

**TAUPŌ DISTRICT COUNCIL
MINUTES OF THE CONFIDENTIAL COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, 107 HEUHEU STREET, TAUPŌ
ON TUESDAY, 14 DECEMBER 2021 AT 1.00PM**

PRESENT: Mayor David Trewavas (in the Chair), Cr John Boddy, Cr Kathy Guy, Cr Kylie Leonard, Cr John Mack, Cr Anna Park, Cr Christine Rankin, Cr Kevin Taylor, Cr Kirsty Trueman, Cr Yvonne Westerman, Cr John Williamson

IN ATTENDANCE: Chief Executive, Deputy Chief Executive, General Manager Corporate, General Manager Operations and Delivery, General Manager Policy and Strategy, Legal, Risk and Governance Manager, Property Manager, Finance Manager, Community Engagement and Development Manager, Communications Manager, Communications Team Lead, Policy Manager, Senior Policy Advisor, Financial Analyst, Property Advisor, Executive Assistants, Governance Quality Manager
Mr David Lambie, Principal and Director, Twenty Two Independent Property Advisors

MEDIA AND PUBLIC: Nil

CONFIDENTIAL BUSINESS

Note: Cr Tangonui Kingi had submitted his apologies for the meeting.

5.1 LEASE AGREEMENT FOR CIVIC ADMINISTRATION BUILDING

The "Memorandum of Key Terms for the development and leasing of new offices" document had been uploaded to Diligent on 9 December 2021 (A3056449).

The Property Manager introduced Mr David Lambie, Principal and Director, Twenty Two Independent Property Advisors. Together they provided a project update via PowerPoint presentation (A3062728), with slides addressing the following in relation to the proposal:

- Process to date;
- Background;
- Plans and images;
- About the building (key elements);
- Developer design update;
- Market conditions; and
- Next steps.

In answer to questions, Mr Lambie advised that:

- Under the current proposal, the building would have a 'green star 4' rating. A higher rating would result in increased costs.
- This was an opportunity not just to enter a commercial agreement to lease, but also to enter into a partnership with Ngāti Tūwharetoa. The consortium was receiving its own advice about the proposal. In relation to risks, there was an opportunity to discuss and resolve risks productively in the spirit of partnership.

- The building would meet all Building Code requirements, including wheelchair accessibility.
- A small amount of floor space (for example 100m²) could be allocated to an additional tenant if required.
- Ground floor retail space was currently included, but could be removed to reduce costs if necessary.
- A combination of glass and solid concrete was proposed for the building's exterior. Timber was not recommended due to cost and deliverability, however it was noted that some non-structural timber could be incorporated, for example in columns and entranceways.

