

942/A

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FILE NO. 942/A

PLANNING

OIL CONSOLIDATION SCHEME

WESTERN RECLAMATION

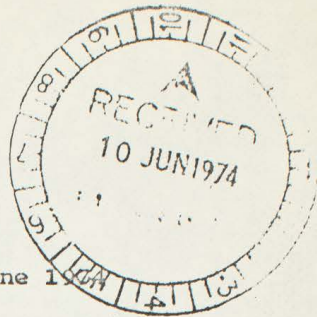
See also File 942 H

RE. B.P. (N.Z.) LTD. REFER FILE 1141/1

FAVONA ROAD RECL.

*Correspondence from
September 1969*

59/27/2
59/22/4



7 June 1974

The General Manager
BP New Zealand Limited
P.O. Box 892
WELLINGTON

Dear Sir,

Recently the Company's Operations Manager advised the Board (Ref. OL2/222 and OL4/222) regarding preliminary planning as to a proposal to establish a Lube Blend Plant at Hamer Street involving five additional bulk tanks and an additional 6" wharfline from Wynyard Wharf to service the installation.

The matter may present few problems in the technical sense but arising from it, I feel obliged to raise the general issue of land occupation at Auckland, directly with you.

The shortage of land at this Port for bulk storage of petroleum products and uncertainty as to the future industry requirements, along with the limited tenure rights held by your Company at Mechanics Bay are matters which need no restating in detail.

Similarly you are aware of various ideas, including those for bunkering facilities to serve container vessels at Fergusson Wharf and possible use by your Company of the 2½ acre ex Aickin block at Freemans Bay.

Such matters have not made progress as the Board requires some positive indication regarding your Company's plans for relocation from Mechanics Bay and a worthwhile understanding with the Industry regarding volume movement of petroleum products through the Port as a prerequisite to land adjustments.

A further factor which now arises stems from the growth in container service requirements to support the Fergusson Wharf Terminal. This will oblige the Board at an early date to commence to recover possession of land occupied by BP at Mechanics Bay, with the initial step involving the 1¼ acres at the western end of your holding.

I have judged this current review warranted, to ensure that you can weigh all relevant factors in any decision to use prime land at Hamer Street for a new activity.

Further formal advice will follow in due course as to the western sector of the Mechanics Bay land.

The Chief Engineer
Copy for information.

GENERAL MANAGER

Yours faithfully,

RA
GENERAL MANAGER

942/A.

13 November, 1970

THE CHIEF ENGINEER

THE OPERATIONS MANAGER

DANGEROUS GOODS ACT
PETROLEUM STORAGE COMMITTEE.

(Your Memo 10.11.70 refers)

My last record of any contact with this Committee is June, 1963.

There seems little point in retaining such a Committee or Board's representation on it since matters of oil storage now are adequately controlled by close liaison between the Oil Industry, the Board, the City Council and the Chief Inspector of Explosives.

CHIEF ENGINEER TO THE BOARD.

RAJS:NKR

Auckland Harbour Board

MEMORANDUM

10 November 1970

FROM

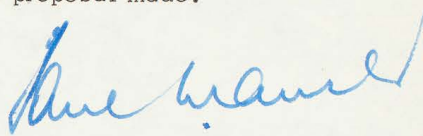
OPERATIONS MANAGER

TO

CHIEF ENGINEER
HARBOURMASTER
TRAFFIC MANAGER

Attached is a copy of a letter forwarded from the Chief Inspector of Explosives to the Harbours Association, dated 2 November, the text of which is self explanatory.

In order that I may formulate an early reply I enlist an urgent indication of your opinions with supporting reasons to the proposal made.



P. Manser
OPERATIONS MANAGER

ENCL.

P.O. Box 1765,
Wellington.

3rd November 1970.

MEMORANDUM for All Members and All
Members of the Executive.

- 3 NOV 1970

Dangerous Goods Act - Petroleum Storage

Hereunder is the text of a letter from the Chief Inspector of Dangerous Goods suggesting that Harbour Boards need not be represented on a committee provided for under the above Act. I would appreciate your early comments on this letter.

R. E. Dawson
Secretary.

DEPARTMENT OF INTERNAL AFFAIRS
OFFICE OF THE CHIEF INSPECTOR OF EXPLOSIVES
Wellington.

The Secretary,
Harbours Association of New Zealand,
P.O. Box 1765,
Wellington.

