



# Cabinet

CAB Min (13) 24/8

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## Minute of Decision

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### Findings of the Port Hills Zoning Review Advisory Group on the Port Hills Zoning Decisions

Portfolio: Canterbury Earthquake Recovery

On 15 July 2013, Cabinet:

#### Background

- 1 noted that in July 2011, the Port Hills were zoned white while further assessments were undertaken following the 13 June 2011 earthquakes [CAB Min (11) 26/16];
- 2 noted that by 31 October 2012, approximately 19,400 properties in the Port Hills had been zoned green and 511 properties had been zoned red by Cabinet or by the Minister of Finance and the Minister for Canterbury Earthquake Recovery (joint Ministers) with Power to Act [CAB Min (11) 26/16, CAB Min (11) 40/10 and CAB Min (11) 44/14];
- 3 noted that in June 2011, Cabinet agreed that insured residential property owners will have the choice of two offered packages:

Either Option 1:

- 3.1 the Crown will offer to purchase the entire property at the 2007 capital value rating valuation as at 3 September 2010 (less any land and dwelling insurance payments already made). The Crown will also take an assignment of all earthquake related insurance claims. There will be a process through which any property owners who consider that there is a material discrepancy between the 2007 rating valuation and the market value of their property (e.g. because of subsequent improvements) can raise their concerns;

Or Option 2:

- 3.2 the Crown will offer to purchase the land only at the greater of the following (less any Earthquake Commission land payments already made):
  - 3.2.1 2007 land value rating valuation as at 3 September 2010; or
  - 3.2.2 Earthquake Commission valuation for the minimum lot size applicable;

3.3 the Crown will also take an assignment of the Earthquake Commission land claim, and landowners will be free to pursue their private insurance company for any other insurance claims they have;

[CAB Min (11) 24/15]

Withheld under section 9(2)(g)(i)

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**Port Hills Zoning Review Advisory Group Recommendations**

6 noted that the Port Hills Zoning Review Advisory Group (the Advisory Group) have recommended zoning changes for any properties where it is found that:

6.1 the zoning of a property is inconsistent with the criteria agreed by Cabinet to classify areas as either red zones or green zones [CAB Min (11) 24/15 and CAB Min (12) 35/2A];

6.2 there are anomalies in the zoning of a property because:

6.2.1 boundary lines have not been drawn sensibly, leaving a property or a small group of properties isolated; and/or

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- 6.2.2 the green zoning of an individual property, or a small number of properties, would result in clearly not viable infrastructure servicing costs. (This would typically be because such properties are serviced by infrastructure wholly or partly in a red zone, or the main purpose of the infrastructure is to serve the properties in a red zone);
- 7 noted that since zoning decisions were completed on 31 October 2012 the Institute of Geological and Nuclear Sciences (GNS) has reviewed the appropriateness of their rock roll model resulting in modifications to the risk line for properties affected by rock roll, and these changes were taken into account in the Port Hills Zoning Review process;
- 8 noted that the Port Hills Zoning Review did not include a review of section 124 notices applied to properties by the Christchurch City Council under the Building Act, or any mitigation options;
- 9 noted that the Advisory Group considered candidates for a change to zoning from two streams:
- 9.1 properties whose owners have requested a review;
- 9.2 properties identified as being anomalously zoned;
- 10 noted that the Advisory Group developed guiding considerations to ensure that the Cabinet zoning criteria were applied consistently, in cases where a level of judgement was required;
- 11 noted that the Minister for Canterbury Earthquake Recovery has received the Advisory Group's report recommending that:
- 11.1 212 properties (at 71 addresses) be rezoned red;
- 11.2 34 properties be rezoned green;

#### Recommendations for rezoning green

- 12 agreed that with the exception of 27 Morgans Valley, 54 Morgans Valley and 284R Main Road the remaining 31 properties recommended to be zoned green by the Advisory Group be rezoned from red to green
- Withheld under section 9(2)(g)(i)
- 13 authorised joint Ministers to have Power to Act to approve:
- 13.1 the terms of sale of any currently Crown owned properties which are rezoned green to their former owners and the terms of the sale;
- 13.2 any reasonable reimbursement of expenses incurred as negotiated by the Chief Executive of the Canterbury Earthquake Recovery Authority (CERA) (or the Chief Executive's delegate) for a property owner who has incurred costs in settling with the Crown and then repurchasing the same property;
- 14 agreed that, where the Crown has previously made an offer of purchase for red zoned properties which are now being rezoned green, this offer will remain in place until its expiry date is reached;

- 15 agreed that, where any owners of red zoned properties were eligible for an offer of purchase from the Crown, but had not yet returned their consent form, they should remain eligible after their properties are rezoned green;

#### Recommendations for rezoning red

- 16 agreed that, with the exception of the Naval Point Yacht Club, the remaining 211 properties (at 70 addresses) recommended to be partially or fully rezoned red by the Advisory Group be partially or fully rezoned from green to red;

