



9. BRIDGESTONE PAPANUI - PROPOSED LAND DONATION

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| General Manager responsible: | General Manager, City Environment Group, DDI 941-8608 |
| Officer responsible: | Unit Manager, Transport and Greenspace |
| Author: | Lewis Burn, Property Consultant |

PURPOSE OF REPORT

1. The purpose of this report is to seek the Shirley/Papanui Community Board's recommendation that the Council approves to accept approximately 1.3 hectare of the Firestone site in Papanui as a gift to the City from the owner, Bridgestone New Zealand Limited.

EXECUTIVE SUMMARY

2. The Firestone tyre manufacturing facility at 84 Langdons Road closed late last year. The site owner, Bridgestone New Zealand Limited, has approached staff with the intention of donating a portion of the site to the Council for the benefit of the community
3. The land identified for donation lies adjacent to the western side of the main north trunk railway line in the business four and five zones and is partly comprised in four land titles having a total area of 1.3145 hectares (subject to survey) (see **attachment 1**).
4. This land is on the lowest lying part of the site and straddles Sissons Drain. The adjacent railway line to the east forms a dam across the drain and the quantity of storm water runoff that can pass under the rail way line is limited by a culvert. This adds to the site's potential to flood in a large storm event.
5. Stormwater planning by Council in recent years has indicated the value of obtaining land at this site for floodwater detention. The land donation will assist with the aim of increasing flood storage, access, heritage, recreation, ecology and amenity values in this locality.
6. It is proposed that the Council would hold this land as a Local Purpose (Drainage) Reserve subject to the provisions of the Reserves Act 1977. The full conditions of the proposed donation are set out and discussed in the Background section of this report.

FINANCIAL IMPLICATIONS

7. The cost to subdivide the land proposed to be gifted from the balance of Bridgestone's site will be the responsibility of Council. The cost of this work is estimated to be \$15,000 to \$20,000, which is considered to be relatively insignificant relative to the value of the land to be gifted.

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

8. Yes. Advance planning for surface water management is included in the operations budget of Greenspace.

LEGAL CONSIDERATIONS

9. An agreement for sale and purchase of the land at a nominal purchase price of \$1 plus GST (if any) has been entered into with Bridgestone New Zealand Limited. The nominal purchase price reflects the proposed gift. The agreement is conditional upon various matters, including a condition that the gift is acceptable to the Council.
10. The agreement is also conditional upon a statutory provision being passed into law by Parliament within eight months of the date of the agreement rendering the proposed gift by Bridgestone to the Council not to be subject to gift duty under the Estate Gift Duties Act 1968. Under the present legislation gifts to local authorities are subject to gift duty. A change to exempt gifts to local authorities from gift duty is proposed in a bill currently before a select committee. It is understood that the Bill will be enacted into law later this year, possibly in August. Unless this legislation is passed, the proposed gift by Bridgestone would be subject to gift duty. The effect of the contractual condition is that if this legislation is not passed into law, Bridgestone will have the option to cancel the agreement with the Council.

11. The agreement is also conditional on the Council being satisfied with an environmental assessment report (and that the land is not contaminated) within four months of the date of the agreement. Details of the environmental assessment report that has been commissioned are discussed in the Background section of this report. This condition will not be approved unless and until it is established that any contamination on the site has been suitably remediated at Bridgestone's cost.
12. A decision to accept land as a gift does not fall within the delegated authority of the Community Board. The Board does however have recommendatory powers to Council.

Have you considered the legal implications of the issue under consideration?

13. As above.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

14. Yes, protect and enhance waterways and reduce flood risk.

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

15. As above.

ALIGNMENT WITH STRATEGIES

16. Yes, surface water strategy to provide surface water capacity and detention basins for water quality and quantity.

Do the recommendations align with the Council's strategies?

17. As above.

CONSULTATION FULFILMENT

18. The Council is engaged in detailed discussions with Bridgestone New Zealand Limited as to their proposed gift of the land.

STAFF RECOMMENDATION

It is recommended that the Shirley/Papanui Community Board recommend to Council that the Council:

- (a) accept from Bridgestone New Zealand Limited, a gift of approximately 1.3 hectare (subject to survey) shown as Sections 1 to 4 inclusive on Drawing RPS 232-01 (**attachment 1**) subject to the conditions outlined in this report to be held by the Council as local purpose (drainage) reserve.
- (b) Meet all legal, survey and title costs associated with accepting the gift and the classification of the land as a reserve subject to the provisions of the Reserves Act 1977.
- (c) That subject to resolution 1, the Council pass the following resolution:

Resolution

- (d) That pursuant to Section 16 (2A) of the Reserves Act 1977 the Christchurch City Council classifies the land in the schedule as local purpose (drainage) reserve within the meaning of Section 23 of the said Act.

Schedule

- (e) That part of Lot 1 DP 13176, Pt Lot 4 DP 2073, Lot 2 DP 2073 and Pt RS 40256 being part of the land comprised in Computer Freehold Registers CB499/37, CB221/293, CB227/884 & CB12F/819 containing 1.2963 hectares (subject to survey) shown as Sections 1-4 on Drawing RPS 232-01 (**attachment 1**).

