
REPORT 5
(1215/52/IM)

ACQUISITION OF LAND FOR SERVICE LANE - HOPPER STREET, WELLINGTON

1. Purpose of Report

This report seeks the Committee to recommend to Council the approval for the acquisition of approximately 100m² of land at the rear of 23 – 25 Hopper Street, Te Aro. This is necessary for the purpose of extending and completing the Hopper Street service lane.

The land to be acquired is shown shaded red on the plan attached as Appendix 1. Hopper Street service lane is shown shaded blue.

2. Executive Summary

The Hopper Street service lane has a current District Plan designation, and Council has for many years been trying to acquire the final area of land to complete the service lane.

A recent change in ownership of the property at 23 – 25 Hopper Street has provided the opportunity to re-approach acquisition of land at the rear of that property. This is the final area that Council requires.

Agreement has been reached with the new owner of 23 – 25 Hopper Street on the purchase price, and officers now wish to conclude the acquisition.

Adjoining property and business owners will benefit from the service lane being completed and being able to be used by through traffic.

3. Recommendations

Officers recommend that the Strategy and Policy Committee:

1. *Receives the information.*
2. *Recommends that the Council:*
 - (a) *Agrees to acquire approximately 100m² (subject to survey) of land at the rear of 23 – 25 Hopper Street being Part Section 81 Town of Wellington, for service lane under the Public Works Act 1981.*

- (b) *Agrees to pay compensation of \$109,000 plus GST (if any) for the land plus reasonable vendors costs to be determined by the Chief Executive.*
- (c) *Authorises the Chief Executive Officer to conclude the final contract for the land purchase.*

4. Background

4.1 Completion of service lane

The service lane currently has two access points from Hopper Street, and because they are not linked vehicles need to turn around or reverse in order to exit the service lane after entry.

The physical works required would include filling the area behind 19-21 Hopper Street up to the level of the existing formed parts of the service lane, including the raising up of an existing storm water manhole. Road and Traffic Maintenance would also use this as an opportunity to reroute and replace storm water and sewer pipes that run through this area.

Once the service lane is completed it will be able to be used in a simpler and safer manner by through traffic. All road users and property owners in the general area will benefit by service vehicles being able to use the service lane rather than Hopper Street.

4.2 Legal Description

The land to be acquired for service lane has an approximate area of 100m² being part of the rear of 23 – 25 Hopper Street. The land is legally described as Part Section 81 Town of Wellington described in Computer Freehold Register WN464/345.

4.3 District Plan Designation

The Hopper Street service lane has a current District Plan designation (Designation # 94) (See Appendix 2). This has been on successive District Plans since 1965. The duration of this designation is five years which was the time estimated to complete the service lane when the current District Plan was written. Although the duration period of the designation has expired, it has been given “effect” by the fact that works on the Hopper Street service lane commenced prior to the designation expiry date. Due to this and as the service lane is approximately 90% completed, the designation remains in effect.

4.4 Finance

Funds for the purchase and all other costs associated with the acquisition are included in Roothing Operations CAPEX Budget Service Lane Improvements CX101_CF09.

4.5 Options

The options available to Council are either –

1. Purchasing the land behind 23 – 25 Hopper Street, and completing the Hopper Street service lane, or
2. Not purchasing the land behind 23-25 Hopper Street, and leave the two existing parts of the service lane not linked. If this option was accepted then the work planned to raise the level of the storm water manhole, and the land that Council owns behind 19-21 Hopper Street would need to be reviewed. This is because that work had been allowed for by Roothing when Council purchased the land that it required from that property owner in 2007, and they have deferred any plans for work to their building since then.

5. Discussion

5.1 Valuation

Council officers commissioned a valuation from DTZ New Zealand Ltd (DTZ) for the area of land to be acquired for service lane. The land value has been assessed on a 'Before and After' basis, i.e. the value of the property before Council acquires the area, and then the value after the acquisition. While there would be an increase in value given the completion of the service lane, there are also considerations for the inability to build on the rear of the site, and restricted access, parking and storage. The difference between the before and after values are used as a basis for price negotiations with the property owners.

