
REPORT 3
(1215/53/IM)

ROAD STOPPING AND DISPOSAL – LEGAL ROAD – SEATOUN SCOUT HALL, 36 FERRY STREET, SEATOUN (FORRES STREET)

1. Purpose of Report

The purpose of this report is to obtain agreement to authorise officers to proceed with the road stopping and sale of an area of unformed legal road of Forres Street that is no longer required for Council's operational requirements. Actual address is 36 Ferry Street, Seatoun, shaded green on Appendix 1.

2. Executive Summary

This portion of unformed legal road is approximately 512m² and is currently the site of the Seatoun Scout Hall (the "**Hall**"), which is a heritage listed building.

The Hall was built in the 1930s on unformed road land. The local scouts group owned and used the Hall until they gifted it to the Council in 2000. The Hall was then used and maintained by the neighbouring RSA, until they moved to new premises in 2007. City Arts then leased out the hall (mainly as a rehearsal space) between 2008 and 2011. Usage during this period averaged around 16%.

The Hall was badly damaged by fire in June 2011 and is now untenable. The cost to repair has been estimated at between \$150,000 (restoration) and \$270,000 (rebuild). Demolition would be approximately \$8,500.

Planning Transport Assets, Infrastructure has confirmed the land is no longer required for road.

In December 2011, officers carried out public consultation with neighbouring properties and advertised the proposed disposal in the DominionPost (on the "*Our Wellington*" page). The results of this indicated some public interest in the Hall and the land, but limited support for a hall for community purposes.

The very limited use of the Hall prior to the fire indicates that there is little or no community need for this building. Officers consider the cost of repairing the Hall cannot be justified in these circumstances.

Internal business units and external service authorities have been consulted and all support the disposal, with some conditions requested to be imposed to preserve the heritage value of the Hall.

An investigation pursuant to s40 of the Public Works Act 1981 has not been undertaken, but an investigation into an adjacent site (with a similar ownership history) indicates that offer back may be required in respect of this property.

If the recommendations contained in this report are approved by Council, then officers will proceed with the road stopping and sale, subject to public consultation in accordance with the Local Government Act 1974.

3. Recommendations

It is recommended that the Committee:

1. *Receive the information.*
2. *Recommend that Council:*
 - (a) *Agree that the area of approximately 512m² (subject to survey) of unformed legal road land at 36 Ferry Street, Seatoun is not required for a Public Work.*
 - (b) *Subject to public consultation, approves the disposal of the Road Land described as approximately 512m² (subject to survey) of unformed legal road at 36 Ferry Street, Seatoun, including disposal of the building on the site known as the Seatoun Scout Hall "as is", subject to conditions (to be imposed on any development of the site) in recognition of and for the purpose of preserving its heritage status.*
 - (c) *Delegate to the Chief Executive Officer the power to either offer the Road Land back to its former owner or their successor, or to approve the exercise of an exemption from offer back under section 40(2), 40(3) or 40(4) (if appropriate).*
 - (d) *Authorise Council officers to initiate the road stopping process for the Road Land in accordance with section 342 and the Tenth Schedule of the Local Government Act 1974.*
 - (e) *Delegate to the Chief Executive Officer the power to formally approve the road stopping and issue the public notice to declare the Road Land stopped as road, subject to all statutory and Council requirements being met and no objections being received.*
 - (f) *Delegate to the Chief Executive Officer the power to negotiate the terms of sale and enter into a sale and purchase agreement in respect of the Road Land and Hall, either with the former owner or their successor, or on the open market, provided any such agreement is conditional upon the road being stopped.*
3. *Note that if objections are received and the Council wishes to continue with the road stopping, a further report will be presented to the Committee for consideration.*

4. Background

The land is legal road as delineated in SO 2948 and was proclaimed as street by Proclamation 2350 (NZ Gazette 1934 p2996). As unformed legal road, it is currently not zoned. If the road is stopped, it would take on the adjoining Outer Residential zoning.

