

27 November 2000

Greg Schollum
Chief Financial Officer
The Wellington Regional Council
Level 5
The Regional Council Centre
Wellington

Dear Greg,

Re: Shelly Bay

Our last report to you on Shelly Bay was dated 26 July 2000

Background

That report was appended to your report PE 00.579 of 28 July to addressed to the Policy and Finance Committee. The Policy and Finance committee resolved to approve your recommendations on 3 August, copy appended (No. 1).

The Joint Regional Council and NZ Defence Proposal

Further discussions were held between NZ Defence, City Council and ourselves. These discussions resulted in an agreement to move part of the road to the east. This movement ensured that the impact of road reserve on the slipway structure was minimised, thus ensuring its ability to continue to function into the future with certainty. In effect the movement of the road was absorbed by NZ Defence which will now receive less land from the City Council.

A joint NZ Defence and Regional Council proposal was then placed before the City Council dated 11 September 2000, copy appended (No. 2). The essence of the joint proposal was that the City Council was offered every item that the City Council officers had nominated that they required. It proposed:

1. The City Council would have transferred to it at nil consideration all the land comprising the formed road, (being 12 metres wide), plus additional land to provide a road reserve 17 to 20 metres wide to cater for future enhancement.
2. The City would become owner at nil consideration of the majority of the land between the road and the foreshore. The only exception would be that area occupied by the slipway and adjoining building and wharf structures.
3. The City would have vested in it at nil consideration a right of way 5 metres wide, catering for public access to the foreshore and wharf structures from the legal road.
4. The present formed road and the seawall would pass to City Council ownership at nil consideration.

27 November, 2000

5. NZ Defence would grant to the City Council the sum of \$50,000 to cover all identified future maintenance issues related to the seawall.
6. In return the City Council would close the present portions of the legal road which are not formed. Part, 1,322 square metres would transfer to Regional Council ownership and part, 10,000 square metres, would transfer to NZ Defence. NZ Defence will meet the cost of the road closure.
7. There will be an imbalance in the land areas to be exchanged. The City Council will receive some 1,247 square metres less than Regional Council / NZ Defence. It has been agreed between officers that this is compensated for by the value of the seawall, the road formation and sealing.

The Wellington City Council Reaction

At this point, all City Council staff supported the proposal presented. All City Council demands nominated had been met. The Officers report was placed before the City Council Transport and Infrastructure Committee on Friday 3 November 2000, copy appended (No. 3). While we were not present, we understand that the officers verbally endorsed the report and supported the recommendations.

The City Council Transport and Infrastructure Committee resolved:

1. That the Committee recommends that Council agree to legalisation of the existing formed road alignment allowing for a 17 to 20 metre road reserve.
2. That the Committee recommends that Council agree the stopping of the existing unformed legal road.
3. That the Committee recommends that Council agree to receive the compensation of \$50K from Defence for the remedial work on the existing seawall.
4. That the Committee recommends that Council negotiate appropriate compensation from Defence for any imbalance of worth being transferred, to be agreed by Council before title is finally passed. This may be allocation of additional land for public recreational use, on either side of the road reserve, rather than monetary compensation, or both.
5. That officers report back on progress on agreement with NZDF, and other relevant parties by the March 2001 committee round.
6. That the Committee requests officers to report back by the March 2001 committee round on:
 - (a) That land valuations, including the gain in value to NZDF of moving the legal road;
 - (b) The development intentions of NZDF, if they have any specific intentions;
 - (c) The potential impact of development on roading use and particularly on the peninsula road as a recreational route;
 - (d) The potential for a useable reserve area within Shelly Bay

Noted:

1. Councillor foster requested that his dissenting vote against recommendations 1 - 3 be recorded.

2. The Committee added recommendations 4 - 6 to the recommendations given in the officer's report.

Actions Post the Wellington City Council Resolution

To date we have not received any communication from the City Council other than one phone call. We understand that the City Council officers have ordered valuations of all the various parcels involved in the proposal. We understand that it is then intended that the City Council will seek equality of exchange based on those assessments. Until the valuations arrive there is no way of knowing the outcome. NZ Defence will insist on the balancing exercise taking into account the values of the seawall and road formation assets,

Potential Solution

Because the problem has yet to be defined, it is too early to determine definite solutions. However, we have considered the possible solutions so that we can be ready to react when the City Council calls to convene the next meeting. We believe that one of the best solutions is to place into City Council ownership all the land between the road and the wharf structures to the north end of the buildings together with the small area immediately to the south of the slipway. Both areas would have to transfer as road to cover the issues of access to the remaining Regional Council / NZ Defence holding. Transfer of these areas to the City Council would comprise a logical extension of what has been proposed to date and would certainly enhance the public ownership and access position.

The Slipway - A Short Term Proposal

A group, organised through Bill Brambleby of international Ship Brokers NZ Ltd, has formed to try and ensure the continued existence of the Shelly Bay slipway. This was detailed in our previous report and did have the support of the office of the Deputy Prime Minister. Mr Brambleby has advised that it is desirable that the slipway be available, in the short term, to act as an emergency backup to assist with the overhaul of the boats which will visit Wellington in January and February 2001 as part of the BT Global Challenge. It is planned to lift boats out of the water with the Hikitia but an emergency backup is desirable.

Mr Brambleby advises that the Shelly Bay slipway can be made operational almost immediately and at limited cost of some \$5,000. We propose therefore that the Council positively supports Mr Brambleby's request that the slipway be made available as an emergency backup during January and February 2001 specifically for use in conjunction with the B T Global Challenge.

NZ defence is still the controller of the land occupied by the slipway. We propose, with Council support, to encourage NZ Defence to grant short term use of the slipway for the first part of 2001 without compromising the best long term use and solution.

