



Report 07.197  
Date 19 April 2007  
File T/16/01/02

Committee Policy, Finance and Strategy Committee  
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## **Disposal of interest in land that is surplus to Council requirements at Paekakariki.**

### **1. Purpose**

To declare as surplus to Council requirements an interest in land held for transport purposes at Paekakariki and to dispose of that interest to Transit NZ as the designating authority.

### **2. Significance of the decision**

The matters for decision in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

### **3. Background**

During 1993/94 the owner of a recently developed rural/residential property immediately north of Paekakariki claimed he was unable to sell the property due to the publicity over the pending designation for the Transmission Gully motorway. The Kapiti Coast District Council Mayor intervened and asked Transit NZ to purchase the property.

The property was on the Transmission Gully alignment. Transit NZ purchased the property and asked GWRC to assist by purchasing a 50% interest in the property.

On 7 September 1994, Transit NZ and GWRC entered into an agreement whereby GWRC paid Transit NZ 50% of the purchase price and in exchange, GWRC became a 50% owner of the property. GWRC paid \$144,000 for the half share interest.

In October 2004 the Divisional Manager Transport confirmed that there was no reason for GWRC to hold an interest in the Paekakariki property.

#### **4. GWRC interest**

GWRC holds a half share interest in the property contained in CT WN38A/630, held for the purpose of, “the use, convenience and enjoyment of a road”, being Lot 7 DP 70122 extending to 6.5840 hectares.

The property is developed as a rural/residential holding and contains a 4 bedroom house and the land is predominantly planted in pine trees. Since its purchase the property has been rented as residential accommodation and the trees have been pruned and managed appropriately. The property was managed by a Transit NZ agency and GWRC received 50% of the net rent proceeds.

#### **5. Actions taken**

In January 2005 GWRC asked Transit NZ to purchase the GWRC interest in the property and thereby place the whole property under the ownership of the organisation which does conduct the core activity of holding land for the purpose of road. Transit NZ initially responded that it was not sufficiently advanced in its planning to contemplate purchase.

In October 2006 Transit NZ advised that it would purchase the interest of GWRC in the property.

Transit NZ and GWRC jointly commissioned a registered valuer’s assessment of the current market value of the property. The valuer assessed the current market value at \$540,000 (inclusive of GST).

Transit NZ agents have prepared an agreement for sale and purchase which has been approved by Oakley Moran for GWRC. The agreement is suitable for GWRC to execute.

#### **6. Proposal**

That GWRC dispose of its half share interest in the Paekakariki property to Transit NZ as the owner of the half share interest and as the designating authority.

That the consideration be \$270,000 (inclusive of GST), being 50% of the assessed current market value of the property.

Settlement and possession is to be one month from the date of the agreement.

That Transit NZ and GWRC shall each meet their own costs associated with the transaction.

#### **7. Section 40 Public Works Act 1981**

Section 40, Public Works Act 1981, requires that when land is no longer required for a public work, the Council shall offer to sell the land by private

contract to the person from whom it was acquired or to the successor of that person.

In this instance the land continues to be required for the public work for which it was acquired. The land will be retained in public ownership (the Crown) and held for the purpose for which it is designated. It is therefore not relevant or necessary for GWRC to comply with the terms of Section 40, Public Works Act 1981. GWRC is only disposing of an undivided half share interest.

## **8. Impacts of the proposal**

This is not a budgeted item. Council policy is not to budget for uncertainties or potential sales.

There will be a nil or negligible impact on the Regional Rates.

## **9. Communication**

There is no requirement for any public comment on this matter.

## **10. Recommendations**

*That the Committee recommends that Council:*

1. ***Receives the report.***
2. ***Notes the content of the report.***
3. ***Disposes of its half share interest in the property contained in CT WN38A/630 to the Crown, Transit NZ for the consideration of \$270,000 inclusive of GST.***
4. ***Agrees that the Council seal be affixed to all documents necessary to give effect to the disposal of the interest in land being disposed of, including the attached agreement, as Owner (vendor).***

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**Attachment 1: Agreement to sell GWRC share to Transit NZ**