2 November 1970

Dear Sir,

Dangerous Goods Act 1957 -
Petroleum Storage Committee

This Department is at present examining the Dangerous Goods Legislation with a view to promoting appropriate amendments.

Section 22 of the Act provides inter alia that no licence shall be issued under the Act for the storage of petroleum in bulk in any premises adjacent to any harbour, to or from which harbour it is proposed to deliver petroleum by means of pipelines unless the provisions made or proposed to be made for the public safety, and for compliance with the provisions of the Act, have been approved by a Committee consisting of the Chief Inspector, representatives of the New Zealand Naval Board, Army Board, and Air Board, a Harbour Engineer or other officer appointed by the Harbour Board concerned, and the Director of Civil Aviation.

In view of the changed conditions relating to public safety stemming from defence considerations it is proposed that this provision should be deleted from the Legislation.

It is my impression that in view of the powers accorded harbour boards by Regulations made under the Harbours Act it is unnecessary for the views of harbour boards to be expressed by means of representation on such a Committee. This is also supported by my experience in the working of the Committee.

As a consequence, I would conclude that the harbour boards are able to ensure that their interests would be adequately catered for if this provision were deleted from the Act. However, I should appreciate your views on this question.

Yours faithfully,
E.L. Sellens
Chief Inspector of Dangerous Goods

See R.
G/m
Article

file

1141/1
942A

14 September, 1970.

The Operations Manager,
B.P. (N.Z.) Ltd.,
C.P.O. Box 892,
WELLINGTON.

ATTENTION : MR. A. BERRY

Dear Sir,

MECHANICS BAY TERMINAL FACILITIES - RESITING

1. Favona Road

Please find attached a copy of the letter to the City of Manukau seeking approval to proceed with Stage 1 of the reclamation.

2. Mechanics Bay Installation

At the present, the Board and the Auckland Electric Power Board are considering the power and supply needs for the final requirements of the Fergusson Wharf Container Complex. It occurs to me that in the event that the Company may remain on 2½ acres of the present lease, that your present transformer facilities and reticulation could be re-arranged. It may be advantageous if you could consider this matter and have discussions with the Chief Engineer A.E.P.B. at your earliest convenience.

Yours faithfully,

CHIEF ENGINEER TO THE BOARD.

ENCL : Copy of letter to City of Manukau.

NS:NKR

Operations Department,
179 Wakefield Street,
WELLINGTON TEL : 59899

10 September 1970

Our Ref : OL2.22/3

General Manager,
Auckland Harbour Board,
P.O. Box 1259,
AUCKLAND.

Dear Sir,

RESITING OF MECHANICS BAY TERMINAL FACILITIES

Since writing to you on 3 April 1970, we have been progressing our plans to relocate our bulk operations on a site on the proposed reclamation in the Favona Road area at Mangere East. As a result of the progress made, we now wish to formalise our application to occupy the land which will be constructed within the terms of a letter from the Board to Manukau City Council with which we have agreed. We would like to see this letter put forward to the Council at an early date in order that the reclamation should proceed.

Our objectives in the whole of this matter are to consolidate our established position as a major supplier of petroleum products in the Auckland regional area and to provide for such expansion as is necessary to meet the needs of the area. We have therefore accepted the necessity to establish our bulk products facility in an area where a logical development programme can be achieved, notwithstanding the high capital investment to be incurred at such a location because of its remoteness from a suitable berthing place. Our plans provide for a pipeline to the Favona Road site with associated reception tanks capable of accepting white oil products direct from vessels being located close to the Eastern Tide Wall berth on the promise that this facility would be retained in its present form.

We have subsequently been asked by the Board whether it would be technically possible to extend this pipeline to the Western Wharf, and to accommodate the reception facilities and our "lean white oil" operations on land which the Board would seek to make available in this area. Such a proposal is technically feasible and might be attractive to us if it were coupled with the availability of land which would enable us to envisage the achievement of our expansion objectives, and if the extension of the line did not materially add to the estimated \$1,800,000 which the project is budgetted to cost. The parcels of land offered do not meet this requirement and we therefore would be most unwilling to accept the extension of the line as a serious proposal.

We are however encouraged to believe that it is in the Board's interest to allow us to maintain as large a parcel of land at Mechanics Bay as it is possible for the Board to allocate to us for the purpose of providing for the reception of white product tankers and for importation of lubricating oil base grades, detergents, plastic products etc. which would enable us to meet the needs of the area for such products and which are non-flammable and therefore do not constitute a public hazard in the area. Currently such products cannot be imported into Auckland by sea and are therefore railed from Wellington.

