

## **Report PE 99.382**

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Report to the Landcare Committee  
from Peter O'Brien, O'Brien Property Consultancy Limited and  
Graeme Campbell, Project Manager, Flood Protection (Strategy and Assets)

### **Land Purchase to Facilitate Programmed Capital Works**

#### **1. Purpose**

To acquire land at Waikanae to enable flood protection works to be constructed and to protect long term management interests of the land in and adjacent to the river bed. These matters are integral to implementing the approved Waikanae Floodplain Management Plan (WFMP).

#### **2. Exclusion of the Public and Confidentiality**

Grounds for the exclusion of the public under Section 48(1) of the Local Government Official Information and Meetings Act of 1987 are:

*That the public conduct of the whole or relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists (i.e. to enable the Council to carry on negotiations without prejudice or disadvantage).*

Interests protected:

The Wellington Regional Council and Winstones Aggregates Limited who are parties to any sale.

#### **3. Background**

Two areas of land, west of State Highway at the Waikanae bridge and on the south side of the river, are essential to allow realignment of the Waikanae River as proposed in the WFMP. The realignment is being undertaken as part of the State Highway 1 to Maple Lane capital improvement works which in turn are a component of the overall October 1998 Flood Repair Project approved by Council at its 30 November 1999 meeting (Report 98.555).

#### 4. **The Requirement for the Land**

Land purchase is viewed as a key requirement, due to the extent of the work proposed on the land as part of the State Highway 1 to Maple Lane works. It is intended to remove vegetation on the river boundary of the property in order to widen the river and ease the pressure on the opposite bank (adjacent to the Sunny Glen). The river improvements will have a significant impact on the current uses of the land, and for which compensation would be required. Initially it was proposed to seek entry rights to undertake the flood protection works and an easement to protect the works and subsequent access for maintenance. The owner proposed an alternative purchase option.

Purchase is also consistent with the objectives of the WFMP and the Waikanae River Environmental Strategy. The WFMP identifies the majority of the proposed purchase as River Corridor and the advantages for it in public ownership because of the flood risk and the need to carry out flood protection works. The Environmental Strategy identifies the land as being the key to being able to provide public access on the left bank of the river from the State Highway to the sea.

#### 5. **Description of the Land**

The larger block, Lot 77 DP 14701 in 3.9196 hectares, is classified as Riverbank Reserve vested in His Majesty the King subject to the Reserves Domains and National Parks Act 1928. This property is under the control and management of the Department of Conservation. The Department has been formally requested to action a change of status of the Riverbank Reserve to that of Soil Conservation Reserve. If that change of status is actioned, the Council will automatically assume management and control of the land under section 16 of the Soil Conservation and Rivers Control Act 1941.

The smaller block, being part Lot 79 DP 14701 and part Lot 2 DP 17509 in 1.7585 hectares contained in CT 34D/274, is held in freehold title in the name of Winstone Aggregates Limited of Auckland.

The plan in **Attachment 1** to this report shows the areas in question.

#### 6. **The Proposal**

Winstone Aggregates Limited propose to sell the site to the Council at its assessed current market value, subject to:

- (a) The monthly tenancy, currently in place over a portion of the site, to Gold Coast removals Limited at an annual gross rent of \$3,000 plus GST.
- (b) The existing monthly tenancy to the Winstone subsidiary, Dricon Premix, being converted to a term lease to run in tandem with the Dricon lease of the adjoining land which is in private ownership. The adjoining lease is for a term of 7 years from 2 June 1985 with two rights of renewal to expire 2 June 2006. That lease has rent reviews at three yearly intervals. Dricon has asked for an initial term to run from date of Council purchase through to 2 June 2006 and to be granted four further rights of renewal of 3 years each. Dricon will pay a rent of \$3,000 per annum plus GST.

That the area intended to be leased to Dricon is not required for flood protection works. The requested lease area is part on the land to be purchased from Winstone Aggregates Limited and part on the Department of Conservation land. Winstone Aggregates Limited understand that Council can only provide certainty of lease over the land it is purchasing together with an undertaking to issue a lease of the balance if and when the Department of Conservation land is re-classified as a Soil Conservation Reserve.

## 7. Valuation

Assessments of current market value of the Winstone Aggregates Limited land were obtained by both Winstone and Council. As the negotiation unfolded, neither party expressed a willingness to table or declare their respective advice. The initial Council valuation obtained from B J Whitaker, a public valuer in Waikanae, assessed the current market value at \$80,000. After questioning the weighting given to use of the land as a lifestyle block, this was revised to fall within a range of \$55,000 to \$65,000.

A without prejudice proposal was initially tabled at \$47,500 on the basis of \$50,000 less recognition for the saving in real estate fees. Winstones initially sought to sell the land at Government Valuation of \$98,000 but this position was revised to a sale at \$65,000. It was interesting that Winstone was not prepared to table the valuation it held to support its position.

In the end it was agreed to recommend to the respective principals that a sale be conducted at \$50,000 plus GST. We believe that \$50,000 represents a fair reflection of the current market value of the land.

## 8. Funding

The full budget for the State Highway 1 to Maple Lane works is \$850,000. Of this total \$60,000 was included for the purchase of the Winstones site. As indicated above, the agreed sale price is \$50,000, which is the sum allowed. The costs for consultants, legal and survey fees, estimated at \$8,000, will be covered within the overall project budget.

## 9. Recommendations

- (1) *That the report be received and the contents noted.*
- (2) *That the Committee recommend to Council:*
  - (a) *That Council note and endorse the request made to the Department of Conservation for the status of Lot 77 DP 14701 to be altered to that of Soil Conservation Reserve.*
  - (b) *That Council resolve to purchase the land contained in CT 34D/274 from Winstone Aggregates Limited for the sum of \$50,000 plus GST subject to:*
    - (i) *Monthly tenancy over 8,200 square metres to Gold Coast Removals Limited at an annual gross rent of \$3,000 plus GST.*

- (ii) *A new lease to be issued to Dricon Premix, over 2,600 square metres of the land in CT 34D/274, for a term to run from date of purchase to 2 June 2006 together with four further rights of renewal of three years each and at a rent of \$1,570.00 per annum plus GST.*
  - (iii) *A new lease to be issued to Dricon Premix, over a 2,400 square metre portion of Lot 77 DP 14701, if and when it is re-classified as a Soil Conservation reserve, for a term to run from date of re-classification to 2 June 2006 together with four further rights of renewal of three years each and at a rent of \$1,430.00 per annum plus GST.*
- (c) *That the Council Common Seal be affixed to the necessary documents to achieve the purchase and subsequent leases.*

Report prepared by:

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Attachment 1 : Land Ownership Plan