

Report 2016.165
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Committee Hutt Valley Flood Management Subcommittee
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Hutt River City Centre Upgrade Project – Property Strategy

1. Purpose

- To formalise a strategy that will enable Greater Wellington Regional Council (GWRC) to acquire all property interests required for the delivery of the Hutt River City Centre Upgrade Project (HRCCUP) in a timely and cost effective manner.
- To seek the Subcommittee's endorsement of the proposal that Council delegate to GWRC's Chief Executive the acquisitions of property interests required for the HRCCUP.

2. Background

In December 2015, following extensive consultation, Council approved Option A as the preferred option to proceed with the preparation of the preliminary design, costing and implementation timelines for the HCCUP.

During the consultation phase it was indicated that Council would consider the purchase of any property interest required for the project any time after the preferred option was confirmed. Accordingly, the property acquisition phase of the project has effectively commenced.

A high level property strategy was presented to this Subcommittee at its meeting on 3 March 2016. At that meeting it was agreed that a detailed property strategy would be documented and presented to the Subcommittee at its meeting on 5 May 2016.

The property strategy document is contained in **Attachment 1** to this report. It expands on the key objectives outlined below and explains how it is proposed that these outcomes will be achieved.

3. Key objectives of the property strategy

The high level objectives of the property strategy for the HRCCUP are as follows:

Objective 1 - Acquire all property interests required for delivery of the project within the project timeframe.

Objective 2 - Properties acquired early to be managed efficiently to maximise holding return.

Objective 3 - Maximise outcomes (\$ returns / future land use) from disposal of surplus land / and or improvements.

Objective 4 - Achieve fair and reasonable outcomes for property owners and Council.

Objective 5 – Encourage directly affected businesses / employers to re-establish their operations elsewhere in the Hutt Valley.

4. Approval of purchases

All property purchase agreements are subject to approval by Council.

As set out in **Attachment 1** to this report, there are 117 property owner interests to be acquired and there will be other agreements relating to the relocation of businesses that will require formal Council approval. Apart from the sheer volume of reporting that would be required to Councillors; the full Council approval process imposes timeframes on concluding agreements which are dictated by the next scheduled Council meeting date.

In order to streamline the approval process for property agreements, it is recommended that Council delegate to its Chief Executive the power to enter into unconditional agreements to acquire the property interests required for the HRCCUP. This delegation would be on the proviso that the Chief Executive is satisfied that the level of compensation agreed and other principal terms of the agreement are fair and reasonable.

In each instance, a request for the Chief Executive to sign an agreement to purchase property will be accompanied by a suitably detailed cover report providing the Chief Executive with sufficient comfort that the principal terms of the agreement are satisfactory. The Chief Executive's delegation will be limited to prevailing approved budget for property acquisition.

A detailed record of cumulative property acquisition costs will be maintained and monitored against budgets. This will be reported to the Project Management Group (PMG) and Subcommittee on a periodic basis and will give the PMG early warning of any potential property acquisition cost over-runs.

Prior to the delegation of authority to the Chief Executive, any property purchase agreements will require the approval of the full Council.

5. Risks

- Current market trends present a risk of property value increase. A review of this risk is currently underway and updates will be reported to the Subcommittee at its scheduled meetings.
- The proposed amendments to the Resource Legislation Amendment Bill have previously been reported to this Subcommittee. These proposed amendments were introduced to Parliament in December 2015. The outcome and impact of any decision will be reported to this Subcommittee at a future scheduled meeting.

6. Communication

Consultation continues to progress with landowners whose land is required for the project. Landowners were provided with opportunities to meet with property consultants to better understand the processes.

7. The decision-making process and significance

Officers recognise that the matters referenced in this report have a high degree of importance to affected or interested parties.

The matters requiring decision in this report have been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

7.1 Significance of the decision

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance and engagement policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

The Subcommittee decision requested below is the endorsement of the scope of works for the preliminary design. This is aimed at providing more information to the Subcommittee and Council to confirm decisions.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

The matters for consideration in this report will be subject to further consideration by the Environment Committee and by Council. Council will be the final decision-maker on the proposals.

7.2 Engagement

In accordance with the significance and engagement policy, no engagement on the matters for decision is required.

8. Recommendations

That the Subcommittee:

1. **Receives** the report.
2. **Notes** the content of the report.
3. **Recommends** the “Property Strategy” contained in Attachment 1 of this report to the Environment Committee for consideration.
4. **Endorses** the proposal that Council delegates the approval of acquisition of the property interests required for the Hutt River City Centre Upgrade Project to the Chief Executive of Greater Wellington Regional Council as outlined in Section 4 of this report.

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Attachment 1: Hutt River City Centre Upgrade Project – Property Strategy