

<b>Report to:</b>	<b>Council</b>	
<b>Date:</b>	28 February 2024	
<b>Subject:</b>	Proposed Road Stopping at Pier Hotel	
<b>Prepared by:</b>	D Clibbery – Senior Manager Operations	
<b>Input sought from:</b>		
<b>Authorised by:</b>	W Doughty – Chief Executive Officer	

## 1. SUMMARY

It is proposed that Council stops a small area of road reserve at the eastern end of the Esplanade and sells it to the owners of the adjacent Pier Hotel.

## 2. RECOMMENDATION

It is recommended that:

- a) *Council approves the commencement of a formal process towards the potential stopping and sale of the 166m<sup>2</sup> area of road reserve at the eastern end of the Esplanade as described in this report, in accordance with the requirements of Schedule 10 of the Local Government Act 2002.*
- b) *Council approves the purchase of the 17m<sup>2</sup> area of private land as described in this report, for the purpose of improving the safety of the Esplanade/Avoca Street Intersection.*

## 3. BACKGROUND

As part of the development of Wakatu Quay it is proposed to make the eastern end of the Esplanade a one-way road. This is necessary because such an arrangement is required both to enable the formation of new parking areas to serve the development, and because part of the current two-way access is on the private property of the Pier Hotel, but has no legal right to be there. Council has already formally resolved to implement a one-way road at the appropriate time for the Wakatu Quay development at the Council meeting of 28 September 2022.

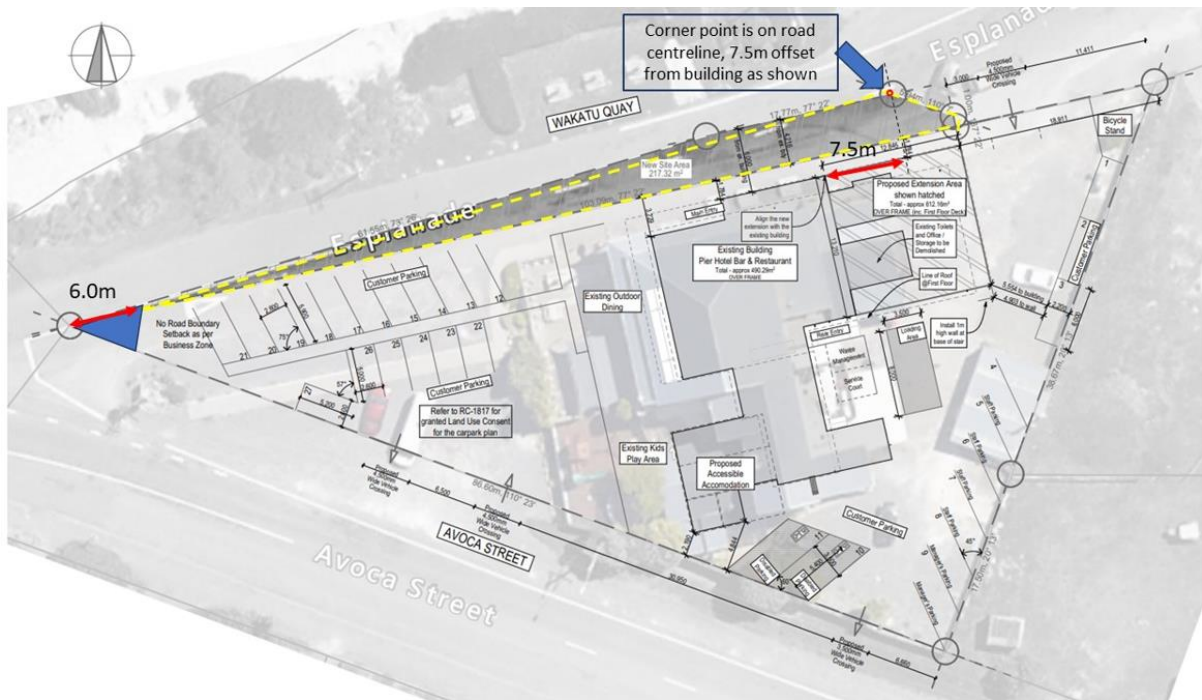
With the conversion of the existing two-way road to one-way, some area of the present road reserve will become surplus to Council's needs, and the owner of the Pier Hotel has indicated a desire to acquire an area approximately as shown by the yellow outline in Figure 1, for amalgamation with the Hotel title and development as an outdoor dining and drinking area as a replacement for the hotel's current lease of the grassed area on the other side of the road.

The Hotel owner's proposal to purchase the road reserve land is believed to be beneficial to the community, particularly as the current practice of having a licenced area separating from the hotel by a road is considered to be somewhat unsafe.

## 4. ROAD STOPPING PROCESS

In order to progress any road stopping Council must pass a resolution to instigate the road closing procedure and having done that Council must then follow the statutory process as set out in Schedule 10 of the Local Government Act 1974.

The area to be stopped has to be legally surveyed and a survey plan has to be lodged and approved by Land Information New Zealand (LINZ). Plans must be prepared, advertised and be available for public inspection and allow persons to object to the proposal. Notices must also be served on any occupiers of land adjoining the land proposed to be stopped. If no objections are received Council may, by public notice, declare the road to be stopped.



