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## **Report 01.479**

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Report to the Policy and Finance Committee  
from Peter O'Brien, O'Brien Property Consultancy Limited

### **Proposal to Sell Land : Te Marua to Kaitoke - Transit New Zealand**

#### **1. Proposal**

To sell land required by Transit NZ for the upgrade and realignment of State Highway 2 (SH2) between Te Marua and Kaitoke.

#### **2. Background**

- (1) In July 1999, Transit NZ lodged a notice of requirement for designation of land from Te Marua to Kaitoke for the upgrade and realignment of SH2 with the Upper Hutt City Council.
- (2) At the same time, Transit NZ began consultations with this Council as its proposal affected the Te Marua end of the Kaitoke Regional Park, the Te Marua twin lakes water reservoirs and the Kaitoke Forest.
- (3) A Council submission was compiled and submitted to the Upper Hutt City Council nominating a range of conditions that the Council wished to have imposed on Transit NZ if the designation was to be approved.
- (4) Through the ongoing consultation process, the conditions set out in the Council submission were all agreed to by Transit NZ.
- (5) Transit NZ was subsequently granted a conditional designation by the Upper Hutt City Council under notice of 17 November 1999. Transit NZ response of 21 December 1999 was to accept some of the conditions and to reject others. All the conditions of this Council were accepted.
- (6) Transit NZ was then granted right of entry to the Council land to undertake geotechnical investigations, resulting in a proposed design of the work and a clear understanding of the land required and the impact on the balance Council land retained.

### 3. The Council land Required by Transit NZ

The Council land identified as required by Transit NZ comprises several relatively small parcels, being narrow strips fronting the current SH2 formation. The net impact is:

Regional Parks to lose part of Kaitoke Regional Park at Te Marua entry	2.4198 ha.
Plantation Forestry to lose part of the Kaitoke Forest	<u>5.2809 ha.</u>
<b>Total Proposed Loss of Council Land</b>	<b>7.7007 ha.</b>

The impact of the land to be lost is:

Department	CT	Area in Title	Area Required
Regional Parks	20C/497	112.7554 ha.	0.1676 ha.
Regional Parks	22D/381	96.6634 ha.	2.2522 ha.
Plantation Forestry	20C/497	112.7554 ha.	3.5211 ha.
Plantation Forestry	20C/498	1.2596 ha.	0.5611 ha.
Plantation Forestry	20C/499	1.1987 ha.	0.5317 ha.
Plantation Forestry	20C/1018	0.6297 ha.	0.3150 ha.
Plantation Forestry	29/193	<u>0.5059 ha.</u>	<u>0.3520 ha.</u>
<b>Totals overall</b>		<b>213.0127 ha.</b>	<b>7.7007 ha.</b>

### 4. Issues Arising From Loss of Land

- (1) The Transit NZ works will be altering the configuration of the entry to the Council land at Te Marua. The proposed design has been analysed by the Council and it is regarded as a positive improvement.
- (2) The loss of land from the Regional Park all falls steeply down from the present road and forms part of the bush clad escarpment being the south boundary above the twin lakes. While the land lost will not impact on access or daily function issues, the impact will be more on the aesthetic environment and the view of the escarpment from the lower Park area. To achieve the realignment, Transit NZ will be filling two natural gullies. The gullies are currently bush clad. After the work, the filled faces will be planted to a specification, which has been agreed to by the Council. The impact of this work should therefore be temporary and mitigated in the long-term with plant growth.
- (3) The Transit NZ work affecting the Plantation Forestry land will impact by lowering the level of the road and make physical access to most of the frontage impractical. As compensation, Transit NZ will be both paying money for that loss of frontage and also creating an entry point on to SH2 at an agreed location. The location and design of the access point has been agreed to by Barry Leonard, Manager, Plantation Forestry.

- (4) Other impacts on the Plantation Forestry land will be the loss of trees and that the outer boundary will now be at the top of a high escarpment. Transit NZ has agreed to pay compensation for the trees lost, based on the present day value assessment by Barry Leonard, Manager, Plantation Forestry. For the escarpment issue, Transit NZ has agreed to pay for the first five metres of land, despite it remaining in the ownership of the Council, to recognise the future difficulty of its use.
- (5) Due to the low level of land value involved, it was agreed for Transit NZ and the Council to use the services of one valuer, subject to the Council retaining an ability to have input. The original valuation report assessed the compensation for loss of land at \$19,500. This was rejected. It has now been agreed between the valuer, the Council and Transit NZ that the appropriate compensation for the loss of land should be \$40,378 plus loss of trees at a further \$56,054.

The \$40,378 is based on a base land value of \$29,572, an allowance for operational setback from the new escarpment created - \$805 and loss of practical access to SH2 - \$10,000. Distribution of the proposed consideration is:

	<b>Regional Parks</b>	<b>Plantation Forestry</b>
Loss of land	2,114	27,458
Loss of practical access and setback		10,805
Loss of trees		56,054
<b>Totals</b>	<b>\$2,114.00</b>	<b>\$94,317.00</b>

## 5. The Proposed Settlement

The proposed settlement has been negotiated whereby the land will be sold to Transit NZ subject to a number of conditions, being:

- (1) Consideration of \$96,431.00 exclusive of GST.
- (2) The Transit work to be undertaken in full compliance with the terms and conditions of the Notice of Requirement for a Designation and the terms of the Upper Hutt City Council arising from its special meeting held 3 November 1999, together with the terms agreed and contained in the Transit letter of response of 21 December 1999, and all other resource consent requirements.
- (3) Transit undertake and meet the full cost of survey, title and legal work, including the Council costs of legal and property consultancy.
- (4) Transit shall form an authorised crossing point off SH2 to enter the Plantation Forestry land near its eastern most frontage point. The location, design and conditions have been agreed.

## 6. Recommendations

- (1) *That the report be received and the contents noted.*
- (2) *The Committee recommends to the Council that:*
  - (a) *the Council land, as detailed in this report, and being contained in parts certificates of title 29/193, 20C/497, 20C/498, 20C/499 20C/1018 and 22D/381, extending to 7.7007 hectares, be conditionally taken by agreement by Transit New Zealand for the purpose of upgrade and realignment of State Highway 2 between Te Marua and Kaitoke;*
  - (b) *subject to recommendation (2)(a) being approved, the conditions to be imposed shall be:*
    - (i) *consideration of \$96,431.00 exclusive of GST;*
    - (ii) *that the Transit work to be undertaken in full compliance with the terms and conditions of the Notice of Requirement for a Designation and the terms of the Upper Hutt City Council arising from its special meeting held 3 November 1999, together with the terms agreed and contained in the Transit letter of response of 21 December 1999, and all other resource consent requirements;*
    - (iii) *that Transit undertake and meet the full cost of survey, title and legal work, including the Council costs of legal and property consultancy;*
    - (iv) *that Transit shall form an authorised crossing point off SH2 to enter the Plantation Forestry land near its eastern most frontage point. The location, design and conditions have been agreed.*
  - (c) *the Common Seal of the Council be affixed by an authorised signatory.*

Report prepared by:

Approved for submission:

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