



## 8. 34 COURTENAY STREET DISPOSAL

<b>General Manager responsible:</b>	General Manager, City Environment, DDI 941 8608
<b>Officer responsible:</b>	Manager, Transport and Greenspace
<b>Author:</b>	Stuart McLeod, Property Consultant

### PURPOSE OF REPORT

1. The purpose of this report is to seek the Board's recommendation to the Council to dispose of the property situated at 34 Courtenay Street.

### EXECUTIVE SUMMARY

2. This property was acquired for road widening in 1993, the portion required for road was legalised as road in June 2010.
3. The Transport and Greenspace Unit have advised the property is operationally redundant and have instructed the Property Consultancy Team to dispose of it.
4. The Executive Team, Unit Managers and the Shirley/Papanui Community Board have all received a "Changes to Property Use" memorandum enquiring if there is any other Council use for the property, one registration of interest was received from the Community Board.
5. The Board desired to assist two community groups, Santa Claus Workshop and Menz Shed to find suitable premises. The Community Support Unit did not support a business case on the grounds that there is no LTCCP funding to purchase and redevelop a property to accommodate the two groups.
6. The property was damaged in the 4 September 2010 earthquake, a decision has not yet been made on remedial work. Any purchaser of the property is likely to undertake extensive renovations.

### FINANCIAL IMPLICATIONS

6. An independent market valuation was obtained from Simes Limited prior to the 4 September 2010 earthquake. The property will be tendered on the open market and will have a minimum price that is yet to be determined. Should this not be achievable then the property will be sold at a negotiated price acceptable to the Manager Corporate Support.

### Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

7. Yes. Assets sales – surplus property sales page 91 Volume II of the LTCCP.

### LEGAL CONSIDERATIONS

9. The disposal of this property will be subject to Section 40 of the Public Works Act 1981. This will involve offering the property to the former owner or their successor at market value and will be completed if the Council declares the property surplus.

### Have you considered the legal implications of the issue under consideration?

10. Yes – as above.

### ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

### Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

11. Yes. The sale of surplus property forms part of the Property Consultancy Activity Management Plans, it is considered that this transaction will fall outside of the LTCCP Policy on Determining Significance at page 207 – 208.

## **ALIGNMENT WITH STRATEGIES**

### **Do the recommendations align with the Council's strategies?**

12. Yes. Retention of the balance of this property no longer meets with Council roading strategies, or any LTCCP initiatives.

## **CONSULTATION FULFILMENT**

13. Not applicable

## **STAFF RECOMMENDATION**

It is recommended that the Shirley/Papanui Community Board recommend to the Council that it:

- (a) Declare the balance of the property situated at 34 Courtenay Street described as part Lot 3 Deposited Plan 5200 to be surplus;
- (b) Approve the property be offered for sale by way of public tender, subject to Section 40 Public Works Act 1981 being complied with, with a minimum tender amount to be set by an independent valuer and;
- (c) Approve that the Corporate Support Unit Manager is given delegated authority to decide on and resolve any and all insurance issues and conclude the sale of the property, as supported by valuation advice and in consideration of other factors including marketing and market dynamics, including if the minimum price is not achievable by tender the property may be sold by private treaty.

## **CHAIRPERSON'S RECOMMENDATION**

That the staff recommendation be adopted.

## **BACKGROUND**

14. This property was acquired for road widening in 1993, the portion required for road was legalised as road in June 2010, leaving a balance of area of 581 square metres being part Lot 3 DP 5200 contained in certificate of Title CB319/233. It is zoned Living 2 (inner suburban), this zone has a minimum allotment area of 300 square metres and is not considered suitable for further subdivision.
15. The property was tenanted by the Council Housing Services Team and has sat vacant since the Transport and Greenspace Unit advised the property was operationally redundant and have instructed the Property Consultancy Team to dispose of it.
16. In accordance with Council's practices around declaring operationally redundant property surplus, a Change to Property Use memorandum has been circulated to the Executive Team, Unit Managers and the Shirley/Papanui Community Board.
17. One registration of interest was received from the Community Board requesting that the property be made available for the use of Santa Claus Workshop and Menz Shed. For such a proposal to succeed a Council business unit must be found to sponsor the project. The Community Services Unit was approached to consider the proposal.
18. The Community Services Unit advised that a business case would not be prepared because there is no budget to accommodate the two groups and funds are not available in the LTCCP for the purchase of such properties, normally an internal transfer of funds from one Council Unit to another is required. In addition considerable funds would be required for renovations to make the property suitable for such groups.
19. The Community Board was advised of this decision late last year via the attached memorandum, no further enquiry has been received

20. This property has sustained some earthquake damage, the garage will need to be demolished, the chimney has collapsed, cracked windows and liquefaction are known problems. If declared surplus a decision can then be made on remediation work by the application of insurance funds or to sell the property as is.