

Public Excluded

Report PE99.625

21 October 1999

File: CFO/22/1/5

Report to the Policy and Finance Committee
from Greg Schollum, Chief Financial Officer

Shelly Bay Update

1. Purpose

To review the current position relating to Council owned Shelly Bay land and to consider the options now available to the Council.

2. Public Excluded

Grounds for exclusion of the public under section 48(1) of the Local Government Information Act 1987 are *that the public conduct the whole or relevant part of the meeting would be likely to result in disclosure of information for which good reasons for withholding exists i.e. to carry on commercial negotiations.*

3. Background

The Policy and Finance Committee last considered the issue of Shelly Bay in March 1998 (refer report PE98.128 attached as **Attachment 1**).

At that time it was noted that by virtue of the WRC owning some land along the Shelly Bay foreshore (ex Wellington Harbour Board) the Wellington Regional Council was a minor player in an issue primarily between Wellington City Council and NZ Defence Force.

In March 1998 the Committee was advised that the whole matter was heading for the Environment Court and that Council should adopt a “wait and see” stance in the meantime.

The Council had previously decided that its land at Shelly Bay was surplus to requirements and the key issue is how it should be disposed of.

4. **What has happened since March 1998**

In August 1999 the Environment Court ruled that the Shelly Bay site could be zoned “residential” as requested by NZ Defence Force, which means the site can now be developed once the issues between the various interested parties have been resolved.

The outstanding issues are explained in the attached letter from the Council’s property consultant (refer **Attachment 2**).

5. **What does Council now need to do?**

The Council now needs to determine how it wishes to proceed to dispose of its surplus land.

The recommendations for future action from Council’s property consultant are contained on page 4 of **Attachment 2**. Essentially it comes down to how best to approach the land disposal so as to optimise Council’s position in terms of risk and return. Officers need direction on whether or not the Council wishes to maximise the return from the property disposal or whether the Council has other objectives (e.g. to work with WCC to establish a reserve along the foreshore). Peter O’Brien (Council’s property consultant) will be at the Committee meeting on 2 November 1999 to explain his recommendations.

It is important to note that the direction sought will guide future discussions with the other involved parties. At the conclusion of those discussions the Council will be presented with a report and recommendation to discuss and formally resolve.

6. **Communications**

Not required at this time.

7. **Recommendations**

- (1) *That the report be received and the contents noted.*
- (2) *That the Committee recommend to Council that the principles the Council wishes to have pursued in future discussions with the involved parties toward disposal of the surplus land at Shelly Bay are:*
 - (a) *to maximise the commercial value of council owned land to the east of the new legal road.*
 - (b) *to work with other parties to establish a foreshore reserve with the Council owned land to the west of new legal road.*

GREG SCHOLLUM
Chief Financial Officer

Attachment 1: Report PE 98.128

Attachment 2: Letter from O'Brien Property Consultancy Ltd dated 20 October 1999