

WDC Proposal to Sell Old Boys Fields Could Bring Jobs, Retail to District

Media Release - (12 June 2009)

Whangarei District Council is considering a proposal to sell 5.8 hectares of land at Okara to BWH Properties Ltd for redevelopment as a large scale commercial site focussing on 'big box' retailing. The sale of the land, which is currently used for playing fields and clubrooms by Old Boys Rugby Football Club, will be subject to a public consultation process as required by the Local Government Act 2002.



The proposal would concentrate 'big box' as the cornerstone of retailing activity in the Okara area and physical links would be established with the existing retail developments.

BWH Properties, a consortium headed by Hill Construction Limited, are understood to have secured commitments from several major retailers to enter leases should the development proceed. While specific details are under wraps, BWH has given an undertaking that the development will be of international standard, with undercover parking.

The price to be paid, should the deal proceed, is \$20 million, more than double current market value and a significant cash injection for Council's budgets at a time when there are multiple competing demands for funding. Mayor Stan Semenoff says that apart from the obvious financial benefits, the proposal will provide an economic stimulus when it is sorely needed by creating jobs for Northlanders both during the construction and retail operation phases. "We are delighted that Whangarei has drawn this level of interest from developers and retailers at a time when many other places across the globe are facing a downturn.

"This proposal gives us a degree of control over the location of our larger retail outlets and allows us to progress plans for the CBD and Town Basin, where the emphasis will be on boutique retail, tourism, apartments and hotels.

"Best of all for our shoppers, it would bring shopping in Whangarei up to Auckland's standards as major retailers not seen here before are understood to be involved.

"The proposal is also consistent with the roading changes planned for Porowini Ave and has the added benefit that fill from the site may be used in completing the Porowini Ave extension with the only cost being a half share of earthworks and transportation," Mr Semenoff said.

He gave assurances that Old Boys Rugby Football Club, which shifted to the site in the 1970s from Riverside, would be relocated out of the proceeds of the sale, and would not be disadvantaged. The club holds no formal entitlement to the playing fields as their 'home

ground', and its lease expires in June 2010.

Council Chief Executive Officer Mark Simpson said staff in assessing the proposal had had regard to the long-term interests of ratepayers and the future of Whangarei's urban form.

"Financially, the offer is quite outstanding and the proposed development of big box retail adjacent to the Okara shopping area fits Council's traffic planning and the direction in which we see the business area expanding most logically.

"Taking these things into consideration, we feel happy that this is a good deal to take to consultation. We now want the public and interest groups to have a good look at the pros and cons, as they see them, and give us feedback on whether they agree that we have an exciting opportunity on the table," Mr Simpson said.

The public consultation phase is expected to begin within the next few days, at which point BWH will begin their due diligence. The consultation will be a public process which will involve Council Hearings, and there will also be direct consultation with interested stakeholders. Following the consultation process, Council will meet to deliberate and decide whether to enter a conditional agreement for sale of the land. The sale will also be subject to satisfactory completion of due diligence by BWH, a change of land use, subdivision, provision of access and a number of other conditions.