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**PROPOSED LAND DISPOSAL - PRINCESS TERRACE,  
NEWTOWN**

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**1. Purpose of report**

The purpose of this report is to seek the Strategy and Policy Committee's (SPC) agreement to:

- recommend to Council, pursuant to section 40 of the Public Works Act 1981 (PWA), that the Land at Princess Terrace, Newtown (approximately 2,000m<sup>2</sup> – subject to survey) is no longer required for a public work purpose, and
- authorise Council officers to proceed with offer back investigations and disposal.

The Land is shown highlighted (combined yellow and pink areas) in Appendix 1.

**2. Executive summary**

The Land is vacant, measuring approximately 2,000m<sup>2</sup>, and forms part of the larger Council's City Housing site (total area 8,195m<sup>2</sup>). The Land consists of two main areas:

1. approximately 1,899m<sup>2</sup> to the rear of the City Housing property located at 140 Daniell Street, Newtown (the Housing Property – highlighted pink in Appendix 1), and
2. a smaller titled area measuring 101m<sup>2</sup>, adjoining Princess Terrace, which has access easements registered over the title in favour of the adjoining properties (the Access Land – highlighted yellow in Appendix 1).

The Housing Property was acquired in 1952. Part from the Wellington Diocesan Board of Trustees which is still in existence and the other from the Amalgamated Brick and Pipe Company (Wellington) Limited a company which no longer appears to be in existence.

Housing units were erected on the elevated (flat) part of the Housing Property (adjoining Daniell Street – highlighted purple in Appendix 1) to house bus drivers working at the Newtown Bus Depot. This 24 unit complex was completed in around 1955 and is now managed by City Housing. City Housing has confirmed that the (vacant) Land (to the rear of the site) is not required for

their future housing needs and that the steepness of the land would limit social housing options in this area.

The Access Land is a separately titled property which has access rights granted to the adjoining properties. In order to maximise value, consideration will be given to cancelling these rights (by agreement). Discussions with adjoining owners will commence once the Council has confirmed the future of the Land.

The Wellington SPCA has, for many years, occupied the Land and used it in conjunction with their site at 305 Mansfield Street (highlighted green in Appendix 1). Given their proposed relocation to the Council's Chest Hospital site, they are seeking to vacate the site. In the event that the Council property is cleared for disposal, there is a possibility of jointly marketing the properties. However, in the first instance, further offerback investigations will be necessary.

In addition, early indications from Port Nicholson Block Settlement Trust representatives are that the Land, and the surrounding area, is of significance. If the Council declares the Land surplus, then Council Officers will continue consultation with the Trust on this point.

Officers recommend that the Land be declared surplus and be disposed of.

### **3. Recommendations**

Officers recommend that the Strategy and Policy Committee:

1. *Receive the information.*
2. *Recommend that the Council pursuant, to the Public Works Act 1981:*
  - (a) *Agree that the Land (being approximately 2,000m<sup>2</sup> and subject to survey) and being:*
    - *part of Section 884 Town of Wellington WN403/259*
    - *part of Section 882 Town of Wellington WN11/164, and*
    - *all of Part Lot 12 Deposited Plan 348 WN99/38**is not required for a public work and is surplus to requirements.*
  - (b) *Authorises Council officers to commission a section 40 report from a suitably qualified consultant to identify whether the Land must be offered back to a former owner or their successor in title, or whether an exemption from offer back applies under section 40(2), 40(3) or 40(4).*
  - (c) *Approves the disposal of the Land and the necessary subdivision to separate the Land from the balance titles.*
  - (d) *Delegates to the Chief Executive Officer the power to take all actions necessary to sell the Land in accordance with the provisions of the Public Works Act and complete all actions required to sell the Land.*

## **4. Background**

### **4.1 Acquisition History**

The Property (the combination of the purple, pink and yellow areas highlighted in Appendix 1) was acquired in from the Wellington Diocesan Board of Trustees and the Amalgamated Brick and Pipe Company respectively. The parcels were acquired in May 1952 to provide housing for bus drivers working at the Newtown Bus Depot.

