

1. KENNEDYS BUSH ROAD PROPERTIES

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The purpose of this report is to seek a resolution from the Council to determine the future use of a parcel of land in Kennedys Bush Road.

BACKGROUND

As part of the 1991 Halswell Quarry Management Plan, an area of land containing approximately 1 hectare was identified as possibly being surplus to operational needs and its future use therefore needs to be determined.

The area is identified on the attached plan and contains two dwellings, one which is currently vacant and the other a two-flat property which is tenanted.

In accordance with the property decision making Flow Chart this area of land was circularised to the Community Boards and Business Units. The Riccarton/Wigram Community Board in association with the Kennedys Bush Neighbourhood Association expressed an interest in the retention of this land for transfer to the Parks and Waterways Unit for management and ultimate integration into the Halswell Quarry Park.

The Parks and Waterways Unit fully supports the submission from the Riccarton/Wigram Community Board and the Kennedys Bush Residents' Association to retain the area of land as part of the Halswell Quarry Park for recreation purposes.

The Community Board has prepared a report which incorporates comments from the Neighbourhood Association and the Parks and Waterways Unit which is attached as a supplement to this report.

In summary, the Community Board has stated that the retention of this land will result in:

- The continued promotion of Halswell Quarry Park's rich historical resource and the part that it has played in the formation of Christchurch.
- Preservation and enhancement of Halswell Quarry Park's rural character, open space and its value as a place for passive recreation.
- Continued emphasis on nature and revegetation plantings.
- Creation of the Sister Cities Garden Park concept.

The Parks and Waterways Unit interest in this land being retained can be summarised as follows:

- The land is situated in a strategic location for Halswell Quarry Park as it provides opportunities to experience vistas and views over the park and surrounding area.
- The importance of having good road frontage along parks and reserves is a fundamental cornerstone to good design and the successful development and integration of our open space areas.
- Retention is critical to the overall theme and character of the park.
- Establishing a residential activity within the bounds of the park would be very detrimental to the park and may adversely affect future development and management options for the park.
- Retention provides opportunities in regard to access requirements for people with mobility difficulties or are elderly.

The Neighbourhood Association's interest for retention is centred around the following:

- The area is seen by the Community as an integral part of the Halswell Quarry Park.
- Halswell Quarry Park is well used at present and with future growth in the Halswell area it will likely lead to more use.

OPTIONS

There are two options for this parcel of land:

1. Retention of the land in Council ownership for addition to the Halswell Quarry Park to be developed as shown on the concept plan attached.
2. Disposal of the land by sale on the open market either as one block or as individual sites once subdivided.

As mentioned previously in this report, this land is approximately 1 hectare in area and if subdivided under the Living Hills A zoning would be capable of realising five sections of 1,500 m² in area.

Further financial information with regard to subdivision and its associated risks are contained in the public excluded Report presented to this meeting.

ADVANTAGES/DISADVANTAGES

The advantages/disadvantages of retaining or disposing of this land are as follows:

Option 1-Retention

Advantages	Disadvantages
<ul style="list-style-type: none"> • Adds significant value to the Park from a future development and recreational perspective. • Complies with the 1998 revised Quarry Management Plan which stated “there is no longer any land considered to be excess to the Parks requirements, therefore land shall not be sold off. • Best environmental outcome 	<ul style="list-style-type: none"> • Potential income foregone • Budget – allowance \$400,000 income not met • Costs incurred in development of the car park and expansion to the English garden. • Continued annual operating costs • Compounds budget shortfall. In recent financial years the Council have retained \$450,000 worth of land that was identified as potentially surplus.

Option 2-Disposal

Advantages	Disadvantages
<ul style="list-style-type: none"> • Income from sale credited to the Council's budget • Continued rates benefit from subdivision • Best financial outcome 	<ul style="list-style-type: none"> • Potential Compromise to the Parks & Waterways proposals to extend the English garden and creation of a car park. • Disposal not favoured by the Community Board, Neighbourhood Association and the Parks and Waterways Unit.

FINANCIAL ANALYSIS

The Council's Annual Plan contains the sum of \$400,000 for the sale of this land.