It is our view that we have given every indication that we are aware of the problems that the Board is facing in meeting the needs of the area to import and store petroleum products and have demonstrated our goodwill by progressing the Favona Road proposals.

We feel that the existence of our Favona Road installation will guarantee the Board a revenue from the whole of BP's volume for at least the economic life of the pipeline (30-35 years) and in addition we are optimistic of the opportunity of attracting a major proportion of the volume of products distributed by other companies in the South Auckland area. Such a facility could possibly go some way to retaining imports through the port, by delaying alternative investments and easing the pressure for additional land in the port area.

We therefore submit the following proposal to facilitate a solution :

1. The Board grant to our Company the development rights for a period of ten or fifteen years over 20 acres of land to be reclaimed at Favona Road, approximately 8.5 acres to be developed immediately and leased with rights of perpetual renewal to the Company. Subsequent development acreage would be made progressively and leased by the Company on the same terms. This part of our proposal would meet the Board's and the Company's objective of removing all Dangerous Goods of Clauses 1 and 2 from Mechanics Bay within five years.

2. The Board undertakes to maintain the tanker berth at the Eastern Tide Wall berth meanwhile, seeking alternative berthage in the same area should subsequent development so demand.

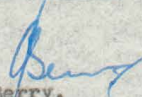
3. The Board consider the terms of any lease it would be able to grant to the Company over the portion of its present leasehold at Mechanics Bay hatched in red on the attached Drawing No 8636. This land to be used for the purposes outlined in the second paragraph above.

The Company seeks security over this land of between ten and twenty years and the Board may consider such a proposition feasible if re-occupation protection is built in to any lease to be granted. Such approval would considerably diminish the capital investment required by the Company to continue its Auckland operations pending clarification of the land availability in other areas close to deep water, either at Freemans Bay or elsewhere.

The Board will appreciate that existing facilities at Mechanics Bay include investment in pipelines, yardworks, power, water and drainage services plus buildings which we estimate would cost \$300,000 to duplicate on an alternative site.

As the Company has budgetted for the transfer to Favona Road to commence this year and has available funds to pay to the Board as advance rental and would wish to make this payment before 31st December 1970, we would very much appreciate your early consideration of the foregoing proposal.

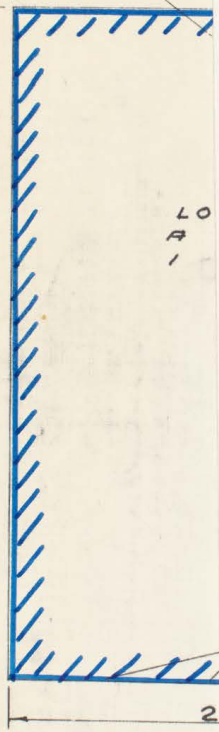
Yours faithfully,
BP (NEW ZEALAND) LIMITED


A.G. Berry,
for Operations Manager.

Encl :

