

11. FUTURE USE FOR THE SITE FORMERLY OCCUPIED BY EDGEWARE POOL

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PURPOSE OF REPORT

1. The purpose of this report is to recommend the future of the site formerly occupied by the Edgeware Pool (the site).

EXECUTIVE SUMMARY

2. After extensive public consultation through an aquatic facilities plan and an LTCCP the Council decided not to have a pool on the Edgeware site or in the immediate vicinity, instead opting to build a new facility at Papanui High School. As a result on 30 June 2006 the Council resolved to:
 - (a) close the Edgeware Pool;
 - (b) sell the site, the proceeds of which were proposed for the upgrade of the St Albans School pool; and
 - (c) build a new swimming pool at Papanui High School.
3. St Albans School was unwilling to receive funds from the sale of the site to upgrade the school pool for public use. The development of the Papanui High School facility is now well under way with the project team currently working on detailed designs.
4. The Council, through a working party, decided not to accept a proposal and a subsequent updated proposal by a community group to repair and operate an outdoor pool on the site.
5. The site contains extensive water services infrastructure including a reservoir, pumping station, underground piping and six wellheads. This is one of the city's primary water pumping zones and needs to have room to expand with demand over time.
6. Professional advice received has concluded that the site is not of sufficient size or shape to provide for a recreation facility or pool that is greater than 100m². This is due to inappropriate zoning, internal boundary setback, maximum building heights, application of recession planes maximum area of any one building, net site area coverage with buildings, rights of way for access and parking.
7. A recreation centre or pool is not considered an appropriate option for the site because:
 - After extensive consultation the Council has decided through the Aquatic Facilities Plan and the LTCCP not to have a pool on the site or in the immediate vicinity as there is adequate provision across the city.
 - The Council has decided to build a new pool at Papanui High School and planning is well underway. This facility will better cater to the needs of the community as a whole and will open in 2008.
 - The site is unsuitable for a recreation centre or pool.
 - The site houses extensive water services infrastructure that needs to increase in capacity over time.

8. The Council has a designated 'Decision-making Process' that is used when the use for which land is held changes, and when the site is considered potentially surplus to the Council's present and future requirements. The outcome of this process has resulted in four options being considered for the site:
 1. Retain the site in its entirety for the purpose of the water services infrastructure.
 2. Retain part of the site for water services infrastructure, and the balance for affordable housing returning an income.
 3. Retain part of the site for water services infrastructure, and the balance for open space.
 4. Retain part of the site occupied by existing water infrastructure services and dispose of the balance land.
9. The preferred option is Option 2 – to retain part of the site for water services infrastructure and the balance of the site for affordable housing returning an income. This option provides an optimum use of the site whilst meeting current and future water infrastructure and housing needs. It may also provide an income for the Council. The Council can determine whether the income is applied to housing or other community projects.

FINANCIAL CONSIDERATIONS

10. The financial implication of the preferred option is difficult to assess on the basis that the structure of any partnership with the public or private sector for affordable housing on the site is unknown. This information would be reported to the Council following a registration of interest process.
11. Under Option 4, and assuming that the Council undertakes the development of the site, its sale has a potential return to the Council, this is commercially sensitive and inappropriate for discussion in a public forum. This is based on an eight lot subdivision of the site, seven of which are complying residential allotments, and one large lot that would be retained by the Council for the existing water supply infrastructure.

LEGAL CONSIDERATIONS

12. The statutory provisions required to be considered by the Council in respect of the Edgeware Pool site are discussed below and are only relevant in the event that the Council decides to dispose of the land.
13. **Section 138 Local Government Act 2002 – Restriction on disposal of parks**
Public consultation under Section 138 Local Government Act 2002 will be triggered if the site is sold or a lease is issued for a period exceeding six months. For example a lease to the selected registrant as part of an affordable housing concept under Option 2.
14. The degree of consultation, if any, will depend on the Council's decision in respect of the site. Under Option 2 the Council's obligations would be ascertained and reported once the registration of interest process had been completed. This is not likely to include a special consultative procedure.
15. **Section 40 Public Works Act 1981 – Offer Back Obligation**
Where any land is held for a public work and is no longer required for that work or any other work, then, unless one of the exceptions referred to in s40(2)(a) or (b) shall apply, the Council is required to offer to sell the land at current market valuation to "the person from whom it was acquired or the successor of that person". Legal Services have advised that the offer back obligation will not apply into Options 1, 2, and 3. It will apply to Option 4.

