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20 June 2018

Port of Tauranga Limited
C/- Georgina Smith
Holland Beckett Law
Private Bag 12011
TAURANGA 3143

Dear Georgina,

Thank you for your letter dated 12 June 2018 regarding Port of Tauranga Limited's (PoT) application to Land Information New Zealand (LINZ) for a freehold interest in reclaimed land at Sulphur Point, Tauranga.

I can advise that, at today's date, discussions between the Crown valuer and the Valuer-General remain on-going and I acknowledge that the valuation process for this particular application has taken longer than anticipated. However, as you will be aware, the management of these complex applications is still new to LINZ and the valuation methodology is also still emerging. As such, these applications will set the precedent for those that follow and LINZ must make every effort to ensure that valuation approaches taken are appropriate in the circumstances and that all valuations are well scrutinised and robust. The process of obtaining Valuer-General approval is a best practice initiative intended to provide an extra level of assurance to the Minister in making a decision on these applications.

In this case, best practice has resulted in additional time being required for obtaining legal advice and for further, in depth discussions between the Crown valuer and the Valuer-General. LINZ has an interest in seeing these discussions continue to resolution, in order to facilitate Valuer-General approval to the valuation being released. While we don't have a timeframe for the completion of these discussions, LINZ does commit to keeping PoT informed as to progress.

The next stages in the application process are outlined below. Please note that I have not included timeframes, even indicative ones, due to the number of factors that may influence them and that are beyond LINZ's control.

- (1) Continuation of discussions between Crown valuer and Valuer-General with updates provided by LINZ to PoT.
- (2) Valuer-General approval to valuation being released.
- (3) Draft report for 'Determination of application for grant of an interest for reclaimed land' completed and sent to PoT for comment. Report to be accompanied by the valuation for the Crown's interest in the reclaimed land and an invoice for reimbursement of the valuation fee.
- (4) Discussion around encumbrances (i.e. public access), resource consent conditions, or other factors contained in s36(2) Marine and Coastal Area (Takutai Moana) Act 2011 (the Act) which might affect the final amount payable to the Crown.

- (5) Final report, which takes into account comments received from PoT, is prepared and final analysis provided to LINZ Deputy Chief Executive Crown Property, who makes a decision on the application on behalf of the Minister.
- (6) Decision conveyed to PoT and request made for formal acceptance of the conditions of the determination.
- (7) Formal application received from PoT confirming wish to proceed with vesting of the freehold interest. Fee of \$2,840 plus GST is payable.
- (8) Vesting report prepared, including draft agreement for sale and purchase, gazette notice and recommendation to LINZ Deputy Chief Executive Crown Property.
- (9) Vesting decision conveyed to PoT and agreement for sale and purchase sent for acceptance. Invoice for deposit (10%) is sent.
- (10) Receipt by LINZ of signed agreement for sale and purchase.
- (11) Settlement.

I understand that PoT would like this matter resolved at the earliest opportunity and LINZ does endeavour to move applications through these steps as quickly as possible. Unfortunately, due to factors beyond our control, this can mean that certain steps take longer than others.

LINZ intends to continue committing resources to all applications under the Act and to communicating with PoT as required in order to keep this application moving. We do ask for further patience in this instance to allow us to follow due process and to get the Crown valuation to a standard where it can be released with confidence.

Please do not hesitate to contact me if you have any further questions.

Yours sincerely



April Hussey
Senior Portfolio Manager
Crown Property