

Alex Travis

From: Stacey Telling
Sent: Wednesday, 27 November 2019 5:42 PM
To: LITTLE, Chrissie (WELLHO)
Cc: Brent REILLY; Bemy Pokoati; Andrew Booker
Subject: RE: Lease calculations - Te Puke Dowman Rd

Hi Team,

Just to let you know the offer was submitted before 5pm, with a clause that it is valid for the next 24 hours after that it will be withdrawn, that way we know where we stand and if we are not in the running we can focus our energies on finding a replacement property.

Thanks,
Stacey

From: Stacey Telling <Stacey.Telling@kaingaora.govt.nz>
Date: 27 November 2019 at 2:00:12 PM NZDT
To: LITTLE, Chrissie (WELLHO) <Chrissie.Little@CORRECTIONS.GOV.T.NZ>
Cc: Brent REILLY <Brent.REILLY@Corrections.govt.nz>, Bemy Pokoati <Bemy.Pokoati@kaingaora.govt.nz>
Subject: RE: Lease calculations - Te Puke Dowman Rd

Hi Chrissie,

Just to let you know we will be putting in an offer s9(2)(j)

Thanks,
Stacey

From: LITTLE, Chrissie (WELLHO) <Chrissie.Little@CORRECTIONS.GOV.T.NZ>
Date: 27 November 2019 at 8:57:07 AM NZDT
To: Stacey Telling <Stacey.Telling@kaingaora.govt.nz>
Subject: RE: Lease calculations - Te Puke Dowman Rd

Thanks Stacey,

Brent is hammered work wise today so if you need his attention on anything re your deadline please let me know so I can chase him for you.

Regards
Chrissie

Chrissie Little

Project Manager / Housing & Support Services Programme

Ara Poutama Aotearoa, *Department of Corrections*

a: 93 The Terrace, Wellington. Private Bag 1206, Wellington

s9(2)(a)

e: chrissie.little@corrections.govt.nz

From: Stacey Telling [mailto:Stacey.Telling@kaingaora.govt.nz]
Sent: 27 November 2019 6:38 a.m.
To: LITTLE, Chrissie (WELLHO); Berymy Pokoati; REILLY, Brent (WELLHO)
Subject: RE: Lease calculations - Te Puke Dowman Rd

Hi Team,

s9(2)(j)

What may affect our offer, is our DD, however that is non-negotiable and especially because we now know that the Fire Systems have been part decommissioned.

I will chat with our acquisition team, and see what offer they think is fair, will come back to you all later this afternoon.

Thanks,
Stacey

From: LITTLE, Chrissie (WELLHO) <Chrissie.Little@CORRECTIONS.GOV.T.NZ>
Date: 26 November 2019 at 9:39:07 PM NZDT
To: Berymy Pokoati <Berymy.Pokoati@kaingaora.govt.nz>, REILLY, Brent (WELLHO) <Brent.REILLY@Corrections.govt.nz>
Cc: Stacey Telling <Stacey.Telling@kaingaora.govt.nz>
Subject: RE: Lease calculations - Te Puke Dowman Rd

Thanks for sending these calculations through.

s9(2)(j)

Given that Stacey needs to made an offer on Wed, I can confirm that we can cover rental payments up to the value of

s9(2)(j)

s9(2)(g)(i)

Pricing is not my area of expertise. Brent may have some further ideas. I will follow him up first thing Wed. One

s9(2)(j)

Regards
Chrissie

Chrissie Little

Project Manager / Housing & Support Services Programme
Ara Poutama Aotearoa, Department of Corrections
a: 93 The Terrace, Wellington. Private Bag 1206, Wellington

s9(2)(a)

e: chrissie.little@corrections.govt.nz

From: Berymy Pokoati [mailto:Berymy.Pokoati@kaingaora.govt.nz]
Sent: 26 November 2019 1:03 p.m.

To: LITTLE, Chrissie (WELLHO); REILLY, Brent (WELLHO)
Cc: Stacey Telling
Subject: RE: Lease calculations - Te Puke Dowman Rd

Hi Chrissie and Brent

Below is the estimated lease rent cost for Te Puke site. Provided a range of purchase prices to help determine what we'll offer. Lets discuss at 1.30pm meeting.

Cheers.....BP

Property Address: 240 Rangiuuru Rd, Te Puke

Market Valuation as at 7 November

2019		\$1,630,000
Land	\$545,000	
Improvements	\$1,085,000	

Property built 1988

BWOF Expired 5 July 2019

Assumes free contamination of Asbestos

Lease Term and Lease Cost per week

Purchase cost	% Above MV	3yr	5yr	10yr
s9(2)(j)				

Lease costs are an estimate only based on the following assumptions.

Note the lease cost will change if these assumptions are incorrect.

Cost to bring property into service s9(2)(j)

Maintenance per annum s9(2)(j) including s9(2)(j) fire system

Rates s9(2)(j)

Insurance s9(2)(j)

GST payable on purchase

34 bedrooms (33 + 1 bed flat)

Kāinga Ora will retain the property

Electricity and other utility costs are met by Corrections

From: Stacey Telling

Sent: Tuesday, 26 November 2019 8:07 a.m.

