

**QLDC Council
24 July 2014**

Report for Agenda Item: 6

Department:

Infrastructure and Assets

6. Eastern Access Road – Acquisition of Land for Road

Purpose

- 1 This report seeks council approval for the acquisition of land required for the Eastern Access Road (EAR).

Recommendation

- 2 *That Council:*

Authorise compensation of \$56,000 plus GST (if any) for the acquisition of land (identified as section 3 in the attached plan 1009-1246-7) from Queenstown Commercial Limited.

Prepared by:



Denis Mander
Transport Policy and Stakeholder
Manager

3/07/2014

Reviewed and Authorised by:



Marc Bretherton
General Manager, Planning and
Infrastructure

4/07/2014

Background

- 3 The 'Glenda Drive Roundabout and Associated Roads' project – a joint project between Council and the NZ Transport Agency – is currently in its design phase. This project covers a new state highway roundabout to the west of the Glenda Drive intersection, the first 200m of the eastern access road and a new road linking the EAR with Glenda Drive. Construction is scheduled to commence in November this year, with completion scheduled for May 2015.
- 4 Most of the land required for this project is either owned by NZ Transport Agency or Council. This report seeks approval for the acquisition of the last piece of land

that Council requires for the first 200m of the EAR. (It should be noted that acquisition processes for further land for the EAR beyond this first 200m are underway at present).

Comment

- 5 The attached report from APL provides detail around the proposed acquisition, including the location of the property. The attached plan (reference number 1009-1246-7) denotes this property as section 3.
- 6 The proposed compensation for the acquisition of the land (\$56,000) takes into account the “betterment” created by the construction of the road.

Financial Implications

- 7 The acquisition will be funded by 2013/14 budget for the Frankton Flats roading that is being brought forward into the current financial year.

Local Government Act 2002 Purpose Provisions

- 8 The proposed acquisition is consistent with section 10(1)(b) of the Local Government Act 2002. The land acquisition will enable the construction of roading that has been identified through Council strategy as necessary for the development of the Frankton Flats and to address safety concerns at the Glenda Drive/SH6 intersection.

Council Policies

- 9 The following Council policies were considered:
 - The policy on significance. To the extent that the property being acquired will be part of the Council’s roading network, the proposed acquisition is significant. It is recommended that this be noted and that no further action, such as consultation be undertaken. The proposed expenditure is relatively small, and awareness of the Council’s desire to implement the EAR construction has been well-canvassed through annual and long term plans.
 - The Wakatipu Transportation Strategy. The Wakatipu Transportation Strategy (2007) identifies the need for the future construction of the EAR.

Consultation

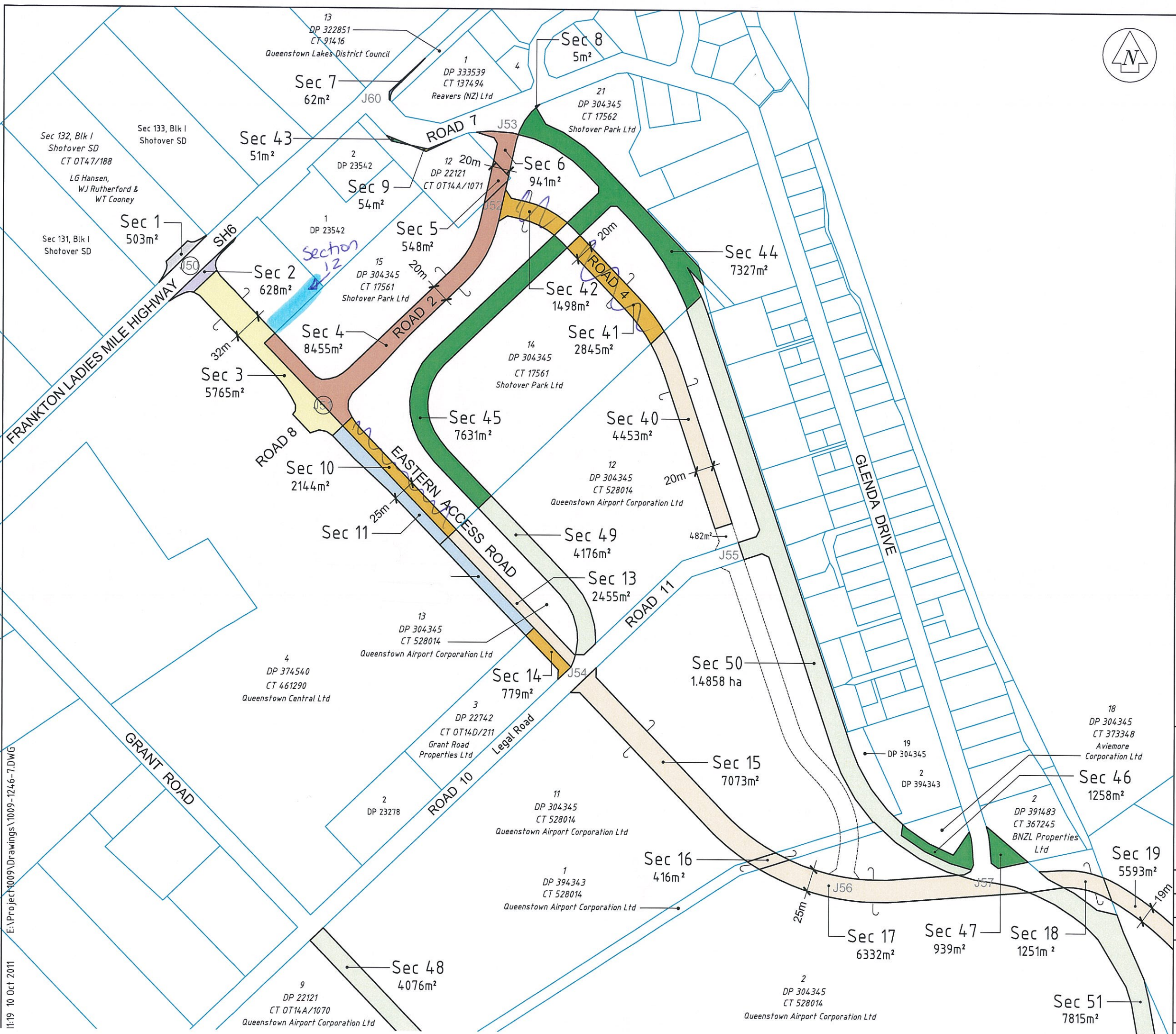
- 10 No public consultation specifically on this property acquisition has been undertaken. The acquisition has involved negotiation with the landowner who is a ‘willing seller.’

