

26. 10. 2000

**REPORT BY THE CHAIRMAN OF THE
CITY SERVICES COMMITTEE**

PART A - MATTERS REQUIRING A COUNCIL DECISION

1. BLENHEIM ROAD DEVIATION

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Corporate Plan Output: Planning	

PURPOSE OF REPORT

The purpose of this report is to consider options to progress the Council's September 2000 resolution with regard to the possible acquisition of land for the proposed Blenheim Road deviation.

This report outlines the current position with respect to the discussions that have taken place with the Ngai Tahu Property Group Limited over the potential acquisition of part of its properties.

INTRODUCTION

At the September 2000 meeting the Council considered a report from the City Services Committee outlining the advantages and disadvantages of the proposed deviation. The benefits were seen as follows:

- Removal of the safety problems (particularly for cyclists) caused by inadequate width of the existing bridge and queuing back from the Blenheim/Deans roundabout.
- Improvements and security of access for traffic and services as a result of the replacement of the existing deficient Blenheim Road railway overbridge with a new secure bridge and approaches.
- Reduction of traffic on Deans Avenue and as a result improved potential for integration of the sale yards site (zoned for living purposes) with Hagley Park.
- Reduction of traffic on Deans Avenue offers the potential to reduce carriageway width and devote more of the road reserve for formalised parking for visitors to Hagley Park.
- Encouragement of some traffic to use Blenheim Road in preference to Riccarton Road. A deviation would also provide the option for an enhanced corridor to cater for added demand should (as yet unforeseen) measures on Riccarton Road to reduce traffic and/or traffic speeds wish to be pursued.
- Travel time of vehicle operating costs savings to arterial motorised traffic.
- Improved visual exposure of both north and south rail yards sites (zoned for business purposes).
- Direct access could be afforded to the south rail yard site from a signalised intersection on an arterial road rather than a back door entrance via Lester Lane.

Improved amenity of ex sale yards land would more likely promote use of this land for its zoned residential use. Without improved amenity the ex sale yards owners have indicated that they are likely to pursue a resource consent application for business use.

The potential disadvantages of the scheme were seen to be that the deviation is likely to introduce a time penalty for vehicles travelling between Blenheim Road and Deans Avenue north of the existing intersection. Traffic analysis conducted by Gabites Porter Consultants suggest that with the deviation and closure of the existing overbridge some additional traffic could be induced to use Riccarton Road between Deans Avenue and Clarence/Mandeville Streets as well as Mandeville Street and Clarence Streets themselves. These traffic disadvantages, when combined with the potentially high cost of the deviation, are likely to adversely affect an application for subsidy to Transfund – in other words, the Council would have to pursue the project at full cost to ratepayers.

LAND ISSUES

The former rail yard site north and south of the railway over which most of the deviation would traverse is owned by Ngai Tahu Property Developments Limited. The bulk of this land is zoned for Business 4 purposes in the City Plan. The majority of the Ngai Tahu land north of the railway has recently received subdivision consent and it is anticipated to shortly receive land use consent for a major bulk retail development (Tower Junction). This will comprise approximately 26,500m² of bulk retail floor space with approximately 860 car parking spaces.

1 Cont'd

The developer of Tower Junction has indicated an unwillingness for the deviation to be accommodated over this site and has indicated that the land loss, when combined with some required changes to servicing arrangements, would present significant disadvantages to marketing their development.

In addition to the Tower site there is one further property affected to the area north of the railway, which currently houses a service station from which a severance would be required although the effects on the business of both the loss of the land and the design of the deviation could possibly require the Council to purchase the total property.

The land south of the railway is also zoned for business purposes and the deviation would affect three ownerships. The bulk of the land is owned by Ngai Tahu Property Developments Limited for which it is understood they are currently pursuing the subdivision of the land in the near future and are presently in discussions with two significant parties with respect to the sale of approximately three to four hectares of the site. The owners have indicated that they wish to proceed with their development and seek some certainty from the Council to either continue with their development or negotiate a sale of their total site (4.5 ha) to the Council.

In addition to the above properties there are two further privately owned properties affected by the proposal; one containing a car yard and office block with the other containing office space. While it is believed the office block lying to the north of the proposed deviation would not be detrimentally affected, a considerable loss would be incurred to the property lying to the south which may result in its total purchase. Discussions with these owners have to date not taken place.

COST OF DEVIATION

It was reported to the Council that the estimated cost of actually constructing the deviation was approximately \$4.51 million, including the removal of the existing bridge but excluding the provision of parking on Deans Avenue. To this must be added the cost of the property required. It was estimated that the total net cost would be \$1.7 million, assuming the sale of residual land from the existing Blenheim Road corridor.

This gave an estimated total project cost of approximately \$6.21 million. It was reported that the owner of the ex sale yards site had suggested that he may potentially be willing to contribute up to \$1 million to this total because of the perceived advantages of the deviation to the site. The Council was advised that the absolute minimum net cost of providing the deviation would be around \$5.2 million.

On the valuation advice now received by the Council and recent discussions with owners of affected property it is clearly evident that this figure has been underestimated.

CURRENT POSITION

Since the last Council meeting preliminary discussions have been held with the Ngai Tahu Property Group Limited and valuations obtained on the Council's behalf through Ford Baker, Registered Public Valuers. The Ngai Tahu Property Group Limited have clearly indicated that they are unwilling sellers and that any further delays to their project will result in considerable losses being incurred. While being prepared to accommodate the Council with its proposal, it is only prepared to do so if its assessment of the land's value and its other consequential losses are met. In the time available and on the basis of the information furnished to the Council, it has not been possible to complete a detailed study of the Group's claim and as such it is not possible to substantiate some of the figures being sought. Full details of the claim and the Council's assessment are included in the public excluded section of this report.

Recommendation: That the deviation not be proceeded with.

Chairman's

Recommendation: That the proposal for a road deviation be further pursued and that:

1. the full ramifications of compulsory purchase be reported urgently to the City Services Committee;
2. other alignment options be explored.

CONSIDERED THIS 26TH DAY OF OCTOBER 2000

MAYOR