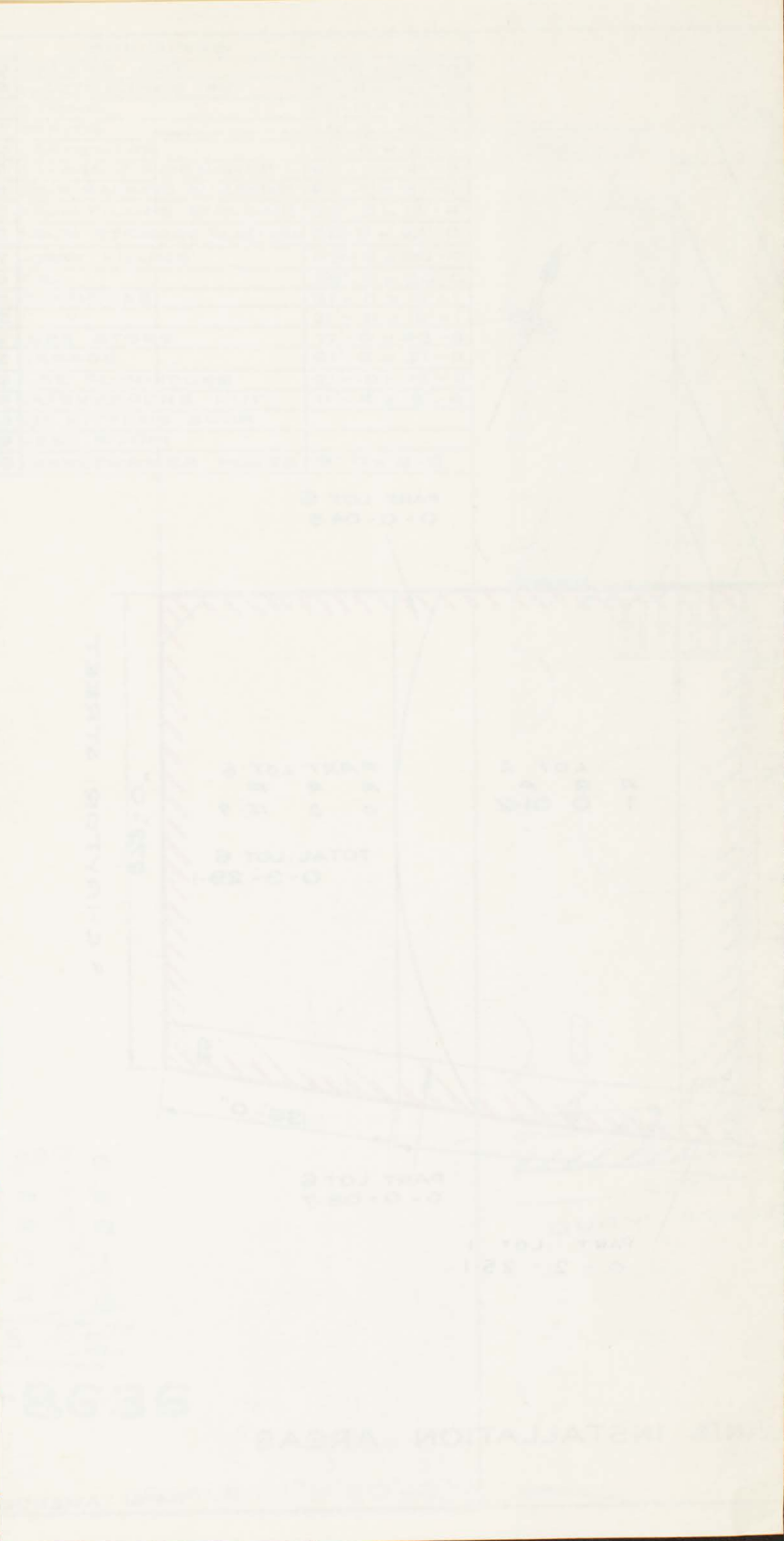
AGB/7

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1
70

AREA:-
NORTH E
SITE
HATCH TO



9 April, 1970

OIL TRADE - B. P. COY.

Notes for consideration prior to discussion with B.P. Coy. on Monday April 13, 1970.

1. The Board's principal objectives are :
 - (a) To bring about the removal of the "white oils" from the port area.
 - (b) To bring about the removal of B.P. Coy. from Eastern Foreshore.

2. Removal of White Oils

The possible methods of doing so (in whole or in part) are :-

 - (a) "Pipe line from Marsden" - this could well bring about their partial removal; would not involve the Board in any financial outlay but would result in a large (almost tragic) loss in revenue.

 - (b) "Dredged Channel to Te Atatu" - this would involve the Board in heavy financial outlay (not less than 5 or 6 million dollars) and a large reduction in nett revenue. This course should not be adopted unless there is no other way and unless the Oil Coys. guarantee there would be no "pipeline from Marsden" for 30 years.

This course appears to be quite impractical at present

 - (c) "Buoy Mooring at Kauri Point and pipeline to Te Atatu" - this would avoid the cost of dredging a channel but would involve the cost of buoy mooring and pipeline ashore. Much cheaper than item (b) but would require a similar guarantee re continuance of sea borne trade.

 - (d) "Pipeline E.T.W. to Favona Road" - this scheme is of very recent origin; would not involve the Board in financial outlay and would result in the removal of B.P. Coy. white oils in 3 to 5 years.

 - (e) "Pipeline Wynyard Wharf to Favona Road" - this is an extension of item (d); could well involve the Board in a financial outlay of some \$250,000 and could bring about the removal of the bulk of the white oils from Western Reclamation/Freemans Bay.

... ..