To: Berymy Pokoati

Subject: Fwd: Lease calculations - Te Puke Dowman Rd

Importance: High

From: LITTLE, Chrissie (WELLHO) <Chrissie.Little@CORRECTIONS.GOV.T.NZ>
Date: 25 November 2019 at 4:19:09 PM NZDT
To: REILLY, Brent (WELLHO) <Brent.REILLY@Corrections.govt.nz>, Stacey Telling <Stacey.Telling@kaingaora.govt.nz>
Subject: Lease calculations - Te Puke Dowman Rd
Importance: High

Hi Stacey,

Using the rental formula provided to us by Tanya Stewart some months ago, assuming that this is still valid we can afford to s9(2)(j)

However, you mentioned earlier that you'll also get your finance team to do a rental calculation too, I think this would be timely and useful to make sure that our lease estimates are the same and that the work we did with Tanya is still valid.

When you make the offer we would like the owner to reconsider the social good aspect of selling the property to Kianga Ora / Corrections. This property will provide a significant opportunity to individuals reintegrating back into a community setting. Over time we expect that Corrections and the service provider will develop a wonderful professional employment arrangement with the Pack House next door so that individuals can safely work at this facility, so over the long term this will be a win-win situation for the wider community etc.

Regards
Chrissie

Chrissie Little

Project Manager / Housing & Support Services Programme

Ara Poutama Aotearoa, *Department of Corrections*

a: 93 The Terrace, Wellington. Private Bag 1206, Wellington

s9(2)(a)

e: chrissie.little@corrections.govt.nz

From: REILLY, Brent (WELLHO)
Sent: 25 November 2019 1:01 p.m.
To: 'Stacey Telling'; LITTLE, Chrissie (WELLHO); MILNE-RODRIGUES, Cathy (WELLHO); HENDERSON, George (WELLHO)
Cc: Bermmy Pokoati; Andrew Booker
Subject: RE: Dowman - Sale

Hi Stacey

Thanks for the update, we are keen to put an offer forward. I have the team working on this this morning so will touch base this afternoon in regards to next steps re property.

Kind regards

Brent Reilly

Programme Manager – Housing and Support Services

Department of Corrections, *Ara Poutama Aotearoa*

a: 93 The Terrace, Wellington

s9(2)(a)

e: brent.reilly@corrections.govt.nz



From: Stacey Telling [mailto:Stacey.Telling@kaingaora.govt.nz]

Sent: 22 November 2019 10:26 p.m.

To: REILLY, Brent (WELLHO); LITTLE, Chrissie (WELLHO); MILNE-RODRIGUES, Cathy (WELLHO); HENDERSON, George (WELLHO)

Cc: Bemy Pokoati; Andrew Booker

Subject: Dowman - Sale

Hi All,

Please see below, in short the board have decided to now accept an offer from s9(2)(a) I am guessing this is because the valuation fell short of their expectation.

Also you can see that the fire system will need work, s9(2)(j)

s9(2)(j)

Please advise if you wish for an offer to go in as you can see we need to make this decision Monday.

Thanks,
Stacey

From: Kieran Smith <Kieran.Smith@kaingaora.govt.nz>

Date: 22 November 2019 at 10:06:53 PM NZDT

To: Stacey Telling <Stacey.Telling@kaingaora.govt.nz>

Subject: Fwd: Dowman - Sale

Hi,

Please see below.

Sent from my iPhone

Begin forwarded message:

From: s9(2)(a) <[redacted]@vincenthouse.co.nz>

Date: 22 November 2019 at 5:40:59 PM NZDT

To: Kieran Smith <Kieran.Smith@kaingaora.govt.nz>

Subject: Dowman - Sale

Hi Keiran,

Bit later than hoped. We had a last minute curve ball which the board has had to consider too.

In short we have had s9(2)(a) approach us and want to make an offer too. The board have always left this option open to them so have been considering how to move forward in good faith. It feels like the best way is for us to set out a base asking price to both parties that we are seeking offers over as a form of tender process.

The only additional conditions or comments are (which would be drafted up formally with an S&P agreement) that the sale is on the following basis:

It would include all chattels - beds, fridges kitchen equipment etc.

Responsibility for the Fire / sprinkler system on site and relevant resource consents for the property lay with the purchaser. We discovered this year that the sprinklers had been decommissioned a number of years ago (despite Argus noting it being checked monthly on our bills up until this year). So in the off season (now) we have begun the process to apply for a new resource consent to reinstate it and allow us to push the capacity for RSE workers beyond even the approved 35 up to a possible 45. As noted on the phone. Your use is much reduced from this and also has other consent elements to consider. Pragmatically this means we are noting that the sale accepts the need for the purchaser to apply for the relevant consents with regard to occupancy levels use and fire safety requirements for the building based upon that end use.

The Trust agrees to provide the property with its own independent power supply as a condition of the sale.

Anyways, that is the simplest summary of things.

In terms of the amount. To keep it simple and fair we are going to suggest to both parties that they tender an offer. We are looking for offers above s9(2)(j) We will not be able to negotiate on price once the offer (if any) is received in principle. The ancillary details and settlement deadlines etc remain negotiable.

Sorry for the ad hoc nature of the above at this late stage. So we will be looking for an initial in principle offer in the first instance with ratified legal S&P and docs to be completed in the coming week - namely Wednesday the 27th by 5pm.

Thanks. Feel free to call at any time between now and Wednesday to clarify things or with any further thoughts etc.

s9(2)(a)

VINCENT HOUSE RECOVERY TRUST

s9(2)(a)

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