QUEENSTOWN LAKES DISTRICT COUNCIL

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5 September 2025

[redacted]

Sent via email to [redacted]

LG25-0227 - Lakeview

Dear [redacted],

REQUEST FOR OFFICIAL INFORMATION – PARTIAL RELEASE OF INFORMATION

Thank you for your request for information held by the Queenstown Lakes District Council (QLDC). On 11 August 2025 you requested the following information under the Local Government Official Information and Meetings Act 1987 (LGOIMA):

1. **Including the current value of the Lakeview land, the expenditure on all Lakeview connected pre-construction infrastructure (including roads), the cost of the transaction and the diminishing value (inflation/cost of money/lost opportunity costs) of fixed revenue over time, what is your current profit and loss number for the Lakeview project? Please provide a detailed breakdown and some explanatory narrative.**

2. **Is your position that there is 100 percent zero connection between the $128 million Arterial Road Stage 1 and the $15 million Thompson Street upgrade (partial arterial stage 3) with the Lakeview development?**

3. **Why was a fully finished extension of Isle Street built (with benches, street lighting, landscaping and rubbish bins for pedestrians) by QLDC when Lakeview construction machinery will effectively destroy this road – if construction gets underway? Who is liable for such damage if construction goes ahead? What did this roading project cost?**

4. **Is there provision in the Development Agreement for the current value of the land or just the historic value of the land? If such a provision does not exist, can you explain why?**

5. **Can you breakdown the money spent on Lakeview so far, more specifically than just one line item presented to the Audit, Finance and Risk Committee?**

6. **Can you detail the intended use, or sale, for the $1 million of pavers and kerb stones currently stored at the Lakeview site? This question has not been answered in spite of two requests to date.**

7. **If, as [redacted] research indicates, QLDC has sustained a very substantial loss on this project, including loss of land valued at $42 million in 2017, what will be the consequences in terms of public accountability? This question assumes that "lessons learned" will not satisfy community concern given the scale of the losses and the considerable period of time that was available to wholly or partially mitigate this loss.**

On 20 August 2025, you emailed the QLDC Communications Team requesting additional information that falls under LGOIMA. This request has been incorporated into your current LGOIMA as item 8.

8. **Can you please tell us if the following points/costs/revenue are correct or incorrect: The land was valued at $42 million back in 2017 – and the Council expects to get $75 million (land and super profits combined) over the next 10 – 20 years – but – you will have spent $72 million on site preparation costs ($66 million to date and $6 million forecast yet to be spent).**

QLDC RESPONSE

Partial release of information

1. **Including the current value of the Lakeview land, the expenditure on all Lakeview connected pre-construction infrastructure (including roads), the cost of the transaction and the diminishing value (inflation/cost of money/lost opportunity costs) of fixed revenue over time, what is your current profit and loss number for the Lakeview project? Please provide a detailed breakdown and some explanatory narrative.**

In 2002, the Council and community developed[1] a strategic response to anticipated growth in the district. That year, a land strategy report was commissioned to identify more suitable uses for the underutilised Lakeview site, with concerns about urban sprawl away from the Queenstown CBD and the need for sufficient commercial property and high-density housing close to the city centre.

Between 2013 and 2017, the Council developed a strategy to enable development of the Lakeview site and engage a development partner to implement its objectives, balancing financial return with risk to deliver a well-designed, residential-focused mixed-use precinct efficiently.

At the Full Council meeting on 12 March 2020, a resolution was passed to include the ancillary projects within the Lakeview Development. The attached (previously publicly excluded) report presented to Council that day outlined the options considered: not proceeding with the ancillary works (Option 1) or undertaking a reduced scope limited to underground services upgrades (Option 2). Please note that the enclosed link will expire on 5 October 2025, 12:47 PM (UTC+12:00) Auckland, Wellington.

At the Full Council workshop on 19 August 2025, Ninety Four Feet Managing Director Dean Rchezta introduced the team responsible for constructing and financing the first stage of the high-density residential and commercial development, with an estimated value exceeding $200 million, located within walking distance of the Queenstown waterfront.