We trust that this comprises an adequate interim update report.

Yours sincerely

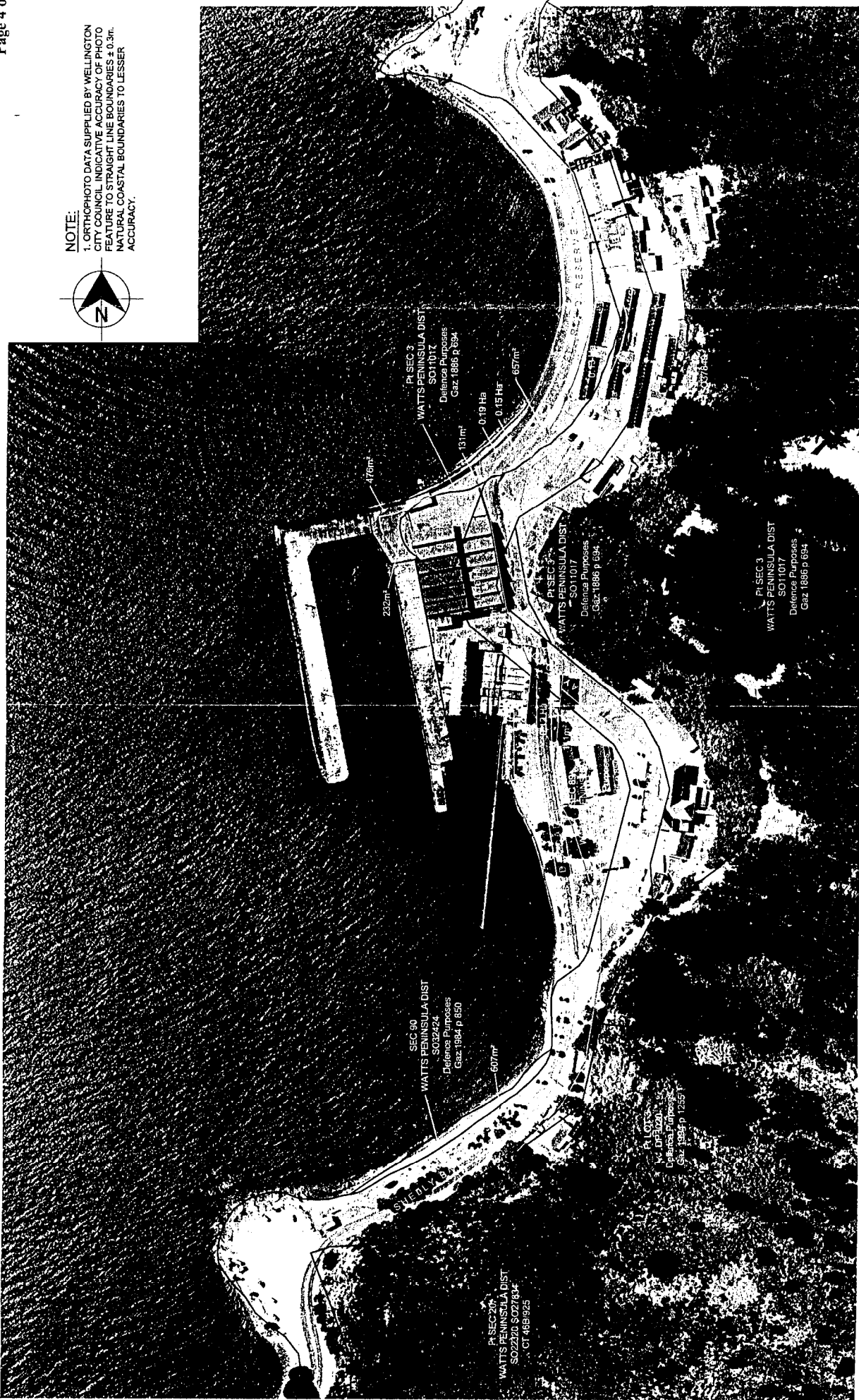
O'Brien Property Consultancy Limited.



Peter O'Brien

NOTE:

1. ORTHOPHO DATA SUPPLIED BY WELLINGTON CITY COUNCIL. INDICATIVE ACCURACY OF PHOTO FEATURE TO STRAIGHT LINE BOUNDARIES ± 0.3m. NATURAL COASTAL BOUNDARIES TO LESSER ACCURACY.



Rev	Date	By	Ver.	APP	Project		Drawing Title		Client	Ce Project No.
5	01.10.00	BAH			NEW ZEALAND DEFENCE FORCE		SHELLY BAY		NEW ZEALAND DEFENCE FORCE	5030 50 LN
4	17.04.00	BAH					SITE PLAN			Scale
3	16.12.99	BAH								A/E-1000
2	01.12.99	BAH								A-3-12000
1	01.11.99	BAH								Dr'wg No.
Revision Details					Approved	Checked	Drawn	Rev		
					Signed	Signed	Signed	SU1		

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File: CFO/22/1/5

Report PE 00.579

**Policy and Finance Committee
Wellington Regional Council**

Minute extract from meetings held on 3 August 2000

Shelly Bay Update

Recommendation

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

Resolved to Recommend

(2) **That Council:**

- (a) 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) 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) agree to the disposal of its eventual residual landward side land holding in conjunction with the NZDF land.

Mr. Scholten

S

COUNCIL
3 AUG 2000
COMMITTEE REPORT
ADOPTED

Des Darroch
Des Darroch
Senior Committee Secretary

- (d) 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) 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) approve the affixing of the Council's common seal to the documentation.