Legal Services have engaged in substantial research to establish the person was from whom the land was acquired and who that persons successors were or are (if they are still living). An account of the research is available to Councillors on request. Further substantial and time consuming research is necessary to establish the successors to whom an "offer back" obligation will exist.

STAFF RECOMMENDATIONS

It is recommended:

- (a) That the Council retain the former Edgware Pool site for water supply services and the provision of affordable housing.
- (b) That the Council proceed with a registration of interest process to identify options for the provision of affordable housing and that the results be reported back to the Council.
- (c) That the Council notes that the need for consultation will be necessary if the Council decides to dispose of the land.
- (d) That the Council notes that if Council decides to dispose of the land as a result of the outcome of the registration of interest, then a consultation process will need to be approved by the Council.

BACKGROUND

16. The Christchurch City Council is proprietor of the land situated at 43A Edgware Road more particularly described as Part Lot 1 DP 5876 and contained in Certificate of Title CB335/300. The subject land is held by the Council in fee-simple.
17. The majority of the site is zoned Open Space 2 (District Recreation and Open Space). An area of the site fronting Trafalgar Street is zoned Living 2 (Inner Suburban).
18. Records indicate that *"this property is located in an area known to have been filled, the year the fill occurred is unknown, the filling was, according to the councils records carried out in an uncontrolled manner and comprises unknown material."* Other potential contamination issues include:
 - Storage and disposal of pool chemicals;
 - Removal/disposal of any past pool heating system that may have been installed used e.g. above or underground fuel tanks;
 - Discharge of water from the pool to ground.
19. The site has for all intended purposes operated as a swimming pool facility for the past 70 years. However in addition to the swimming pool and ancillary buildings the existing Trafalgar water supply pumping station and associated infrastructure forms an integral part of the site. Approximately 2000m² of the site is occupied by the pumping station which is regarded as one of the primary water supply pumping stations in the city's central pressure zone.
20. The water supply station consists of a pumphouse, a 250m³ volume concrete water tank, associated pipe-work and six well heads of which four are operational. Appendix 1 (attached) shows the location of this infrastructure within the site.
21. The central pressure zone supplies water to a population of approximately 180,000 residents of Christchurch and 8000 commercial properties. The pumping station operates in excess of 300 days per year. The replacement costs for this infrastructure as at 2004 are approximately \$1,032,000.
22. After extensive public consultation through an aquatic facilities plan and an LTCCP the Council decided not to have a pool on the Edgware site or in the immediate vicinity, instead opting to build a new facility at Papanui High School. As a result on 30 June 2006 the Council resolved to:
 - (a) close the Edgware Pool,
 - (b) sell the site, the proceeds of which were proposed for the upgrade of the St Albans School pool, and
 - (c) build a new swimming pool at Papanui High School.
23. It was proposed to use the proceeds from the sale of the site to assist the upgrade of the St Albans School pool that would in turn become available for public use. However the St Albans School was unwilling to take up the Council's offer.
24. The adoption of the Plan saw the approval of a proposed new facility at Papanui High School to cater to the needs of the wider community. Planning for the new facility is well under way and currently at the detailed design stage.
25. The Council, through, a working party, decided not to accept a proposal and a subsequent updated proposal by a community group to repair and operate an outdoor pool on the site.
26. The swimming pool and all but one of the associated buildings were demolished in November 2006 to mitigate health and safety concerns. Concrete from the buildings was buried in the pit created by the collapsed pool. The foundations of the buildings are still intact.

27. At the point that the Council resolved to adopt the Aquatic Facilities Plan, the site was no longer deemed necessary to be held by the Council for the purpose of a pool. This triggered the requirement to review the property, through the Council's Decision-Making process ("the process"), and to establish whether the site should continue to be held by the Council for another purpose, or declared surplus to requirements for disposal.
28. Through the decision-making process four options were identified as follows:
1. Retain the site in its entirety for the purpose of water supply infrastructure;
 2. Retain part of the site for water services infrastructure, and the balance for affordable housing returning an income;
 3. Retain part of the site for water services infrastructure, and the balance for open space;
 4. Retain part of the site occupied by existing water services infrastructure services and dispose of the balance land.