The Hall was built by the local Scouts group in 1934. In 2000, due to dwindling scout numbers, the local group merged with the Worser Bay Scouts to form Eastern Bays Scout Group. Scouts New Zealand then gifted the Hall to the Council.

Following transfer, the neighbouring RSA was granted use of the Hall. They took responsibility for insurance and maintenance during their tenure between 2000 and 2007. In the latter part of 2007, the RSA relocated to new premises, their land adjacent to the Hall was sold and redeveloped. Responsibility for the Hall reverted to the Council.

Between August 2008 and February 2011, City Arts leased the Hall to groups for use as a rehearsal space. Bookings during this period totalled 149 days (approximately 16% usage). Usage peaked in 2010, at 27.9%.¹ The fire in June 2011 severely damaged the Hall and it was rendered untenable. As a result, there has been no use of the Hall since June 2011.

The Hall was listed with heritage status following District Plan Change 58 in 2008. A copy of the heritage assessment carried out in June 2007 is attached at Appendix II. The Hall was listed on the basis of its social value, as it was considered to have local historic and representative significance. The heritage assessment noted that the building was unremarkable architecturally and the townscape impact of the Hall and the neighbouring RSA building was considerably enhanced by their proximity to each other. The RSA building has since been demolished and replaced with a modern multi-unit townhouse development.

In its current state, there is a real risk that the Hall could be the subject of vandalism, which would not only endanger the heritage-listed Hall, but might also put neighbouring properties at risk.

5. Discussion

5.1 Consultation and Engagement

Following internal business unit consultation in February 2011, consultation with owners of neighbouring properties was carried out. A notice requesting feedback regarding the possible disposal of the land and the Hall was also published on the “*Our Wellington*” page of the DominionPost on 29 November 2011. In total, eight responses were received as a result of consultation, raising the following issues:

¹ Usage figures are based on whole days as records of usage by the hour are not available. The figures in this report represent the maximum usage time during the relevant periods.

- The Hall is a listed heritage building and should be preserved, or there should be some recognition of this on the site by way of a plaque;
- The possible archaeological value of the site (a Maori village is believed to have existed once near the site);
- The impact on the road circulation network if the road is stopped;
- Use of the site for pedestrian access to Tio Tio Road above;
- The impact on neighbours' views and light shafts in the event of development of the site;
- In the event the Hall is demolished, return to Scouts New Zealand of the Scouts sign ("1st SEATOUN SCOUT HALL") affixed to the front of the Hall; and
- Application of the proceeds of any sale of the land back into the Seatoun community.

Council officers have responded substantively to each submission as follows:

a) Heritage and archaeological concerns

Officers believe that the best way to preserve the heritage value of the Hall, given its current state, is to enable some development of the site that incorporates (at least) the existing 1932 frontage. This will be carefully considered at the planning stage of any future development. With regard to the archaeological value of the site, it will be necessary to obtain the authority of the Historic Places Trust in the event any earthworks are planned for the site. This will depend on what work is proposed for the site.

b) Roding / access concerns

The site is part of the unformed legal road of Forres Street. Immediately behind the site, where Forres Street continues up to Tio Tio Road, is a very steep rock face, making the construction of a road on the site impractical. Tio Tio Road meets Ferry Street slightly further south of Forres Street (closer to the Seatoun Tunnel). Accordingly, adequate vehicle and pedestrian access to Tio Tio Road already exists and the stopping would have no impact on traffic circulation.