11 September 2000

Jack Lyons
Team Leader Special Projects
The Wellington City Council
P O Box 2199
Wellington

WITHOUT PREJUDICE

Dear Jack,

Re: Shelly Bay

Further to our discussions of 07 August 2000, 31 August and with reference to the ongoing liaison in respect of a wide range of issues connected with Shelly Bay.

This letter confirms that the Wellington Regional Council (WRC) and New Zealand Defence Force (NZDF) have held a number of meetings to discuss and endeavour to meet all of the nominated requirements of the Wellington City Council (WCC) for the resolution of roading and property issues at Shelly Bay.

WRC and NZDF have each resolved to agree a proposal which is believed to meet all WCC requests and requirements. That proposal is now being placed before the WCC, seeking its approval and agreement.

The issues that WCC has nominated as requiring resolution are:

1. The present formed road at 12 metres width is inadequate and a road reserve of 17 to 20 metres width should be provided. This includes the existing formed road. This exceeds the 1983 agreement which only provided for the legalisation of the formed road.
2. WCC seeks to have the additional land for road reserve to be transferred to it at nil consideration.
3. The unformed portion of the legal road, which is to be transferred to NZDF, is larger in area than the land required for legal road (formed road plus adjoining reserve to cater for the future). The WCC seek compensation to address the imbalance.
4. The seawall has been identified, by WCC engineering consultants, as requiring an upgrade to bring it up to a standard suitable for the WCC to assume ownership and responsibility. WCC has asked NZDF to meet the \$120,000 cost of the upgrade. Estimates of cost are an immediate need for \$23,000, a further \$45,000 at 2005 and some \$50,000 at 2020.

NZDF and WRC propose that these issues will be addressed by:

1. That the NZDF will transfer all the land required by the WCC as legal road, being 17 to 20 metres wide and including the present formed road, to WCC at nil consideration.

11 September,2000

2. In return, the WCC will close the unformed portions of the legal road, where it falls outside the new legal road area and, in exchange, transfer to NZDF and WRC all of that land at nil consideration.
3. WCC to recognise that the present formed road and seawall has value and that the ownership of those assets will pass to the WCC on transfer of the land at nil consideration.
4. NZDF to transfer to the ownership of WCC Section 90 Watts Peninsula District as reserve at nil consideration.
5. NZDF to transfer to the ownership of WCC, as reserve, part Section 89 Watts Peninsula District being a five (5) metre wide strip which will run from the (new) legal road to the wharf structures to ensure public access to the water front is protected. This transfer to be at nil consideration.
6. NZDF to grant to the WCC the sum of \$50,000 to be utilised for the upgrade of the seawall to a standard acceptable to the WCC.

To achieve this joint position, NZDF and WRC have agreed to vary their contractual relationship arising from the December 1983 agreement.

NZDF and WRC have resolved:

- a) Some 1,290 square metres (subject to survey) of WRC land, to the land ward side of the formed road, which is in excess of the formed road and shown orange on the attached plan, will transfer to the WCC as road by way of exchange.
- b) An as yet to be specified by survey area of WRC land to the seaward side of the formed road, which is in excess of the formed road and shown orange on the attached plan, will transfer to the WCC as road at nil consideration.
- c) The formed road on WRC land, shown yellow on the attached plan, as per the 1983 agreement, will transfer to the WCC as road at nil consideration.
- d) Two areas of NZDF land shown coloured green on the attached plan, being part formed and part unformed road will transfer to the WCC as road by way of exchange.
- e) Section 90 Watts Peninsula District, being WRC land shown coloured green on the attached plan, will transfer to the WCC as reserve at nil consideration.
- f) Part of Section 89 Watts peninsula District, being WRC land shown coloured blue on the attached plan, will transfer to the WCC as reserve at nil consideration.
- g) WCC to agree to an area of the legal road to be closed being transferred to the WRC which is of an equivalent area, some 1,290 square metres, to that provided under (a) above. That land will immediately adjoin the WRC residual holding and will provide WRC with the quid pro quo for the landward side of the formed road area to be transferred to WCC. This will create an equality of exchange.
- h) WCC to agree to transfer to NZDF all areas of road to be closed, excepting the 1,290 square metres to be transferred to WRC. This will create an equality of exchange for the receipt of land for road and road reserve, the road formation and the seawall.
- i) WCC agrees to take all actions necessary to expeditiously vest as legal road the land transferred to WCC from WRC and NZDF.

11 September, 2000

- j) WCC agrees to take all actions necessary to expeditiously close all those areas of the current legal road, which are outside the area required for the new legal road, and to transfer that residual land to NZDF and WRC.

The above actions are viewed as being phase one of a two phase project. If WCC agrees to the above proposal, it is envisaged that NZDF and WRC will jointly proceed to dispose of the land to the landward side of the formed road. The land will either be land-banked for Treaty Settlements or disposed of on the open market if no Treaty Settlement requirement is nominated.

Phase two will require WRC and NZDF to carefully evaluate the best options for the future use of the wharfs, slipway and adjoining commercial structure. Considerable interest has been expressed in the future of this facility with a strong emphasis on its retention as a regional asset. The issues involved are not simple and it is intended to proceed cautiously. You will be aware that on disposition of Crown owned land, there is a requirement for a foreshore reserve to be created. Discussions with Department of Conservation have resulted in an agreement which will see:

- no need for a foreshore reserve where the coast interfaces with legal road,
- a need for a foreshore reserve to the slipway land but with the provision of the 5 metre public accessway and a land exchange with WRC land on Matiu Island, DoC will agree to reduce the foreshore reserve requirement down to an absolute minimum.

