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## **Economic Development Committee**

### ***Komiti OOhanga Whakatupu***

### **OPEN MINUTES**

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Minutes of a meeting of the Economic Development Committee held in the Council Chamber and via Audio Visual Link , Municipal Building, Garden Place, Hamilton on Thursday 11 May 2023 at 9.30am.

#### **PRESENT**

<b>Chairperson</b>	Cr Ewan Wilson
<b><i>Heamana</i></b>	
<b>Deputy Chairperson</b>	Cr Mark Donovan
<b><i>Heamana Tuarua</i></b>	
<b>Members</b>	Mayor Paula Southgate Deputy Mayor Angela O’Leary (Audio-Visual Link) Cr Ryan Hamilton Cr Anna Casey-Cox Cr Maxine van Oosten Cr Moko Tauariki Cr Louise Hutt Cr Kesh Naidoo-Rauf Cr Andrew Bydder Cr Geoff Taylor (Audio-Visual Link) Cr Sarah Thomson (Audio-Visual Link) Cr Emma Pike

<b>In Attendance</b>	Blair Bowcott – General Manager Growth Sean Murray – General Manager Venues, Tourism and Major Events Nicolas Wells – Strategic Property Manager Tracy Musty – Financial Director Mike Bennett – Economic Development Programme Manager Karen Saunders – Growth Programmes Manager Lehi Duncan – Programme Manager, Ruakura Arif Khan – Business Relationship Advisor Lucianna Nunes – Business Growth Advisor
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<b>Governance Staff</b>	Amy Viggers – Governance Lead Arnold Andrews and Nicholas Hawkins – Governance Advisors
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#### **1. Apologies – *Tono aroha***

**Resolved:** (Cr Wilson/Cr Donovan)

That the apologies for absence from Cr Huaki, and partial attendance from Deputy Mayor O’Leary, Cr Casey-Cox, Cr Hamilton, Cr Hutt, and Cr Taylor are accepted.

**2. Confirmation of Agenda – *Whakatau raarangi take***

**Resolved:** (Cr Wilson/Cr Donovan)

That the agenda is confirmed noting that

- a) a late attachment 4 HCC 2023 Post Event Summary and 2023 Marketing Publicity Report for Item 13 (Major Event Sponsorship Fund applications for approval 2023-2024) was circulated prior to the meeting as part of the open agenda; and
- b) that Item C4 (Strategic and General Update) will be taken at 1.00pm to accommodate presenters.

**3. Declarations of Interest – *Tauaakii whaipanga***

Cr Pike declared an interest in Item 13 (Major Event Sponsorship Fund - recommendations for approval 2023/24). She noted she was not conflicted and would take part in the discussion and vote on the matter.

**4. Public Forum – *Aatea korero***

Ian White and Charlotte Cheun (Hamilton Arts Trust) spoke to Item 13 (Major Event Sponsorship Fund - recommendations for approval 2023/24) and addressed the impact of inflation on the art sector and that the Street Arts Fund requires Council funding to proceed this year. They spoke to the criteria for major events funding and how Hamilton Arts Trust fit this criteria. Hamilton Arts Trust staff responded to questions from Members regarding changes to the criteria for funding and how this funding defers from another project previously approved.

*Deputy Mayor O'Leary joined the meeting (9:35am) during the discussion of the above item.*

**4. Confirmation of the Economic Development Committee Open Minutes of 16 March 2023**

**Resolved:** (Cr Wilson/Cr Donovan)

That the Economic Development Committee confirm the Open Minutes of the Economic Development Committee Meeting held on 16 March 2023 as a true and correct record.

**5. Chair's Report**

**Resolved:** (Cr Wilson/Cr Donovan)

That the Economic Development Committee receives the report.

**6. General Manager's Report**

The General Manager, Growth took the report as read. He responded to questions from Members concerning how the connection between economic development and growth for positive economic development and sustainability could be expressed more explicitly, if NZ food Innovation would be coming off Council's books, the Airport Monitoring and Performance Report Draft Statement Of Intent and dividend payments received, and potential considerations for Council's strategic interests in the Airport.

**Staff Action:** GM Growth to report to the next meeting with a solution to effectively communicate to the public, the sustainable aspects of the economic development initiatives.

**Resolved:** (Cr Wilson/Cr Donovan)

That the Economic Development Committee receives the report.

## **7. External Agencies and CCO Reporting**

**Co-Lab** - The Finance Director introduced the Co- Lab Annual Report. She noted that the report was delayed this year due to the lateness of the external audit. She responded to questions from Members regarding the Future Fit Programme and Council's intention to right size the organisation, and how Council can collaborate with Co-Lab on Council's commitment towards the Living Wage.

**Civic Financial Services** - The Finance Director spoke to the report, noting that this was a superannuation scheme and asked that the staff recommendations be accepted. She responded to questions from Members regarding administration and general fees for the superannuation scheme and the position of the scheme and staff investment in this service.