Planning Transport Assets have considered the construction of a pedestrian access on the site, leading up to Tio Tio Road, between 91 and 93 Tio Tio Road. However, not only is the cost of such work prohibitive and considered unnecessary given that access to Tio Tio Road already exists, but the land directly behind the site has recently been declared surplus by Council. Accordingly, there is no place to construct such access such that it could adjoin Tio Tio Road.

c) Impact on neighbours of any new development

In the event the land is declared surplus and the road is stopped, it would be offered for sale on the open market. The new owner proposing to develop the site would have to comply with the planning rules of the area and restrictions relating to the inclusion of Heritage elements of the Hall in any new building. In the circumstances, officers believe neighbours will have sufficient protection under the District Plan. Additional restrictions could also be imposed at the

resource consent stage, if necessary. At present, there is nothing in this respect noted on the property title.

d) Scouts sign (“1st SEATOUN SCOUT HALL”)

While officers appreciate that the sign, like the Hall, represents an important part of Scouts New Zealand’s history, it is possible that Heritage would require the sign to be retained as part of the preservation of the building’s heritage value in any future development of the site. As the sign forms part of the hall, it is tied to that heritage listing. As such, the removal of the sign would require resource consent. Scouts New Zealand have responded to these comments noting that their request was to ensure the preservation of the sign and they consider this would be achieved in the event the sign formed part of any new development.

e) Proceeds from disposal of the property

All proceeds from sales of Council property (other than sales of reserve land) are normally earmarked for the Consolidated Fund.

5.2 Insurance

The Hall is covered by the Council’s insurance policy.

In June 2011, officers obtained through Council’s insurer approximate costs with regard to the restoration, rebuild or demolition of the Hall, as follows:

- Restoration – approximately \$150,000;
- Rebuild - approximately \$270,000 (including the cost of demolition); or
- Demolition – approximately \$8,500.

These figures are estimates only and a full assessment and tender process would have to be undertaken to get a final costing.

Of the above options, only demolition or restoration would be met by insurance. The excess payment required under the Council’s insurance policy is \$100,000. The demolition costs would be significantly less than the excess, and restoration \$50,000 higher (on the current estimate). Officers in Financial Accounting with responsibility for the Council’s insurance would look to cover these costs out of the Self Insurance Reserve Fund on the basis that making a claim on the Council’s insurance policy would impact on the premium. A payment out of the Self Insurance Reserve Fund is available, but as this fund is maintained at the cost of ratepayers, Officers do not consider that it would be prudent to incur this cost and call on this fund in light of the very limited public need for this land and the Hall.

5.3 Best future use of the site

The damage to the Hall is severe and extensive. The interior is almost entirely gutted (only one small front room suffered minimal damage) and part of the roof at the rear of the Hall was destroyed. It is not considered practicable or necessary to retain or restore the Hall for a community purpose on the basis of heritage value alone. Given the very limited use made of the Hall by the community prior to June 2011, officers consider that the Hall is unnecessary for future community use. There are a number of other facilities in the area for

the community to use, including St Georges Hall (at 44 Ferry Street) and the Miramar Community Centre in Chelsea Street, Miramar. Moreover, officers consider the cost of restoring or rebuilding the Hall to enable future community use to be unnecessary in light of the very limited use of the building since Council resumed responsibility for the Hall from the RSA in 2007.

Council's Heritage team have no objection to the disposal of the site along with the Hall in its current state, provided that any redevelopment of the site protected the building's heritage features, possibly by restoring and maintaining the original 1932 frontage of the Hall. A picture of the Hall showing this frontage is at Appendix III. In 1963 the Hall was extended with a lean-to to its north elevation (see right hand side of Hall, as pictured in Appendix III) - it is not envisaged that any future development would be required to preserve this lean-to.

5.4 Options

Officers have considered four options:

1. Retain the land and restore the Hall for community use. This option is not supported by officers for the reasons set out above, namely, the cost associated with restoration and the poor public utilisation of this asset prior to the fire in June 2011.
2. Stop the road, demolish the existing Hall and retain the land for some other Council purpose. No other business unit has shown an interest in retaining this land for Council use. Furthermore, this option would not preserve the heritage value of the building. Accordingly, this option is not recommended by officers.
3. Stop the road and offer the land for sale, removing the Hall or part thereof for preservation elsewhere. This option is not recommended by officers because the heritage value of the Hall is primarily associated with its current location. Relocating the Hall or part thereof for preservation elsewhere would damage a large part of its heritage value. Moreover, no appropriate place to relocate the Hall has been identified.
4. Stop the road and offer the land for sale "as is" (with the Hall on site). This is the preferred option of officers, as planning and resource consent restrictions can be put in place to sufficiently protect the Hall's heritage value in the event of redevelopment of the site. Officers believe that the site would be attractive to developers, as it is a flat site near the main Seatoun shopping centre and the potential value of the site would be high when considering its locality, despite the heritage restrictions.