The wharfs, slipway and adjoining commercial structure should therefore remain available for restoration and future commercial use. Representations have been made to the Deputy Prime Minister in his role as Minister of Regional Development. There is a political will at national and regional level to see the facility restored and used commercially. This is viewed as supporting and assisting the local fishing and maritime industries, providing a base for employment and opportunities for trainees. We assume that these will also be goals which the Wellington City Council will consider desirable. It may also be an opportunity for the industries dislocated from Evans Bay to be relocated and preserved.

We ask that you seek confirmation from the various divisions that all of the City Council requirements are met by the above proposal. If all requirements are met, we ask that you seek the necessary Wellington City Council approval to have the proposal ratified. Once City Council approval is held, it will be appropriate for a formal agreement to be drawn up for execution by WCC, NZDF and WRC. We look forward to hearing from you so that we can proceed to the drafting of an agreement stage.

Please advise if you require any further information

Yours sincerely

O'Brien Property Consultancy Limited.

New Zealand Defence Force

Peter O'Brien

Guy Simpson
Manager, Property Rationalisation

RESOLVED:

1. *THAT the Committee recommends that Council agree to legalisation of the existing formed road alignment allowing for a 17-20 metre road reserve.*
2. *THAT the Committee recommends that Council agree the stopping of the existing unformed legal road*
3. *THAT the Committee recommends that Council agree to receive the compensation of \$50K from Defence for the remedial work on the existing seawall.*
4. *THAT the Committee recommends that Council negotiate appropriate compensation from Defence for any imbalance of worth being transferred, to be agreed by Council before title is finally passed This may be allocation of additional land for public recreational use, on either side of the road reserve, rather than monetary compensation, or both*
5. *THAT officers report back on progress on agreement with NZDF, and other relevant parties by the March 2001 committee round*
6. *THAT the Committee requests officers to report back by the March 2001 committee round on:*
 - (a) The land valuations, including the gain in value to NZDF of moving the legal road;*
 - (b) The development intentions of NZDF, if they have any specific intentions;*
 - (c) The potential impact of development on roading use and particularly on the peninsula road as a recreational route;*
 - (d) The potential for a usable reserve area within Shelly Bay.*

NOTED:

1. Councillor Foster requested that his dissenting vote against recommendations 1 - 3 be recorded
2. The Committee added recommendations 4 - 6 to the recommendations given in the officer's report.

AGENDA

FRIDAY 3 NOVEMBER 2000

9.15AM

**Committee Room One
Ground Floor, Council Offices
101 Wakefield Street**

MEMBERS:

Mayor Blumsky
Councillors Hutchings (Chair)
 Armstrong
 Foster
 Parkin
 Pepperell
 Siers
 Varnham

NON VOTING MEMBERS:

Wellington Regional Councillor McQueen
Wellington Regional Councillor MacDavitt
A Representative from Wellington Tenth Trust
A Representative from Ngati Toa Rangatira

(Quorum 3 members)

Have your say!

*You can make a short presentation to the Councillors at this meeting. Please let us know by noon **the** working day before the meeting. You can do this either by phoning 8013486, faxing 801 3020, e-mail: public.participation@wcc.govt.nz or writing to Democratic Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number and the issue you would like to talk about.*

Adele Gibson
Committee Adviser
Democratic Services
Ph: 801 3346

APOLOGIES

MINUTES FOR CONFIRMATION

Ordinary meeting of 13 September 2000.

PUBLIC PARTICIPATION

REPORT 1 To be distributed
STRATEGIC REVIEW – STAGE TWO CONTINUED

REPORT 2
SHELLY BAY ROAD 2
APPENDIX A 6
APPENDIX B 7
APPENDIX C 10
APPENDIX D 11

REPORT 3
SKATEBOARD PROHIBITION: ISSUES AND OPTIONS 12
APPENDIX E 19
APPENDIX F 23

REPORT 4 24
FORWARD PROGRAMME

(The information and recommendations contained in all agendas are reports and recommendations only and are not to be construed, in any way, as Council policy until adopted.)

SHELLY BAY ROAD

1. PURPOSE OF REPORT

To legalise the existing road, which currently runs across NZ Defence Force land at Shelly Bay, and stop the legal unformed road.

This is a rationalisation exercise of roading requirements at Shelly Bay at no cost to Council. It will enable the NZ Defence Force, who currently own the land at Shelly Bay, to dispose of this land.

2. RECOMMENDATIONS

1. *THAT the Committee recommends that Council agree to legalisation of the existing formed road alignment allowing for a 17-20 metre road reserve.*
2. *THAT the Committee recommends that Council agree the stopping of the existing unformed legal road.*
3. *THAT the Committee recommends that Council agree to receive the compensation of \$50K from Defence for the remedial work on the existing seawall.*

3. STRATEGIC FIT

This proposal is consistent with the following Strategic Fit outcome statements, in the 2000/01 Draft Annual Plan:

8. Transport

8.1 Transport effectiveness

A well planned/comprehensive transport network supports a compact and highly liveable city where people move about easily and safely.

8.2 Transport sustainability

Transport solutions ensure the wise use of resources and cater for the long-term needs of the community.

4. ANNUAL PLAN PROJECT REFERENCE

The road alignment at Shelly Bay is not an annual plan project as it is being transferred at no cost to Council.

The **acceptance** of this road **from** Defence will mean that the road becomes **Council's**, **at no cost** to Council. However, **all maintenance** and/or capital works **are to be met** by Council in the **future**.

A sum of \$50,000 covers the full obligation of **future costs (0- 20 years, Net Present Valued over the period)** for the repairs **to the seawall adjacent to the road**. This sum was determined by an independent inspection by **Tonkin and Taylor, Environmental & Engineering Consultants**.

