

Whangarei District Council Meeting

Supplementary Agenda

Date: 27 May, 2021

Time: 9:00 am

Location: Council Chamber
Forum North, Rust Avenue
Whangarei

Elected Members: Her Worship the Mayor Sheryl Mai
(Chairperson)
Cr Gavin Benney
Cr Vince Cocurullo
Cr Nicholas Connop
Cr Ken Couper
Cr Tricia Cutforth
Cr Shelley Deeming
Cr Jayne Golightly
Cr Phil Halse
Cr Greg Innes
Cr Greg Martin
Cr Anna Murphy
Cr Carol Peters
Cr Simon Reid

For any queries regarding this meeting please contact
the Whangarei District Council on (09) 430-4200.

6. Decision Reports

6.4. Development 8 -10 Dent Street

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6.4 Development of 8-10 Dent Street

Meeting:	Whangarei District Council
Date of meeting:	27 May 2021
Reporting officer:	Sandra Boardman (Acting General Manager Strategy, Planning and Development)

1 Purpose

That Council approve staff to continue to prepare the sites at 8-10 Dent Street for future development in accordance with historical decision making and Councils strategic vision.

2 Recommendations

That Council;

1. Authorise Staff to continue to prepare the sites at 8-10 Dent Street for a potential hotel development
2. Authorise staff to complete the procurement of demolition services and demolish Almond Court flats
3. Authorise staff to complete the Land Transfer Survey of the approved subdivision.
4. Authorise funds from the property reinvestment reserve to cover additional development ready costs.
5. Approves the marketing of the property at 8-10 Dent Street and calls for expressions of interest for hotel development.

3 Background

In November 2012 following a special consultative process, Whangarei District Council resolved to sell or otherwise dispose of the properties at 8 to 10 Dent St for the development of tourist/visitor hotel/accommodation.

In August 2019 Council declared the properties identified as 8-10 Dent Street surplus and approved the sale to CDL Land Investments Limited (CDL, the owners of the Copthorne Hotel Brand). Unfortunately, COVID-19 hit shortly afterwards and after much work Copthorne decided to withdraw from the agreement to buy the properties and construct a hotel.

As part of the proposal, Council staff have already made significant progress to make these sites development ready. This includes the relocation of Forum North Childcare and removal of the building, sub-division of 10 Dent Street, relocation of tenancies from 8 Dent Street (Almond Court Flats) and procurement of services to demolish the vacant flats.

Subsequently some Elected Members expressed concern about the loss of the former flats at a time when there is a housing shortage in the District. The demolition procurement was placed on hold temporarily to allow opportunity for Council to review its decision in the light post- COVID changes to the accommodation sector and housing shortage.

4 Discussion

Essentially Council has three options for the site:

Option 1: Do nothing

The site would be left as is and the Almond Court flats could be made secure and the site left. This is the least expensive option. It would allow time for the tourism and accommodation sectors to settle post-COVID; and for other commercial opportunities to be explored. However, we would not recommend this option as the site would remain an eyesore and a potential target for vandalism.

Option 2: Continue with the current plan to uses the site for a hotel and clear the land ready for development

This option is to continue on the current path. Since, Copthorne pulled out of the deal to purchase the land we have received an approach from another Hotel developer. Hence it is fair to conclude that there remains interest in a hotel development on the site.

The next step would be the demolition of the Almond Court Flats. This would enable the site to be presented as bare land. This would assist with marketing the site as “shovel ready” to potential purchasers for a hotel development.

Following that the Commercial Property Committee would commence marketing the site as a potential hotel development.

The Property Reinvestment Reserve (PRR) has been created to fund the ongoing growth and development of the Commercial Property Portfolio. PRR funds could be used to offset the additional development ready costs and be recovered at a later date through a future Council approved development opportunity.

Council has committed \$170,000 from the Property Reinvestment Reserve, with an additional \$110,000 required to complete site clearance.

Option 3: Offer the site including the Almond Court Flats for housing development

This would enable progress to be made on the development of inner city living, whilst retaining the building. Retaining the flats would restrict the number of dwellings that could be built on the site. It would also require considerable investment, up to \$890,000, to bring the Flats up to a suitable standard.

The Commercial Property Review (The Property Group) in 2018 included the site in the property prospectus as an opportunity to develop medium density inner city living.

The concept includes mixed use development including retail, multi-story carparking and 82 apartments. The initial concept was studied at a high level to establish in broad terms the financial viability of such a development.

If the sites were to be developed independently, 8 Dent Street (Almond Court Flats) could go to market ‘as is’ for the purposes of developing the flats for accommodation purposes. Alternatively, those proceeds could be used to fund Council developing the vacant site at 10 Dent Street e.g. expanding pensioner housing stock.

5 Risks

A decision to discontinue preparing the site for development would forfeit Council's current financial investment.

Renovating the existing Almond Court flats would not provide a suitable solution to the current housing shortage for the District or achieve the level of inner city living revitalisation. Maintenance cost regardless of the level of upgrade would be on going.