**Figure 1: Proposed Road Stopping and Sale Areas**

The declaration takes effect once two copies of the public notice and the survey plan are received by the Chief Surveyor at Land Information New Zealand. A new certificate of title for the land comprising the stopped road would be issued. The Act provides that Council may sell that part of the closed road to the owners of any adjoining land, for a price to be fixed by a competent valuer, or grant a lease of that part to the owners of any adjoining land.

A legal survey, as described above, has been conducted in respect of the relevant areas and the survey plans are attached.

The proposed road stopping area (of 166 m<sup>2</sup>) is shown as Section 2 on the plan and also shown is an area of 17m<sup>2</sup> marked as Section 1, which council wishes to acquire from the hotel to enable safety improvement of the intersection of the Esplanade with Avoca Street.

**5. PROPOSED TERMS OF SALE**

A valuation basis for the relevant areas of land has also been obtained, which indicates GST exclusive values of \$500/m<sup>2</sup> for land in Section 1, and \$600/m<sup>2</sup> for land in section 2. The section of the valuation report stating these values is attached.

As such council would buy land for \$8,500, whilst selling land for \$99,600, yielding net proceeds for Council of \$91,100 (GST exclusive).

The owner of the Pier Hotel has confirmed that they would be accepting of these terms of sale, and has also indicated that he would undertake the following associated works along the section of the Esplanade at his own cost:

- Installation of a concrete footpath with bollard lighting along the seaward side of the road
- Installation on kerbing along the landward side of the road
- Necessary modifications to drainage of the road

## 6. NEXT STEPS

Should Council be agreeable to the stopping of the road, the next step is to lodge the survey plan with Land Information New Zealand (LINZ). On receipt of a notice of approval and plan number from LINZ, Council must twice give public notice of the proposed stopping and also inform adjacent landowners, providing a period of at least 40 days for the lodgement of objections. A suggested draft notice is provided as Attachment 2.

Notices advising of the stopping must also be displayed on the site.

If any objections are received the matter must be referred to the Environment Court.

Whilst it is believed that the Environment Court would almost certainly approve the stopping, having to refer the matter to the court would result in significant delay, but it might be possible to consider granting the Hotel a licence to occupy for the area in the interim.

## 7. FINANCIAL IMPLICATIONS AND RISKS

The proposed road stopping and sale is considered to pose no significant risks for Council, and will provide in the order of \$90,000 of revenue.

## 8. RELEVANT LEGISLATION & DELEGATED AUTHORITY

The stopping of roads is subject to the provisions of Schedule 10 of the Local Government Act 1974.

## 9. COMMUNITY OUTCOMES

The issue discussed in this report relates to the following community outcomes:



### Community

We communicate, engage and inform our community



### Development

We promote and support the development of our economy



### Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose



### Environment

We value and protect our environment



### Future

We work with our community and our partners to create a better place for future generations

## Attachment 1: Valuation Sections

### (1) Value of Road Reserve Land (to be sold to the Pier Hotel property)

- The land is located directly adjacent to the Pier Hotel building at its main entrance and would be well suited for integration with this title.
- Further expansion of the outdoor dining area within the confines of the property boundary would be possible upon completion of the boundary change.
- The land is of larger size in contrast to most of the comparable sales which typically results in a lower value rate per square metre.
- The property is situated within a prime coastal location albeit somewhat removed from the main commercial precinct. The nearby sale of the adjacent property on Avoca Street provides a strong value benchmark in terms of location and overall land size.

On balance, taking these factors into consideration we consider an appropriate value rate for the land which is to be amalgamated with the Pier Hotel being in the order 100m<sup>2</sup> would lie around the **\$600 psm** level.

### Esplanade – 1 Avoca Street, Kaikoura

### VALUATION CONSIDERATIONS, contd...

### (2) Value of Proposed Road Reserve Land (corner area)

- The land is of relatively small size which typically results in a higher value rate per square metre.
- The land is of limited added value to the adjoining property given its narrow shape characteristics and situation being well removed from the main building area.
- The acquisition of the land by the Kaikoura District Council provides significant benefits in terms of vehicle manoeuvrability around the corner intersection of the Esplanade and Avoca Streets from a safety perspective.

On balance, taking these factors into consideration we consider an appropriate value to the proposed road reserve land would lie around the **\$500 psm** level as outlined within our valuation conclusions hereunder.

### VALUATIONS:

(1) Value of Road Reserve Land (to be sold to the Pier Hotel property) **\$600 psm**

**(SIX HUNDRED DOLLARS PER SQUARE METRE)**

(2) Value of Proposed Road Reserve Land (corner area) **\$500 psm**

**(FIVE HUNDRED DOLLARS PER SQUARE METRE)**

The above assessed value rates are **exclusive** of any GST payable on sale.

## **Attachment 2: Proposed Public Notice**

### ***Proposed Stopping of Road – 1 Avoca Street***

*Kaikoura District Council proposes that a strip of public road along the Esplanade (adjacent to the Pier Hotel) with an area of approximately 166 square metres is stopped and ceases to be road.*

*This change is proposed as that section of road is to become one-way, and this area will then become surplus to Council's needs.*

*A plan showing the proposed area to be stopped and other associated information can be obtained from Council on request.*

*Persons objecting to the stopping should do so in writing to Council by not later than ???*