

Full Council

20 March 2025

Report for Agenda Item | Rīpoata moto e Rāraki take [7]

Department: Property & Infrastructure

Title | Taitara: Disposal of 6 Merioneth Street, Arrowtown

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to request formal approval to dispose of the residential property at 6 Merioneth Street, Arrowtown, legally described as Lot 2 DP 12521, which is surplus to the Council's requirements.

Public Excluded | Ārai te Iwi Whānui

It is recommended that **Attachment A** is considered while the public is excluded. This recommendation is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

Section and Grounds	Reason for this recommendation
7(2)(i) to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	To enable the vendor and purchaser to complete contract negotiations in a private and confidential environment, without undue influence from other parties.

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;
2. **Approve** Council officers to commence the disposal of this property;
3. **Delegate** final terms and conditions along with the sales approach, appointment of a real estate agency, negotiation of sale price and placement of any easements or covenants and signing authority to the Chief Executive of Council; and
4. **Agree** that Attachment A shall remain public excluded until an unconditional Sales and Purchase Agreement has been entered into with the purchaser.

**Prepared by:**



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**Title:** Property Advisory  
Manager  
10 February 2025

**Reviewed and authorised by:**



**Name:** Roger Davidson  
**Title:** Property Director  
10 February 2025

**Authorised by:**



**Name:** Tony Avery  
**Title:** GM – Property &  
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19 February 2025

## Context | Horopaki

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1. In February 2007, Council purchased 6 Merioneth Street, Arrowtown ('the property'), as part of a wider purchase of the historic miners' cottages at 59, 61 and 65 Buckingham Street. The property is located on the corner of Merioneth Street and Romans Lane. Although it is situated in the Historic Heritage precinct, the property does not contribute to the heritage character of the neighbourhood and is not listed in the Heritage NZ database.
2. The Property is rectangular in shape with a land area of 594 m<sup>2</sup>. The property was constructed in 1978 and is of modest concrete block and timber design. It contains a basic two-level, three-bedroom dwelling with a basement garage and workshop.
3. In December 2023, a land review was undertaken and presented at a Council Workshop. The property has been identified as surplus to requirements and may be considered for disposal.
4. The property is currently occupied by a residential tenant and provides a rental income to Council that is comparable to residential properties in Arrowtown. If the disposal of the property proceeds, a 90-day notice period would be required to end this tenancy, in accordance with the Residential Tenancies Act.

## Analysis and Advice | Tatāritaka me kā Tohutohu

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5. The Property is zoned Arrowtown Residential Historic Management under the Proposed District Plan (PDP), as shown in figure 1 below:



*Figure 1: PDP zoning of 6 Merioneth Street, Arrowtown*

6. The purpose of this zone is to allow for the continued sensitive development of the historic area of residential Arrowtown in a way that will protect and enhance those characteristics that make it a valuable part of the town for residents and for visitors attracted to the town by its historic associations and unique character.
7. Internal stakeholders were consulted on possible alternative uses for this property. Due to obsolescence and the specific residential nature of the building, to convert to other uses was deemed to be not financially prudent. It was identified that the most viable option was to dispose of the property. Alternative uses were considered not suitable for this residential property and/or likely to incur further expense to Council.
8. This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.

9. **Option 1:** Approve the disposal of 6 Merioneth Street, Arrowtown

*Advantages:*

- The sale will provide revenue to the Council.
- Sale will result in a saving on future repairs and maintenance costs of the property.

*Disadvantages:*

- Council will not receive rental income from this property.

10. **Option 2:** Decline the disposal of 6 Merioneth Street, Arrowtown

*Advantages:*

- Council will continue to receive rental income from this property.

*Disadvantages:*

- Council will not receive revenue from the sale.
- Council will continue to incur costs of maintaining the property.

11. This report recommends **Option 1** for addressing the matter because the property is deemed surplus to requirements and the disposal will provide financial benefit to the Council.

## Consultation Process | Hātepe Matapaki

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### Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

12. This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy 2024 because it involves the disposal of the property.
13. The persons who are affected by or interested in this matter are the residents and ratepayers of Queenstown Lakes District.

### Māori Consultation | Iwi Rūnaka

14. The Council has not consulted with iwi in this instance.

## Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

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15. This matter relates to the Workforce risk category. It is associated with RISK10014 Ineffective Financial Strategy within the QLDC Risk Register. This risk has been assessed as having a moderate residual risk rating.
16. The approval of the recommended option will allow Council to avoid the risk. This will be achieved by gaining revenue from the property disposal.

## Financial Implications | Kā Riteka ā-Pūtea

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17. As part of the Long Term Plan (LTP), revenue from asset sales will be used to repay debt or fund the purchase of new assets.

## Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

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18. The following Council policies, strategies and bylaws were considered:
  - Property Sale and Acquisition Policy 2014
  - Significance and Engagement Policy 2024
19. The recommended option is consistent with the principles set out in the named policies outlined above.
20. This matter included in the Long Term Plan.

## Legal Considerations and Statutory Responsibilities | Ka Ture Whaiwhakaaro me kā Takohaka Waeture

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21. Queenstown Lakes District Council has the delegated authority to administer and dispose of this property.

Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka

22. Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. The disposal of this property will generate revenue to Council, which will be used to repay debt or fund the purchase of new assets. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act.

23. The recommended option:

- Can be implemented through current funding under the Long Term Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.

Attachments | Kā Tāpirihaka

A	Valuation Report for 6 Merioneth Street, Arrowtown dated February 2025 <b>(publicly excluded)</b>
B	Photos of 6 Merioneth Street, Arrowtown