Road re alignment may be necessary **in the future** as redevelopment **proceeds in the** area but **this** would be at the developers cost.

To enable **the existing** legal paper road **to be transferred** to Defence it **will need to be "Stopped"**. This will be carried **out by Defence** at their cost. Council's **legal costs** will cover the ratification of **the agreement** and **checks** of the documentation **only**, estimated **to be** \$5,000.

In the future, the road from **Miramar to Shelly Bay** may need **to be upgraded** if **Shelly Bay** is developed. That possibly has not been **considered in this report**. This improvement may need to be a shared cost with developers once development proposals are known.

6. TREATY OF WAITANGI IMPLICATIONS

This, apart **from** what is **currently** legal road, is **owned** by Defence and **will be treated** in accordance with Treaty issues and **Government** policy.

7. CONSULTATION

Extensive consultation with **NZDF, Wellington Regional Council (WRC) and Department of Conservation (DoC)** has resulted in the proposal to be **tabled**. **WRC** is involved because **NZDF** entered into **an agreement** to return the **foreshore** area if **NZDF** disposes of the land. The proposal involves alteration of the esplanade **therefore DoC** is also involved. **All** discussions have been **on** a three-way basis, **NZDF, WRC and WCC**.

Internal consultation has been carried out with **Roading and Traffic, Urban Design and District Plan Team**

All parties have been consulted and **support** the proposal.

8 . MONITORING

The responsibility for monitoring the road in the **future** will be **assigned to the** Council's roading and traffic section. All **negotiations** have been **carried out in conjunction with the roading and traffic staff**.

9. BACKGROUND

The NZDF has owned a considerable amount of property in the Watts Peninsula / Shelly Bay area since 1886 and is now in the process of disposal of the Shelly Bay land.

The Council and NZDF were negotiating in the early 1980's to legalise the existing road and to stop the legal road. This is reflected in an exchange of considerable correspondence between Crown and WCC but no action to legalise the road has occurred. At that time, the intention was that the land owned by Defence was to be used for defence purposes only.

We have been in discussion with NZDF and the WRC since 1997 on these two roading issues but have not previously been able to reach agreement. During this time the NZDF made application for a zone change from defence purposes to residential for the Shelly Bay area.

An Environment Court decision on the 19th August 1999 determined the use of the area to be rezoned as Shelly Bay Suburban Centre. They stated that:

“In Shelly Bay the Continuation of Shelly Bay Road will be provided for by legalising the existing formed road generally along its existing alignment and stopping the existing unformed legal road”.

This decision proposed a design guide for the area, which assumes the existing road will be legalised.

In line with this and what had previously been agreed, we have endeavoured to negotiate an appropriate resolution to this ongoing issue. Following meetings on the 7th and 31st of August 2000, WRC, represented by O'Brien Property Consultants and the NZDF, have signed a joint letter dated 11 September 2000 (refer Appendix B). This letter covers all the issues we have raised as a group and sets out proposed solutions. In summary:

1. The present formed road being 12 metres in width is to have provision for a width of 17 to 20 metres being road carriage-way and road reserve over its entire length, transferred to the WCC at nil value.
2. In return the WCC will allow the closing of the unformed portions of the legal road, where it falls outside the new legal road area and, in exchange, transfer to NZDF and WRC all of that land at nil value.
3. The NZDF are to transfer the ownership of Section 90, Watts Peninsula District, to WCC as reserve at nil consideration.
4. NZDF to transfer to the ownership of WCC, as reserve, part section 89 Watts Peninsula District being a five (5) metre wide strip which will run from the legal road to the wharf structures to ensure public access to the water front is protected. This will be transferred at nil consideration. This was a requirement of DoC that this become esplanade reserve.
5. NZDF to grant to the WCC the sum of \$50,000 for the upgrading of the seawall to WCC's standard.

6. The WCC accept the closure of the legal road, not **utilised** by the ~~causing new~~ road. **This** land is to transfer to **WRC** and **NZDF** in consideration **for land taken from both** parties.
7. Once Council approves the above issues a formal agreement is to be drawn up for execution by the parties.

The proposed **changes** are detailed on the attached **coloured plan** (refer **Appendix A**) and **will** be explained **fully** at **the** meeting. It should also be noted that **NZDF** and **WRC** support this proposal.

We have some provisional areas of exchange only at this rime (refer Appendix C).

10. DISCUSSION

- 10.1 The purpose **of This** report is **rationalisation** at **minimal** cost rather than at Commercial **advantage**. We need to make the existing road legal to **facilitate** opening up of the Shelly Bay area
- 10.2 The seaward side of the formed road has still to be determined by **NZDF** and **WRC** including the **wharves**. WCC at this stage will not be part of the discussions to determine best use of this land. Noting, we **have** a **design** guide for the area
- 10.3 The land areas are indicative at this stage and are subject to **final survey** and measure. We are working through the issues of compensation if any, **once** approval of **the** proposal is accepted (formed road / Legal road).
- 10.4 WCC will not have any **involvement** with the land on the **inland** side of **the** new road. This **will** be **dealt with** by the **WRC** and **NZDF**.
- 10.5 The WCC will control the foreshore, thus ensuring continual access by the public. This will include **carparking** areas **along the route**.

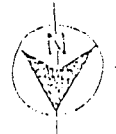
11. CONCLUSION

The existing **Shelly Bay** road was to be transferred **into** Council **ownership** in **1983** but it has taken all this time to resolve. The environment Court in its recent decision agreed this road should be **legalised** in accordance with the design criteria for **the area**. Despite the history of this area and the agreements reached the solution **proposed** works for WCC.

We ask **that** this agreement between the parties be ratified by **Council** to **allow the** exchange to occur.

