

QLDC Council
26 November 2015

Report for Agenda Item: 6

Department: Infrastructure and Property

Stopping and Sale of Road Reserve – Glenda Drive

Purpose

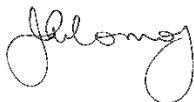
The purpose of this report is to consider stopping road reserve created by the road layout changes in Glenda Drive and selling the excess land to the adjoining owner.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Approve** initiation of the procedures of section 342 and the tenth schedule of the Local Government Act 1974 to stop that portion of legal road shown on the attached Aurum Survey plan as sections 1 and 2 with a total area of 0.1360 hectares;
3. **Approve** the road, when stopped, being disposed of in accordance with section 345 (1)(a) of the Local Government Act 1974 and amalgamated with the adjoining land held in Computer Freehold Register 137494 and 137497;
4. **Approve** Council's costs in undertaking the Tenth Schedule procedures if the Local Government Act 1974 will be billed and paid on a monthly basis by the applicant with those costs being deducted from the value of the stopped road; and
5. **Approve** the conditional sale of the stopped portion of legal road shown on the Aurum Survey Plan as sections 1 and 2 with a total area of 0.1360 hectares to Reavers NZ Ltd for a purchase price of \$143,000 (plus GST if any) less costs, with settlement to occur before 30 June 2017; if settlement is delayed beyond this date, Council to reserve the right to revalue the land and nominate a new 'market' purchase price.

Prepared by:
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Property Manager – APL

5/11/2015

Reviewed and Authorised by:
Peter Hansby



General Manager,
Infrastructure and Property

16/11/2015

Background

- 1 The layout of Glenda Drive will change at the State Highway 6 intersection once current road works are completed. This will mean that areas of legal road shown in blue and green on the plan attached as Attachment A will no longer be required for road or for any other Council purpose.
- 2 The adjoining property owner, Reavers NZ Ltd, have expressed a desire to have the road stopped so that they can purchase this land and incorporate it into their property.

Comment

- 3 We have had the land valued by a registered Valuer at \$143,000 (plus GST if any). The value reflects the difficulty the purchaser would have in utilising the land because of the shape and the presence of in ground services (to be protected by easements).
- 4 The process of closing a road is pursuant to schedule 10 of the Local Government Act Amendment Act 1974. It requires a survey plan being prepared and lodged with the Chief Surveyor. The intention to close the road must be publicly notified twice calling for submissions, and if no submissions are received, a further notification must be made. If there are objections that are considered valid, Council can cease the process. If there are objections that are considered not valid, a decision can be made at the time whether to continue the road stopping or not.
- 5 The cost of the road closure process will be invoiced to the applicant monthly and deducted from the purchase price. If the process ceases because of objections, or for any other reason, the costs paid by the applicant are not refundable.
- 6 The closed road will adopt the zone of the adjacent land, most of which is industrial. Part of the strip on the corner towards the State Highway will be rural general because the adjacent land has that zoning.

Options

- 7 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002:
- 8 Option 1 To initiate the 10th schedule procedures under the Local Government Act 1974 and once stopped, dispose of the land in accordance with the requirements of section 345(1)(a) of the Local Government Act and amalgamate with C.F.R. 137494 and 137497, for the agreed value of \$143,000 (plus GST) less costs.

Advantages:

- 9 Reduces maintenance requirements for Council
- 10 Results in proceeds of \$143,000 (less costs) for Council.

11 Results in productive land which will then become rateable.

Disadvantages:

12 None identified.

13 Option 2 Not to stop the road as proposed (status quo).

Advantages:

14 None identified.

Disadvantages:

15 Council will need to continue to maintain the land.

16 No proceeds will be received.

17 No future rates will be received.

18 Option 3 To initiate the 10th schedule procedures under the Local Government Act 1974 but not to dispose of the land.

Advantages:

19 None identified.

Disadvantages:

20 Council will need to continue to maintain the land.

21 No proceeds will be received and costs will be incurred.

22 This report recommends **Option 1** for addressing the matter.

Significance and Engagement

23 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because the issue relates to roads, identified as a strategic asset. In this case the significance is medium because the portion of road to be stopped will no longer be required for transport purposes once the realignment project is completed. The intention to stop legal road requires public notification and so interested parties will have the ability to participate in the process.

Risk

24 This matter relates to item SR3, working within legalisation as documented in the Council's risk register. The risk is classed as moderate. This matter relates to this risk because stopping roads must follow the process detailed in the Local Government Act.

25 This report addresses the risk by seeking a Council resolution to stop the road, enabling the correct process to be commenced.

Financial Implications

26 The road stopping process will cost approximately \$6,000 if there are no objections. If objections are received the cost could be significant. Costs incurred will be invoiced to the applicant monthly and deducted from the final purchase price.

Council Policies, Strategies and Bylaws

27 The following Council policies, strategies and bylaws were considered:

- Property Sale and Acquisition Policy 2014

28 The recommended option is consistent with the principles set out in the named policy/policies. Any land that is no longer required for Council's core purpose or function should no longer be held (principle 1) and policy 3(b), property should be report to Council for disposal if "part of a site is attractive to a interested party (eg adjoining landowner has signalled their interest in purchase the land) and the part concerned is not required for Council/Community use.