The first 18 units were commissioned in December 1952 with another block of six completed around 1954. All units were constructed on the upper flat area of the Property, leaving the lower area vacant.

This final 24 unit development became part of the Housing Department's portfolio in 1989 and is now managed by City Housing.

City Housing does not require the lower (vacant) Land for future housing.

### **4.2 Lease History**

The Land consists of a vacant sloping section to the west of the Daniell Street City Housing units. It also adjoins the eastern boundary of the current SPCA property at 305 Mansfield Street, Newtown. The SPCA leases a portion of the Land and was provided with an unregistered right of way easement from Princess Terrace in accordance with a lease dated 22 March 1982. The lease had seven year rights of renewal provided the SPCA continues to use their site for the society headquarters and an animal clinic.

The lease can be terminated by the Council at any time by giving 90 days written notice. From October 2000 it was agreed between parties that the SPCA was on a month to month lease arrangement. This will cease when the SPCA relocates to the old Chest Hospital premises located on Town Belt in Newtown.

### **4.3 Land Description**

The Land to be disposed of straddles two titles currently used for social housing in Newtown legally described as sections 882 and 884 Town of Wellington contained in certificate of titles WN403/259, WN11/164 respectively.

The Land has access from Princess Terrace through Council's fee simple parcel (WN99/38 (highlighted yellow in Appendix1)). This title also affords Council a ¼ share each in the narrow strip of land adjoining 25 and 27 Princess Terrace.

The land from Princess Terrace is mostly flat but rises to the east where it abuts the 24 unit social housing development located on higher ground at 140 Daniell Street. The flat land has a metalled driveway and the vegetation consists of grass, some gorse and small shrubs (refer Appendix 2 for photographs).

The Land receives good sun, pleasant westerly views over Newtown's housing stock and would be suitable for a number of development options ranging from multi level housing, townhouses or smaller commercial business units.

#### **4.4 Expressions of Interest**

The SPCA is to relocate to the Chest Hospital. Although the SPCA has no interest in purchasing the Land they have expressed an interest in jointly marketing both properties in the hopes of maximising sale returns for both parties.

This would present a larger development site in an inner residential zoned area with dual access available.

Representatives from the Port Nicholson Block Settlement Trust have also expressed an interest in this Land.

## **5. Discussion**

### **5.1 Internal Council Consultation**

The preliminary step in any potential disposal process is to undertake consultation with Council's business units and our Iwi partners. This is to confirm that the land is no longer required for any other Council purpose, and to ensure that there are no special interests that need to be considered in the event of any sale. Relevant Council business units have been given the opportunity to confirm whether they had any interest in the land. All consulted business units have responded and confirmed that they have no interest in the Land.

Representatives from the Port Nicholson Block Settlement Trust have indicated an interest in the Land should it be approved for disposal as the Land falls in or near the "Tenths Development Precinct" and is considered of high significance.

### **5.2 Legislation**

The Property was acquired by Council for housing purposes and a majority of this area is still being used for that purpose.

If a resolution is passed that the Land (as a component of the Property) is not required for a public work, and is surplus to requirements, then section 40 PWA investigations would need to be carried out to confirm whether there is a requirement to offer the Land back to a former owner or their successors. If there is a section 40 obligation the Land would be offered back. If not, the Land could be sold on the open market under section 42 of the PWA.

Given the long standing SPCA lease, officers have concluded that the Land would not be considered a "Park" under section 138 of the Local Government Act (LGA) and consultation is not required.

The Land to be subdivided from the Property is steep and vegetated and does not provide regular or formed access to Daniell Street and is largely overgrown.

The Land does not lend itself to leisure or recreational activities due to its topography and officers do not consider this particular area currently provides, or would support community or public amenity.

### **5.3 Significance Policy / Strategic Assets**

Under Council's Significance Policy, the sale of the land would not be deemed significant.