Note : Re (d) and (e)

The Board could well be involved in financial outlay of some \$200,000 to provide 3½ acres of land for B.P. Coy. in Western Reclamation. It is in Board's interest to provide adequate land for B.P. Coy. in this locality in order to keep them as a customer of the port through enabling them to have enough land for a city depot, lube oil operations, solvent operations and perhaps some "black oil" operations - it should be possible to cater for the latter by utilising land freed from other companies' "white oil" storage.

3. Removal of B.P. Coy. from Eastern Foreshore

- (i) It seems that this can be assured (except for ½ to ¾ acre for pumping terminal) by implementing item 2(d) and by making available some 3½ acres of land in Western Reclamation/Freemans Bay.
- (ii) Town planning issues affecting Favona Road are now suitably resolved and it seems that approvals to the pipeline route can be quickly resolved. Similarly there seems to be no difficulty in arriving at agreeable terms of lease rental over the land at Favona Road.
- (iii) The possible "snags" are :-
 - (a) The availability of land in Western Reclamation/Freemans Bay.
 - and
 - (b) Complication of the exercise by introducing the extension of the pipeline to Wynyard Wharf.

4. Availability of land in Western Reclamation/Freemans Bay

- (i) The land being examined is in the locality of Daldy Street near its intersection with Jellicoe Street where some 3½ acres could be provided by buying back the leases, rejecting Sanford's request for additional land and by closing some 400 lin.ft. of Daldy Street.
- (ii) The land ex U.S.S. Coy. could be of assistance in this regard as could land to be acquired from Neuchatel Asphalt.

... ..

- (iii) It seems that this land question should be settled within 3-4 months and its availability by December 1972 assured by that time i.e. by July/August 1970 the B.P. Coy. should know where it will stand.
- (iv) See also "Note on (d) and (e)" in paragraph 2(e) above re land "ex white oil storage".
- (v) With reference to Sanfords request for additional land - in my view this Company had every opportunity to obtain a good site at Viaduct Basin but did not do so. The Board should now consider its convenience rather than Sanfords.

5. Pipeline to Wynyard

- (i) This idea has been in existence for many years as a means of eliminating the "oil shunts" along Quay St.
- (ii) In its present context preliminary discussions have been held with Mr. Duffield who appears to support the scheme.
Presumably such support would be contingent on a substantial reduction resulting in the extent of "white oils" storage in the City area.
- (iii) The Engineer has prepared a preliminary scheme for the alignment of such a pipeline; has had discussions with the authorities owning other underground services along the route and has made a preliminary assessment of the cost - say \$250,000.
- (iv) By financing this part of the work and by clearing it through City Council, Fire Board, Explosives Inspector and other authorities concerned, the Board could be in a good position to not extend oil companies leases in Western Reclamation/Freemans Bay as they fall due.
- (v) The effect of "extending the pipeline to Wynyard" on
 - (a) the size and cost of the pipeline from E.T.W. to Favona Road ~~and on~~
 - and* (b) the location and extent of land for the "pumping terminal" needs to be examined.

5. Pipeline to Wynyard (Contd.)

(vi) Property Office needs time to study acquisition of land in Western Reclamation/Freemans Bay and to prepare estimates of cost of doing so.


R.A.J. SMITH.

DISTRIBUTION :

MR. MORGAN
MR. BURGESS
MR. SEAGAR
MR. PEMBERTON
MR. SMITH
FILE.

RAJS:NER

942/A

March 26, 1970

Mr. R. T. Lorimer,
General Manager,
Auckland Harbour Board,
C. P. O. Box 1259,
AUCKLAND

Dear Mr. Lorimer,

Lots 38 and 39 Beaumont Street

Thank you for your letter of March 4, and please accept my apologies for not replying sooner due to the fact that I am still uncertain as to how best to tackle this problem. I fully share your views that it is time that it was resolved, but I am at a loss to offer an acceptable solution. Therefore, I am replying to your letter in a personal way and my views can be accepted only as my own personal views.

There is no doubt in my mind that eventually the industry must build a pipeline from the Refinery to Auckland. You will appreciate just how much work I have put in on this proposal in the last few years endeavouring to get the industry to agree and to make definite forward plans. You will appreciate, too, that the amount of money involved is too great for our company alone to finance. The situation has been aggravated recently by the reluctance of the Shell/BP/Todd consortium to make up their minds on the pipeline in view of the Maui field. They are giving consideration to the possibility of another refinery and, therefore, in the long term may not be interested in a pipeline to Auckland.

