

25 March 2008

File Ref. P11512

TO HIS WORSHIP THE MAYOR AND COUNCILLORS

TO AUTHORISE THE PURCHASE OF TWO PARCELS OF LAND ADJACENT TO THE PIRONGIA CEMETERY

1 PROPOSAL

To purchase two parcels of land adjacent to the Pirongia Cemetery Reserve on the corner of Beechey Street and Oak Lane, Pirongia being Section 335 (2023 square metres) and Section 531 (3035 square metres).

2 SUMMARY

Council's Pirongia Cemetery Reserve is located within a block of land in Oak Lane with road frontage on Beechey Street. While Council owns a significant portion of land in that block, there are two strategic parcels on the corner of Oak Lane and Beechey Street that are currently held in private ownership (see site plan attached).

The two sites located on the corner of Beechey and Oak Lane have recently been offered for sale on the open market and have a combined value of \$320,000.

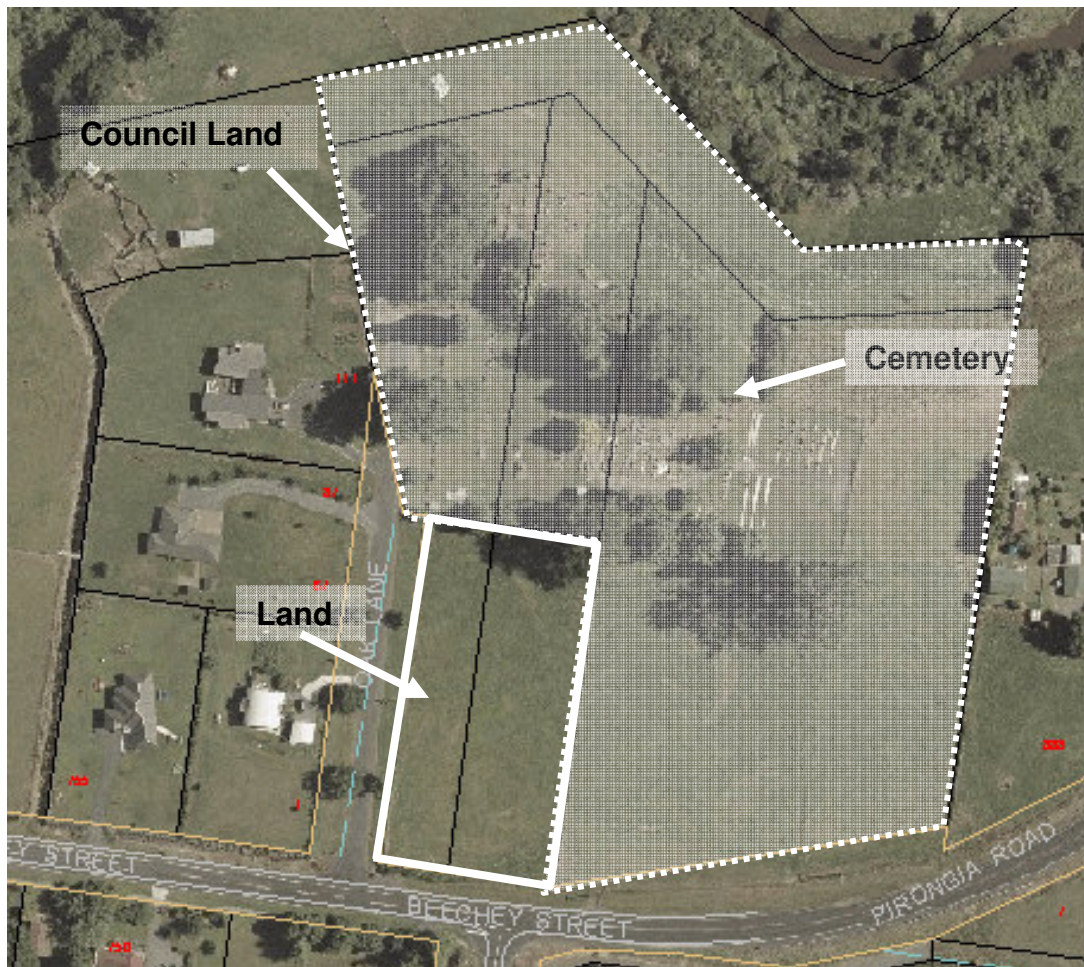
The proposed acquisition of the land will allow Council to better utilise the Cemetery (the contour of the land is such that not all areas of land are useable for its current purpose) as well as giving Council the opportunity to redesign internal roadways to provide more appropriate access to existing and future burial sites.