Publicity

- 11 No media statement or public communication is proposed.

Attachments

- A APL Properties Ltd report “Purchase Of Land For Eastern Access Road”



PROPOSED ROAD REALIGNMENTS

LEGEND

- Land to be Acquired for Road from Shotover Park Ltd (NOR - RM090808) Sec's 4, 5 & 6
- Land to be Acquired for Road from Remarkables Park Ltd / Shotover Park Ltd Sec's 8, 9, 10, 14*, 41 & 42 (*ex. Grant Road Properties Ltd)
- Road to be Stopped & transferred Remarkables Park Ltd / Shotover Park Ltd Sec's 43, 44, 45, 46 & 47
- Land to be Acquired for Road from Queenstown Airport Corp Ltd Sec's 13, 15, 16, 17, 18, 19 & 40
- Road to be Stopped & transferred to Queenstown Airport Corp Ltd Sec's 48, 49, 50 & 51
- Land to be Designated for SH Purposes from Queenstown Central Ltd Sec 2 (NOR - RM090808)
- Land to be Designated for Road from Queenstown Central Ltd Sec's 11 & 12
- Land to be Designated for Road from Queenstown Central Ltd Sec 3 (NOR - RM090808)
- Land to be Designated for SH Purposes from Hansen, Rutherford & Cooney Sec 1 (NOR - RM090808)
- Land to be Designated for SH Purposes from QLDC Sec 7 (NOR - RM090808)

- Note :
- (1) Cadastral boundaries have been obtained from Land on Line.
 - (2) Areas and measurements are subject to a full LINZ Approved Cadastral Survey.
 - (3) The proposed road formation shown is indicative only and is subject to final engineering design.

SHEET 2 OF 5

Scale : 1:4000 (A3)

Date : March 2011



86f Bush Road, Albany
Auckland, New Zealand
Private Box 300 766
Albany

ph 64-9-414 7171
fax 64-9-414 2021
email office@apexsurveying.co.nz
web www.apexsurveying.co.nz

Our Ref : 1009 - 1246 - 7

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11:19 10 Oct 2011



PURCHASE OF LAND FOR EASTERN ACCESS ROAD

Report to: Denis Mander

From: Joanne Conroy, APL Property

Date: 1 July 2014

Background

Council is to construct the Eastern Access Road between State Highway 6 and Hawthorne Drive in 2014/2015. As a consequence of the 2011/2012 land swap agreement between Council and private landowners much of the land required for the road is now in Council ownership. However, three portions of land are still in the ownership of private Companies who were not parties to the agreement, and these will need three section of land will need to be acquired before the road construction can begin.

The three sections are shown on the attached plan as section 3 (in yellow) sections 11 and 12 (shown in blue) and section 14 (shown in orange). Sections 3, 11 and 12 are owned by Queenstown Central Limited (QCL) and section 14 is owned by Grant Road Properties (GRP).

We have begun negotiations with both parties and advise as follows (note all figures are exclusive of GST):

Section 3 We have conditional agreement with QCL for a compensation sum of \$56,000. This amount is based on before and after valuations for the QCL land but with substantial sums for betterment of the QCL land. QCL have agreed to this amount on the condition that it does not create precedent for their other land parcels and the compensation is subject to Council approval.

Budget exists in the 13/14 annual plan for this compensation (to be carried forward) with contribution from NZTA to be approved when construction funding is approved. We are seeking approval to commit the parties to this transaction by way of a compensation certificate registered on the title until such time as the road can be legalised.

Sections 11 and 12 Our valuation for this land is a total of \$280,000 which QCL have rejected. They are seeking their own valuation advice and expect to report back in early July.

Section 14 GPR do not accept our offer of \$250/m² or \$140,000 taking betterment into account. They have had their own valuation undertaken but are yet to supply this. We have an option to take the land compulsorily which would set a value based entirely on market valuation. That would take time (maybe more than a year) and cost significant sums for consultant and legal fees.



Discussion

The purpose of this report is to update Council on the land acquisitions needed to facilitate the Eastern Access Road, and to seek approval to proceed with the compensation for section 3 at \$56,000. The amount has been accepted by QCL and there is funding in the 13/14 budget that can be carried forward to fund the purchase. The land, when acquired, will vest in Council as road.

Section 14 it is likely to proceed to compulsory acquisition pursuant to the Public Works Act because agreeing to a price significantly above valuation would set a precedent that could have ongoing repercussions for Council. The purchase price for compulsory acquisition will be established by valuation.

We have been unable to get any indication of the amount QCL will be seeking for sections 11 and 12 so this paper does not address the purchase of those sections, and will be the subject of a further report.

Note that as both parties in these transactions are registered for GST, the transactions will most likely be zero rated for GST purposes.

Recommendation

- 1. That the compensation of \$56,000 plus GST (if any) be approved for the acquisition of section 3 from Queenstown Commercial Limited.**