The value of the land was assessed by DTZ as at December 2008 to be \$90,000 plus GST (if any)

5.2 Negotiation

Council has been trying to acquire this land for many years from the former owners who were unwilling to sell. A recent change in ownership of the property has provided the opportunity to re-approach this acquisition. The new owners are Egly Properties Limited (New owners). The new owners are agreeable to selling the land that Council requires, and had obtained their own valuation from CB Richard Ellis (CBRE). CBRE assessed the land as at September 2008 to be worth \$118,000 plus GST (if any).

Agreement has been reached on a purchase price of \$109,000 plus GST, plus a contribution of \$2,000 towards the new owners legal and valuation expenses.

Officers believe that while the proposed purchase price is higher than what Council's valuation was, the potential to incur additional costs outweigh any benefit of not accepting this price now. Potential additional costs include the legal work to compulsorily acquire the land, any increase in costs to replace the pipe work, the filling of the area behind 19-21 Hopper Street, and the asphalt seal to complete the service lane.

A sale and purchase agreement has been prepared and is conditional on Council's approval being obtained.

6. Conclusion

The completion of the service lane is recommended because this would result in improved linkage, better access for the businesses and occupiers in the area, and give effect to the District Plan designation.

It is recommended that the Strategy and Policy Committee recommend to Council to approve the purchase of the 100 m² of land at the rear of 23 - 25 Hopper Street. This will complete the service lane.

Contact Officers: *Paul Davidson, Property Advisor, Property Services and Neil Johnstone, Team Leader, Road and Traffic Maintenance*

Supporting Information

1) Strategic Fit / Strategic Outcome

The report supports Council's overall vision of Creative Wellington – Innovation Capital. The report supports Council's strategic direction for managing growth through provision of adequate infrastructure.

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

Provision for undertaking this work is contained within the overall organisational budget and is budgeted in CX101_CFO8, Project ID RTCX101 Activity ID CX101002, Service Lane Improvements in the current financial year..

3) Treaty of Waitangi considerations

There are no Treaty of Waitangi implications.

4) Decision-Making

A decision to acquire any land requires a Council resolution and the report explains that agreement with the vendor is conditional on such resolution.

5) Consultation

a) General Consultation

All affected parties have been consulted with. Council is not required under legislation to consult with the public on this matter.

b) Consultation with Maori

'Local Iwi have not been approached and provided with this proposal.