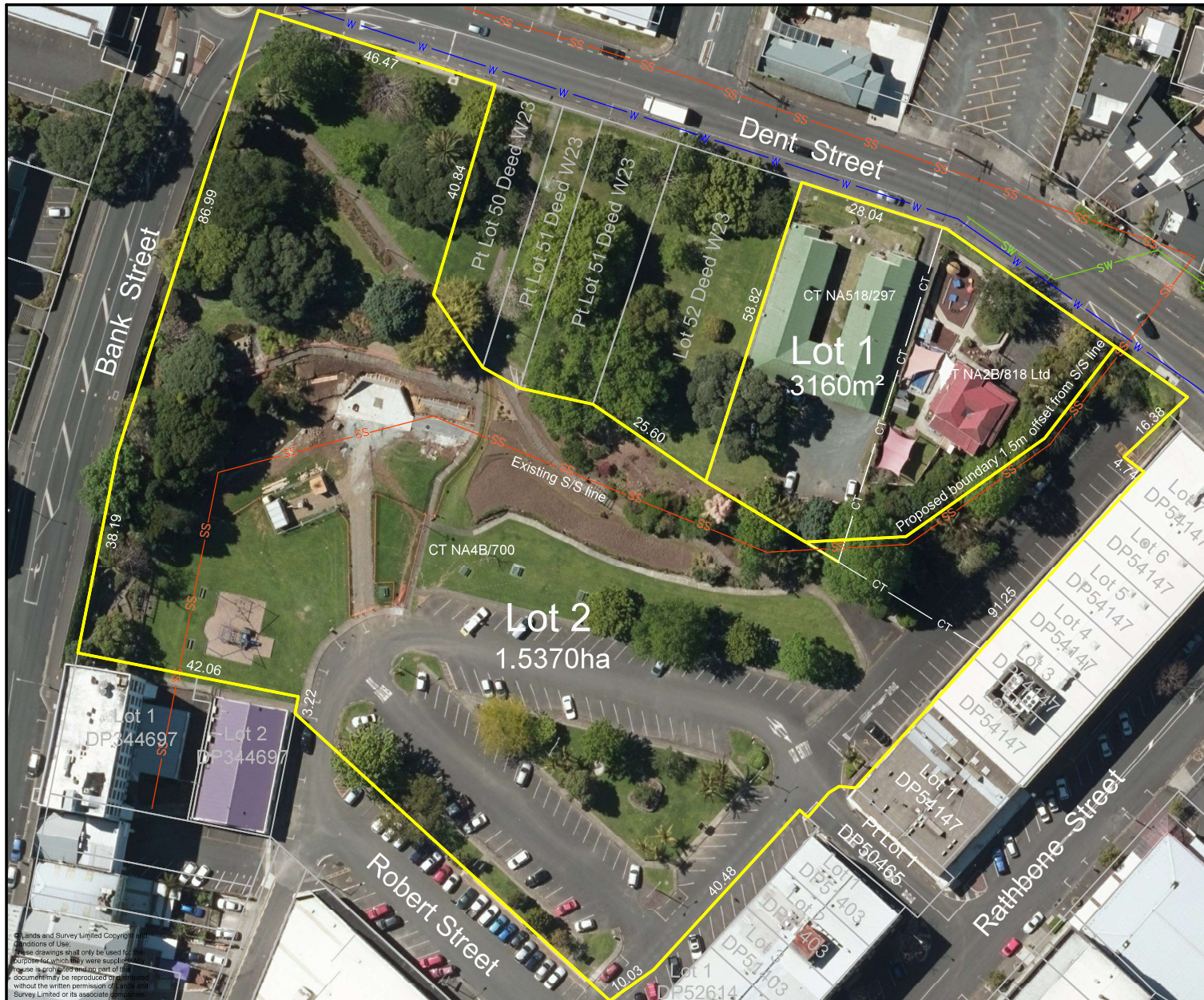
For Council to develop 10 Dent Street independently, development options are limited due to the nature of the site (useable area 1000m² and topography of the area). Intensification is likely to provide financial viability but would not necessarily be suitable for pensioner tenancies.

6 Significance and engagement

Having considered the Significance and Engagement Policy this matter is not considered significant and the public will be informed at an appropriate time without compromising such matters of confidentiality

7 Attachment

8-10 Dent Street approved subdivision plan



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LANDS & SURVEY
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WHANGAREI PO Box 744, 164 Bank Street, Tel 09 438 7568
DARGAVILLE (Wed) 97 Victoria Street, Tel 09 439 6634

Proposed Subdivision of Lot 53 & Pt Lot 54 Deed W23 & Pt Lot 1 DP21112



SD2000171

APPROVED

Katie Martin

Katie Martin
09-FEB-2021

NOTES:

Areas and distances are approximate only
and subject to survey.

Comprised In: CT's NA518/297, NA2B/818 & NA4B/700

Total Area: 1.5373ha



SCALE 1:750 @ A3

REVISIONS			
Date	No	Description	Sign

Prepared for
WHANGAREI DISTRICT COUNCIL

SHEET
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DRAWN LJR	SCALES 1:750 (A3)	SERIES OF 1 of 1
DATE October 2019		REF 10237/1/1/A

RESOLUTION TO EXCLUDE THE PUBLIC

Move/Second

That the public be excluded from the following parts of proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered		Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution
1.1	Confidential Minutes Whangarei District Council 22 April 2021	Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public, are as follows:

Item	Grounds	Section
1.1	For the reasons as stated in the open minutes	
1.2	To enable Council to carry on without prejudice or disadvantage commercial activities To enable Council to carry on without prejudice or disadvantage negotiations (including commercial and industrial negotiations)	Section 7(2)(h) Section 7(2)(i)

Resolution to allow members of the public to remain

If the council/committee wishes members of the public to remain during discussion of confidential items the following additional recommendation will need to be passed:

Move/Second

"That _____ be permitted to remain at this meeting, after the public has been excluded, because of his/her/their knowledge of Item _____.

This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because _____.

Note: Every resolution to exclude the public shall be put at a time when the meeting is open to the public.