

6. McARTHURS ROAD LAND SALE

Officer responsible Property Manager	Author Angus Smith , DDI 371-1502
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The purpose of this report is to seek resolution from the Council to:

- (a) Declare a block of quarry land at McArthurs Road surplus to the Council's requirements.
- (b) Offer the property back to the former owner in accordance with section 40 of the Public Works Act.

BACKGROUND

The Council currently owns a 16.2278 hectare block of land off McArthurs Road at McLeans Island (plan attached).

There is no formed road access to the bulk of the site. The access strip runs over a stop bank and across a stream that contains a reasonable flow of water discharging from the adjoining Peacock Springs property. This stream, although an excavated channel, has high natural values and is a major tributary of the Otukaikino Stream (south branch, Waimakariri River). Treatment of this therefore needs to be carefully considered in any disposal of the land. Bridging of the stopbank and stream would be required to provide access to the property unless this could otherwise be obtained over the adjoining land owned by Isaac Construction Ltd.

The main block area of the Council land has a gentle upward gradient from east to west. We understand the water table is some 2 metres below surface level at the east end to 5 metres below surface level at the west end. The soil type is Waimakariri shallow with low fertility and limited farming potential.

Given its rural quarry zoning and poor soil fertility the highest and best use for the land is for quarry purposes and even though the site cannot be excavated to any great depth it still offers a substantial quarry opportunity that would be economic to operate.

The property was originally acquired from Harewood Properties Limited under the Public Works Act for the extraction of shingle for roading purposes. Until recently the land has been licensed for grazing purposes to the adjoining property owner (Harewood Properties Ltd).

In accordance with the Council's policy for determining alternative uses for under utilised properties, the property has been circularised within the Council, the responses elicited being as follows:

The Water Services Unit interest would be met by registering a conservation covenant over the waterway corridor mentioned above.

City Care advises that they had no interest in the property. Reaching this conclusion involved initial discussions with what was at the time, Canroad Construction Ltd and Works Operations.

The Parks Unit advised that it was "currently investigating park options in this area. This land may have strategic importance in respect of negotiations with adjoining owners."

Subsequent to this Chris Freeman has been actively involved in negotiations with adjoining owners over the environmental and open space outcomes of their developments and is in agreement with the recommendations of this report.

It is important to note that Parks and Water Services do not require the property to be retained for internal use/development but are desirous of having some input/control over the environmental outcomes. To this end Chris Freeman has and will continue to be actively involved in representing these interests.

STATUTORY AND POLICY ISSUES

The key issue for the Council is whether it believes there is a present or future need for use of the shingle from the land for roading purposes. Extraction for any other purpose is not presently authorised by the Local Government Act.

If there is no roading purpose and there is no alternative Council use identified through the circularisation process, the Council is obliged to make an offer back to the former owner under section 40 of the Public Works Act. Failure to do so creates a risk of a damage's claim by the former owner on the grounds of breach of statutory duty.

The former owner's right is to purchase land at its current market value and this may well incorporate a factor for the shingle reserves. Should the former owner not wish to buy back the land then the Council is free to deal with its sale in accordance with Council policy.

The Council's policy on this matter is:

"Not to sell any trading enterprise or any of the city's cultural, sporting or recreational assets or any public rental housing or elderly person housing except where such assets are surplus to the city's needs."

In the event of sale the Council have resolved "that, in principle, the Council should publicly tender properties for sale unless there is a clear reason for doing otherwise".

PROPOSAL

The land appears to be surplus to Council requirements but a formal resolution of the Council declaring so is required.

In this event, as explained above, the Council has a statutory duty to offer the land back to Harewood Properties Ltd, in a timely manner.