The Council currently retains ownership of the land, including the one-hectare *Lynch Block*, so it is premature to determine any loss position until payment(s) for the land have been received.

The agreement with Ninety Four Feet provides greater certainty about the future of the Lakeview site than two decades of prior planning. Over a staged 12–15-year period, Ninety Four Feet will purchase and develop individual parcels, delivering significant commercial opportunities and community infrastructure benefits that support growth and diversification in the district.

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[1] 2002 Tomorrows Queenstown

Additionally, the Council has committed to providing the Queenstown Lakes Community Housing Trust with five percent of the gross land sale proceeds from Ninety Four Feet and Well Smart.

The current market value of the Lakeview land cannot be definitively known, as any valuation would be a desktop assessment similar to the $42 million valuation undertaken in 2017. What is known is that Council's investment in enabling infrastructure — including site clearance and asbestos removal — totals $48 million. In addition, there are deferred infrastructure works valued at $7 million to be delivered over the next six years, bringing the total expected subdivision costs to $55 million.

At this stage, a detailed profit and loss position for the Lakeview project, including current land value, expenditure on pre-construction infrastructure, transaction costs, and any adjustments for inflation or opportunity costs, is not yet determinable. These figures will be able to be assessed as payments for the land are received and development progresses.

2. **Is your position that there is 100 percent zero connection between the $128 million Arterial Road Stage 1 and the $15 million Thompson Street upgrade (partial arterial stage 3) with the Lakeview development?**

Arterial upgrades were expressly excluded from the Ninety Four Feet development agreement, as at the time it was signed (November 2019) the project was still in the planning phase without final design and funding.

3. **Why was a fully finished extension of Isle Street built (with benches, street lighting, landscaping and rubbish bins for pedestrians) by QLDC when Lakeview construction machinery will effectively destroy this road – if construction gets underway? Who is liable for such damage if construction goes ahead?**

In March 2020, the Ancillary Lakeview Projects were considered at a Full Council meeting, where approval was sought for a budget adjustment based on updated pricing provided by the Wakatipu Transport Programme Alliance / Kā Huanui a Tāhuna for delivery of the Lakeview infrastructure programme. The purpose of these works was not limited to the Lakeview site itself but was intended to generate wider benefits, including support for the Queenstown town centre and delivery of an integrated urban development within walking distance of the Central Business District. On 29 July 2021, the budget adjustment was approved by resolution of Full Council. The full *Lakeview Infrastructure Programme – Budget Adjustment* report can be accessed here. Please note that the enclosed link will expire on 3 October 2025, 1:57 PM (UTC+12:00) Auckland, Wellington.

Should construction work cause damage to the road or associated infrastructure, liability will rest with the party responsible for that damage.

4. **Is there provision in the Development Agreement for the current value of the land or just the historic value of the land? If such a provision does not exist, can you explain why?**

The Ninety Four Feet development agreement includes provisions to account for changes in land value over the life of the development.

5. **Can you breakdown the money spent on Lakeview so far, more specifically than just one line item presented to the Audit, Finance and Risk Committee?**

Regular updates on Lakeview programme financials have been reported through the Audit, Finance and Risk Committee, covering decisions made by both the Chief Executive (under delegation) and Full Council. All significant decisions relating to delivery of infrastructure have been made by Full Council, including approval of the budget adjustment approved at the Full Council Meeting on 29 July 2021, incorporating the ancillary (arterial) works, and the direct appointment of the Kā Huanui a Tāhuna Alliance for construction and delivery. Relevant meeting reports are publicly available on the QLDC website under Council Meetings. Please note that the enclosed links will expire on 3 October 2025, 2:10 PM (UTC+12:00) Auckland, Wellington.

6. **Can you detail the intended use, or sale, for the $1 million of pavers and kerb stones currently stored at the Lakeview site? This question has not been answered in spite of two requests to date.**

The pavers currently stored at the Lakeview site are intended for future use, either as part of the deferred infrastructure works at Lakeview or for other Council projects.