29 This matter is not included in the 10-Year Plan/Annual Plan because the road stopping was not contemplated at the time the plan was written. It will result in positive income that was not budgeted.

Local Government Act 2002 Purpose Provisions

30 The recommended option:

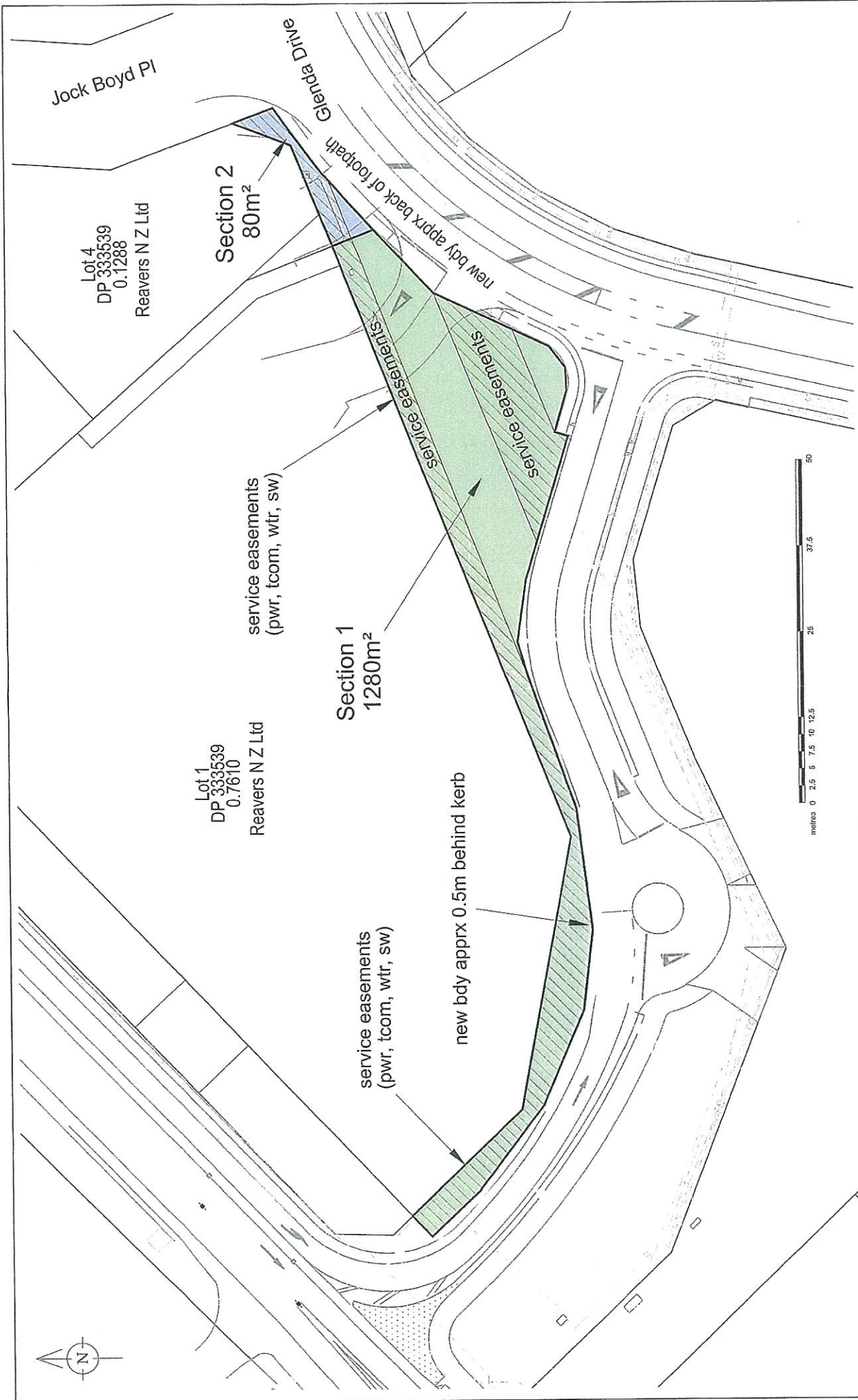
- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by ensuring Council does not own or maintain land that is not required, and obtains income from the sale of that land;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

31 The public must be consulted regarding any proposal to stop roads.

Attachments

A Plan showing the areas of road to be stopped and sold to Reavers NZ Ltd (shaded green and blue).



Jock Boyd Pl

Lot 4
DP 333539
0.1288
Reavers NZ Ltd

Lot 1
DP 333539
0.7610
Reavers NZ Ltd

Section 2
80m²

Section 1
1280m²

service easements
(pwr, tcom, wtr, sw)

service easements
(pwr, tcom, wtr, sw)

new bdy apprx 0.5m behind kerb

new bdy apprx back of footpath

service easements

service easements



DATE: 24 July 2016
BY: B McLeod

Scale 1:500
Original Plan A3

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AURUM SURVEY

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PROPOSED LAND PURCHASE
GLENDA DRIVE
QUEENSTOWN
for REAVERS NZ LTD

Note: Design / future road detail supplied by others
All areas and dimensions subject to survey

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