### **5.4 Valuation of property and possible joint sale with SPCA**

A current market valuation figure will be obtained from a registered valuer as part of the disposal process and will include the price expectation should this be sold in conjunction with the SPCA site.

Officers however still have to complete the s40 obligations as set out under the PWA and further consultation with Iwi is expected.

### **5.5 Offer Back**

If Council resolves that the Land is no longer required for a public work and subsequent offer back investigations result in the Land having to be offered back to a former owner or their successors, then a current market valuation would be obtained from a registered valuer to determine the offerback value on the date that it was declared surplus. If the Land is not required to be offered back to a former owner or their successors, the Land could be sold on the open market subject to the outcome of consultation with the Port Nicholson Block Settlement Trust.

### **5.5 Required Works**

The Land to be disposed is part of the Property which is in two titles. Another fee simple title owned by Council provides access to the Land from Princess Terrace

The Land will be subdivided from the two parent titles as required prior to sale and the cost of subdivision offset against the sale proceeds. The other fee simple lot owned by Council providing road access to the Land will have a right of way easement registered in favour of the Land

### **5.6 LTCCP Implications**

As the Housing Upgrade Project is ring-fenced, any sale proceeds generated will be used to further facilitate social housing needs via the Housing Upgrade Project.

### **5.7 Next Steps**

If the recommendations of this report are accepted and a resolution to dispose of the Land is passed, then the next steps would be as below:

1. Investigate and implement any section 40 offer back obligations.
2. Report to the Chief Executive Officer, with a recommendation to either proceed with an offer back, or to agree that an exemption applies.
3. If no offer back exemption is applicable, offer the Land back to the former owner or their successors at current market value.
4. If an offer back exemption is applicable, or the former owner or their successors are not interested in a re-purchase, then consult with Port Nicholson Block Settlement Trust.
5. Obtain a market valuation from a registered valuer and decide on the best marketing methodology including a possible joint sale with SPCA
6. Subdivide proposed Land from the Property titles as required
7. Engage real estate agents.
8. Market property in conjunction with the SPCA.
9. Sale to new owner (subject to subdivision).

## **6. Conclusion**

Officers recommend that the Strategy and Policy Committee recommend to Council that, under section 40 of the PWA, the Council owned Land of approximately 2,000m<sup>2</sup> at Princess Terrace, Newtown, is not required for a public work, is surplus to the Council's requirements, and can be sold.

Contact Officers: *Jon Moser, Property Advisor, Property Services*

## SUPPORTING INFORMATION

### 1) Strategic fit / Strategic outcome

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

### 2) LTP/Annual Plan reference and long term financial impact

Sale proceeds generated will be paid into the Housing Upgrade Project ring-fenced funds.

### 3) Treaty of Waitangi considerations

The Port Nicholson Block Settlement Trust has registered interest with this proposed disposal.

### 4) Decision-making

The report reflects the views and preferences of those with an interest in this matter who have been consulted with.

### 5) Consultation

#### a) General consultation

Relevant Council business units have been given the opportunity to demonstrate whether they have an interest in this land. All necessary business units have responded confirming that there is no interest.

