

Public Excluded

MINUTES



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13.7 17-106 China Rail Zhongji Group – Gisborne District Council Heads of Agreement

His Worship the Mayor welcomed Justin and Danny representatives from China Rail Zongji Group, their legal representative from Kensington Swann and a representative from New Zealand Trade and Enterprise.

Presentations were made to Council. Questions and comments were responded to as follows:

- The purpose of the Heads of Agreement, which was like a Memorandum of Understanding, was as a relationship discussion document that would lead to formulating a feasibility study regarding viable projects.
- Whilst both documents could be legally binding the recommendation was not a commitment by Council but rather a guiding document for further future discussion.
- The 2.9% interest rate offer marked the 40 year relationship between NZ and China.
- This was a one off situation for viable projects in this district.

Council advised that they would do due diligence and respond in due course.

- Secretarial Note:**
- a) The meeting adjourned for lunch at 1.04pm and reconvened at 1.30pm.
 - b) Cr Burdett returned to the meeting at 1.21pm
 - c) Cr Cranston left the meeting at 1.04pm and returned at 1.47pm.

Further discussion after lunch concerned meeting with China's Prime Minister in March to sign a document and staff completing the necessary due diligence.

MOVED by Cr Seymour, seconded by Cr MacLean

That the Council

1. Notes the content of this report.
2. Requests the Chief Executive to perform due diligence and report back to Council as soon as possible.

CARRIED

His Worship the Mayor asked that staff complete due diligence and report back by 1 March 2017 Future Tairawhiti Meeting.