Once purchased the land will be designated under the Resource Management Act and classified under the Reserves Act in order for Council to manage the land in accordance with its intended use.

Surplus land within the Council owned block is currently leased to neighbouring landowners. It is proposed that the two sites be leased in the same manner until such time as the land is required for future development.

An aerial photograph of the site is shown on the following page.

Aerial Photograph



3 RECOMMENDATION

That

- a) *The report of the Property Manager dated 25 March 2008 be received; and,*
- b) *Council approve purchase of the land described as Section 531 Town of Pirongia East SA700/116 comprising 3035 square metres and Section 335 Town of Pirongia East SA658/148 comprising 2023 square metres, for a value supported by Council Policy; and,*
- c) *Subject to (b) above, Council authorise staff to commence the process to classify the land as Cemetery Reserve and to make application to Council to designate the land for Cemetery Purposes; and,*
- d) *The purchase of the property be funded by loan and any return by grazing be applied to reduce the outstanding balance; and,*

- e) Council authorise Staff to lease the two sites in accordance with Council Policy; and,
- f) The Common Seal of the Waipa District Council be affixed to all the sale, transfer and subsequent lease documents.

4 LEGAL

Local Government Act 2002

The Local Government Act 2002 (LGA) establishes a series of tests that Council must consider in its decision-making processes.

Council must determine whether the purchase involves a strategic asset (section 97). Section 5 of the LGA defines a strategic asset as an asset or group of assets that Council needs to retain to maintain capacity to achieve or promote any outcome Council considers to be important to the current or future well being of the community.

In determining whether the asset is strategic under section 5, Council must take account of the thresholds and criteria set in its Policy on Significance (s 90).

In this case, the proposed purchase of the property does not trigger any of the thresholds established by Council's policy on significance and as such does not require Council to deal with the purchase of the property as a strategic asset.

- (a) Under section 97 of the LGA 2002, Council must also consider whether the purchase will significantly alter the level of service provision for any significant activity. Similarly, section 88 requires Council to consider whether the purchase will result in a change in mode of delivery of a significant activity.

In the current situation, the proposed purchase will not have any impact on Council's level of service or Council's capacity to progress issues likely to be identified in its LTCCP, including the delivery of significant activities.

- (b) Having satisfied the tests at (a) and (b) above, Council must initiate its decision-making process in accordance with the principles set out in sections 76-81 of the LGA 2002.

To satisfy these requirements, Council must identify the significance of the matters affected by the decision and undertake the following steps to the extent that Council **in its discretion** considers necessary (s 79).

- (i) Identify objective of the purchase of the property –

The proposal is to purchase two sites adjacent to the Pirongia Cemetery Reserve to enable Council to control activity within close proximity to the Cemetery and to allow Council to redesign the current configuration of roadways through the Cemetery.

- (ii) Identify any other practicable ways this objective can be achieved (s 77 (1) (a) & (b)) –

There are no other options available as the purchase is based on the property's proximity to the Cemetery.

- (iii) Are there any Maori Cultural considerations that need to be taken into account (s 77 (1) (c)) –

There are no specific considerations in the proposal to purchase the property.

- (iv) Identify who is likely to be interested/affected (s 78) and decide if those parties views should impact on the decision –

The purchase of the land will not impact neighbouring properties as the land will form a part of an already existing Cemetery.