#### b) Consultation with Maori

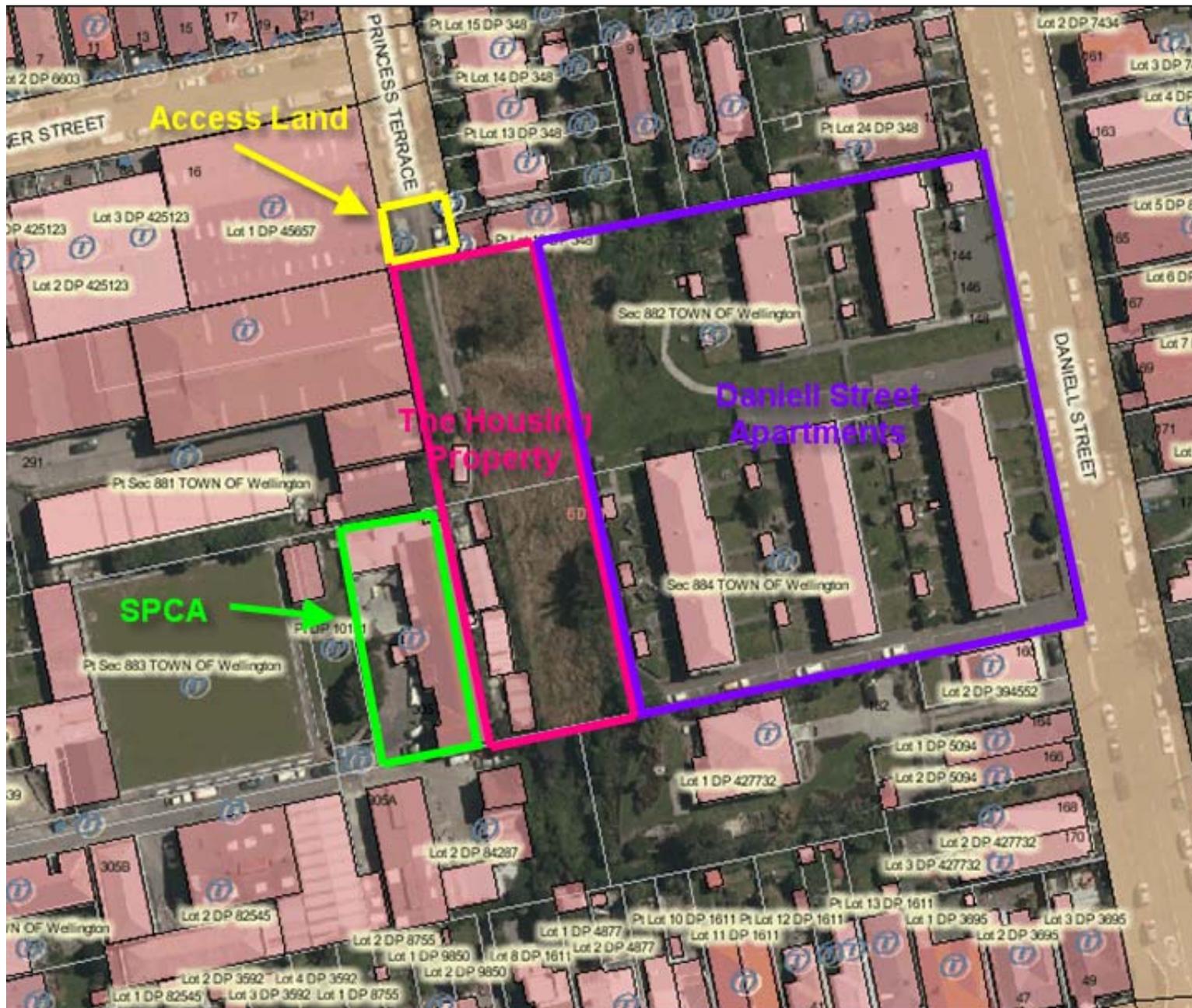
Treaty relations were provided with details of this proposal and had no objections to the proposed disposal but seek further consultation.

### 6) Legal implications

Any sale and Purchase Agreements will be prepared by council's Solicitor's. A Solicitor's Certificate will be obtained before and documentation is signed.

