

4.3 Ruakaka Town Centre – disposal of land

Meeting: Infrastructure Committee
Date of meeting: 9 August 2018
Reporting officer: C Brindle (Senior Democracy Adviser)

1 Purpose

To provide Item 4.3 which was not included in the original agenda due to a technical error.

The attachments to Item 4.3 are located on pages 23 to 31 of the agenda.

2 Attachment

Item 4.3 – Ruakaka Town Centre – disposal of land

4.3 Ruakaka Town Centre – Disposal of land

Meeting: Infrastructure Committee
Date of meeting: 9 August 2018
Reporting officer: Sue Hodge (Manager - Parks and Recreation)

1. Purpose

To seek the agreement of Council to enter into a public consultation process pursuant to Section 138 of the Local Government Act 2002 to consider the disposal of two pieces of land at the Ruakaka Shopping Centre to Town Centre Properties (or nominees thereof).

2. Recommendation

That the Committee recommends to Council to enter into a public consultation process pursuant to Section 138 of the Local Government Act 2002 to consider the disposal of the land in the schedule below to K Orr (or nominees thereof);

Schedule

2300m² being part Lot 1 DP 396871

840m² being All of Lot 2 DP 65791

3. Background

In 2007 Whangarei District Council (Council) signed a sale and purchase agreement with Town Centre Properties Limited (TCP) to purchase land located in Ruakaka, adjacent to the existing Council-owned sports fields. This agreement included the setting aside of a Right of Way (ROW) through Council-owned land, in favour of TCP, and an offset of TCP's development contributions liability against the formation costs of the ROW.

It also gave TCP a right of first refusal should Council wish to sell land bounded to the west by Marsden Point Road, to the south by Peter Snell Road, to the north by Sime Road and to the east by Takutai Place.

TCP would also like to purchase 2 small parcels of land (Attachment 1). They propose that the sale proceeds are committed towards developing the first stage of the proposed ROW (Attachment 2).

The land parcels are small and are not considered strategic.

Section 138 of the Local Government Act 2002 (LGA) stipulates that Council must consult on selling a park (or part of a park) before it does so.

4. Discussion

Mr Ken Orr (the director of TCP and Elric Investments Ltd) expressed an interest in purchasing two pieces of land described within Attachment 1.

Area A relates to an area of land of approximately 2300m² identified as an 'existing open drain'. This land is part of the overall 8.9ha title, Lot 1 DP 396871, which is owned by WDC Parks and Recreation and retained for sports fields and recreation. Area A is located within the area of land leased to the Ruakaka Recreation Centre, however as denoted by the photographs, is essentially an open drain separated from the sports fields by a ROW with no current recreational value or use.

Area B - Lot 2 DP 65791 of 840m², is described on the plan as "roadside grass verge" is a former spite strip. This land currently forms part of the road reserve, however is no longer required by WDC Roading. Historically, this land was necessary to provide additional corridor width to support heavy vehicle movements associated with port and refinery activities. Upon construction of State Highway 15, it was no longer necessary to protect the further widening of Marsden Point Road, and other similar slivers of land have since been disposed of.

Mr Orr has proposed that in lieu of a cash payment for this land he will form the first stage of the ROW immediately outside the Recreation Centre, as shown on Base Group Consulting Plan, dated 5 December 2017 - Attachment 2. The full extent of the ROW/Takutai Place extension is shown in Attachment 3.

5. Options

Section 138 of the Local Government Act 2002 (LGA) stipulates that a local authority proposing to sell or otherwise dispose of a park (or part of a park) must consult on the proposal before it sells or agrees to sell or disposes of the land.

Area A forms part of a broader title which is not held as reserve, but is used for recreational purposes, and is, therefore, subject to the statutory requirements of Section 138. Although Area B, the 'roadside grass verge', is not subject to Section 138, as it effectively forms part of the road reserve, it is recommended that WDC consults with the public on the disposal of both parcels, in the interests of transparency.

The following options have been identified:

Option 1: Retaining or Developing the land for Recreational Use

Area A could be retained for recreational use or development, however the disposal of this relatively small area within the overall 8.9ha title is unlikely to impact future recreational use or development opportunities.

Area B currently forms part of the road reserve and is no longer required by WDC Roading. Historically, this land was necessary to provide additional corridor width to support heavy vehicle movements associated with port and refinery activities. Upon construction of State Highway 15, it was no longer necessary to protect the further widening of Marsden Point Road, and other similar slivers of land have since been disposed of. Given its small size and separation from the larger sports field title, it is not considered to provide any recreational value.

Option 2: Enter into a Public Process to Consider the Sale of the Subject Land on the Open Market

The plan below denotes the pattern of land ownership at the Ruakaka Town Centre. The titles fronting Marsden Point Road are located within the Business 3 Environment and have been developed by TCP. The three titles on the western side of Takutai Place are owned by

NZ Police, and the balance of land is owned by WDC Parks. The Ruakaka Recreation Centre holds a lease over the majority of this area.

The area of land between Areas A and B is owned by TCP.

The small scale and configuration of Area A and Area B means that these land parcels are unlikely to have strategic value to any other party other than the surrounding owners.



Figure 1: Map Depicting Land Ownership

Option 3: Entering into a Public Process to Consider the Sale of the Subject Land by Private Treaty

This is the preferred option whereby Council initiates a public consultation process to consider the disposal of the land and the land is sold at market value to TCP.

The 2007 Sale and Purchase Agreement provided for TCP to have a right of first refusal for a 10-year period, should Council wish to sell land bounded in the west by Marsden Point Road, to the south by Peter Snell Road, to the north by Sime Road and to the east by Takutai Place/ROW.

6. Financial/budget considerations

There will be no financial implications for Council. The cost of this work has been estimated to be \$230,000 plus GST. The land has a market value of \$141,500 plus GST. The difference in value of \$89,500 is proposed to act as a credit against TCP's future development contribution liabilities.

7. Policy and planning implications

This proposal has been reviewed by the Infrastructure Group's Infrastructure Planner and there are no implications.

8. Risks

This proposal has been floated in the community for many years. There would be reputational risk if this proposal was not supported by Council.

9. Significance and engagement

This is significant and Section 138 of the Local Government Act 2002 (LGA) stipulates that a local authority proposing to sell or otherwise dispose of a park (or part of a park) must consult on the proposal before it sells or agrees to sell or disposes of the land.

To ascertain community support for this proposal it was presented to the Ruakaka Recreation Centre Inc (RRC) at their AGM on 18th June 2018. RRC agreed that this land was not strategic and resolved to support the land sale in principle subject to the proceeds being committed to development as shown on Attachment 2.

Since this presentation, a letter of support has been received from Ruakaka Parish Residents and Ratepayers Association Inc.

10. Attachments

Attachment 1 – Land to be sold

Attachment 2 – Base Group Consulting Plan dated 5 December 2017

Attachment 3 - Full extent of the ROW/Takutai Place extension