

3. BUDGET SUBSTITUTION – TUAM STREET CAR PARK/FERRYMEAD

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The purpose of this report is to seek approval to substitute an item in the Property Unit's budget.

BACKGROUND

The Council will be aware of the proposed developments on the Ferrymead land, in particular a golf course and driving range and Tamaki Tours' proposal to develop a Maori cultural experience.

The area proposed to be developed by Tamaki Tours is the former Heathcote County Council landfill site. Substantial rehabilitation work is required to this site which is estimated to cost in the vicinity of \$300,000. Discussions with Tamaki Tours are continuing with regard to finalising a leasing deal which will likely involve a cost sharing arrangement with the Council in relation to the rehabilitation work. This site will otherwise remain a contingent liability of the Council. The provision of funding to complete the rehabilitation works gives the Council flexibility in achieving its objectives for the development of the site, in accordance with previous Council resolutions.

The Property Unit does not have any development funds available in the 2001/02 budget for expenditure at Ferrymead. The budgets of other Council units are also fully committed to other work proposed in the Ferrymead area and greater Heathcote Valley.

The proposal therefore is to substitute an alternative budget item.

SUBSTITUTION

In the 2001/02 budget there is a capital sum of \$210,000 for the Tuam Street car park (opposite the Civic Offices). Historically the Property Unit has budgeted this item for the exploration of development or sale initiatives. However, no serious development proposals are currently being considered for this land.

The Property Unit has not budgeted for this item in the draft 2002/03 budget and does not consider that there will be any serious developments or initiatives to sell this land for at least two or three years.

SUMMARY

For the reasons outlined above the Property Unit wishes to substitute the capital budget sum for the Tuam Street car park of \$210,000 and apply it to the Ferrymead capital budget.

Recommendation: That the Property Unit be permitted to substitute the capital sum in the Tuam Street car park project of \$210,000 and apply it to the Ferrymead capital budget.