Each of these options have been assessed in the latter part of this report.

OPTIONS

29. The four options that have been identified are shown in the following table alongside the pros and cons that will be expanded on in the following section of this report:

Option	Description	Advantages	Disadvantages
Option 1	Retain entire site for water services	<ul style="list-style-type: none"> ▪ Existing levels of service can be maintained. ▪ No restricting factors on the future development of the site for water infrastructure. ▪ Could be integrated with neighbouring social housing. ▪ Public Works Act and contamination investigations would not be required to be completed. ▪ Zone change would not be necessary. 	<ul style="list-style-type: none"> ▪ Not optimising the use of the site. ▪ No potential for income generation. ▪ No provision for affordable housing.
Option 2	Retain part of the site not needed for water services, for affordable housing returning an income	<ul style="list-style-type: none"> ▪ Smaller separate units could be integrated around the existing and proposed future water infrastructure. ▪ Site could be used as a community garden while the feasibility and planning stages are being completed, and maybe integrated into the final concept. ▪ Formulation of partnership with public or private sector for development of affordable housing. May reduce negate the need for Council funding. ▪ Fits with draft Social Housing Strategy. ▪ Satisfies a need for affordable housing, providing a return to the ratepayer. ▪ Offers wider range of housing options to the community. ▪ Income generated from social housing may be used to fund Council's existing housing portfolio. ▪ Best optimisation of the site. ▪ Income could be applied to community projects 	<ul style="list-style-type: none"> ▪ Zone change would be necessary. ▪ Development programme takes time. ▪ Possible contamination issues would need to be addressed.

Option	Description	Advantages	Disadvantages
Option 3	Retain part of the site not needed for water services, for open space	<ul style="list-style-type: none"> ▪ Complies with current open space zoning. ▪ The land is still available for use by the local and wider community. ▪ Public Works Act and contamination investigations would not be required to be completed. 	<ul style="list-style-type: none"> ▪ Narrow entrances and back lot of the site mean that the site is not considered a safe space under the CPTED (Crime Prevention Through Environmental Design Standards). ▪ Adjoining land would need to be acquired to open up frontage to a proposed park. ▪ The area in the 1 kilometre radius is well catered for with local and district sports parks. ▪ A park would need to be developed around the existing water infrastructure. ▪ A proposed new well is not desirable to be located within park areas actively used by the public.
Option 4	Disposal of Site not required for water services.	<ul style="list-style-type: none"> ▪ The Council has the option of developing the site for disposal, or transferring that risk to another party. ▪ Return to Council from sale proceeds. 	<ul style="list-style-type: none"> ▪ A zone change would be required. ▪ Contamination issues would need to be resolved. ▪ The Council's Public Works Act offer back obligations would need to be addressed prior to disposal. ▪ Development programme takes time. ▪ Future expansion of water services on the site would be lost. ▪ Revenue from disposal limited.

30. The site is not suitable for a recreational facility such as an indoor pool and therefore this has not been considered as an option. The reasons are that:
- (i) existing and future water services infrastructure limits area available for development and inhibits anticipated water infrastructure growth.
 - (ii) narrow rights of way are insufficient for traffic generated by a recreational facility.
 - (iii) the site has close proximity to residential and older persons housing.
 - (vi) there are substantial limitations for building size on the site for example structures over 100m² will require notified consent; this is owing to inappropriate zoning, internal boundary setback, maximum building heights, application of recession planes maximum area of any one building and the net site area coverage with buildings.

THE PREFERRED OPTION

31. Option 2 provides an optimum use of the site and is the preferred option because:
- The existing water infrastructural assets will be protected through retention of the land;
 - Any proposed new development of water services on the site can be adequately accommodated in an affordable housing development concept;
 - The Council retains control of the nature of any development that can be customised to enhance and complement other residential properties in the area;
 - Revenue generated can be applied to city housing or other community groups.
32. The Council's housing team has expressed strong interest in the site for the provision of affordable family housing at market rental, or just below. Profits could be returned to the Council's housing operation or other community projects. The Council has a track record of working with partners in the public and private sector to customise any development to the needs of the Council and community.
33. There is an identified shortage of affordable housing city wide, particularly where there is an opportunity to generate an income stream for the ratepayer.
34. Should the Council adopt Option 2 a registration of interest process would be commenced, and the outcome of the process reported back to the Council including financial, legal and public consultation considerations.