5.5 Procedural and Financial Considerations

The next steps in the road stopping and sale process are as follows:

- Investigation into section 40 offer back
- Undertake a survey and carry out public notification of the intent to stop the road
- Receive objections (if any) and attend to the Environment Court hearing (if required)
- Public notification declaring the road stopped

- Negotiate a sale
- Attend to settlement and transfer of the stopped road

All costs in relation to the disposal of the property would be deducted from the final settlement price. Accordingly, provided the sale of the property goes ahead, these will be covered by the settlement price for the property.

6. Conclusion

It is officers' view that neither the unformed legal road at 36 Ferry Street nor the Hall is required for a public work by Council. Completion of the road stopping process for the site should be progressed, including public consultation (which forms part of that process). If the stopping proceeds, the sale of the unformed road should be progressed, to either the former owner, or their successors. If no former owners or their successors are alive or are interested in a re-purchase, then the property should be offered for sale on the open market.

It is therefore requested that the Regulatory Process Committee recommends to the Council that officers proceed with the road stopping and sale process under the LGA.

Contact Officer: *Rosalind Luxford, Property Advisor, Property Services*

Supporting Information

1) Strategic Fit / Strategic Outcome

In line with the Council's financial principles, assets that are declared surplus to strategic or operational requirements are sold.

2) LTCCP/Annual Plan reference and long term financial impact

Provision for undertaking this work is contained within the overall organisational budget.

This report is a step towards the possible sale of the legal road and the Seatoun Scout Hall. At this stage, the expected income from the sale of the road has not been quantified as valuations are carried out at a later stage in the road stopping process.

This proposal will benefit Council in financial terms as the stopped road will be sold by the Council at market value, and the new owner will then pay rates on it in the future.

3) Treaty of Waitangi considerations

There are no Treaty of Waitangi implications.

4) Decision-Making

This is not a significant decision. This report sets out the Council's options under the relevant legislation and under the Council's 2011 Road Encroachment and Sale Policy.

5) Consultation

a) General Consultation

Consultation with the relevant Internal Business Units has been carried out. They have all advised that they have no objection to the proposed road stopping.

Neighbours have been consulted and the proposed disposal has been advertised in the Dominion Post. A further public consultation will be carried out.

6) Legal Implications

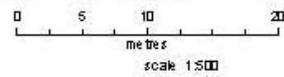
There are no significant legal implications arising from this matter. Compliance with the LGA and Section 40 PWA considerations will address relevant issues. Any Sale and Purchase Agreements will be prepared by the Council's solicitors. A solicitor's certificate will be obtained before any documentation is executed.

7) Consistency with existing policy

The recommendations of this report are consistent with WCC policy for the disposal of surplus property.

APPENDIX 1

Aerial photograph



Property boundaries, 20m contours, road names, rail line, address & file points sourced from Land Information NZ. Crown Copyright reserved. Property boundaries accuracy: +/- 1m in urban areas, +/-30m in rural areas. Census data sourced from Statistics NZ. Postcodes sourced from NZ Post. Assets, contours, water and drainage information shown is approximate and must not be used for detailed engineering design. Other data has been compiled from a variety of sources and its accuracy may vary, but is generally +/- 1m.

MAP PRODUCED BY:
Wellington City Council
101 Wakefield Street
WELLINGTON, NZ

ORIGINAL MAP SIZE: A4
AUTHOR: s1akes2a
DATE: 11/11/2011
REFERENCE:

