

**Report** PE06.137  
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**Committee** Policy, Finance and Strategy Committee  
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## **Otaki Flood Protection Depot - Boundary Adjustment**

### **1. Purpose**

To advise the Committee of the proposed rationalisation of land and buildings at the Otaki Flood Protection depot.

To obtain approval to undertake a boundary adjustment with a neighbouring landowner, and thereby dispose of surplus Otaki Depot land.

### **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. Exclusion of the Public and Confidentiality**

Grounds for the exclusion of the public under Section 48(1) of the Local Government Official information and Meetings Act of 1987 are:

*That the public conduct of the whole or relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists (ie. To enable the Council to carry on negotiations (including commercial negotiations), without prejudice or disadvantage).*

### **4. Background**

Council owns 1.2590 hectares located on the corner of SH1 and Riverbank Road, Otaki. The land is held for soil conservation and river control purposes and is contained in Certificate of Title WN545/97. The site is held principally for the purpose of housing the Kapiti Coast Flood Protection depot, and is accordingly held as a Flood Protection asset. See **Attachment 1** for an aerial image of the Otaki Depot site.

The Otaki Depot site comprises:

- The Otaki depot building and adjacent yard area.
- The Otaki depot house including a largely separate section.
- Approximately 0.5 hectares of triangle shaped land to the west that is a mown paddock.

Four Flood Protection staff operate permanently from the Otaki Depot. Other Council staff, principally from Biosecurity and Land Management use the depot when working in the area. The house is currently rented to a non-staff tenant. The surplus triangle of land is simply mown to keep it tidy.

Council inherited the depot site from the Manawatu Catchment Board following local government reorganisation in 1989. The main depot building has needed significant upgrading work since 1989 to make it suitable as a permanent establishment for staff to operate from. The major upgrade to the depot building (interior refurbishment, add on the workshop) was completed in 2003. Similarly the house has also required upgrade expenditure to bring it to an acceptable standard for residential accommodation.

## **5. Otaki Depot rationalisation**

The proposed rationalisation/development of land and facilities at the Otaki depot includes the following:

- Fence and dispose of the surplus triangle of land to the west (this report).
- Separate the house access from the depot now that it is no longer used for housing staff. Should future land zoning allow its subdivision, Council can then consider whether to sell the house. In the interim the house will continue to be rented at market rates.
- Undertake further improvements to the Otaki Depot including constructing a secure implement store, upgrading the sewerage disposal system and boundary fences, and some minor landscaping.

\$40,000 is included in the current 2005/06 Annual Plan to construct a secure implement store. It is intended that proceeds from the disposal of the surplus land, and potentially the house, help fund the improvements.

## **6. Disposal of the surplus (triangle) land**

The approximately 0.5 hectares to the west has been identified by the Flood Protection Department as surplus to current and future depot requirements and available for disposal now. The surplus land is in pasture and, while it has been grazed in the past, it is currently maintained by mowing at cost to Council.

A new proposed western boundary line has been established taking into account the new Otaki Friends plant nursery that has been constructed to the west of the main depot building, the need for adequate car parking for open days, and provision for good site drainage.

Over the last 12 months Flood Protection staff have investigated options for disposing of the surplus triangle land to the west. The options are:

1. Subdividing the land and selling on the open market
2. A boundary adjustment with the adjoining landowner

## **6.1 Disposal via Subdivision and Sale on Open Market**

The depot land is zoned rural (coastal dune) under the operative Kapiti Coast District Council (KCDC) District Plan. The subdivision rules permit a minimum lot size of 0.40 hectares provided the average lot size for any subdivision scheme is not less than 4.0 hectares.

As the land does not meet the minimum lot size requirements of the district plan, the subdivision would be treated as a non-complying activity and KCDC would publicly notify the subdivision application. The land also has some flood hazard restrictions on its future use.

Considerable costs would be incurred namely; KCDC costs for a publicly notified application, reserves contribution, the provision of services to the new lot, costs to meet section 40 requirements and agency fees and marketing costs on sale. KCDC officers are not overly positive as to the likelihood of the success of a subdivision application.

Officers also considered the option of applying for a private zone change application to change the zoning from rural to light industrial. There are significant costs and uncertainties associated with this option as well.

## **6.2 Disposal via Boundary Adjustment**

Boundary adjustments are a controlled activity and would be processed via a non-notified resource consent. The formal definition of a boundary adjustment requires that the respective lots be “generally” the same area as they were prior to the adjustment (i.e. equality of exchange).

Riverbank Orchards own approximately 14 hectares of land directly to the west of the depot site. Riverbank Orchards have confirmed their interest in a land exchange/boundary adjustment that would straighten up the currently angled boundary between their own and Council’s property. The proposal is that Council acquire 588m<sup>2</sup> of Riverbank Orchards, and Riverbank Orchards acquires 4630m<sup>2</sup> of Council land – **see Attachment 1.**

In this instance there is a significant disparity in the proposed areas of land to be exchanged. KCDC have indicated that they would be unlikely to withhold consent for this reason alone and that it is very unlikely that a boundary adjustment will be declined on any other grounds.

Council can expect to receive market value for the land transferred to its neighbour less the value of land received in return. Other benefits under this scenario are that the majority of costs relating to the boundary adjustment (including fencing) would be shared between the adjoining owners and the area acquired from Riverbank Orchards would regularise the shape of Council's residual site.

In summary, the recommended way to dispose of the surplus (triangle) land at Otaki Depot is by way of boundary adjustment with the adjoining owner, Riverbank Orchards. This process should be relatively straightforward and there is a high certainty that the desired outcome will be achieved.

## **7. The Disposal Process**

An agreement in principle has been obtained with Riverbank Orchards to proceed with the boundary adjustment. The agreement is subject to Greater Wellington Regional Council approval - see **Attachment 2**.

If the proposal is approved, the exact boundary location and land areas to be exchanged will need to be confirmed via survey. A registered valuer will be employed to undertake assessments of the current market value of the respective land areas to be exchanged. Based on these assessments, Council will receive a cash settlement for the difference between the value of its land and the Riverbank Orchards land.

Once the revised boundary line, land areas and consideration has been established, a sale and purchase agreement will be entered into subject only to planning consent from KCDC and the issue of new Certificates of Title.

## **8. Financial Implications**

The estimated value of the net 4040 m<sup>2</sup> (acquire 4630 m<sup>2</sup>, dispose 588m<sup>2</sup>, all subject to survey) to be transferred to Riverbank Orchards is in the order of \$25,000 - \$30,000 (valuation still to be obtained).

Council's estimated share of the boundary adjustment cost is \$6,500 plus GST

Therefore the expected net proceeds from the transaction is on the order of \$20,000 plus GST.

## **9. Communication**

The proposed change to the Otaki Depot land holding is essentially an internal management issue related to Council assets. Accordingly no external communication of the matter is proposed.

## 10. Recommendations

*That the Committee:*

1. **Receive** the report.
2. **Note** the proposed ongoing development and rationalisation of the Otaki Depot site outlined in this report.
3. **Approve** the disposal of the estimated 4040m<sup>2</sup> of surplus land at Council's Otaki Depot by way of boundary adjustment with Riverbank Orchards as outlined in this report.
4. **Authorise** the Chief Financial Officer to sign the Sale and Purchase Agreement for the land transaction.
5. **Approve** the allocation of the net proceeds from the sale of the surplus land to paying off existing Otaki depot development loans.

Report prepared by:

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Report approved by

**Barry Turfrey**  
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**Attachment 1: Otaki Depot – Aerial site layout plan**

**Attachment 2: Letter to Riverbank Orchards dated 21 February 2006**