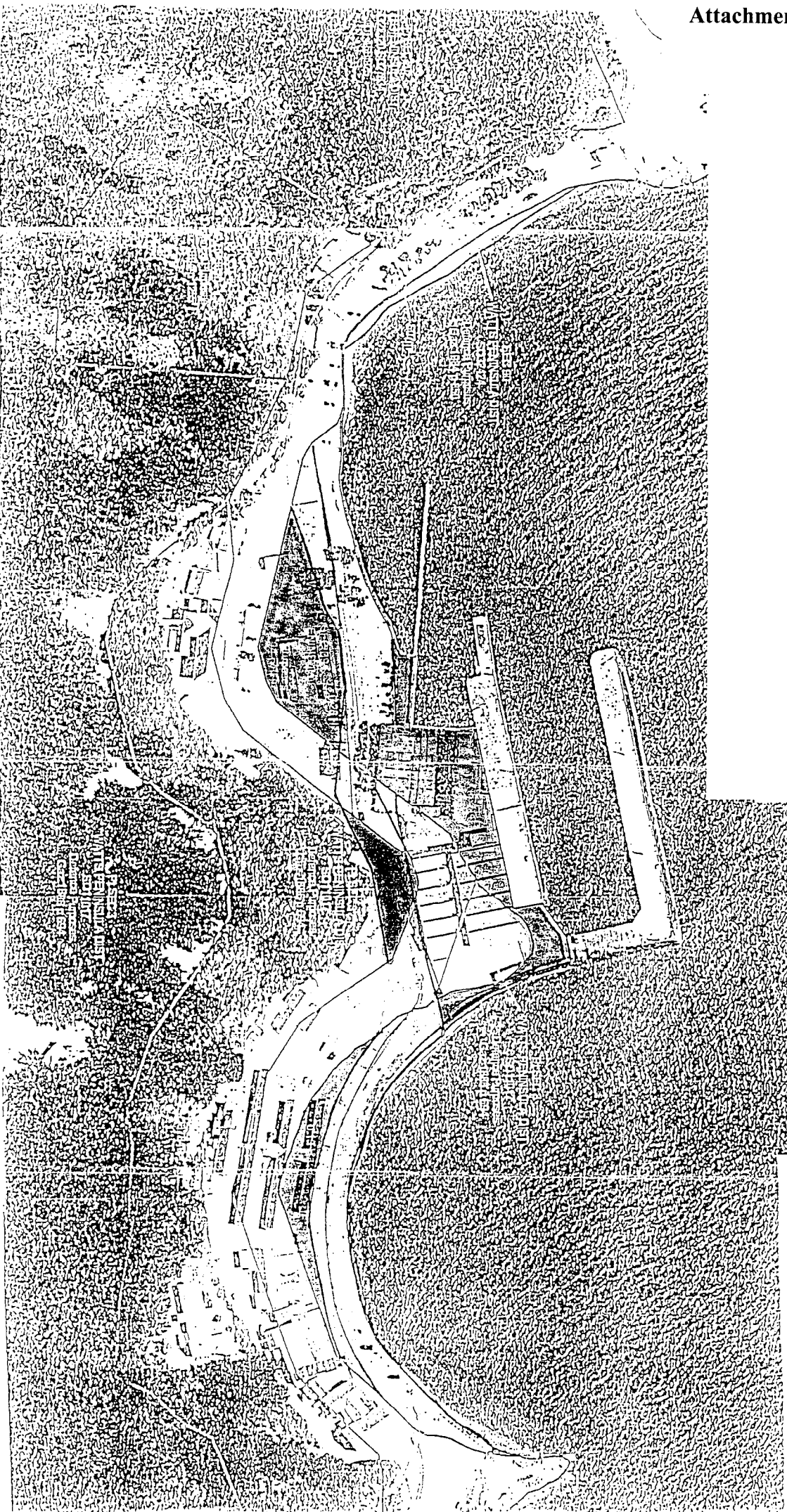
Report prepared by: Jack Lyons

- ⇒ WRC land, formed road to vest in WCC as road reserve as per 1983 agreement
- ⇒ WRC land, to vest as road reserve as required by WCC in excess of 1983 agreement
- ⇒ WRC land, to vest as reserve in WCC at DOC request
- ⇒ WRC land, to vest as reserve for public access in WCC at DOC request
- ⇒ WRC seaward side land, for future disposal with NZDF land
- ⇒ WRC landward side land for disposal with NZDF land
- ⇒ NZDF land, to vest in WCC as road reserve, in excess of 1983 agreement



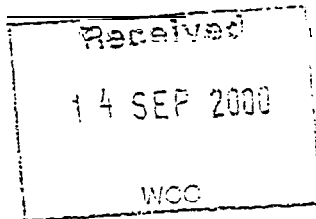
NOTE:
1. COASTLINE DATA SUPPLIED BY NEW ZEALAND
NAVY COMMAND INDICATIVE ACCURACY OF PHOTO
RENDERING TO STATE OF THE ENVIRONMENT FROM
AERIAL COASTAL SURVEY DATA TO 1988
ACCURACY

2. AREA OF ROAD TO CLOSE 1.18 ha
AREA OF ROAD TO CREATE 0.22 ha



APPENDIX A

O'Brien
Property
Consultancy
Limited



Consultancy (04) 801 801 8951 or 025 521350
Management (04) 8952 025 521391
Facsimile (04) 801 8953

11 September 2000

Jack Lyons
Team Leader Special Projects
The Wellington City Council
P O Box 2199
Wellington

WITHOUT PREJUDICE

Dear Jack,

Re: Shelly Bay

Further to our discussions of 07 August 2000, 31 August and with reference to the ongoing liaison in respect of a wide range of issues connected with Shelly Bay.