TDC202112/C01 RESOLUTION

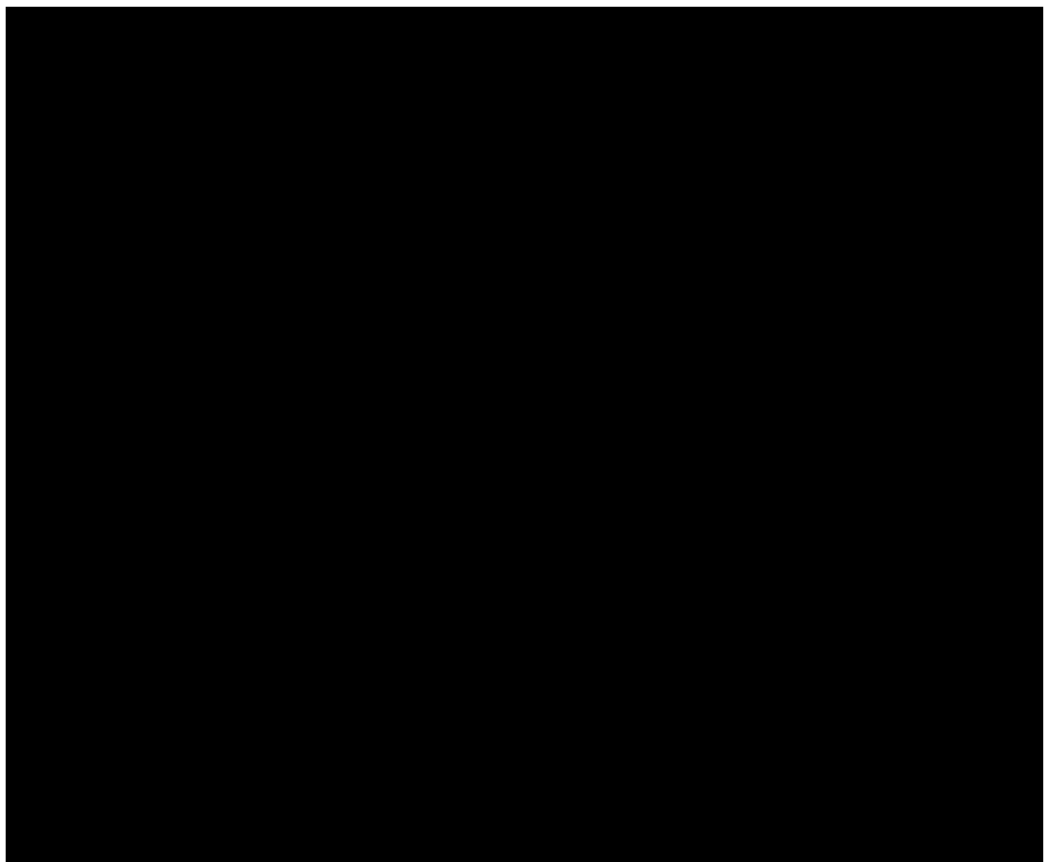
Moved: Cr Kevin Taylor

Seconded: Cr John Mack

That Council:

1. Approves (subject to negotiating and agreeing documentation to effect):
 - a. the disposal of the property located at 67 Horomatangi Street to Te Whare Hono o Tūwharetoa Limited Partnership (TWHT) for \$3million dollars (plus GST if any), with settlement to follow satisfaction or waiver of the following conditions:
 - TWHT obtaining a geotechnical report in respect of the property that is satisfactory to it in all respects;
 - TWHT obtaining its board approval; and
 - Council obtaining all necessary approvals and completing any consultation or disclosure process in relation to the agreement.
 - b. subject to settlement of the sale of the land at 67 Horomatangi Street, agrees to take a lease of new office premises from TWHT in a building to be constructed by TWHT on the land at 67 Horomatangi Street, on terms and conditions that are materially consistent with the below:

c.



2. Delegates authority to the Mayor and Chief Executive to sign, in accordance with these terms:

- a Memorandum of Terms reflecting the key commercial terms set out in the paper attached to the agenda;
 - a Sale & Purchase agreement to dispose of 67 Horomatangi Street to TWHT;
 - an Agreement to Lease for new offices at 67 Horomatangi Street; and
 - any other documents required to give effect to the above transactions.
3. Notes that TWHT may wish to further negotiate the key commercial terms, as it develops the building design in a constrained market. If this occurs and the adjustment(s) is(are) material, the revised terms will be bought back to Council for approval.

CARRIED

Note: Cr John Boddy abstained from voting on resolution TDC202112/C01 above.

Members discussed next steps in relation to public announcement of the partnership and building lease agreement. It was noted that a joint media release would be issued the following week.

TDC202112/C02 RESOLUTION

Moved: Cr Kirsty Trueman

Seconded: Cr Kevin Taylor

4. That Council notes that on or about Monday 20 December 2021 a media release will be issued jointly between Council and Te Whare Hono o Tūwharetoa Limited to acknowledge the intention for Council to lease the property to be built at 67 Horomatangi Street, Taupō.

CARRIED

The meeting closed with a karakia from Cr Kirsty Trueman at 2.24pm.

The minutes of this meeting were confirmed at the confidential Council meeting held on 1 February 2022.

.....
CHAIRPERSON