

**SUBMISSION
NUMBER**

104

Sharon Bennett

From: Bryan Smith
Sent: Wednesday, 7 July 2010 10:49 a.m.
To: Sharon Bennett
Cc: Shane Crowe
Subject: FW: SUBMISSION ON PROPOSED CHANGES TO WCC ROAD ENCROACHMENT AND SALE POLICY

Attachments: road encroachment submission to wcc.docx



road encroachment
submission t...

Shane - please note second to last para

Cheers Bryan

-----Original Message-----

From: Maureen O'Meeghan [mailto:momeeghan@gmail.com]
Sent: Tuesday, 6 July 2010 11:06 p.m.
To: Bryan Smith
Subject: SUBMISSION ON PROPOSED CHANGES TO WCC ROAD ENCROACHMENT AND SALE POLICY

8 The Crescent,
Roseneath
Wellington 6011

Bryan Smith, Principal Advisor, Policy
Wellington City Council
P.O. Box 2199
Wellington 6140

Tuesday 6 July 2010

Dear Bryan Smith

RE: SUBMISSION ON PROPOSED CHANGES TO WCC ROAD ENCROACHMENT AND SALE POLICY

Thank you for the opportunity to comment on proposed changes to Wellington City Council's (WCC) road encroachment and sale policy. I agree that WCC should control the use of Road Reserve land, and charge a reasonable encroachment rental for its use. However I have several concerns about the proposed changes regarding road encroachment.

1 Setting differentiated fees for car decks based on the actual land values in a given area. As you know, WCC set differentiated encroachment fees for use of road reserve land in August

1998. This proved extremely unpopular with ratepayers and the policy was revoked in April 2001. Given the negative reaction to this policy, there needs to be a good reason to raise this issue again in an election year. Such a policy would need to be justified on the basis of providing users with an additional value or service not received by other road reserve users, rather than an apparent desire to charge residents in higher value areas more money for the same service.

In this respect, the WCC paper justifies switching from a flat rate rental to land value based fees on the basis that owners in higher priced suburbs receive two personal benefit from encroachments:

a) While residents in (e.g. Roseneath and Tawa) pay the same flat rate for their encroachment, Roseneath residents pay a much lower % of the true market rent for the land than do Tawa residents. Comment: when setting encroachment fees for e.g. car decks, the true market rent for the land is largely irrelevant because car decks generally command a low rental and rents do not vary greatly irrespective of whether car decks are located in Roseneath or Tawa. Therefore residents with higher land values do not receive greater financial benefit from a car deck than residents in other areas.

b) In addition residents with higher land values supposedly benefit from flat rental rates because the net value of encroachments can be capitalised and incorporated in the value of properties when sold. Higher land-based fees would reduce this benefit because buyers will discount property values accordingly. Comment: this argument is based on a hypothetical one-off gain which would occur only if the property is sold during a period of rising land values (such as a housing bubble). Such gains are however, unlikely to occur in the current housing market where land values are falling or at best static, and are not expected to recover for some time. WCC's proposal would therefore impose a double burden on ratepayers with higher land values, first by fixing higher annual fees for the same service (i.e. renting space for a car deck). Differentiated annual encroachment fees will also make it more difficult for ratepayers with higher land values to sell property in a static or depressed market.

I consider that the status quo (i.e. a flat rental rate per square metre) should be maintained for setting annual rental fees. My reasons for this include:

i) As a general principle, renting council land for car pads, car decks, car ports and garages provides a Public Good by taking vehicles off the road. Off-road parking cuts road-side congestion, provides more space for vehicles travelling along the road, and improves line-of-sight and therefore safety for pedestrians and motorists alike. Encroachment holders frequently invest large sums to provide off-road parking, and well maintained car decks, carports or garages can improve neighbourhoods. (By contrast residents without off-road parking can park by the curb in most suburbs free-of-charge.) My own car deck provides additional public good because it has steps enabling public access to a footpath serving three houses. The deck is also built around a large native tree.

ii) A land value-based encroachment fee is unjustified where Wellington City Council imposes strict limitations on land use. Land value based rentals should be justified only where residents have reasonably secure land tenure (currently agreements can be cancelled with one month's notice) and full rights to use or develop road reserve land. But Wellington City District Plan section 5.3.5.7 states that on the seaward side of many Roseneath streets buildings will be limited to uncovered car decks (incl. The Crescent, Maida Vale Rd, Thane

Rd, Palliser Rd, Grafton Rd, Carlton Gore Rd etc).

iii) Due to WCC restrictions on building above road level, it is extremely difficult to get approval to build garages on these roads.

But vehicles on car decks cannot be protected against vandalism, theft or accelerated weather depreciation. As such, car decks are not very different from car pads (for which WCC does not charge) and would command a very low price if rented out to other users.

For these reasons it is hard for WCC to justify charging a car deck encroachment fee based on market land values, particularly on roads where the District Plan prohibits further site development. Therefore the status quo (a flat rental rate p.s.m) should remain for car decks in these areas.

2 In addition the proposal to charge encroachment fees where road reserve land is fenced needs to be clarified. I understand WCC does not levy charges where access paths, steps, stairs etc border or cross road reserve land. However much road reserve land in Roseneath is steep and access paths are often fenced to protect the public. For example the path serving houses along 4-8 the Crescent borders a steep bank and residents have fenced the path to protect pedestrians from accidents. Since WCC is responsible for ensuring public safety on council-owned land, it would be difficult to justify charging an encroachment fee when steep land is fenced off for safety reasons. I understand that under District Plan section 5.9.3, WCC has discretion to waive fees where a fence is required for public safety. I therefore hope WCC adopts a policy to waive fees for fenced paths bordering steep land.

3 If WCC does decide to revise fees, I reserve the right to object to extra fees levied in my case.

In addition to the examples listed above, my encroachment fees are based on 36 sq m of land. However I have a surveyor's drawing which shows that 7 sq m of the deck is on my land.

I also hope that any fee changes would be introduced when an encroachment is changed or a property is sold.

Please keep me informed of progress with WCC's review of encroachment policy.

Yours faithfully,

Maureen O'Meeghan

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Wellington 6011

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6 July 2010

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Comment: when setting encroachment fees for e.g. car decks, the true market rent for the land is largely irrelevant because car decks generally command a low rental and rents do not vary greatly irrespective of whether car decks are located in Roseneath or Tawa. Therefore residents with higher land values do not receive greater financial benefit from a car deck than residents in other areas.

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