

# STAFF REPORT

**TO:** Mayor and Councillors

**FROM:** David Ward

**DATE:** 27 February 2007

**SUBJECT:** Funding Options for Land Acquisition

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## INTRODUCTION

At a Council meeting held on 1 June 2006, a resolution was passed requesting the Chief Executive to prepare a report on options for funding a loan to the amount of \$315,000 raised for the purchase of 2071 m<sup>2</sup> at Best Island which will vest as road.

## BACKGROUND

Council's Corporate Services meeting of 14 December 2006 authorised the raising of the identified loan which is being initially funded from Council's Capital Development Fund. There are currently 14 projects which have been subject to capital development fund loans dating back to 1996. Each of these projects is funded from Council's general rate.

## DISCUSSION

The acquisition of the defined area of land will give direct access to a proposed subdivision development at Best Island, however the transfer of ownership does not confer any legal access rights to other property owners on Best Island. Therefore it would be considered imprudent to attempt to solicit any financial contribution from those property owners. We also acknowledge that Council will be the recipient of significant financial contributions from the developer of the subdivision through the imposition of HUDs.

Given that Council was satisfied that the purchase be initially funded from the Capital Development Fund and that projects previously funded from this source are all charged against general rate, I would recommend that the funding of the loan of \$315,000 be treated in the same manner. The funding cost of this project has been allowed for in Council's 2007/2008 draft Annual Plan as a general rate item.

## **RECOMMENDATION**

That the funding cost associated with the loan to acquire 2071 m<sup>2</sup> at Best Island which will vest as road be charged against the general rate in the 2007/2008 financial year.

David Ward  
Corporate Services Manager

<http://tdctoday:82/Shared Documents/Meetings/Council/Full Council/Reports/2007/RCN070322 Report Best Island Land.doc>