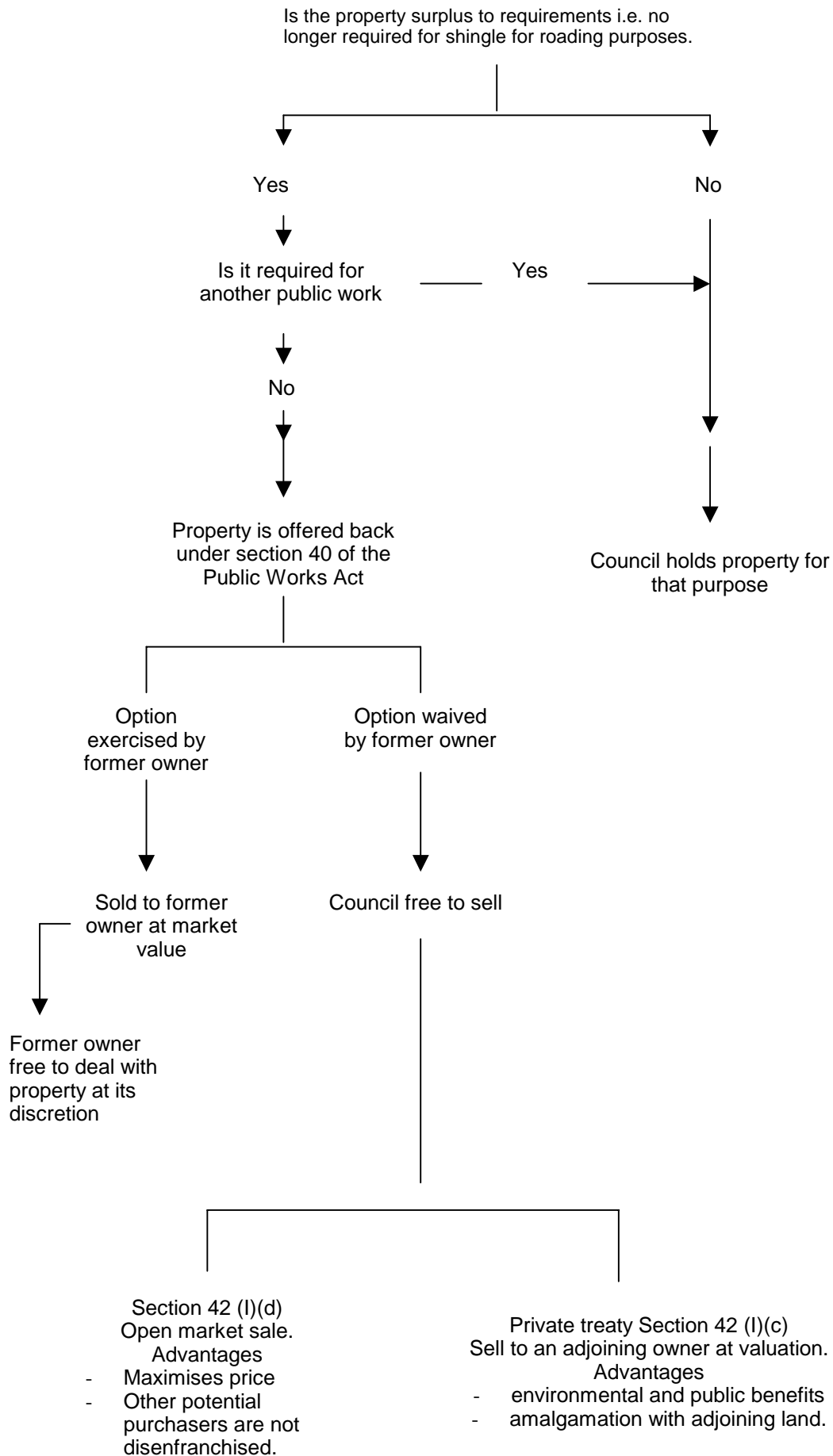
BUDGET

This property is not incorporated in the surplus property budget contained in the Council's Annual Plan. Therefore its sale would improve this budget element that is already well below income predictions.

SUMMARY

The following depicts the decision process in front of the Council.

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- Recommendation:**
1. That the property be declared surplus to requirements.
 2. That the property be offered back to the former owner.

**Chairman's
Recommendation:** That the above recommendation be adopted.