- (f) That the Corporate Support Manager be granted delegated authority to negotiate and enter into such contractual and other arrangements that he considers necessary to give effect to the above gift to the Council on terms and conditions acceptable to him.
- (g) That a letter of thanks be sent by the Council to Bridgestone New Zealand expressing the City's appreciation for this gift of land once the sale and purchase agreement becomes unconditional.

CHAIRPERSON'S RECOMMENDATION

That the information be received and that the staff recommendation be presented to the Council.

BACKGROUND (THE ISSUES)

19. In 2003 a concept plan was prepared by Council staff in discussion with the Bridgestone Factory Manager for a stormwater pond on land west of the main north railway line where it borders the Bridgestone site. The aim of this concept was to increase flood storage, access, heritage, recreation, ecology and amenity values in this locality. This concept also outlined landscape development proposals in association with the diversion of Kruses Drain. The intention at that time was to secure an easement over the land identified however this did not eventuate (refer **attachment 2**).
20. The land now offered is the same as the area identified in the concept plan in **Attachment 2**. The offer is effectively a gift without conditions or considerations as to external issues such as development contributions and the Council's plans (including drainage planning for the wider area). The amount of mitigation a developer would need to do on the balance site and the amount of development contribution payable will be related to the type(s) of future development on the site and at present it is not known what is planned by Bridgestone.
21. The agreement provides for the parties to consult and work together in relation to the eventual interface between the gift land and the balance site before development of the donated land for reserve purposes including in particular landscape planting and any fencing proposals. Funding for this work will be put forward in the LTCCP review process in 2012 following detail for landscaping being firmed up.
22. As part of the agreement Bridgestone wish to ensure that an existing memorial plaque and tree (which is less than ten years old) within the factory site are relocated to the gift land. The family of the deceased person who is the subject of the memorial has agreed to the relocation and further consultation will be carried out prior to the Council's landscape works being completed in relation to the placement of this memorial in an appropriate position within the proposed reserve. In addition Bridgestone wish to have a plaque placed on the donated land at a location mutually agreed commemorating the connection between the property and Bridgestone.
23. As a condition precedent to the agreement it will be necessary for a bill currently before parliament being passed in to legislation to effectively make this gift exempt from gift duty. At present the law does not exempt Local authorities from this duty as not only does the recipient has to be charitable but also must be registered with the Charities Commission. This law change is expected in the later half of this year.
24. The Agreement is also conditional on approval by the Board of Bridgestone of the terms of the agreement within two months from the date of the agreement.

ENVIRONMENTAL ASSESSMENT

25. An environmental site assessment report has recently been prepared for Bridgestone by Golder Associates. Staff hold a full copy of this report, which relates to the whole site including the land proposed for reserve.
26. The report has identified and recommended two areas within the proposed reserve both near the western border of section 3 RPS 232-01 for contamination remedial work (**Attachment 3**) Bridgestone have indicated it will take responsibility for these works. Those areas are as follows:
 - (a). Pegasol is a highly inflammable solvent which is stored on site in an underground tank (UST). This is a potential source of contamination and is not required anymore. As the site is being decommissioned, the UST should be removed along with any pipelines associated with the tank. Impacted soil should also be removed and validation samples taken from the area. Sampling by Golder Associates of two groundwater wells as part of their investigation work did not identify any contamination within the shallow groundwater beneath the area.
 - (b). Golder Associates during its preliminary environmental site assessment observed an area near the Hazardous waste store where fly tipped and burnt waste has been deposited which is partly on the land intended for gift. A soil bore was placed near to this area and sample testing identified a number of metals above the adopted human health criteria for residential use. These chemicals are not used onsite anymore. Their recommendation is that soils in this area should be removed and disposed of at a licensed facility and the area validated

27. The Golder Associates report has produced to Bridgestone a recommended list of tasks associated with site remediation and additional investigations so that this work could be coordinated with decommissioning works. This task list includes the two areas mentioned above which should form part of a remediation plan to be produced outlining the areas to be remediated and controls to be put in place when undertaking the work as recommended for the whole site. Golder consider that the findings of the contamination survey for the whole property should be collated in a final site validation report submitted to Environment Canterbury and the Christchurch City Council for the file record. This will provide evidence to the local Councils that the site was thoroughly investigated and remediated for its end use.
28. The agreement for Sale and Purchase provides for the Council being satisfied, on terms and conditions acceptable to itself with an environmental assessment report relating to the property. It is considered that this condition could be satisfied on the submission of final site validation report as recommended by Golder Associates

THE OBJECTIVE

29. To secure land in the most cost effective way for the mitigation of storm water runoff in the locality of the Bridgestone Papanui site.

THE OPTIONS

30. The options are:
 - (a) To accept the gift of land as proposed;
 - (b) To decline to accept the gift as proposed.

THE PREFERRED OPTION

31. Option (a) is the preferred option as to decline to accept the gift would be passing up an opportunity to obtain land outside a purchase for floodwater detention and stormwater drainage purposes in this area.