

MEMORANDUM TO:

File: 307/12/1
BD:AH

CHIEF EXECUTIVE *R*
via DIRECTOR, CORPORATE SERVICES *W.*

20 November 1989

RE: PROPOSED PURCHASE - LANDCORP SPUR, SILVERSTREAM

This is the a piece of land currently owned by the Crown and having an area of approximately 35.5 hectares. It is described as part Sections 81 and 82 as shown on Survey Office Plan 3475 (copy attached).

The land has a frontage to an unformed section of Kiln Street. It also has a frontage to Reynolds Bach Drive which is the access to the rubbish dump, but not a legal street. The Reynolds Bach Drive frontage is adjacent to the Silverstream Railway Society's land and in fact part of the land concerned is actually occupied by that Society.

The land is zoned "Rural Townbelt" under the Hutt County Operative District Scheme. The predominant uses in that zone are forestry and plantation developments on the one hand and, broadly, uses associated with Reserves on the other. Part of the land may have a potential for development as residential sections although a change of zoning would be required before any such development could proceed. The bulk of the land is best suited to passive reserve uses which would complement the Silverstream beautification reserve and the Keith George Memorial Park and Silverstream scenic reserve which lie immediately across the Hutt River. It would also complement the adjacent Silverstream Railway Society facility as well as providing a buffer between that facility and any other development that may take place in the area of the unformed Kiln Street.

Landcorp have had the land for sale for some time. The original asking price is understood to have been \$97,000.00. The possibility of Council purchasing the land was raised by the Heretaunga/Pinehaven District Community Council.

An independent valuation of the land was obtained from Appraisal Partners in May 1989. That firm put the market value of the land at \$36,000.00. Landcorp indicated that its Valuers (Valuation New Zealand) considered the land to be worth \$70,000.00.

It was agreed with Landcorp that the Valuers should get together to see if they could agree on a purchase figure. The Valuers eventually reported that they had reached agreement on a price of \$59,000.00 on the basis that a second legal access was available from Reynolds Bach Drive.

In fact Reynolds Bach Drive is not a legal street. Appraisal Partners would recommend a reduced price for that reason as such access may improve the value of that part of the land in the vicinity but there is no prospect of reaching agreement with either Landcorp or its Valuer on any further reduction in price.

I don't think any further reduction in price is likely to be significant as the part of the land that benefits from the second frontage is not great. I believe that \$59,000.00 represents a fair price for 35.5 hectares of land given the likely uses to which Council could put it.

The purchase could be funded from Council's Reserve Fund account. The account has funds in hand sufficient to meet the purchase.

RESOLVED TO RECOMMEND:

1. THAT this report be received.
2. THAT Council agree to purchase the land known as Landcorp Spur being part Sections 81 and 82 as shown on Survey Office Plan 3475 at a price of \$59,000.00.



B.R. Dodson
OFFICE SOLICITOR