

6. BLENHEIM ROAD DEVIATION

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Corporate Plan Output: Planning	

The purpose of this report is to inform the Council of the current status of planning for the above project, and to seek guidance on whether further negotiations should be pursued with affected landowners or not. There is an urgent need for such guidance, given that the principal landowner has indicated they wish to pursue development(s) in the very near future which would prejudice the project, probably for good.

INTRODUCTION

Blenheim Road is classified as a major arterial and provides an very important east/west traffic linkage for traffic from the western areas of the city to the central area, with connections allowing movement of traffic to the north, east and south.

It crosses the Picton-Bluff railway via an existing over-bridge that requires expensive strengthening work to withstand anticipated earthquake events. Whilst advice suggests that the bridge itself could be strengthened, there remains some doubt about whether a cost-effective technical solution is available for retrofit strengthening of the approach embankments.

At its eastern end, Blenheim Road currently terminates at Deans Avenue. At this point, traffic backs up in peak periods onto the over-bridge, giving rise to potential for rear end collisions to stationary vehicles by vehicles coming over the crest of the Blenheim Road overbridge.

The current linkage to Moorhouse Avenue which connects with eastern and southern areas is indirect. Traffic has to follow a “dog leg” around the south/west corner of Hagley Park. The over-bridge forms one of the few pedestrian/cycle links across the railway available in the area but users are poorly serviced by inadequate facilities on the bridge. Pedestrian/cycle access across Deans Avenue to Hagley Park is also hampered by high existing traffic volumes.

A proposed network improvement in this area, known as the Blenheim Road Deviation, involves deviating Blenheim Road from its present alignment so that it curves south-east from Mandeville Street approximately parallel to Lowe Street, using land formerly occupied by the railyards. This could be either on the west side, as shown in the attachment (Option 1) or partially utilising land, presently occupied primarily by auto-servicing businesses, to the east of Lowe Street (Option 2, not shown). Option 1 would be favoured given that it would affect the minimum number of property owners. The ‘Deviation’ would then cross the railway, via a new bridge, and then curve east connecting with Moorhouse Avenue.

The scheme would include signalised intersections at either end, demolition of the existing bridge, provision of an at-grade pedestrian/cycle link in the existing Blenheim Road corridor (although Tranzrail have recently rejected an initial application for such a crossing), and creation of easements for services and disposal of surplus land.

POTENTIAL ADVANTAGES

The deviation scheme has the following potential benefits:

- 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 in 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 'Saleyards' 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. The 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 and vehicle operating costs savings to arterial motorised traffic;
- Improved visual exposure of both north and south railyards sites (zoned for business purposes).
- Direct access could be afforded to the south railyards site from a signalised intersection on an arterial road, rather than a 'backdoor' entrance via Lester Lane.

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

POTENTIAL DISADVANTAGES

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 suggests 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 (discussed below) are likely to adversely affect an application for subsidy to Transfund – in other words the Council would have to pursue the project at the full cost to ratepayers.

LAND ISSUES

It should be noted that at present there is no formal planning status (in terms of the RMA) for the deviation. It would be normal to formalise a land requirement through a designation, following consultation with affected land-owners. However, the preliminary traffic analysis conducted by Gabites Porter consultants suggests that the (tangible traffic) benefits of the deviation would **not** be sufficient to obtain Transfund subsidy on the project, or to oppose an objection to a designation that could be raised by aggrieved landowners. It would therefore be sensible, if the Council were still minded to safeguard the deviation route, that any land required is acquired by negotiation.

The former railyards north and south of the railway, over which most of the deviation (Option 1 alignment) would traverse, are owned by Ngai Tahu Property Developments. The bulk of this land is zoned for “business” (B4) purposes in the City Plan.

NORTH OF THE RAILWAY

The majority of the land north of the railway has recently received subdivision consent and is anticipated to shortly receive land-use consent for a major bulk retail development (‘Tower Junction’). This will comprise approximately 26,500 sqm of bulk retail floorspace with about 860 car parking spaces.

