

## 6. FUTURE PROPERTY OPTIONS REPORT

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The purpose of this report is to update the Committee with regard to progress in considering future property options pertaining to property no longer required for the Council's operational purposes, for the year ending June 2001 and for the 2001/02 year

### BACKGROUND

The last update report was presented to this committee in March 2001.

The Committee may recall that in the update report presented earlier this year advice was presented outlining reasons why a number of properties that had been in the 2000/01 budget were moved forward to future periods.

This occurred as a result of preparing the 2001/02 budget for properties that might be disposed of as they may no longer be required for operational purposes and reflected a more realistic approach to property sales given a relatively flat market.

The following information provides a summary of the properties in the non operational property budget with the corresponding budget years during which they will be actioned.

For the Committee's information the tasks associated in dealing with non operational property are detailed as follows:

1.	<b>Status Report &amp; Circularisation</b>	<b>Duration</b>
	This process is internal circularisation of property no longer required for its former operational purpose to a number of internal units of the Council. The status report contains a number of details with regard to the property, including legal description, area and description etc and includes a plan and photograph of the property. Internal units of the Council respond to the circular by advising if they have any interest in this property being retained. The response time is 30 days. Community Advocates are encouraged to report properties in their wards, subject to the prior knowledge of their respective Community Boards.	30 days
2.	<b>Collation of Data</b> This aspect deals with the collation of the responses from internal units of the Council from the circularisation notice.	7 days
3.	<b>Submissions from Registrants</b> Should any internal units register an interest in the potentially surplus properties circularised they must present to the Property Unit a formal submission as to their interest. This submission is quite specific and deals with issues such as capital/operational budget matters and the specific purpose for which they wish the property to be retained. The response time to have the submissions lodged with the Property Unit is a 60 day period.	60 days
4.	<b>Options Report</b> In an instance where an internal unit registers an interest in a property and provides in time a formal submission, the Property Unit must then prepare an options report for the Council's consideration. This report deals with the reasons the internal unit wish to retain the property and presents whatever other options may exist from a property perspective (including highest and best use) for the Council's consideration.	30 days
5.	<b>Council Resolution</b> A Council resolution is then obtained from the options report presented by the Property Unit.	0 days
6.	<b>Marketing Plan</b> Assuming the Council resolution is obtained to market a property (in an instance where the property is not being retained by an internal unit) then a marketing plan is established and a period of 30 days has been allowed for this.	30 days
7.	<b>Actual Marketing</b> An actual marketing period of 60 days is considered appropriate.	60 days
8.	<b>Evaluation of Offers</b> A 30 day period within which to consider offers is considered appropriate.	30 days

<b>9.</b>	<b>Lead Time for Council Meeting</b> In the event of a number of tenders being received for a property, or other offers from whatever marketing was established, there is likely to be a need to report further to the Council to obtain a decision.	60 days
<b>10.</b>	Settlement and completing contract	30 days
<b>POTENTIAL TOTAL ELAPSED TIME</b>		<b>317 Days</b>

#### 2000/01 BUDGET

	<b>Budget</b>	<b>Actual</b>	<b>Stage in task process</b>
Woodham Road	\$250,000	\$161,000	
<b>Comments:</b> This property was sold to Te Amorangi Richmond for the establishment of a wellness centre. The land was sold at a concessionary sale price (latest rateable value) to reflect the Council's contribution from a social policy perspective. Settlement occurred in 2001.			Sold

