

# 1. 21 AWATEA ROAD- CONSIDERATION OF FUTURE USE

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## PURPOSE OF REPORT

1. To consider the future use options for the Council property at 21 Awatea Road and to seek a resolution to pursue one of the options.

## EXECUTIVE SUMMARY

2. This property has been unused by the Council since 1998. It carries no strategic value in terms of retention for operational purposes and disposal is recommended.

## FINANCIAL AND LEGAL CONSIDERATIONS

3. (a) The preferred option proposes sale of the asset with a return of around \$80,000 (sale costs deducted). This compares with ongoing maintenance costs of \$1,000/annum associated with doing nothing.  
(b) Sale by tender will be subject to meeting the offer back requirements of the Public Works Act 1981.

### Schedule

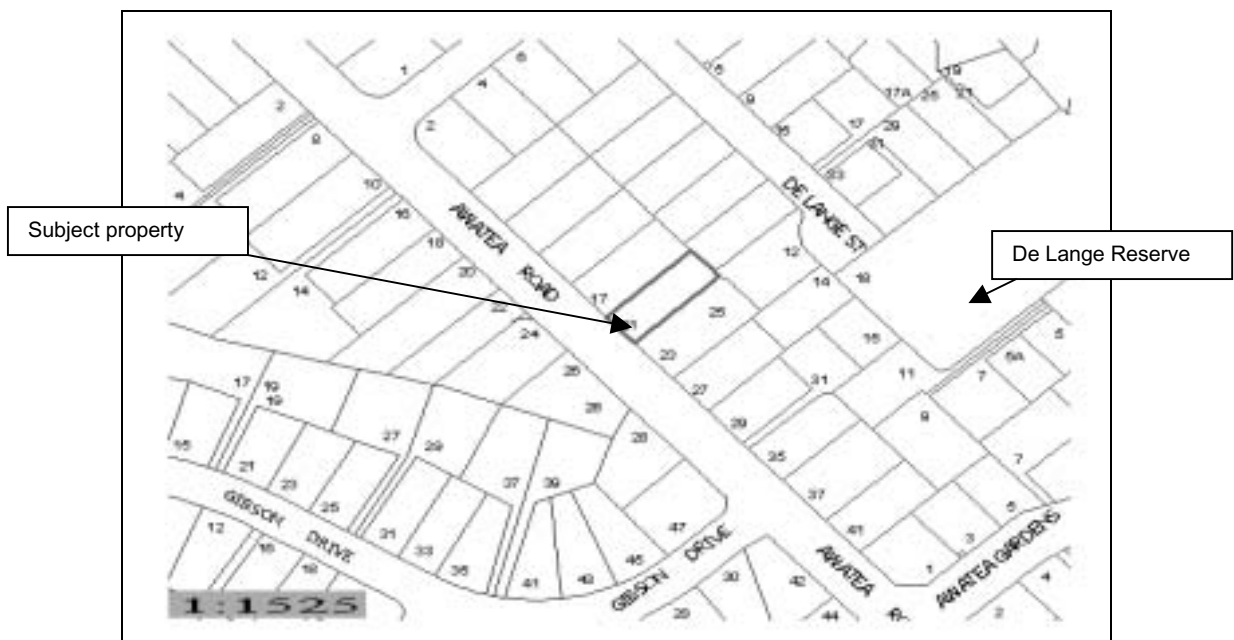
All that parcel of land containing 650m<sup>2</sup> or thereabouts being Lot 1 DP 78781 and being all the land contained and described in Certificate of Title 45A/1125

## BACKGROUND ON 21 AWATEA ROAD- CONSIDERATION OF FUTURE USE OPTIONS

4. The property is a residential size section of 650m<sup>2</sup> located on Awatea Road, which runs south off Springs Road, Hornby. It is sited in the L-1 zone in a relatively recently built up area behind Wigram. The property was acquired by the Paparoa County Council in 1961 for the purpose of use as a pumping station.

In 1998 the Water Services Unit decided that the well on site was no longer required and arranged for it to be plugged and water pipes disconnected at the street. The property was processed internally in 1998 by the Property Unit in terms of the property decision-making flow chart and has been reprocessed in October 2004. There has been no interest in retaining the property expressed by any Unit or the Community Board. The Green Space Unit have considered it in terms of the Local Parks Acquisition Policy and advise that Warren Park, Oakley Reserve and De Lange Reserve provide sufficient green space in the area to satisfy the requirements of the policy.

A registered valuer has estimated the value at \$85,000 and the property currently incurs maintenance costs of \$1,000/annum (approx).



## **OPTIONS**

5. (a) Do nothing and retain for an undetermined purpose
- (b) Dispose of property at market value by way of public tender

## **PREFERRED OPTION**

6. Option (b)

The Council is incurring a small but ongoing maintenance cost and there no strategic reason to retain the property for future operational purposes. The Council exposes itself to risk under the Public Works Act 1981 in holding land without a specific purpose. The property market has experienced considerable price growth in the last two years but although demand remains steady, indications are that prices are levelling. It is an opportune time to sell and the preferred option is to sell.

The Council policy in selling property is to do so by way of public tender. This option proposes sale by tender at not less than the market price as assessed by a registered valuer or by private treaty if the tender is unsuccessful in achieving the price. If the price is unachievable because of market conditions (unlikely) then the Facility Assets Manager in conjunction with the Director of Strategic Investment is authorised to sell at a lower price. It is proposed to engage an agent to market the property and process tender enquiries.

7. The recommendation from the reporting officer was for the Council to declare surplus this property and that it be sold by public tender.

## **COMMUNITY BOARD CONSIDERATION**

The majority of members were supportive of the staff recommendation to sell the property. However, Lesley Keast and Mike Mora considered that the site could be utilised for a neighbourhood reserve/playground, as an example. They also suggested that if the property was sold, the proceeds be reinvested within the Riccarton-Wigram community.

Accordingly, Leasley Keast and Mike Mora asked that their votes against the following recommendations be recorded.

## **RECOMMENDATIONS**

That the Council:

- (a) Resolve that the property described in the schedule be declared surplus and sold by public tender subject to Public Works Act 1981 offer back requirements (if any) being met.
- (b) That the property described in the schedule be sold at not less than the minimum reserve price it being the market value as assessed by a registered valuer appointed by the Council. That if the minimum price is not achievable by tender then the property may be sold by private treaty at a lesser price to be authorised by the General Manager Corporate Services.