

Kim Hammond

From: Felicity Foy
Sent: Thursday, 20 June 2019 5:21 AM
To: Dave Hookway
Cc: CE Office; Shaun Clarke; John Vujcich; Mate Radich; Kelly Stratford
Subject: Re: Notice of motion for Council Meeting 27th June 2019 Re: Russell Wharf

Follow Up Flag: Follow up
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Good morning. I support this motion being tabled. This email is to confirm Dave's email, show below, which references my support.

Regards,
Felicity Foy



Felicity Foy
Councillor

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On 19/06/2019, at 6:49 PM, Dave Hookway <Dave.Hookway@fndc.govt.nz> wrote:

Kia ora Shaun

Please refer to the information below in respect of the notice of motion which I request be put onto the agenda for 27th June 2019. I have the support of the councillors listed below.
Nga mihi dave

19th June 2019

Cr Dave Hookway

<image001.jpg>

In accordance with standing orders, I hereby propose the following notice of motion for FNDC Council meeting – 27th June 2019.

The motion is supported by Councillors Foy, Vujcich, Stratford and Radich.

Motion:

“That Council reaffirms its decision to transfer the Russell wharf to FNHL for \$1 as agreed in its Long Term Plan 2018-2028, subject to the execution of a legally-binding agreement between FNHL and the newly proposed Trust, that provides for:

- 1. community and tangata whenua input into the Wharf's development, future direction, management and governance**
- 2. a requirement to transfer the wharf back to the ownership of the FNDC for \$1 should FNHL choose to divest it in the future.**
- 3. That accumulated depreciation reserves for the Russell Wharf be retained by Council.”**

The notice cannot be delayed as action will be happening in July that affects the transfer of the ownership of the Wharf and the potential future ownership of it.

Rationale: -

In the deliberations for the Long Term plan ratepayers were asked if they supported the transfer of the Russell Wharf to Far North Holdings Ltd. The premise was that the Wharf required further work and maintenance. By transferring it to FNHL, They would be able to access PGF money to help repair the structure.

It was also agreed that this would be done in consultation with the (current) Russell Wharf and Waterfront Trust. New proposals have this Trust being replaced by a new entity. The proposed MOU between the new entity and FNHL makes reference to the ability should FNHL choose to sell the wharf, that it can be to the new trust OR NOMINEE. This opens the possibility of the current publicly owned asset falling into private hands or even foreign ownership. The original council consultation did not include the propensity for a new – and different – trust.

Council in moving the motion in the LTP agreed that depreciation reserves allocated for the wharf could be distributed to FNHL – but this was not consulted on directly in the LTP process with the public. Further, since council does not retain cash reserves, such (depreciation) money as has been paid by the Russell ratepayers will now have to be borrowed if it is to be paid to FNHL.

I consider it vital that elected members reconsider the details for the transfer given that circumstances have changed.

Decision by council for LTP 2018-2028

Russell Wharf

1.4a) That Council approves option 4a (transfer the wharf to FNHL for \$1) as proposed in the Consultation Document, subject to the execution of a legally-binding agreement between FNHL and the Russell Wharf and Waterfront Trust that provides for:

- community and tangata whenua input into the Wharf's development, future direction, management and governance
- a first option for the Trust to buy the wharf should FNHL wish to divest it in the future.

1.4b) That accumulated depreciation reserves for the Russell Wharf be retained by Council and distributed to FNHL, for expenditure on the wharf, as and when the funds are required.

Long Term Plan report from staff

Staff comment:

In 2011, the wharf needed repair (replacing piles, walkway planks and steps). The community also asked for enhancements to the wharf. Council and the Russell community (through the Russell Wharf and Waterfront Trust) committed funding (\$100,000) and

volunteer time to complete the repairs and LTP 2018-28 Deliberations – Issues & Recommendations Document number A2041236 improvements (including the boat ramp which was built with volunteer labour). The repairs were finished in 2012.

Under our 2012 agreement with the Russell Wharf and Waterfront Trust, if Council divests the wharf within 10 years (i.e. by 2022) we are required to repay \$100,000 to the Trust (so they can use the money on an alternative community project) and offer them first option to purchase the wharf at market value.

Over the consultation period the Russell Wharf and Waterfront Trust and FNHL held public meetings and ran drop in centres, supported by Council officers and elected members, to enable the community to understand the proposal and give feedback.

Formal feedback to Council through the submissions process shows majority support (74%) for option 4a.

Of the 568 submissions received on the matter, 383 came from within the BOI-Whangaroa ward, with approximately 263 from the Russell area. 215 (or 82% of) Russell residents want to see the wharf put in the hands of FNHL while 48 prefer it stay in Council ownership.

Comments clearly indicate that much of the support for 4a was conditional on community involvement in an expanded Russell Wharf and Waterfront Trust working in partnership with FNHL, along with and controls on FNHL's ability to divest the wharf at a future date.

Draft agreements are being prepared by the Trust and FNHL to address the matters raised by submitters and in the public meetings.

Council has accumulated \$904,000 in its depreciation reserves for the wharf. Some submitters suggested that this be transferred to FNHL. FNHL will receive \$1.114m for the Russell wharf (wharf, jetty and associated services enhancements) from the Provincial Growth Fund, subject to final business case approval.