#### 2001/02 BUDGET

	<b>Budget</b>	<b>Actual</b>	<b>Stage in task process</b>
Huntsbury Spur	\$200,000		
<b>Comments:</b> Two sites remain unsold in this subdivision with the current slow market situation being the prime reason for this. The sites continue to be actively marketed with an agent specialising in the hill suburbs.			7
Kennedys Bush Road	\$700,000		
<b>Comments:</b> This 1 hectare block of land contains a dwelling and a two flat property and is the subject of a separate report to this Committee in August. It excludes the adjoining "stone house" which will also be addressed in a report to the August round of meetings.			
Lyttelton Street House	\$80,000		
<b>Comments:</b> This is a residential dwelling adjoining both Pioneer Stadium and a Council Housing complex.  Investigations are currently being undertaken to ascertain the possible need to retain this property for inclusion in the adjoining housing complex or, the possibility of it being a more appropriate site for the play centre that is currently occupying a council site in front of Pioneer Stadium. This property is currently rented and is providing Council with an 8% return.			3
Westminster Street House	\$120,000		
<b>Comments:</b> This is a residential dwelling adjoining the Westminster Street Works Yard.  The house is currently rented pending the outcome of current investigations to ascertain the future of the recently vacated Works Yard. The rental return is currently 6.9% which is considered adequate.			1
109a Bexley Road	\$140,000		
<b>Comments:</b> This is a residential dwelling purchased by the Council to deal with a statutory compliance matter.  The property is currently rented with substantial investigation work needing to be undertaken this year to meet compliance standards. The rental return is currently 5.8%.			1

Former New Brighton Library	\$230,000		
<b>Comments:</b> This Property is currently being leased pending a sale to the existing tenants which is to settle in June 2002. Rental is \$23,000 per annum providing the Council with a 10% return with settlement being at the figure budgeted.			10
105 Philpotts Road	\$180,000		
<b>Comments:</b> This is a two hectare predominantly vacant parcel of land currently zoned Rural.  This site was purchased in 1981 by the former Christchurch Drainage Board for the upper Dudley Creek diversion works.  These works have been completed with a pumping station and associated piping needing to be protected in the form of an easement.  The site is vacant and has been grazed for some years by the Council's Waste Management Unit. No rental payable and therefore no return on this property.  There has been internal interest expressed from other Council units in retaining this land or part thereof for a possible future park and also possibly for flood retention purposes.  These details are currently being worked through and the Property Unit will report back to this committee with the outcome of these investigations.			3
Clearbrook Street	\$80,000		
<b>Comments:</b> Two vacant sites that are legally held for road purposes have been declared as no longer being needed for operation purposes.  Once the road closing procedures have been completed they can be tendered on the open market in the usual manner..			

**Total budget figure for 2001/02-----\$1,730,000**

**2002/03 BUDGET**

	Budget	Actual	Stage in task process
Springs Road Pit	\$200,000	\$161,000	
<b>Comments:</b> This is an area of vacant land that is at the intersection of Springs Road and Halswell Junction Road. Issues with regard to possible rezoning of this land are the reasons this property should not be dealt with until the 2002/03 budget year.			2
Owles Terrace	\$400,000		
<b>Comments:</b> Gas monitoring tests have been undertaken on this site over recent months with the results of these now available. Continued investigation work is necessary, however with regard to the engineering requirements and issues associated with liquefaction before the Council can consider a possible development on this site. These investigation works are currently being carried out by independent consultants and we would anticipate being in a position to report more fully to this committee in three to four months.			2 & 3
Hunter Terrace	\$400,000		
<b>Comments:</b> This area of land is situated at the lower end of Colombo Street and has previously been the Council's pipe storage yard. We are uncertain at present as to what areas of land may be available. Investigation work will be undertaken throughout this year with a view to possible sale of land in the 2002/03 budget year.			1

**Total budget figure for 2002/03-----\$1,000,000**

**2003/04 BUDGET**

	<b>Budget</b>	<b>Actual</b>	<b>Stage in task process</b>
Wilmers Road	\$50,000		
<b>Comments:</b> This Committee may recall that this property has been moved through to the 2003/04 budget year as recommended by Independent Valuation Advice. The site adjoins the Council's bitumen plant and rezoning issues indicate that it would be more appropriate to deal with this property in the 2003/04 budget year.			

**2005/06 BUDGET**

	<b>Budget</b>	<b>Actual</b>	<b>Stage in task process</b>
Johns Road			
<b>Comments:</b> Comments: The Council currently own a large site in Johns Road which over a period of time is being filled by Council's LATE, City Care.  In time portions of the site may be able to be leased on the open market with the budget implications however being uncertain at this stage.			

**SUMMARY**

The above properties are those contained within the 2001/02 budget year. The Property Unit will report quarterly with regards to progress in dealing with these properties.

Properties such as Sockburn yard will be the subject of a separate report that will deal with the rationalisation of various Council yard space including the recently vacated Westminster Street Works yard.

**Chairman's**

**Recommendation:** That the information be received.