7. **If, as [redacted] research indicates, QLDC has sustained a very substantial loss on this project, including loss of land valued at $42 million in 2017, what will be the consequences in terms of public accountability? This question assumes that "lessons learned" will not satisfy community concern given the scale of the losses and the considerable period of time that was available to wholly or partially mitigate this loss.**

Council has a responsibility to manage public assets transparently. Accountability is provided through regular reporting on development milestones under the Development Agreement, with updates to the Audit, Finance and Risk Committee reflecting progress against agreed objectives. The Better Business Case methodology we follow incorporates a management case to ensure ongoing oversight, with formal review at appropriate stages. In addition, six-monthly public updates are provided at Full Council workshops, and the financial assumptions underpinning the project have been independently audited as part of the 10-Year Plan process by Deloitte.

The 2017 valuation of $42 million reflected the land in its undeveloped state. The realised value of the site is dependent on prevailing market conditions and the outcomes of the agreed development. Under the Development Agreement, provisions for super-profit sharing are in place to ensure that QLDC shares in any uplift in value achieved through the development process.

8. **Can you please tell us if the following points/costs/revenue are correct or incorrect: The land was valued at $42 million back in 2017 – and the Council expects to get $75 million (land and super profits combined) over the next 10 – 20 years – but – you will have spent $72 million on site preparation costs ($66 million to date and $6 million forecast yet to be spent).**

The 2017 valuation of $42 million was for developed land with freehold title without any delivery timeframes or design constraints on a purchaser (unlike the Ninety Four Feet agreement). To realise that value, subdivision infrastructure, roading, and public spaces — including site clearance — would still have needed to be completed.

The Council has invested $48 million to date, with a further $7 million in deferred works, totalling $55 million for enabling subdivision infrastructure including site clearance costs.

The actual value will depend on market conditions and development outcomes. The Ninety Four feet agreement includes provisions for super profit sharing, allowing QLDC to benefit from future increases in land value.

The expected land payments over time (**not including super profit payments**), as publicly recorded in QLDC Audit, Finance and Risk Committee reports, are at $88 million.

The expected transaction costs, as recorded in QLDC Audit, Finance and Risk Committee reports, are at $11 million.

The impact of inflation and the time value of money means that $75 million received over 20 years would reduce in real terms to between $27 million and $50 million, depending on whether inflation averages 5 percent or 2 percent. If payments are staged, the reduction would be less significant, but still real.

Suggestions that these figures necessarily equate to a $100 million loss are considered conjecture, as outlined above.

Partial withhold of information

4. **What did this [extension of Isle Street] roading project cost?**

We have good reason under section 7(2)(b)(i) of the LGOIMA for withholding the information requested. We consider it is necessary to withhold this information on the basis of the following grounds:

- Section 7(2)(b) - the withholding of the information is necessary to protect information where the making available of the information—
  (i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

Section 7(2)(b)(i) of the LGOIMA aims to protect the integrity of negotiations by ensuring that sensitive information is not disclosed prematurely. This provision is crucial in maintaining a fair and competitive negotiation environment, particularly in commercial matters, where the release of such information could disrupt the negotiation process and lead to disadvantages for the parties involved.

In this case, the withheld information relates to details that could potentially influence the negotiation dynamics between the Council and its negotiating counterpart, including matters relevant to finalising the project and its total cost. Disclosing this information at this stage would place the Council or its negotiating counterpart at a disadvantage, hindering their ability to achieve favourable outcomes. The final expenditure is consistent with Attachment A in the 'budget adjustment' provided in response to item 5 above and as recorded in the AFRC reporting.

By withholding the requested information, the Council can continue its negotiations without the risk of compromising its position. The public interest in transparency is outweighed by the need to preserve the confidentiality of sensitive negotiation data, ensuring that the commercial negotiations are conducted effectively and without undue interference.

Right to review the above decision

Note that you have the right to seek an investigation and review by the Ombudsman of this decision. Information about this process is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

If you wish to discuss this decision with us, please contact Naell.Crosby-Roe@qldc.govt.nz (Director Democracy Services).

We trust that the above information satisfactorily answers the relevant components of your request.

Kind regards,

[redacted]

Democracy Services Team
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