

## 1. OWLES TERRACE SITE TESTING

<b>General Manager responsible:</b>	General Manager Corporate Services
<b>Officer responsible:</b>	Corporate Support Manager
<b>Author:</b>	Felix Dawson, Property Project Consultant, DDI 941-8477

### PURPOSE OF REPORT

1. The purpose of this report is to provide an information summary of testing at the Council property in Owles Terrace. It also provides an update of the timeframe for moving forward with development of the site and reconfirms the original process for tendering the site.

### EXECUTIVE SUMMARY

2. In August 2004 the Council resolved to follow the process recommended by staff for assessing the feasibility of disposing of part of the Council site at Owles Terrace. The first stage in the process involved further testing for contaminants on the site. The testing is completed and has provided the following conclusions:
  - (a) Confirmation of earlier advice that residential use of part of the site should not be precluded.
  - (b) Structural modification of the river bank to allow introduction of water to the site is not feasible.
  - (c) Groundwater contamination exists but at acceptable levels.
3. In accordance with a resolution adopted by the Council in 2004 it is proposed to tender a portion of the site (as shown on the attached map) for sale. This will enable analysis of whether to dispose of that part and develop the rest for reserve or whether to keep the whole site for reserve purposes.

### FINANCIAL AND LEGAL CONSIDERATIONS

4. Greenspace have only limited budget provision for development of the reserve area. The Property Consultancy Team have a revenue provision of \$500,000 for disposal of property not required by the Council. Depending on any return received from Owles Terrace and progress of sale for other properties it is possible that part of the proceeds from the sale of Owles Terrace will be applied to development of the reserve.
5. The Community Board does not have delegated authority to make a decision in this matter, such a decision needs to be made by the full Council. The Board does, however, have recommendatory powers to the Council.

## **BACKGROUND ON OWLES TERRACE - SITE TESTING**

5. On 13 August 2004 the Council adopted the following resolutions:
  1. *That the Council endorse option four in principle subject to further analysis of costs benefits and risks following completion of the above process.*
  2. *That the Council endorse the process above established for the purpose of making a decision on whether to proceed with option three or four.*
  3. *That the Council endorse the following principles to be incorporated into the tender document:*
    - (a) *That remediation is to be undertaken at a level required to meet the requirements of the subdivision consent, with best endeavours to exceed minimum standards where possible. The Council will not transfer ownership of the site until remediation has been appropriately completed. Probable financial contribution by Council to the cost of site remediation.*
    - (b) *That the site layout and building designs incorporate principles of high quality urban design and sustainable building methods.*
    - (c) *That a preliminary park design would be provided. The final design could be modified to co-ordinate with the housing development proposal.*
  4. *That a further report be presented to the Council and the Burwood/Pegasus Community Board in December 2004 once the investigations were complete.*
6. Site investigations are now complete and this report is provided pursuant to resolution 4 above.

### **Contamination Testing Programme**

7. A detailed soil report was recommended in the 2004 report for the purpose of enabling assessment of:
  - (a) The viability of disposal of a portion of the site.
  - (b) Options for development of the reserve.
  - (c) Assessment of groundwater leachate.
8. Site testing was undertaken by MWH Ltd at the end of September 2004. A draft version of the soil testing report was received on 30 November 2004. It was provided in draft for staff discussion primarily for consideration of the significance of groundwater contamination shown to exist on the site. The report was forwarded to ECan for comment on the contamination levels specifically for comment on the future requirement for discharge consents and also the necessity to undertake a river monitoring programme. ECan advised that a discharge consent would not be required and that river monitoring would also not be required unless diversion works are carried out on the river bank.
9. Despite the advice regarding river monitoring, staff decided to test river water samples on the basis that the Council would be consulting with the public on the development of the reserve and that the public would want a high level of confidence that the disused landfill was not generating an amount of leachate capable of contaminating the Avon River. Water samples were taken during high tide and low tide from in front of the site in addition to two upstream and one downstream control samples. Final test results have been received and we are advised that several contaminants displayed elevated concentrations above ANZECC guidelines, but as they are no higher than the normal background levels in the Avon River it is questionable as to whether they are from leachate generated by the disused landfill. The issue is further complicated by the regular discharge from the waste water treatment plant into the estuary. It can be concluded therefore that the site in its current state poses no environmental risk.

## Testing Summary

10. The testing has provided the following information:
- (a) Earlier advice has been confirmed that residential use should not be precluded by the site issues relating to stability and contamination.
  - (b) Structural modification of the river bank allowing the introduction of river water to the site would create significant uncertainties relating to ongoing affects and has been strongly discouraged by MWH Ltd. This view has been echoed in the ECan approach to discharge consents for the site.
  - (c) Whilst the groundwater contains some contaminants derived from the dump refuse layer, the level is not such as to provide concern. This has been confirmed by both the ECan assessment of initial test bore results, and the additional river water testing.

## Moving Forward

### Tender part of the site

11. The test results and information will provide prospective purchasers with sufficient information to conduct a proper analysis of site development potential and hopefully price the site with some certainty now that the risk factors are well established. A tender of the site with this information available will provide a proper test of its market value and enable assessment of the feasibility of disposal.

### Reserve Development

12. City Solutions - Project Management (John de Zwart) has been engaged "To co-ordinate the development of the Whithells Island Riverside Park". A staff workshop was held on 11 August 2005 to establish the parameters of the reserve and development site taking into account the current/future users and development constraints of the site as demonstrated by the test results. Making a cut into the river bank and establishing a wetland area as mooted in the 2004 report is clearly not feasible without further analysis of risk and costs. MWH Ltd advice has made it clear that mitigation of potential risk will be prohibitively costly.
13. It is not proposed to incur further expense analysing the environmental risks and attendant cost implications of a riverbank diversion. Improved access to the river as part of a river park development is still possible by way of board walk, floating pontoons and a jetty.
14. A wider street frontage to the reserve at the west end of the site will enhance opportunities for development of the reserve entrance and enable provision of a walking link through to Union Street. This area will also establish greater opportunity to provide for existing and future users of the river and joint road access to the reserve and development site (see plan attached).
15. The options for use of the reserve as a whole will be explored in greater detail after public consultation, which will follow the tender process and Council decision on disposal of part of the site.

### Timeframe

		2006
1.	Tender development site	mid February-end March
2.	Assess tenders	April
3.	Options report on feasibility of sale - Council decision	May
4.	Detailed reserve design and development following public consultation to take place after decision is made on sale of part of the site	June - August

## **OPTIONS**

16. Tender a portion of the site for sale as decided in the 2004 report.
17. Do not test the market by tender of part of the site and develop the whole site as reserve. Earlier analysis has shown:
  - (a) That there is no lack of green space in this part of Christchurch so the need for the whole site as reserve does not exist.
  - (b) Greenspace do not have sufficient budget for development of the reserve and sale of part of the site may provide funds for this purpose.

## **PREFERRED OPTION**

18. A proper decision on the feasibility on sale of part of the site cannot be made until a tender process has been completed, therefore option one is preferred.

## **STAFF RECOMMENDATIONS**

- (a) That the Council reconfirm the resolutions of 13 August 2004 relating to the process for tender of part of the site for sale.
- (b) That the site for tender be as shown in the plan attached.

## **BOARD RECOMMENDATIONS**

1. That the Council reconfirm the resolutions of 13 August 2004 relating to the process for tender of part of the site for sale.
2. That the site for tender be as shown in the plan attached to the report.
3. That the Council resolve that the tender process include opportunities for diverse and unique options for alternative housing development on the site.