

**7. PROCESS FOR DISPOSAL OF COUNCIL PROPERTY  
WITHIN THE CENTRAL CITY**

RR 11214

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Corporate Plan Output: Council Property	

The purpose of this report is to recommend clarification of an apparent anomaly which arises between two Council policies.

In October 1991, the Council adopted the following policy with regard to the sale of property:

*“That, in principle, the Council should publicly tender properties for sale unless there is a clear reason for doing otherwise.”*

This policy of public tender, together with the use of a property disposal flowchart process before declaring a property to be surplus to requirements, has stood the Council in good stead. On occasion a “clear reason” has been identified by the Council for disposal other than by public tender, but this has not been the norm.

At its October 1999 Council meeting a series of resolutions were passed relating to the setting up of a (interim) Central City Development Board. These resolutions included the following:

- “1. That the Council endorse the concept of the establishment of a Board to facilitate or undertake property development projects that revitalise the central city.*
  
- 6. That the Council review its Central City land holdings, and request that the Council's trading companies do the same, with a view to assessing what contributions such holdings could make to central city revitalisation.”*

The policy of generally tendering the disposal of Council property has stood the test of time. It can be anticipated however that the mode of operating of the Central City Board will be more pro-active than that traditionally adopted by the Council in property matters. The Board is likely to be pro-active in developing development proposals and bringing together development partners for particular sites, in order to achieve its objectives of stimulating significant additional development and activity within the Central City. In this case it would be inappropriate to commit the Board to using public tender processes where it is working on development possibilities for a Council owned site.

Equally when the Board approaches the Council with a proposal for one of our properties it would be inappropriate for the Council then to call for tenders for the site in question.

In short, these two resolutions are to some extent in conflict. It is appropriate to resolve this matter to avoid the possibility of any legal challenges to the Council at a future date.

- Recommendation:**
1. That the Council's policy of publicly tendering properties for sale unless there is a clear reason for doing otherwise be confirmed as applying to all areas of the City with the exception of the area in which the (interim) Central City Board is active in pursuit of Council revitalisation goals.
  2. That it be confirmed that all such sales of Council land must be approved in the normal way by the full Council.