- (v) Consider the degree to which benefits and costs are to be quantified (s 79 (1) (b)) –

Securing the additional land now ensures Council's ability to utilise the land for Cemetery Reserve in the future.

- (iv) Identify whether the decision is significantly inconsistent with Council policy or plans (if so inconsistency will need to be addressed in accordance with s 80) –

Council's Investment Policy requires that purchases be supported by valuation. The proposed purchase of the two sites is supported by registered valuation.

The proposed purchase is consistent with the tests established by the LGA as described above.

Reserves Act 1977

In order for Council to manage the property according to its intended use as a cemetery, it is necessary to classify the land as Local Purpose Reserve (Cemetery). This will also provide consistency with the status of the adjoining land.

Resource Management Act 1991

The land is currently zoned rural (rural residential policy area) under the Waipa District Plan. The intended use of the land for Cemetery purposes will require Council's Property Department to apply for the land to be designated as a cemetery.

5 COUNCIL POLICY

Investment Policy

Council's Investment Policy requires that property purchases must have a "purchase price to be supported by registered valuation".

6 BACKGROUND

The Pirongia Cemetery Reserve is situated on Oak Lane with an area of land fronting Beechey Street. One side of Oak Lane is privately owned and has been developed as a rural residential area. The other side of Oak Lane is predominantly owned by Council for use as a Cemetery Reserve.

There are two sites on the corner of Oak Lane (the Council side) and Beechey Street that are not currently owned by Council but that form a natural part of the Cemetery Reserve. The sites are surrounded on two sides by legal road and on two sides by Cemetery Reserve (see site plan attached).

The two parcels of land are currently in private ownership and have recently been offered for sale on the open market. An Agreement for Sale & Purchase has been entered into by Waipa District Council (subject to final Council approval) giving Council the opportunity to secure the two sites for its own use in the future.

Situated on the corner of the wider Cemetery Reserve, the sites are strategically significant to Council and ownership will provide Council with greater flexibility for future use of the Cemetery given the contour of the existing Reserve. Council ownership of the two sites will also ensure that further rural residential development in close proximity to the Cemetery does not impact on Council's use of the site.

Council will need to apply for a designation of the land under the Resource Management Act prior to the use of the land and classification of the land under the Reserves Act in to manage the land as a Cemetery.

A valuation has been completed for Council and the sites have been assessed as having a combined value of \$320,000 (plus GST if any). The Agreement for Sale & Purchase has been entered into on this basis.

Surplus land within the Cemetery Reserve is currently leased for grazing purposes. It is envisaged that the land purchased be managed in the same way until such time as it is required for future development of the wider Cemetery site.

7 COMMENT

There are a number of unmarked burial sites within the Pirongia Cemetery. Following the purchase of the two sites, it is proposed that Council confirm the position of all existing burial sites within the Cemetery Reserve using ground-penetrating radar. It is estimated that this investigation will cost approximately \$10-15,000.

There are also a number of marked burial sites that are located on the edge of existing internal road ways that traverse the cemetery. The purchase of the two sites will enable Council to consider relocating those roads to ensure that

burial sites are protected into the future. The possible redesign and reconstruction of road ways will also allow Council to utilise the Cemetery to its maximum capacity.

8 FINANCIAL IMPLICATIONS

An Agreement for Sale & Purchase has been entered into for the purchase of the two sites. The Agreement is subject to the consent of Council and has been entered into based on a registered valuation of the sites.

The full purchase price for the two sites is \$320,000.

It is proposed that the purchase of the property be funded from loan monies, with this amount being reduced by monies returned from grazing of the portions of land purchased.

9 CONCLUSION

Council has the opportunity to secure land now for future development of the Pirongia Cemetery.

The purchase of the two sites means that Council will retain control over all activity (e.g. rural residential lifestyle development) within the block of land on the corner of Oak Lane and Beechey Street.

Colin Windleborn
PROPERTY MANAGER