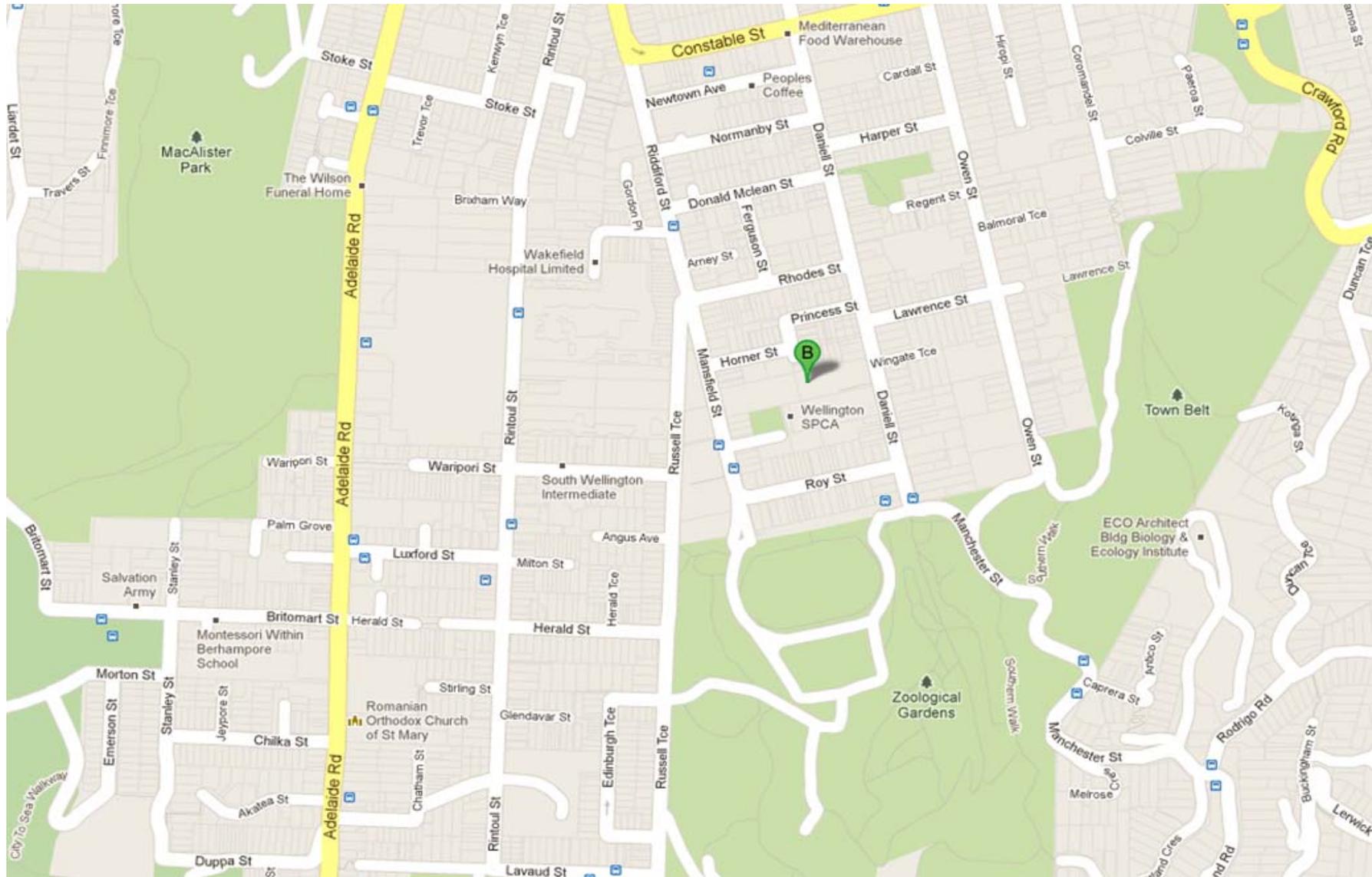
### 7) Consistency with existing policy

This report recommends measures which are consistent with existing Wellington City Council policy for the disposal of surplus land.



## APPENDIX 1

*This report is officer advice only. Refer to minutes of the meeting for decision.*



## APPENDIX 1

*This report is officer advice only. Refer to minutes of the meeting for decision.*



**APPENDIX 1**

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**View from Princess Terrace to rear of Housing Property  
(vehicle parked outside 27 Princess Terrace)**



**View from Princess Terrace to rear of SPCA property**