arts centre and that NCC intended to borrow the whole amount. The statement of proposal which was not a business plan, assumed annual operating costs of \$3.8 million based on a worst case scenario of zero income. Operating costs included depreciation at 2% and finance costs.

Submissions would be heard on 1 – 4 December 2009 and Mr Louverdis would report back to NCC later that month. It was suggested that a submission from Tasman District Council on the subject would be helpful and that an extended deadline would be offered to permit staff to report to Tasman District Councillors first.

It was discussed what economic benefit there might be to the Tasman region from the proposed project but no firm evidence had been provided by NCC yet. Cr Reese responded that based on feedback received from the hospitality sector that Nelson needed to develop a conference market. Event organisers were reluctant to commit until suitable facilities were in place. Cr Reese advised that there would be some synergy between the conference centre and performing arts centre.

Tasman District Councillors aired their concerns regarding transportation and parking for 1200 people. NCC staff acknowledged the situation and responded that there were 600 designated car parks available of an evening within 5 minutes walk of the proposed site. Staff were developing the links between the CBD and the proposed site and were working on introducing a “walking experience” in conjunction with the “Heart of Nelson” group. NCC staff conceded that there may be issues during the day regarding parking arrangements. A drop off zone at the performing arts centre would be part of the brief given to architects but with a \$28 million budget there were no additional funds available to be utilised purely for a car park.

NCC staff confirmed that there would be an additional cost of around \$158 to each Nelson ratepayer and it would be part of the general rate, not a targeted rate. NCC staff advised that the annual \$3.8 million operating costs would also be funded via the general rate.

A discussion ensued regarding the impact the performing arts centre would have on other facilities within the region i.e. Nelson School of Music, Theatre Royal. It was stated by Mr Louverdis that the new facility would be very specific and it would stimulate interest within the Nelson region to attend events.

Hire rates for community groups had yet to be decided but Cr Rainey advised that in his experience rates for such groups were generally offered at a 40% discount.

Cr Reese stated that it was critical that the conference centre and performing arts centre interact effectively to maximise commercial profitability. Mr Louverdis advised that the conference centre’s capacity would be 700. The performing arts centre would also be utilised for larger events, such as trade events.

Tasman District Councillors sought further financial information regarding operational costs and were surprised that such information was not available.

Mayor Marshall commented on fundraising and private enterprise contributing to the project. Any funding received would be used to reduce the capital cost of the project. Mr Louverdis confirmed that the budget currently excluded any potential for fundraising and it was still a topic requiring further discussion.

Mayor Kempthorne thanked everyone for attending the meeting.

The meeting concluded at 12.30 pm.

Chair:

Date: