

QLDC Council  
6 October 2016

**Report for Agenda Item: 7**

**Department: Property & Infrastructure**

**Queenstown Country Club Road Exchange Stopping and Sale**

**Purpose**

The purpose of this report is to consider road exchanges, stopping and sale in the Queenstown Country Club development area.

**Recommendation**

That Council:

1. **Note** the contents of this report;
2. **Approve** initiation of the procedures of section 342 and the tenth schedule of the Local Government Act 1974 to stop that portion of legal road shown on the attached Paterson Pitts plan as sections 4 and 9 with a total area of 2928m<sup>2</sup>;
3. **Approve** the road, when stopped, being disposed of in accordance with section 345 (1)(a) of the Local Government Act 1974 and amalgamated with the adjoining land held in Computer Freehold Register 616855;
4. **Approve** the conditional sale of the stopped portion of legal road shown on the attached Paterson Pitts plan as sections 4 and 9 with a total area of 2928m<sup>2</sup> to the proprietor of CFR 616855 for a purchase price of \$246,000 (plus GST if any) less costs, with settlement to occur before the 31<sup>st</sup> December 2017. If settlement is delayed beyond this date, Council to reserve the right to revalue the land and nominate a new 'market' purchase price.
5. **Approve** initiation of the procedures of section 114 of the Public Works Act 1981 to declare as road that portion of land shown the attached Paterson Pitts plan as Section 5 and held in Computer Freehold Register 616855.
6. **Approve** initiation of the procedures of section 116 of the Public Works Act 1981 to stop that portion of road shown on the attached Paterson Pitts plan as Section 5 with a total area of 7004m<sup>2</sup>;
7. **Approve** the road, when stopped, being disposed of in exchange in accordance with section 117(3)(a) of the Public Works Act 1981 and amalgamated with the adjoining land held in Computer Freehold Register 616855 & OT13C/880

8. **Approve** Council's costs in undertaking the Tenth Schedule procedures of the Local Government Act 1974 and the Public Works Act 1981 to be billed and paid on a monthly basis by the applicant with those costs being deducted from roads being sold, shown on the attached Paterson Pitts plan as sections 4 and 9 with total area of 2928m<sup>2</sup>;
9. **Delegate** final terms and conditions along with approvals for any placing or removal of easements in favour of Council, minor alignment and area changes, pro-rata changes in sale price based on area and signing authority to the Chief Executive of Council.

Prepared by:



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22/09/2016

Reviewed and Authorised by:



Peter Hansby  
General Manager, Property &  
Infrastructure

23/09/2016

## Background

- 1 The Council has a number of 'paper' legal roads throughout the district which were placed over the land some decades ago. The roads are often re-located when large scale development of adjoining land takes place, so as to better position the roads through the development.
- 2 Sanderson Group is currently intending to develop the farm land between Shotover Country and Lake Hayes Estate on the Ladies Mile, referring to the development generally as the Queenstown Country Club.
- 3 Sanderson Group requested Council consider the Queenstown Country Club Special Housing Area proposal at the 26 May 2016 Council meeting, where the following resolution was passed:

**On the motion of Councillors Stammers-Smith and Gazzard it was resolved that the Council:**

1. **Note the assessment outlined in the report;**
2. **Confirm that the Council agrees in principle with the contents of the Draft Deed (Infrastructure and Affordability) (Deed) as amended and delegate to the General Manager, Planning and Development the authority to execute the Deed on behalf of the Council, subject to any minor changes consistent with Council's Lead Policy and infrastructural requirements identified by Council's Chief Financial Officer and Chief Engineer.**

3. **Recommend to the Minister that the land which the Queenstown Country Club EOI relates be established as an SHA subject to:**
  - a. **execution of the Draft Deed and the performance of any conditions in it;**
  - b. **an 11m height limit for qualifying developments; and**
  - c. **a 3 storey high limit for qualifying developments.**
4. **Recognise the consequences should this development proceed [which is detailed in Paragraphs 90, 98, 99, 105, 106 and 119 of the report] which includes setting a precedent for future development on this portion of Ladies Mile Highway.**
5. **Instruct Council officers to report back to Council on issues and options to master plan the development of the Ladies Mile area including a potential variation to the Proposed District Plan.**

## **Comment**

- 4 The developers of Queenstown Country Club, the Sanderson Group, have expressed a desire to exchange and acquire 3 sections of legal road running through and adjoining the southern portion of their development. These roads are shown coloured green on the attached plan from Paterson Pitts as Section 5, 4 and 9.
- 5 The process of stopping a road can be completed by Council pursuant to schedule 10 of the Local Government Act 1974 or with the Consent of the Minister of Lands by section 116 of the Public Works Act. The main differences between the two, are that the LGA process requires public notification to consider affected parties whereas the PWA process considers that there are no 'adjoining' affected parties and delegates the authority to stop the road to the Minister of Lands. LINZ prefers that Local Authorities apply the procedures in the LGA where there are likely to be public objections to a proposal, or matters of public access to consider. The LGA process carries a potential to be taken to the Environment Court, should submitting parties disagree with the road stopping proposed.
- 6 We consider that this request should be split between the two processes described above to recognise that the road on the lower terrace adjoining Herries Lane and Onslow Road at Lake Hayes Estate should follow a notified and consulted process.
  - Section 4 & 9 measuring 2928m<sup>2</sup> – Stopped via the LGA.
  - Section 5 measuring 7044m<sup>2</sup> – Stopped via the PWA (non-notified)
- 7 The PWA process is considered appropriate for the upper terrace as the proposal is an exchange whereby the existing road will be re-aligned. We consider it is therefore unlikely that there would be public objection or that there are matters of

public access which are negatively affected. The PWA process is also preferred as it will allow the main development block, already supported by Council, to proceed in a timelier process along with a higher surety of completion. In addition, we have been advised by the applicants that the users and adjoining owners of this existing road have been consulted on the proposed changes and will provide their written approval to the stopping and exchange of section 5.

- 8 Through the LGA process, the intention to stop the road shown as Section 4 & 9 must be publicly notified twice calling for submissions, and if no submissions are received, a further notification must be made. If there are objections that are considered valid, Council can cease the process. If there are objections that are considered not valid, a decision can be made at the time whether to continue the road stopping or not.
- 9 Council's Chief Engineer has been consulted on the application and approves of the proposal. He has confirmed that in-ground easements in favour of Council running through the area, may be relocated (within reason) at the applicant's cost, and that the existing right of way access to the nearby Council reservoir may be released as it is not utilised by Council since there is better more direct access via Shotover Country.
- 10 We have had the land valued as two groups in accordance with the separate processes they will follow. The registered Valuer has advised that exchanging Section 5 on the upper terrace for the new roads proposed, sections 6, 7 & 8 provides a marginal net benefit to Council of \$22,000 (plus GST if any). Section 4 and 9 adjacent to Herries Lane and Onslow Road were valued at \$246,500 (ex GST). The value of these land parcels reflects the potential to the purchaser of utilising the land for residential housing.
- 11 The cost of the road closure process will be invoiced to the applicant monthly and deducted from the eventual purchase price. If the process ceases because of objections, or for any other reason, the costs paid by the applicant are not refundable.
- 12 Note that the applicant also plans to create a public walkway along the proposed new legal road on the upper terrace labelled Section 7.

## **Options**

- 13 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002:
- 14 The first step is to identify all "reasonably practicable" options. If an option is not reasonably practicable, then it will not require consultation. One option that should always be considered is the option of doing nothing – the status quo.
- 15 Option 1 Agree to initiate the road stopping, exchange and sale of roads as proposed.

*Advantages:*

- 16 It provides a pragmatic and beneficial realignment of legal roads within the Queenstown Country Club to make best use of the land available.
- 17 Splitting the land into two processes provides a balance between public consultation on areas that may be of public interest, whilst facilitating a timely and efficient resolution to the area within the main develop.
- 18 Council and ratepayers will benefit from the sale of land by receiving income of \$246,500 (ex GST). Results in currently unproductive land being used for residential purposes and becoming rateable.

*Disadvantages:*

- 19 It would not provide a means of public consultation for the road exchange on the top terrace.
- 20 Option 2 Agree to initiate the road stopping, exchange and sale of roads under the Local Government Act process only.

*Advantages:*

- 21 It would provide a means of public consultation for the road exchange on the top terrace.

*Disadvantages:*

- 22 It will potentially delay development of the upper terrace as the process to stop road via the LGA takes more time.
- 23 Option 3 Decline the request.

*Advantages:*

- 24 None identified.

*Disadvantages:*

- 25 It would not support Council's earlier decision to recommend the top terrace area as an SHA as it would create a less optimal design layout for the developer.
- 26 Council need to continue to manage Section 4 and 9 which would otherwise become privately owned and maintained.
- 27 This report recommends Option 1 for addressing the matter as it provides a reasonable balance between facilitating the process in a timely manner and provides a notified process for those areas that might be of interest to neighbouring properties.

### ***Significance and Engagement***

- 28 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because the issue relates to roads, identified as a strategic asset. In this case the significance is medium because the portions of road to be stopped will either no longer be required for transport purposes or will be realigned to a better location, once the stopping and exchange project is completed.

### ***Risk***

- 29 This matter relates to the strategic risk SR3, working within legislation as documented in the Council's risk register. The risk is classed as moderate. This matter relates to this risk because stopping roads must follow the process detailed in either the Local Government Act or the Public Works Act.
- 30 This report addresses the risk by seeking a Council resolution to stop the road, enabling the correct process to be commenced.

### **Financial Implications**

- 31 All costs incurred will be invoiced to the applicant monthly and deducted from the final purchase price of Section 4 and 9. Should the sale proceed Council is set to receive income of \$246,500 (ex GST) less costs.

### **Council Policies, Strategies and Bylaws**

- 32 The following Council policies, strategies and bylaws were considered:
- Property Sale and Acquisition Policy 2014
- 33 The recommended option is consistent with the principles set out in the named policy/policies. Any land that is no longer required for Council's core purpose or function should no longer be held (principle 1) and policy 3(b), property should be report to Council for disposal if "part of a site is attractive to an interested party (eg adjoining landowner has signalled their interest in purchase the land) and the part concerned is not required for Council/Community use.
- 34 This matter is not included in the 10-Year Plan/Annual Plan because the road stopping was not contemplated at the time the plan was written. It will result in positive income that was un-budgeted.

### **Local Government Act 2002 Purpose Provisions**

- 35 The recommended option:
- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by ensuring Council has roading assets in locations most beneficial to the community and rate payers. That it does not own or maintain land that is not required, and obtains income from the sale of that land;

- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

### **Consultation: Community Views and Preferences**

36 The persons who are affected by or interested in this matter are the residents adjoining the road to be stopped, exchanged or sold. Written approvals from neighbours on the top terrace adjacent to Section 5 will be required for this land to go through the non-notified PWA process.

37 The owners near to Section 4 and 9 on Herries Lane and Onslow Road will be consulted with through the LGA notified road stopping process.