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2. WCC seeks to have the additional land for road reserve to be transferred to it at nil consideration.
3. The unformed portion of the legal road, which is to be transferred to NZDF, is larger in area than the land required for legal road (formed road plus adjoining reserve to cater for the future). The WCC seek compensation to address the imbalance.
4. The seawall has been identified, by WCC engineering consultants, as requiring an upgrade to bring it up to a standard suitable for the WCC to assume ownership and responsibility. WCC has asked NZDF to meet the \$120,000 cost of the upgrade. Estimates of cost are an immediate need for \$23,000, a further \$45,000 at 2005 and some \$50,000 at 2020.

NZDF and WRC propose that these issues will be addressed by:

1. That the NZDF will transfer all the land required by the WCC as legal road, being 17 to 20 metres wide and including the present formed road, to WCC at nil consideration.

2. In return, the WCC will close the unformed portions of the legal road, where it falls outside the new legal road area and, in exchange, transfer to NZDF and WRC all of that land at nil consideration.
3. WCC to recognise that the present formed road and seawall has value and that the ownership of those assets will pass to the WCC on transfer of the land at nil consideration.
4. NZDF to transfer to the ownership of WCC Section 90 Watts Peninsula District as reserve at nil consideration.
5. NZDF to transfer to the ownership of WCC, as reserve, part Section 89 Watts Peninsula District being a five (5) metre wide strip which will run from the (new) legal road to the *wharf* structures to ensure public access to the water front is protected. This transfer to be at nil consideration.
6. NZDF to grant to the WCC the sum of \$50,000 to be utilised for the upgrade of the seawall to a standard acceptable to the WCC.

To achieve this joint position, NZDF and WRC have agreed to vary their contractual relationship arising from the December 1983 agreement.

NZDF and WRC have resolved

- a) Some 1,290 square metres (subject to survey) of WRC land, on the landward side of the formed road, which is in excess of the formed road and shown orange on the attached plan, will transfer to the WCC as road by way of exchange.
- b) An as yet to be specified by survey area of WRC land to the seaward side of the formed road, which is in excess of the formed road and shown orange on the attached plan, will transfer to the WCC as road at nil consideration.
- c) The formed road on WRC land, shown yellow on the attached plan, as per the 1983 agreement, will transfer to the WCC as road at nil consideration.
- d) Two areas of NZDF land shown coloured green on the attached plan, being part formed and part unformed road will transfer to the WCC as road by way of exchange.
- e) Section 90 Watts Peninsula District, being WRC land shown coloured green on the attached plan, will transfer to the WCC as reserve at nil consideration.
- f) Part of Section 89 Watts peninsula District, being WRC land shown coloured blue on the attached plan, will transfer to the WCC as reserve at nil consideration.
- g) WCC to agree to an area of the legal road to be closed *being* transferred to the WRC which is of an equivalent area, some 1,290 square metres, to that provided under (a) above. That land will immediately adjoin the WRC residual holding and will provide WRC with the quid pro quo for the landward side of the formed road area to be transferred to WCC. This will create an equality of exchange.
- h) WCC to agree to transfer to NZDF all areas of road to be closed, excepting the 1,290 square metres to be transferred to WRC. This will create an equality of exchange for the receipt of land for road and road reserve, the road formation and the seawall.
- i) WCC agrees to take all actions necessary to expeditiously vest as legal road the land transferred to WCC from WRC and NZDF.

11 September, 2000

- j) WCC agrees to take all actions necessary to expeditiously close all those areas of the current legal road, which are outside the area required for the new legal road, and to transfer that residual land to NZDF and WRC.

The above actions are viewed as being phase one of a two phase project. If WCC agrees to the above proposal, it is envisaged that NZDF and WRC will jointly proceed to dispose of the land to the landward side of the formed road. The land will either be land-banked for Treaty Settlements or disposed of on the open market if no Treaty Settlement requirement is nominated.

Phase two will require WRC and NZDF to carefully evaluate the best options for the future use of the wharfs, slipway and adjoining commercial structure. Considerable interest has been expressed in the future of this facility with a strong emphasis on its retention as a regional asset. The issues involved are not simple and it is intended to proceed cautiously. You will be aware that on disposition of Crown owned land, there is a requirement for a foreshore reserve to be created. Discussions with Department of Conservation have resulted in an agreement which will see:

- no need for a foreshore reserve where the coast interfaces with legal road,
- a need for a foreshore reserve to the slipway land but with the provision of the 5 metre public accessway and a land exchange with WRC land on Matiu Island, DoC will agree to reduce the foreshore reserve requirement down to an absolute minimum.

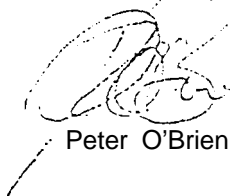
The wharfs, slipway and adjoining commercial structure should therefore remain available for restoration and future commercial use. Representations have been made to the Deputy Prime Minister in his role as Minister of Regional Development. There is a political will at national and regional level to see the facility restored and used commercially. This is viewed as supporting and assisting the local fishing and maritime industries, providing a base for employment and opportunities for trainees. We assume that these will also be goals which the Wellington City Council will consider desirable. It may also be an opportunity for the industries dislocated from Evans Bay to be relocated and preserved.

We ask that you seek confirmation from the various divisions that all of the City Council requirements are met by the above proposal. If all requirements are met, we ask that you seek the necessary Wellington City Council approval to have the proposal ratified. Once City Council approval is held, it will be appropriate for a formal agreement to be drawn up for execution by WCC, NZDF and WRC. We look forward to hearing from you so that we can proceed to the drafting of an agreement stage.