Retain Land

Should the Council decide to retain this land for addition to the Halswell Quarry Park the estimated operational and development costs are as follows:

Capital Costs			
–Car park development		\$56,000	
- Reserve development (including house Removal/demolitions)		<u>\$22,500</u>	
	Total:		\$78,500
Operational Costs			
Annual Operating Costs	\$13,000		
Maintenance	\$ 1,000		
Loss of Rates Revenue (Estimated)	<u>\$ 7,500</u>		
	Total:	\$21,500—capital equivalent -	\$316,000
Foregone Sale Proceeds as per budget allowance (refer Public Excluded report for market value)			<u>\$400,000</u>
Total Costs			\$794,500

This is equivalent to approximately 0.4% increase in rates above what is currently budgeted.

Sale

Further financial details including valuation advice are contained in the public excluded report presented to this Meeting.

OBLIGATION TO FORMER OWNER

Because one of the following recommendations involves the disposal of property considered to be surplus, it is necessary to consider the Council's obligations to offer the land back to the former owner pursuant to Section 40 of the Public Works Act 1981. The Council acquired the Halswell Quarry site in 1934 from the Halswell Quarries Limited. Subsequently a number of properties were subdivided along Kennedys Bush Road and sold. Quarrying on the balance of the land ceased some years ago. The remaining land is clearly surplus to the quarrying purpose and a large part of the land is now being retained for open space. Halswell Quarries Limited went into liquidation in 1972 and was subsequently struck off the company register. Since the company no longer exists and there can be no successor, there is no person to whom an offer can be made and the Council has grounds for being excused from an offer back to Halswell Quarries Limited. In contemplation of the recommendation to publicly dispose of some surplus property, the Council should therefore resolve that it is excused from the offer back obligation.

CURRENT USE

Because quarrying is no longer being undertaken, the Council should also formally confirm the current use of the open space now comprising the Halswell Quarry Park.

SUMMARY

The Community Board/Neighbourhood Association and the Parks and Waterways Unit have expressed a strong interest in this land being retained in Council ownership for addition to the Halswell Quarry Park. The reasons for this are as stated above and are expanded further in the Community Board report attached as a supplement to this report. If the land is retained the Council will need to amend its budget from an income of approximately \$500,000 to a rate increase of approximately 0.4%.

The Property Unit, however, is tasked with achieving Annual Plan outcomes and with presenting a balanced consideration of the costs/benefits of either sale or retention.

If it is decided that this land should be disposed of it is not considered prudent for Council to undertake the development.

With the number of sections currently on the market in Christchurch generally, particularly in the Wigram/Halswell area, and the fact that some developers have lowered their prices in recent times it is considered that Council should not (if it determines to sell the land) expose itself to the risks involved in developing this land but tender the parcel as one block in its present state (refer public excluded report for further comment).

It is acknowledged that compromises to the Parks and Waterways Unit proposals may occur if the land is sold. It is difficult to quantify the intrinsic value attributable to the land if it was retained and developed as per the plan prepared,

The Committee should be aware that the total area of Halswell Quarry Park is slightly in excess of 54 hectares. The subject block of land is 1 hectare only. If disposal of this area occurs 53 hectares of recreational area remain in the park.

S.230 NOTIFICATION

To dispose of the land, it would be necessary for the Council to pass an enabling resolution pursuant to Section 230 of the Local Government Act 1974. Public notification of the Council's intention to consider this resolution was made on Monday 10 September 2001. The report to the Committee included the following recommendation:

That subject to Recommendation 1, the Council resolve, pursuant to Section 230 of the Local Government Act 1974 to dispose of the property contained in the following Schedule:

Schedule

All that parcel of land containing approximately 1 hectare being part of RS 4543 and contained in Certificate of Title 607/65 as identified on Christchurch City Council Plan LP-0604-01

The Committee's recommendation which follows does not support that recommendation.

- Recommendation:**
1. That the Council retain ownership of the land.
 2. That the foregone sale proceeds in the sum of \$400,000 be found by way of substitution in the Parks and Waterways budget over a period of four years.
 3. That the Council resolve that it is excused from an offer back to the Halswell Quarries Limited under Section 40(2)(a) of the Public Works 1981 on the grounds of impracticability as a consequence of the liquidation of that company.
 4. That the Council resolve that any land not required for disposal including the land now formed as Halswell Quarry Park be held as open space as contemplated by the Halswell Quarry Park Management Plan.