**Hamilton Waikato Tourism** - The General Manager Venues, Tourism and Major Events, spoke to the report about the 3 year contract that aligned with the Long Term Plan. He responded to questions from Members regarding tracking of economic benefit, return on investment measurements and prioritisation on exploring specific areas of tourism.

**Resolved:** (Cr Wilson/Cr Donovan)

That the Economic Development Committee:

- a) receives the report; and
- b) endorses the draft Statement of Intent for Civic Financial Services for the year to 31 December 2023 (**Attachment 3** to the staff report).

## **8. Strategic and General Update**

The Economic Development Programme Manager opened with a video regarding Hamilton City economic development highlights, and noted the excellent work staff have completed in shaping narratives and creating proactive employer engagement. He explained that 25 businesses have been engaged this year to learn about Council and how Council can be a partner to assist in growth. The Cultivate Trust Group has built networks in the Waikato region to shape narratives and work on some key collateral projects.

The Growth Programmes Manager introduced an update on the three key economic development growth programmes currently underway. The key highlights were the new ACC building which has brought 800 staff into the central city area; the Green Grower building in Ruakura which has started preliminary operations; and a media release which confirmed that the \$30M facility was being built in the Rotokauri North West area because of the existing logistics and transport connections.

The Economic & Policy Manager gave an update on data analytics noting that the industrial consenting increase in the last four months, has a value more than what would be usually received in an entire year. However, residential area consents have reduced by 18% since last year. Economic data showed high levels of inflation and it could take 12 to 18 months for the country to recover. Staff responded to questions from Members regarding feedback from developers concerning the financial delays due to the present economic situation, mortgage rate increases, Council rates affordability, deferred rates, suitability of Hamilton to attract migrants, current housing consent procedure and tracking compared to 2022, effect of the current emissions impact reporting procedure on affordable housing, building consents and the support Council could provide, ability for Council to track developers unable to complete building projects, reporting on

real estate agency market surveys and sales trend tracking, and how the ethics of investments were assessed.

**Staff Action:** *Financial Director and GM Growth to bring rates affordability data from recent years to a future Committee meeting.*

**Resolved:** (Cr Wilson/Cr Donovan)

That the Economic Development Committee receives the report.

*Cr Hutt left the meeting (10:42am) during the discussion of the above item. She was not present when the matter was voted on.*

## 9. Strategic Property Update - May 2023

The Strategic Property Manager explained the two parts of the report, and took the report as read. Staff responded to questions from Members regarding why surplus revenue report figures are in brackets, quarterly update of how Council assess the ethics of investments, the principles of investment and Celebrating Age Centre and other projects, and the due diligence done to date to reduce risk of cost over runs due to delays that have impacted Council.

**Resolved:** (Cr Hamilton/Cr Donovan)

That the Economic Development Committee:

a) receives the report;

b) notes the Community and Natural Environment Committee resolution of 18 April 2023:

*“b) requests the Municipal Endowment Fund (MEF) Advisory Group, with input from relevant Community Group staff investigates the development of commercial and community space at the Celebrating Age Centre (30 Victoria Street), noting that the development proposal must:*

*i. provide a minimum of 1,000m2 of community space in perpetuity;*

*ii. explore partnership opportunities;*

*iii. meet the Municipal Endowment Fund Criteria;*

*iv. provide the existing leaseholders and stakeholders the opportunity to provide input and regular progress updates;*

*v. provide a community space fit for a wide range of users to maximize its use;”*

*c) requests, if a solution does not fit with the Municipal Endowment Fund criteria (b iii. above), staff will report back to the Community and Natural Environment Committee; and*

*d) requests that the future development of buildings to meet community facility demand be considered as part of the 2024-34 Long Term Plan process.”*

c) approves the Celebrating Age Centre development project and requests staff to work with the Municipal Endowment Fund Advisory Group to develop a feasibility study to consider various mixed-use commercial and community options, including market demand, bulk and location, design, cost, funding, procurement, risk, construction, project plan and viability; and

d) notes that regular updates will be provided to the Municipal Endowment Fund Advisory Group and Economic Development Committee.

*Cr Tauariki left from the meeting (10:59am) and rejoined the meeting (11:02am) during the discussion of the above item. He was not present when the matter was voted on.*

**The meeting was adjourned 11.05am to 11.20am.**

**10. Policy Review – Sale and Disposal of Council Land Policy 2023** *(Recommendation to the Council)*

The Strategic Property Manager explained that the report was a scheduled three yearly policy review . This review related to the sale and disposal of Council land and the policy remained fit for purpose, with minor wording changes suggested by Tompkins Wake as part of their standard review. An additional substantive proposed change to the valuation requirement in the policy was recommended. Staff responded to questions from Members regarding the timeframes required by legislation for policy reviews and the cost implications related to this, political risks and concerns from the public as to why a property did not receive a registered valuation, and the need for the word “appropriate” identification of cultural and heritage significance.