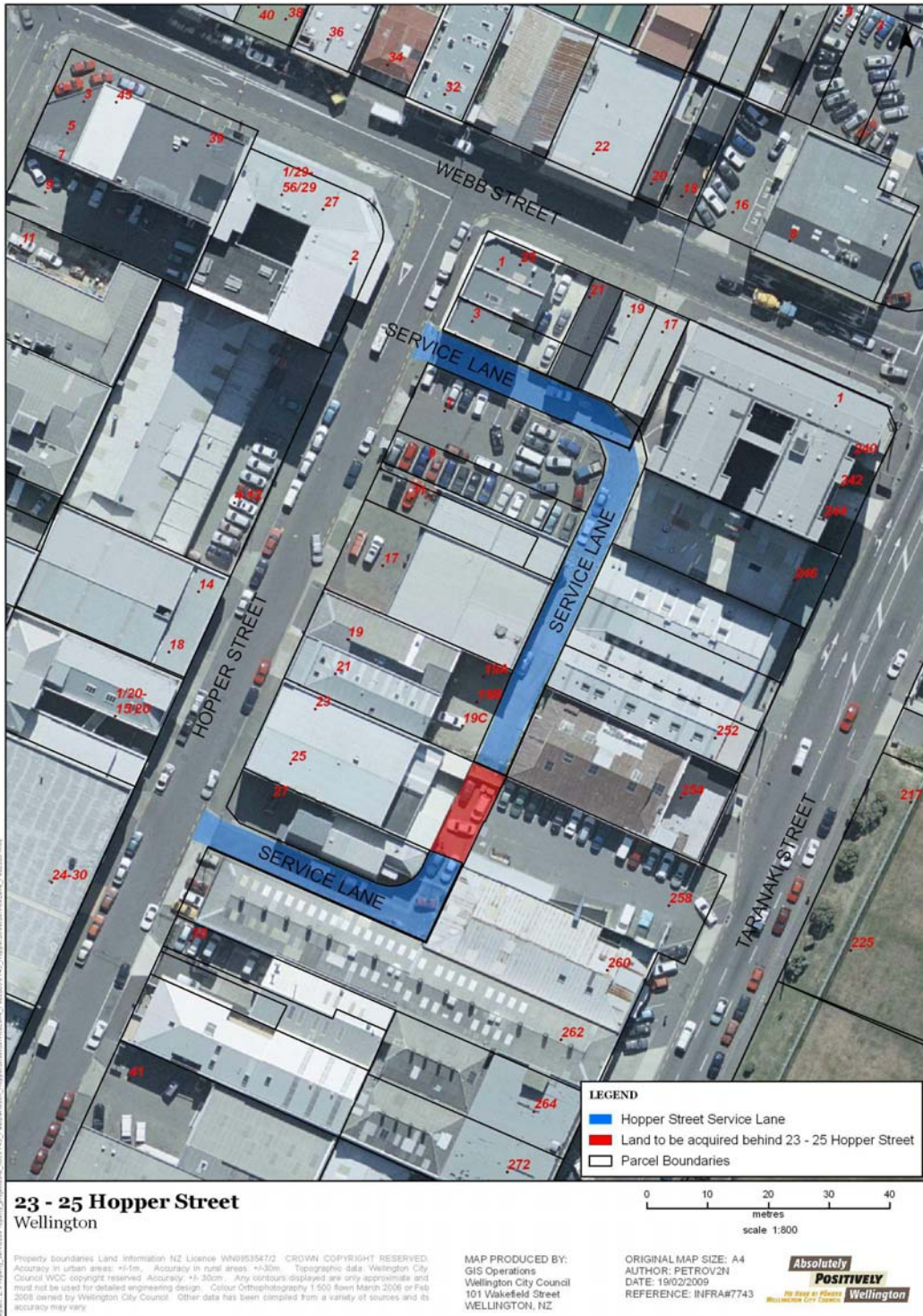
6) Legal Implications

The Sale and Purchase Agreement has been prepared by Council Solicitors. A solicitor's certificate will be obtained before any documentation is signed.

7) Consistency with existing policy

Discussed in the report.

APPENDIX 1



APPENDIX 2

Last amended 13 February 2003

Designations

Operative 27/07/00

Wellington City Council					
Desig No.	Map Ref	Designation Title	Location of Site	Legal Description and Gazette	Comments/Conditions
92	17 & 41	Service lane	Bond Street	Part Lots 30 DP 331; Lots 2,12,13 & 17 DP 828	
93	17 & 41	Service lane	Off Bond Street (behind Dukas Arcade)	Lot 10 DP 1886; DP 9267; Part Lot 15 DP 1886; Lot 2 DP 7016	Duration 15 years
94	16 & 41	Service lane	Hopper Street		Duration 5 years
97	16 & 41	Service lane	Off Victoria Street	DP 61637; SO 32126; DP 35198; Feltex Lane	Duration 10 years
98	6 & 42	Service lane	Off Hanson Street	Part Lot 1 DP 41330; Lot 1 & 5 DP 48647; SO 31316; Part Section 754 Town of Wellington	Duration 5 years
101	6 & 42	Service lane	Between Green Street & Wilson Street	Pt Sec 783 Town of Wellington; SO 10408 CT 401/62; Pt DP 12042 & 10747 CT 443/237; SO 34227; Gazette 1982 No.82 p.2422	Duration 10 years
121	6 & 42	Note: responsibility for this Designation has been transferred to Transit New Zealand (see H8)			
134	26	New road	Westchester Drive	Proposed new road to link to existing sections of Westchester Drive	Duration 15 years

Porirua City Council (X)					
Desig No.	Map Ref	Designation Title	Location of Site	Legal Description and Gazette	Comments/Conditions
X1	29	Extension of Roading Designation (Warspite Avenue Link) to Transmission Gully Motorway	That area of land generally south of the boundary of Wellington and Porirua City Councils, east of the watercourse known as Camons Creek and within the area commonly known as Waitangira Farm and as within the WCC district boundaries.	Sec. 1 SO 36634 (523 Takapu Road)	Duration 15 years from 1 December 2004. For conditions refer to Appendix S