Please advise if you require any further information.

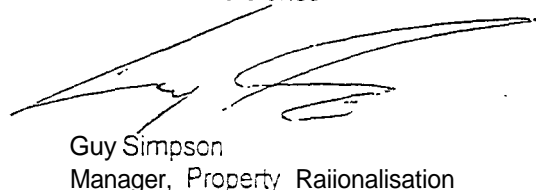
Yours sincerely

O'Brien Property Consultancy Limited.



Peter O'Brien

New Zealand Defence Force



Guy Simpson
Manager, Property Rationalisation

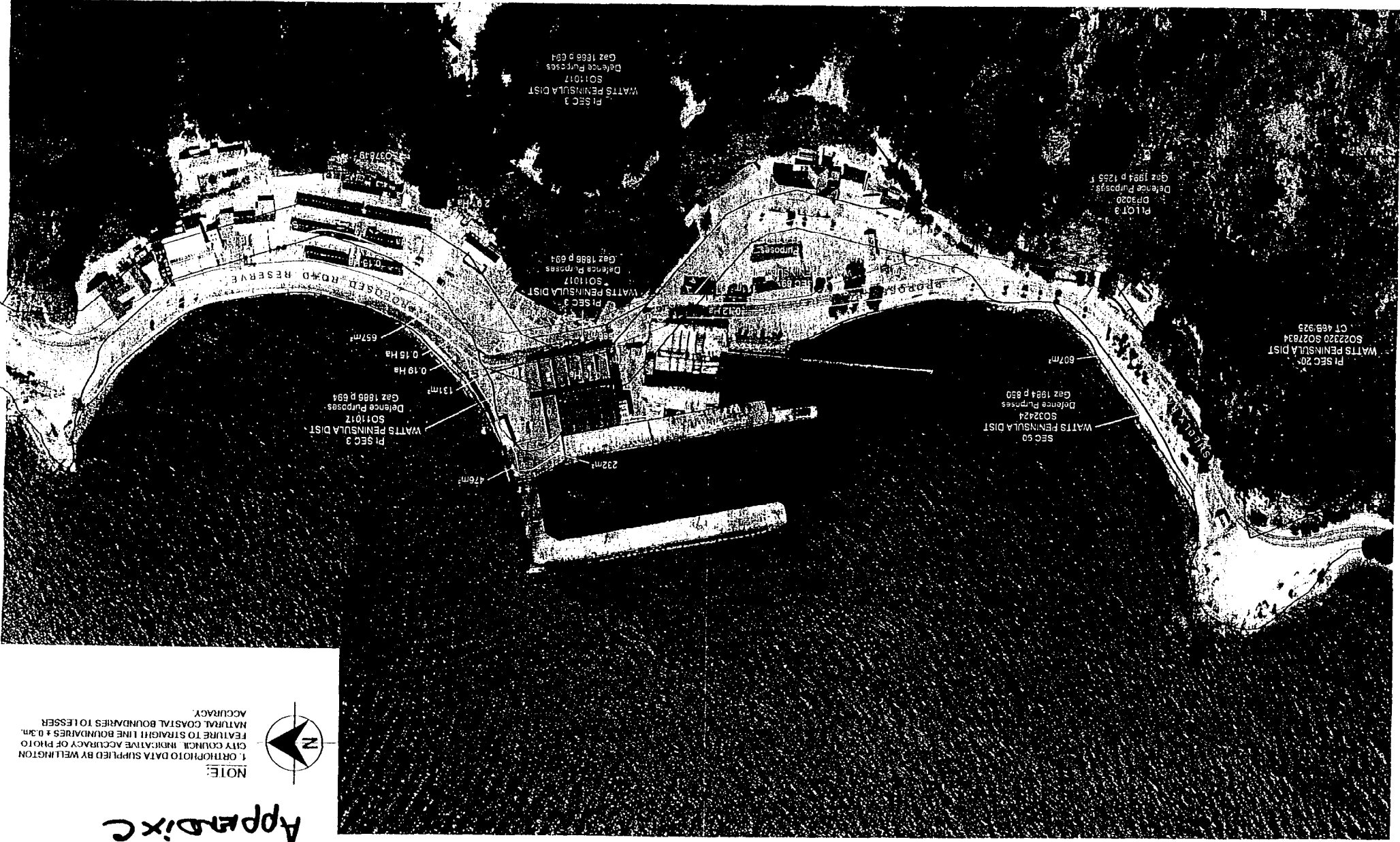
Date	17 11 99	Issue	ISSUE FOR INFORMATION
Date	15 12 99	Issue	PROPOSED ROAD RESERVE ADDED
Date	17 01 00	Issue	AREAS ADDED
Date	17 01 00	Issue	PROPOSED ROAD RESERVE AMENDED
Date	17 01 00	Issue	PROPOSED ROAD RESERVE AMENDED

By	BAW
Ver	BAW
App	BAW

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 Connel Wagner Limited
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Drawn	Signed	Checked	Approved
BAW	BAW	BAW	BAW
Date	Date	Date	Date

Project: SHELLY BAY
 Drawing Title: SITE PLAN
 Drawing No.: 5030 50 LN
 Scale: A1-1000
 Rev: A3-12000
 Drawing No.: SU1
 5



Appendix C

10

Land Areas to be Exchanged

New Wellington City Council road	0.8157Ha
Defence to release for new road	0.0835Ha
Area released from WRC/Defence land to WCC (Esplanade Reserve)	0.0476Ha
Area released from WRC/Defence for WCC (Reserve)	0.0607Ha
<u>Total</u>	<u>1.0075Ha</u>

Legal road to be released to WRC & Defence 1.1322Ha

Difference 0.1247Ha