**Staff Action:** *Staff to bring back a purchasing policy for review in the near future.*

**Amendment:** (Cr Thomson/Cr Wilson)

That the Economic Development Committee:

- a) receives the report;
- b) recommends that the Council approves the Sale and Disposal of Council Land Policy (**Attachment 1**).

**The Amendment was put.**

**Those for the Amendment:**

Councillors Taylor and Thomson

**Those against the Amendment:**

Mayor Southgate, Deputy Mayor O’Leary,  
Councillors Bydder, Hamilton, Hutt,  
Wilson, Donovan, Casey-Cox, Naidoo-  
Rauf, Pike, Tauariki, and van Oosten

**The Amendment was declared lost.**

**Resolved:** (Cr Hamilton/Mayor Southgate)

That the Economic Development Committee:

- a) receives the report;
- b) recommends that the Council approves the Sale and Disposal of Council Land Policy with the reinstatement of the requirement for the use of a registered valuer(Attachment 1).

**Cr Taylor Dissenting.**

*Cr Hutt re-joined the meeting (11:20am) during the discussion of the above item. She was present when the matter was voted on.*

**11. Policy Review - Business Improvement District (BID) Policy** *(Recommendation to the Council)*

Staff took the report as read, noting the amendment of voter requirement to 11 from 9 members.

**Resolved:** (Mayor Southgate/Cr Casey-Cox)

That the Economic Development Committee:

- a) receives the report;
- b) recommends that the Council approves the amended Business Improvement District Policy (**Attachment 2** of this staff report) effective from 1 July 2023.

**14. Resolution to Exclude the Public**

**Section 48, Local Government Official Information and Meetings Act 1987**

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Economic Development Committee Public Excluded Minutes of 16 March 2023	) Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
C2. Strategic Property Update	)	
C3. 242-266 Victoria Street - VOTR Southern Edge Activation Project		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h) Section 7 (2) (i)
Item C3.	to enable Council to carry out negotiations to enable Council to carry out commercial activities without disadvantage to enable Council to carry out negotiations	Section 7 (2) (h) Section 7 (2) (i)

**The meeting moved into a public excluded session at 12:19pm.**

**The meeting moved back to the open session at 4.26pm.**

**12. Major Event Sponsorship Fund - recommendations for approval 2023/24**

*In Item 3, Conflicts of Interests, Cr Pike declared an interest in item 13 (Major Event Sponsorship Fund - recommendations for approval 2023/24). She noted she was not conflicted and would take part in the discussion and vote on the matter.*

General Manager Venues, Tourism and Major Events, spoke to the report and noted challenges faced by the sector, and that Hamilton City Council had a lower sponsorship budget compared to other councils. Staff responded to questions from Members concerning advice in handling repeat events like Boon and The Arts Festival, money allocation for multiple major events, funding allocation authority, other support provided to Ako Ararau Māori Expo if not funded, policy review due dates, and how this has been managed, Arts Trust meeting outcomes.

**Resolved:** (Cr Hutt/Cr Pike)

That the Economic Development Committee:

- a) receives the report;
- b) approves the following single year event sponsorship applications for financial sponsorship from Council's major event sponsorship fund in 2023-24 (one year):
  - i. Matariki ki Tainui 2023 by Tainui Teachers Association Society Incorporated for \$13,000;
  - ii. Ford NZ Hockey National Championships 2023 by Waikato Hockey Association for \$10,000;
  - iii. NZ Marching Championships 2024 by Marching Waikato Association Incorporated for \$13,000;
  - iv. Round The Bridges 2023 by Hamilton Harriers Club Inc & Classic Events Limited for \$17,000;
  - v. Hamilton Arts Festival Toi Ora ki Kirikiriroa 2024 by Hamilton Gardens Summer Festival Foundation for \$175,000;
  - iv. Balloons over Waikato 2024 by Balloons over Waikato Charitable Trust & Classic Events Limited for \$130,000;
- c) declines the following applications for financial sponsorship from Council's major event sponsorship fund:
  - i. Ako Ararau Māori Expo by TupuOra Education & Developments Limited (\$50,000);
  - ii. Whānau Mārama: NZ International Film Festival Trust by NZ Film Festival Trust (\$10,000);
  - iii. Orchids & More by Orchid Council of NZ (\$10,000);
  - v. World Manu Championships 2024, 2025 and 2026 by Quantum Events Limited (\$30,000);
  - vi. Waikato River Festival He Piko He Taniwha 2024 by Tainui Waka Tourism Inc (\$25,000).
- d) requests staff to bring a proposal for the 2023/24 Annual Plan at the 1 June 2023 Council Meeting to fund Boon up to \$50k with options for budget reprioritisation;
- e) notes that the He Pou Manawa Ora working group will provide recommendations for the

Council to consider regarding options for funding large culturally significant events such as Matariki in the 2024/34 Long Term Plan; and

- f) requests staff investigate gaps in the current council event fund, potential improvements/ adjustments, and the review of the Community funding policy in time for consideration in the 2024/34 Long Term Plan process.

**The meeting was declared closed at 5:21pm.**