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SKYLINE ENTERPRISES LIMITED

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Other Comments

Would you like to comment on any other aspect of this draft 10 Year Plan?

See attached submission

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29 April 2015

Queenstown Lakes District Council
Private Bag 50072
QUEENSTOWN

Dear Sir/Madam

**SUBMISSION BY SKYLINE ENTERPRISES LIMITED ON THE
QLDC 2015 - 2025 10 YEAR PLAN CONSULTATION DOCUMENT**

Introduction

The purpose of this submission is to outline Skyline Enterprises Limited's ("SEL") support for the Queenstown Lakes District Council's ('QLDC's) 10 Year Plan and in particular, as this document pertains to the proposed rating model for the Queenstown Convention Centre.

SEL is a significant commercial player within the Queenstown Lakes District and further afield (both nationally and internationally).

SEL was established in 1966 and has become a major tourism operator in New Zealand. Its success has been largely built on the strength of its gondola and restaurant businesses in both Queenstown and Rotorua. Both operations have become iconic New Zealand attractions.

SEL owns a number of commercial buildings within central Queenstown. Such buildings house a significant number of tenants, ranging from hospitality, accommodation, retail and offices. SEL also owns the Blue Peaks Lodge in Queenstown. SEL has also acquired the Totally Tourism Limited group of companies.

Due to its significant commercial investments, Skyline has a clear interest in ensuring that the construction of an international standard convention centre at the Lakeview site is achieved albeit that this is undertaken in accordance with an agreed rating model for the Council's capital contribution.

Skyline Enterprises Limited Submission

It is acknowledged that the QLDC has already made a formal decision to build a convention centre on the Lakeview site including a projected rating impact in the 2014/15 Annual Plan. This current 10 Year Plan Consultation Document is not revisiting the question of whether the QLDC should build the convention centre or not.

Rather, QLDC has recognised that the community was concerned about the way in which the rates for the Council's capital investment were to be apportioned and this current 10 year plan focuses on a change to the proposed rating model.

SEL agree with this approach and note that they previously submitted on the Council's draft 2014/2015 Annual Plan in support of construction of the Queenstown Convention Centre on the Lakeview site.¹

SEL wish to express their continued support for the construction of the Queenstown Convention Centre at the Lakeview site. However, this support is based on the understanding that the economic benefits to the community will be as outlined in the economic impact reports by CBRE (July 2013) and Insight Economics (November 2014).

SEL is also realistic that if the Council is to take a lead role and assist in the funding of the Queenstown Convention Centre, the District's ratepayers will need to pay higher rates in order to make the financial model work.

A number of commercial properties that SEL owns will be most impacted by higher rates. Such rates increases will be passed onto SEL's tenants. However, SEL and its tenants within the central business area of Queenstown stand to benefit the most through increased patronage from conference attendees.

The QLDC's 10 Year Plan 2015 – 2025 Consultation Document asks the question *"Do you support the revised rating model for the proposed convention centre?"*²

SEL confirm that they support the current rating model on the following basis:

- The Council's contribution is capped at \$31.34 Million³;
- That the rating model incorporating the Queenstown Convention Centre costs does not come into effect until 2018;
- That the QLDC continues to actively investigate all alternative methods of funding before 2018 and continues to advise on the progress of these funding methods;
- SEL understand that there will be three more QLDC Annual Plans and a further 10 Year Plan prepared in 2018 which will enable further submissions prior to the implementation of a final rating model; and
- SEL support the Queenstown Chamber of Commerce in lobbying and assisting Council with pursuing alternative funding options in order to reduce the burden on rate payers.

Conclusion

SEL views the development of the Queenstown Convention Centre on the Lakeview site as a key component of cementing central Queenstown as the primary hub in the wider Queenstown area and subject to the points raised above, supports the QLDC's current rating model to achieve its construction and eventual operation from the Lakeview site.

¹ Skyline Enterprises Limited Submission on Draft 2014/2015 Annual Plan dated 7th May 2014

² 10 Year Plan 2015-2025 Consultation Document page 9

³ 10 Year Plan 2015-2025 Consultation Document page 7

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Jeff Staniland', with several overlapping strokes.

Jeff Staniland
CEO, Skyline Enterprises Limited