



Public Excluded

Report PE00.579

28 July 2000

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Report to Policy and Finance Committee
from Greg Schollum, Chief Financial Officer

Shelly Bay Update

1. Purpose

To review the current position relating to Council owned Shelly Bay land and to consider the options now available to the Council.

2. Public Excluded

Grounds for exclusion of the public under section 48(1) of the Local Government Information Act 1987 are *that the public conduct of the whole or relevant part of the meeting would be likely to result in disclosure of information for which good reasons for withholding exists i.e. to carry on commercial negotiations.*

3. Background

The Policy and Finance Committee last considered the issue of Shelly Bay in November 1999 (refer report PE99.625 attached as **Attachment 1**)

The Committee will recall that the Council is a relatively minor player in an issue primarily between Wellington City Council and NZ Defence Force. Council has declared that its land at Shelly Bay is surplus to requirements and has resolved that the commercial value of the WRC land should be maximised to the east side of the road, and that the public interest and continued public access to the foreshore should be protected to the west side of the road.

4. **What has happened since November 1999?**

The preferred strategy of continuing with three-way (WRC, WCC and NZDF) discussions on the best way forward to resolve Shelly Bay unfortunately broke down with NZDF and WCC adopting unhelpful entrenched positions. After consulting with the General Manager we adopted a strategy to work with NZDF alone, in order to achieve agreement on the best solution. This has been achieved with NZDF and WRC now having reached agreement, subject to approval from our respective principals. Prior to placing that position before the WCC to seek its agreement, WRC and NZDF agreed to jointly seek the necessary approval to the recommended course of action. (In the case of WRC, that is the through the Policy and Finance Committee.)

The issues and proposed solutions are explained in the attached report from the Council's property consultant (refer **attachment 2**)

5. **What does Council need to do now?**

The Council needs to either endorse the recommended course of action as the way forward or to direct an alternative resolution.

The recommendations for Council consideration are supported by our Property Consultant's report, (**attachment 2**). A combination of recommendations 2a and 2c are considered to be the most equitable available option and will satisfy the Council resolution in report PE99.625 (i.e. to maximise the commercial value to the east of the road).

The proposals to vest land as road and reserve in the WCC, as contained in recommendations 2a and 2b will ensure the protection of the public access to the foreshore and wharf structures. This will satisfy the Council resolution in report PE99.625.

Recommendation 2d will provide a legitimate platform for DoC to achieve its goal of holding all of Matiu Island, WRC's lighthouse will be protected and the Shelly Bay slipway and adjacent buildings will be protected to ensure they remain available for commercial/public use as a regional asset.

Recommendation 2e merely outlines a direction for resolving the seaward side of the road, while recognising there remains much to be done.

6. **Communications**

Not required at this time.

7. **Recommendations**

(1) *That the report be received and the contents noted.*

- (2) *That the Committee recommend to Council that:*
- (a) *it agree to vary its contract with NZDF to facilitate transfer from NZDF to WCC, for road reserve purposes, those parts of Section 89 Watts Peninsula District shown coloured yellow and orange on the attached plan, subject to WCC transferring to WRC ownership an area equivalent to the orange areas to the east of the formed road, which is presently legal road to be closed and which immediately adjoins the WRC residual holding.*
 - (b) *it agree, at the request of DoC, to NZDF vesting as reserve in the WCC Section 90 and Watts Peninsula District shown coloured green on the attached plan together with the vesting in WCC as reserve for the purpose of public access part Section 89 Watts Peninsula District shown coloured blue on the attached plan.*
 - (c) *it agree to the disposal of its eventual residual landward side land holding in conjunction with the NZDF land.*
 - (d) *it agree, at the request of DoC, to enter into an exchange of land being the transfer from WRC of its land holding at Matiu Island to DoC, subject to a lease back to protect the continued presence of the lighthouse structure, in exchange for the transfer from DoC of the land taken as foreshore reserve at Shelly Bay to WRC.*
 - (e) *it agree to work with NZDF to devise a strategy to dispose of the remainder WRC seaward side land, shown red on the attached plan, with such strategy to have regard to the wider public interest, a commercial balance and to be subject to further report back as options evolve.*
 - (f) *it approve the affixing of the Council's common seal to the documentation.*

GREG SCHOLLUM
Chief Financial Officer

Attachment 1: Report PE99.625
Attachment 2: Report from O'Brien Property Consultancy Limited dated 26 July 2000
Attachment 3: Map of land use