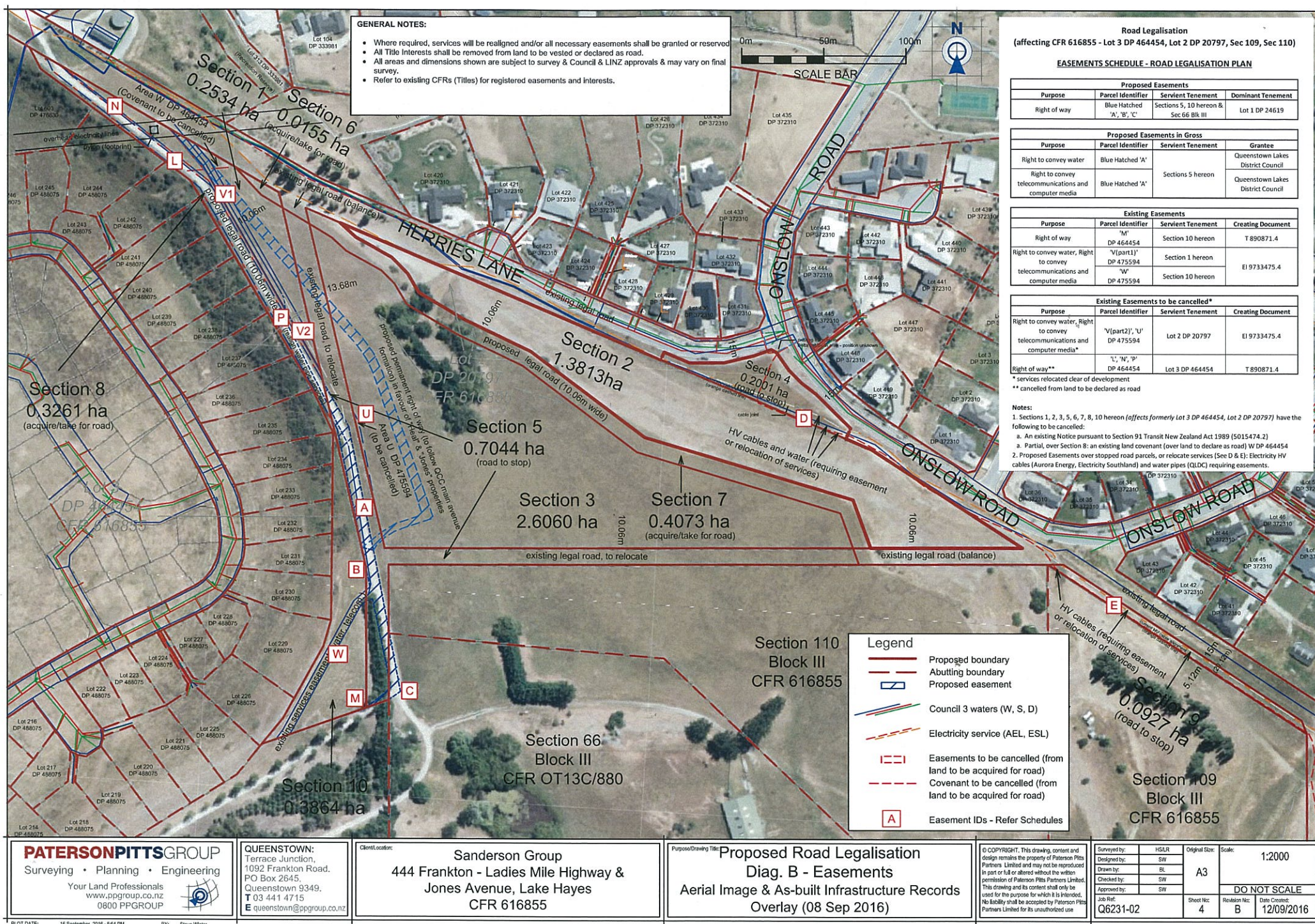
### **Attachments**

A Survey/Masterplans of proposed road stopping













- ① Village entrance
  - ② Rural setback paddocks
  - ③ Bowling green
  - ④ Club house
  - ⑤ Car parking area
  - ⑥ Care facility
  - ⑦ Staff accommodation
  - ⑧ Commercial centre (including cafe and child care facility)
  - ⑨ Terrace setback
  - ⑩ Gully track / connecting track
  - ⑪ Rural shed conversion to clubhouse
  - ⑫ Orchard
  - ⑬ Orchard villas
  - ⑭ Potential for sensitively designed development adjacent to ONL
  - ⑮ Individual lots
  - ⑯ Lookout point
- Site boundary
- - - Realigned outstanding natural landscape (ONL) boundary to better fit landform

0 200m  
1:8,000 @ A3