ASSESSMENT OF THE OPTIONS

Option 1 –

Retain the site in its entirety for the purpose of water services infrastructure

35. The City Water and Waste Unit submitted a business case supporting the retention of the site in its entirety. The reasons given were:
1. The Trafalgar water supply pumping station is key to maintaining existing levels of service to the city's central pressure zone.
 2. The location of the existing water infrastructure limits access to the site from the Trafalgar Street entrance, and the one point of vehicular access from Edgeware Road is required to ensure continued access for maintenance purposes.
 3. It is anticipated that another well will be required on the site in the future to meet increasing demand in the system. The placement of the well may be best served in the vicinity of the ex-pool area.
36. The City Water and Waste Unit has said that *"Any potential sale of land on the site must not compromise the ability of the City Water and Waste Unit to operate and maintain the existing facility and should also not impede our ability to improve the facility in the future to meet increasing demand on the water supply system."*
37. In conclusion it is considered that at a minimum the Council must retain the area occupied by the existing water infrastructure so as to not compromise the water operation.
38. As mentioned above, a further well is proposed for the site and it is therefore imperative that the Council consider the impact that any development of the balance site would have on the ability to increase water services to the area.
39. If nothing else, the site should be retained by the Council for water supply services.

Option 2 -

Retain part of the site for water services infrastructure, and the balance for affordable housing returning an income

40. The balance of the site not required for water services has been identified as potentially suitable for a social housing development. Currently the Council owns two complexes, Dover Street and Coles Place, totalling 46 units, in close proximity to the site. The demand for another Council social housing complex in this area may be limited and may not fit within the proposed Social Housing Strategy.
41. This site has potential, however, to accommodate other options for housing such as affordable housing for home ownership, leases to other social housing providers e.g. Housing New Zealand Corporation, provision of affordable rental housing i.e. market rental 10%–20% below market value, or a combination of these housing alternatives. Housing New Zealand pay the Council full market rental, the Council generates a profit, Housing New Zealand then offer the housing to tenants at 10% to 20% below market.
42. Income generated could support housing or other community projects.
43. It is proposed that some of these alternative housing options be explored for utilisation of this site through a Registration of Interest (ROI) process. The outcome of this process would be reported back to the Council and should the Council decide to continue, a request for proposal would be made to each of the successful registrants with a view to establishing a contractual relationship with one provider.
44. An environmental assessment will be required to identify any contamination issues, and to consider foundation issues for development of the site. This assessment would need to occur as a precursor to the Registration of Interest process.
45. Current and future water services infrastructure needs on the site are secured.

Option 3 -

Retain part of the site for water services, and the balance for open space

46. Development of the site as an area for open space is provided well within the ambit of the Open Space 2 zoning. However complicating factors include the narrow entrances and back lot of the site that is not considered a safe space under the CPTED (Crime Prevention through Environmental Design Standards). Adjoining land would need to be acquired to open up the frontage to the proposed park.
47. In addition to this the Greenspace Unit consider that the area in the 1km radius is well catered for with local and district sports parks (St Albans Park, Abberley Park, English Park and St Albans Tennis Club).
48. Under this option the area of the site occupied by existing water services could not be incorporated into the open space for public use.
49. For these reasons it is not considered a suitable area to be developed as an open space environment.

Option 4 –

Retain part of the site occupied by existing water infrastructure services and dispose of the balance land

50. Investigations have established that an eight lot subdivision of the site would be possible, of which seven are complying residential allotments, and one large lot that would be retained with the water supply infrastructure. However the following points should be noted:
51. The majority of the site is zoned Open Space 2, and in order to facilitate development either by Council or another party, a notified plan change is likely to be required. Planning staff advise that the timeframe to complete a plan change can be up to two years, and costs associated with this process are likely to exceed \$20,000.
52. An environmental assessment will be required to consider foundation issues for development of the site, and the Council's offer back obligations under Section 40 of the Public Works Act 1981 would need to be resolved before the land could be sold.
53. Although there may be some financial gain to the Council to dispose of the balance land, this option has not been recommended mainly because the opportunity to expand the Council's water supply infrastructure onto this area would be lost. It is considered that the site is still required by the Council for a public work whether it is water supply services or affordable housing, or a combination of both.