

8. EXCHANGE OF LAND – ST LUKES STREET



General Manager responsible:	General Manager City Environment
Officer responsible:	Asset and Network Planning Unit Manager
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PURPOSE OF REPORT

1. The purpose of this report is to approve the exchange of 86 St Lukes Street (Section 2) owned by the Council for Sections 3 and 4 (owned by Horncastle Homes Ltd) as defined in **Attachment Two**.

EXECUTIVE SUMMARY

2. The proposed exchange will enable Horncastle Homes Ltd to complete its subdivision in St Lukes Street comprising 15 sections (**Attachment One**). At the same time it will secure an extended reserve fronting the Linwood Canal which will enable the Council to eventually complete the realignment and enhancement of the canal, a programme commenced some years ago, but not finished because all of the land required had not been secured.
3. Approval to the exchange will conclude the land acquisition programme and will enable the canal project to be finished when funds permit. More importantly it will enable Horncastle Homes to fast track the completion of the subdivision in order to provide much needed housing for Christchurch.

FINANCIAL IMPLICATIONS

4. There are no financial implications with funds being available in the Neighbourhood Park and Waterways budgets to complete the purchase this financial year.

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

5. Yes as indicated above.

LEGAL CONSIDERATIONS

6. There are no legal impediments preventing the proposed exchange.

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

7. Yes there are no issues of concern.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

8. Provide a network of safe, accessible and attractive neighbourhood parks that
 - (a) Offer opportunities for community interaction;
 - (b) Offer places for children's play and passive recreation;
 - (c) Strengthen Christchurch's identity as the Garden City through amenity planting and trees;
 - (d) Protect and enhance the region's heritage;
 - (e) Protect and enhance both exotic and local native biodiversity and waterways; and
 - (f) Ensure design, development and maintenance is undertaken in a sustainable and timely manner.

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

9. Provision has been made in the LTCCP for the provision of neighbourhood parks through the new land purchase capital programme, WBS 562/424.

ALIGNMENT WITH STRATEGIES

10. The Public Open Space Strategy where the Council is committed to protecting, enhancing and maintaining the public open space network of Christchurch District for residents and visitors and for environmental and cultural wellbeing.

Do the recommendations align with the Council's strategies?

11. Yes the Strategy recognises that public open space needs to be designed as an interconnected system. In achieving public open space provision, Council recognises and upholds the Garden City identity and natural heritage of urban Christchurch and the garden and natural heritage of townships and rural areas.

CONSULTATION FULFILMENT

12. No consultation is required.

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Approve the exchange of Sec 2 (Lot 26 DP 370714 Identifier 286540) owned by Council for Sections 3 and 4 on **Attachment Two** with the Council to pay by way of equality of exchange the sum of \$137,550 plus the landscaping costs of \$35,000 making a total of \$172,550 payable to Horncastle Homes Ltd.

BACKGROUND (THE ISSUES)

13. The Council some 10 years ago adopted an enhancement programme for Linwood Canal between Dyers Road and St Johns Street part of which has been completed. In addition to improving the aesthetics of the area and creating an improved wildlife habitat the widening of the canal has also increased its storage capacity of the drain in times of flood. It has facilitated a number of pedestrian and cycleway connections and linkages between Dyers Road, St Johns and St Lukes Streets much of which has been developed for housing over the past five years.
14. Initially severances were acquired from three of the properties fronting the canal together with the property at 104a St Johns Street containing 2.0831 ha part of which was required for the project. Difficulties were, however, experienced in acquiring the final property (the Saltness Block) which meant that the enhancement programme could not be completed as one project and as a consequence it was staged with the Dyers Road section being completed first.
15. At the time negotiations were being conducted over the acquisition of the land required from the Saltness Block a 26 Lot subdivision had been approved as depicted on Plan 1. In determining the reserve fund contributions for the subdivision it was decided to complete a land and cash deal with Lot 26 in the subdivision being secured. The reason behind the decision was to facilitate the exchange of Lot 26 for the land required for the enhancement project. It was thought this would be an attractive option for the owner as it not only provided road frontage but also access to services which would enable the property to be subdivided.
16. Negotiations with the owner failed and the block was subsequently sold to Horncastle Homes Ltd. The Company had secured two of the adjoining properties and had completed their subdivision offering land and home packages. The Company is now holding subdivision consent for the remaining Saltness Block providing for 15 sections as depicted on **Attachment Two**. During negotiations with the Company it has been agreed, subject to Council approval, to exchange Council owned section shown as Section 2 for sections 3 and 4 on **Attachment Two** in order to facilitate access to the subdivision.

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17. The acquisition of Section 3 will enable Council to complete the Canal enhancement project when funds permit as well as creating a neighbourhood reserve and a linkage to St Lukes Street. Section 4 is an open drain over which the Council holds an easement. The acquisition of the additional strip along the eastern boundary of the drain (part of Section 3) will enable the waterway to be enhanced and a walkway created.

PROPOSED SETTLEMENT

18. To determine the respective values of Sections 2, 3 and 4 on **Attachment Two** Council engaged the services of Ford Baker, Registered Public Valuers. In determining the values a hypothetical subdivision approach was taken on a before and after basis. It was determined that the loss of Section 3 from the subdivision would reduce its yield by six Lots. This provided a block value of \$390,000 excluding GST for Section 3. Because Council holds an easement over Section 4 the value was discounted by 50 per cent to \$92,000 excluding GST. The Council owned section was assessed at current market value based upon the sales of other sections in the area at \$187,000 excl GST. Credited against these sums was the reserve fund contribution of \$135,450 payable for the subdivision. The net result is that Council owes Horncastle Homes the sum of \$137,550 plus GST by way of equality of exchange plus the cost of landscaping \$35,000 making a total of \$172,550 as set out below:

Summary of Values		116 St Johns Street	
Land for Proposed Basin			
Block Value of Land to be Taken			\$325,000
Landscaping at cost			\$35,000
(Excludes Land for Horncastle Homes Retention and Strip)			
Area Rate			
Land & Buffer around Stormwater Treatment Area	660 m ²	@ \$0.00 /m ²	= \$0
Land in Strip (Part Sec 3)	488 m ²	@ \$96.10 /m ²	= \$47,500
Buy Drainage Easement (Sec 4) Outright	1825 m ²	@ \$96.10 /m ² X 50%	= \$87,500
Totals			\$495,000
Sale			
86 St Lukes Street			\$215,000
Less GST			\$28,000
Net Price			\$187,000
Difference			\$308,000
Less Reserve Contribution Payable			\$135,450
Ultimate Difference			\$172,550

19. Section 1 and 5 shown on **Attachment Two** is the property acquired at 104a St Johns Street by the Council. Section 5 will be required for the Canal enhancement while Section 1 has the potential to provide 21 sections as depicted. The property will, however require a considerable amount of fill before it could be utilised for these purposes. An options report for the site will be prepared shortly for consideration.

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THE OBJECTIVES

20. There are two objectives. Firstly to secure the land required for the canal enhancement and reserve purposes and secondly to enable the adjoining subdivision to be completed and so provide some relief for the current housing crisis. The exchange will accomplish and achieve both of these goals.

THE OPTIONS

- 21 Any other option will not achieve the desired outcome.

THE PREFERRED OPTION

22. The preferred option is to proceed with the exchange.