The developer of “Tower Junction” has indicated that the deviation could be accommodated over this site, given modifications to their proposed development layout. These modifications would result in fairly modest losses to the potential retail area (up to 2.5%) and car parking, but the developer has recently suggested that these, when combined with some required changes to servicing arrangements, would present significant disadvantages to marketing their site.

The Council has indicated in its 5 year budget for 2000/01 that funds (\$810,000) would be available (in 2002/03) for the purchase of the land from the Tower Junction site to effect the land purchase for the improvement, followed by construction in following years. This figure was added to the budget to offer the developer an indication of the level of Council commitment to the deviation. No other funds are programmed in the next five years for this project.

The developer has however recently requested that the Council confirm whether or not they still wish to pursue the deviation so that they can market this site accordingly.

SOUTH OF THE RAILWAY

The land south of the railway is also zoned for business purposes and the deviation would affect three ownerships. The bulk of the land (“the south railyards”) is in the same ownership as the north railyards site (Ngai Tahu). Although we understand that no development plan exists at present for this site, Ngai Tahu Property Development Group Ltd have indicated that they wish to pursue a subdivision in the near future. They have commissioned a valuation to obtain (their) view of the value of land affected by the deviation. It has been suggested by their valuer that the (Ngai Tahu) land south of the railway would have a value of approximately \$559,000 (giving a total value of Ngai Tahu land north and south of the railway of \$559,000 + \$810,000 = \$1,369,000). However, the valuation provided by the owners suggests that the value of adjacent land would be *adversely* affected, to a value of a further \$1,500,000.

Whilst little evidence has been provided to substantiate this figure, total (Ngai Tahu) Deviation land costs *could thus rise to \$2,869,000* if this value was agreed upon. There would also be additional costs associated with purchase of land in other ownership at either of the deviation (that are included in the totals reported below).

In fact the developer has suggested that the impact of the deviation of the South railyards site would be so significant that their preferred option would be for the Council to purchase the full site (4.5ha). Their valuation of the entire site is approximately \$3.9 million. This would put the Council in the position of a providing initial capital outlay of \$4.7m and being required to develop two residual B4-zoned sites totalling approximately 3.7ha. As noted above, the currently-programmed funds for this project only amount to \$0.81m (in 2002/03). We understand that the developer would be seeking compensation for this land as soon as possible, or at least some certainty over the value they may receive in the near future. Given that no designation exists for the deviation, if the level of compensation was not to their satisfaction they are fully entitled to proceed with their development (subject to normal planning process). This suggests that the Council would have to commit itself to between \$1.37m and \$2.87m (including the \$0.81 already programmed) if it wishes to safeguard the deviation route. The developer has been informed that this would have to be a decision for the Council through the Annual Plan process. However, the developer is keen to know whether the City Services Committee would be minded to pursue the deviation in the light of the updated potential costs.

COST OF DEVIATION

The cost of the 'Do-minimum' works has been recently estimated at \$0.92 million, including repair and strengthening of the existing crib walls, bridge columns etc.

The estimated cost of actually constructing the deviation is approximately \$4.51 million, including removal of the existing bridge but *excluding* the provision of parking on Deans Avenue shown in the illustrative diagram. To this must be added the cost of property. As will be inferred from the above, the potential additional cost of property acquisition could vary markedly. At a *minimum*, the total net cost would be \$1.70 million, assuming sale of residual land from the existing Blenheim Road corridor. This would give a total project cost of \$6.21 million. The owner of the Saleyards site has 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 his site. **The absolute minimum net cost of providing the deviation is however therefore likely to be around \$5.2 million.**

If the \$1.5 million injurious affection sought by owner of the south railyards site could be supported, **the cost of the project could be as high as \$7.7 million** (assuming no contribution was forthcoming from the landowner of the former saleyards).

We understand that the developer would seek compensation or at least interest payments on this land at an early stage.

Recommendation: That it be indicated to the land owners that the Council does not wish to pursue land purchase for the deviation project.