

**1. SURPLUS PROPERTY –
WILMERS ROAD/OWAKA ROAD POND**

RR 9733

Officer responsible Property Manager	Author Property Projects Officer, Steve McCarroll
Corporate Plan Output: Surplus Property	

The purpose of this report is to advise the Committee in relation to the above property being previously identified as surplus to the Council's requirements. This report has also been submitted to the Riccarton/Wigram Community Board.

BACKGROUND

A report was submitted to the last meeting of the Board by the Water Services Manager in relation to the Owaka Road pond recommending that the land surplus to requirements be set aside as a wildlife reserve. This report was received, pending a report by the Property Unit in relation to this property previously being identified as surplus to the Council's requirements.

This property was identified as possibly being surplus to the Council's requirements and as per the property decision making flow chart its availability has been circularised internally within Council units. The Water Services Unit at that time did express interest in this land for the proposed purpose as outlined in the Water Services Manager's recent report (attached).

The Board also responded to the notice regarding the availability of the property, and advised that the sale of the Wilmers Road property should not proceed until the Halswell growth strategy and the southern motorway designation issues are fully resolved. The Planning Unit also responded in the same manner, in relation to the fact that this land should be retained until the Halswell growth strategy issues are fully resolved. Confirmation has been received from the Council's City Streets Unit that this land is not required for any portion of the southern motorway. No other units of the Council responded advising any interest in this parcel of land.

ISSUES

Budget

The Council's Annual Plan currently has budgeted income of \$100,000 in the 1998/99 year for the possible sale of this land. A recent market valuation of the land has been undertaken however which has indicated its worth at \$75,000. Discussions with the valuer have indicated that comparable sales of similar blocks of land in the vicinity are generally in the region of \$150,00-\$200,000, but this particular parcel has been discounted for a number of reasons. The site adjoins the SPCA on one boundary and Meadow Mushrooms on the other boundary. It has also been discounted further because of the presence of pylons running through the land.

Lease

As mentioned in the report from the Water Services Unit this land is currently leased for horse grazing purposes for \$100 (inclusive of GST) per month which is credited as revenue to the surplus property budget.

Gravel

Discussions have been held with the General Manager of Canroad in regard to the worth of this land from a quarry perspective. It is apparent that there would be an end use for the material, either to be used as pitrun or as crushed material. However, the excavation costs to create the pond (particularly in light of the fact that excavation will be occurring below the water table and that islands will be created during excavation which add extra cost to the process) negate any worth that the material has.

It is considered that it would be a good deal from the Council's perspective if the excavation company were to be permitted to retain the excavated material for the cost of the excavation work.

Public Amenity

The creation on this land of an ecological/passive recreational reserve clearly has some public benefits as mentioned in the report from the Water Services Manager. Other outcomes would include the recognition of a site of historical importance, the protection of distinctive nature landscape features, the enhancement of habitat for native birdlife and the establishment of a recreational link between Hornby and Halswell.

Public Works Act

Investigations under the Public Works Act 1981 have been undertaken in regard to this land possibly being surplus to the Council's requirements. It can be confirmed that should this land be developed for a wildlife reserve this would comply with the definition of a public work and no issues would arise in relation to having to offer this land back to any former owner.

Title/Subdivision

The Certificate of Title for the land includes a portion on the other side of Wilmers Road. A copy of the title is attached for information and as can be seen from the title Wilmers Road dissects the property with the subject area being the only portion identified as being surplus to the Council's requirements. The area to the west of Wilmers Road adjoins the Canroad plant site and has not been indicated as being surplus to the Council's requirements at this stage. It will be necessary for the subject parcel of land to be surveyed off from its existing title.

Significant Community Issues

The report prepared by the Water Services Manager identifies the advantages of creating a wildlife reserve. It is apparent from a recent article in a local newspaper that an adjoining owner is particularly concerned with issues surrounding the existing landfill on this site.

COST/BENEFIT ANALYSIS

Costs

Loss of Sales Revenue – budgeted 1998/99	\$75,000
Loss of Rental – budgeted 1998/99	\$1,200
Costs (estimated) – to create pond	\$20,000-\$30,000
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	\$106,200

Benefits

The benefits of this project are mainly intangible but essentially relate to the community benefit created in the development of a wildlife reserve.

Sale of Gravel	\$20,000-\$30,000
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SUMMARY

The costs of developing the wildlife reserve are relatively minimal. There are however some budget implications as detailed earlier in this report. It should be borne in mind that what are sometimes perceived as minimal costs affecting the budget can escalate to significant amounts through an aggregation effect if ad hoc decisions are made in relation to property transactions.

As mentioned previously it is difficult to attribute value to the benefits associated with this project. The Property Unit is unaware from the Water Services Unit's perspective where this project fits into their overall scheme and objectives and how it compares in magnitude, size and priority with other projects within the Water Services Unit.

It is not the Property Unit's intention to suggest that this may not be the most suitable use for this land but it is important to make sure that members have all the facts and are fully informed from a property and financial perspective before a decision is made in relation to the future of this land.

At its last meeting on 5 May 1999 the Riccarton/Wigram Community Board resolved:

“That the Board reaffirm its stance that the surplus land be retained and that the Council enter into negotiations to purchase the other quarried areas of land (currently under the ownership of Meadow Mushrooms Ltd and Envirowaste) for the intended purpose of creating a wildlife reserve.”

Recommendation: That, in accordance with the recommendation made by the Riccarton/Wigram Community Board, the surplus land be retained and that the Council enter into negotiations to purchase the other quarried areas of land (currently under the ownership of Meadow Mushrooms Ltd and Envirowaste) for the purpose of creating a wildlife reserve.