- 17 Withheld under section 9(2)(g)(i) noted that the 211 properties referred to in paragraph 16 above include three properties owned by the Christchurch City Council at Taylors Mistake, Boulder Bay and Maori Gardens which will be rezoned red in part where it has been found that the available geotechnical data shows that they meet the criteria to be zoned red

- 18 agreed that for the property at Maori Gardens all areas within the GNS risk line for rock roll will be zoned red;

Withheld under section 9(2)(g)(i)

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- 22 agreed to extend the Crown offer to insured owners of three red zoned properties on Maori freehold land in the Rapaki area on the basis that such offers will be conditional on the Maori Land Court making an order to change the status of the land from Maori freehold land to general land;

- 23 noted that the Advisory Group has generally recommended green zoning for Crown and Christchurch City Council owned properties because most of these properties are non-residential;

- 24 agreed that Crown and Christchurch City Council owned properties will be zoned in accordance with the Cabinet criteria referred to in paragraph 6.1 above in the same way as for residential, commercial and vacant properties;

- 25 agreed that the Van Asch College (Deaf Education Centre) property be partially rezoned red around the 38A and 38B Truro Street classrooms as far as the run-out risk for rockfall extends;

- 26 agreed that the rear two land parcels of the Redcliffs School property (Pt Lot 8 DP1108 and Pt Lot 2 DP1228) be rezoned red;

- 27 **noted** that CERA is working with the Lyttelton Port Company, the Christchurch City Council, the New Zealand Transport Agency, Ngai Tahu and Environment Canterbury to develop options to support the rebuild and long term development of the Lyttelton Port;
- 28 **agreed** that the Minister for Canterbury Earthquake Recovery discuss the future of the properties at Lyttelton Port with the Christchurch City Council and the Lyttelton Port Company Limited as part of consideration of whether a recovery programme is required;
- 29 **agreed** that, in addition to the Advisory Group's recommendations, 27 other properties are partially or fully rezoned from green to red;
- 30 **agreed** to extend the Crown offer of purchase to insured residential property owners of the red zone properties agreed in paragraphs 16 and 29 above; Withheld under section 9(2)(g)(i)
- 31 **authorised** the Chief Executive of CERA to enter into discussions with red zoned property owners if situations are identified where losses may have been suffered which are outside the scope of current provisions under the Crown offer process;
- 32 **authorised** joint Ministers to approve any reasonable reimbursement of costs incurred as negotiated by the Chief Executive of CERA (or the Chief Executive's delegate) for an owner who has purchased a property which is to be rezoned red in reliance on the previous green zoning of the property;

#### Rockfall remediation works

- 33 **noted** that in December 2012, the Christchurch City Council resolved to consider consenting and/or partially funding small scale rock protection systems proposed by individual red zone property owners on a case-by-case basis;
- 34 **agreed** that no requests for rezoning will be considered for properties where remediation of rockfall risk has involved rockfall protection works;
- 35 **authorised** the Minister for Canterbury Earthquake Authority to rezone properties which are currently zoned red due to rockfall risk and have a section 124 notice in place after rock source removal works are completed if:
- 35.1 the Minister is satisfied that the risk has been entirely removed and the section 124 notice uplifted; and
- 35.2 the removal process is completed within the offer period for the Port Hills red zone;
- 36 **agreed** that if the section 124 notices on 14 and 16 The Crescent are uplifted before announcements are made on the Port Hills Zoning Review, these two properties will be rezoned green as part of these announcements;

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Withheld under section 9(2)(f)(iv)

**Requests for subdivision or relocation/re-siting**

- 38 noted that CERA has received or noted expressions of interest from ten property owners regarding the possibility of subdividing rezoned properties on the Port Hills;
- 39 noted that zoning has no effect on the legal rights and obligations that attach to the land, and does not prevent owners from using their land for commercial or any other purpose;
- 40 noted that, if they wish, owners can relocate dwellings to other properties by seeking necessary approvals through the standard consenting process;
- 41 agreed that requests for rezoning and amended Crown offers to purchase, as a consequence of subdivision or re-siting of dwellings, will not be considered;

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withheld under section 9(2)(f)(iv)

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**Financial recommendations**

- 46 noted that the costs incurred as part of the above decisions were appropriated in 2012/13 as part of Budget 2013, and that in July 2013 joint Ministers agreed to an expense and capital transfer of the \$100.007 million of funding for the Port Hills zoning decisions from 2012/13 to 2013/14;

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withheld under section 9(2)(f)(iv)

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**Next steps**

- 49 authorised joint Ministers to have Power to Act to take decisions in respect of any unforeseen matters arising from the Port Hills zoning review and the above decisions;

50 noted that the Minister for Canterbury Earthquake Recovery intends to make a public announcement about the outcome of the Port Hills Zoning Review by the end of July 2013.

Reference: CAB (13) 396

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Released by the Minister for Canterbury Earthquake Recovery