The situation at the moment is that we have asked three construction companies to advise us the cost of a definitive cost estimate for the pipeline. We will have to spend \$60-70,000 just to determine the feasibility and a firm cost as our previous studies have been based on estimates of cost based on routes traced on a map. When this information comes in, I will be pressing the industry hard to spend the money to determine the economics and to make an application for a pipeline.

If the pipeline goes ahead, this would carry only the white products manufactured at the refinery, and therefore fuel oils, bitumen and the minor products, that is, products in small volume which still have to come in from overseas, will remain in the Pakenham/Beaumont Street

Refer to Eng. file 746.

copy for
C/S
14/70.

area. This, of course, reduces the revenue to the Board very considerably, but fuel oil and other products are growing rapidly in volume and so there will still be a significant revenue from these products.

Coming now to the specific problem of Lots 38 and 39 Beaumont Street, I expect - and this is only my personal view - that the Board may have a strict legal right in what they are proposing to charge us. Our legal people say there is, in fact, some doubt about the tanks and we are pressing them to give us a firm opinion because the solicitors for the Board are flatly refusing to discuss the subject and making quite dogmatic statements on the rights of the Board. While we may have to concede that the Board has a strictly legal right, if one looks at the additional very high cost of land to our company, it does seem that justice at least does not appear to be done. Under the Board's proposal for rental of the sites, we would be paying nearly \$10,000 per acre, based on the fact that assets, which are necessary to our business and our use of the site, become Harbour Board property, and are being rented back to us. It appears that even assets which have had to be removed by us in the course of our business are being rented back to us, as well as the new assets we have built on the same site to replace them. This does make the cost of the land to us inordinately high. For instance, we believe the market value of the land only is no more than about \$7,000 per acre, whereas in fact you are asking us to pay approximately \$10,000.

I am aware, too, that in our discussions with the Board they have endeavoured to meet us to some degree by a suggestion that their reversionary interest could become part of their contribution to a new site at Te Atatu, but the economics of such a move without a pipeline, to an industry whose selling prices and margins are fixed by government, are unattractive and could not be reasonably justified. I would like to see the industry move bulk products at Te Atatu, but there is no economic justification to spend the money unless it can be combined with a pipeline which must include tankage to receive the product at the Auckland end, in which case the storage is part of the overall project producing distribution savings.

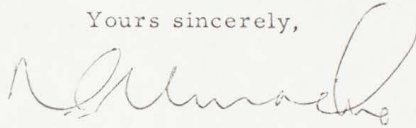
I have endeavoured to set out the total position as I see it, and I admit that the company did sign these agreements in the early days and, therefore, must accept the consequences. I expect that nobody envisaged at that time the effect it would have on the economics of our business on termination of the leases, and, therefore, we can only ask that you take a more reasonable view of the assessment of rent based on what is an

interpretation of the agreements.

I am extremely reluctant to recommend to my company that we take the matter to Court, and I would hope that this last resort can be avoided, but it is difficult at the moment as your solicitors appear to leave absolutely no room for discussion, or perhaps for some compromise.

I am going on leave for the next two weeks, but on my return I hope to get to Auckland within the following few weeks, during which time I will ring you to see if we can arrange a time for a further discussion.

Yours sincerely,



N. L. Uniacke
Marketing Director.

NLU/hc

WESTERN RECLAMATION

LAND FOR B.P. REFERENCE P.O. REPORT:

1. Seems that a policy decision is required as to whether we favour Sanfords expanding into adjacent land to the west.

2. This decision must be related to the possible uses of the land becoming available (yellow).

(a) If it is to be used for petroleum products, its narrow width may preclude effective use for Class I goods.

(b) On the other hand it could be quite suitable for say B.P. Offices and terminal operations including a pump station in association with Block I.

(c) If the yellow land is reased for other than oil storage then the opportunity to close Daldy Street for additional land is lost.

See my proposal and evaluate.

3. If the above premises are correct and we could arrange to recover the 340' x 90' strip along Sanford, then possibilities are:-

1. Recover Block II by 1972	2.0 ac.
Recover Part Block VI by 1972	0.7 ac.
Street available	0.5 ac.

3.2 ac.

2. Give Ex U.S.S.Co.	1.5 ac.
Recover Part Block VII	1.6 ac.

3.1 ac.

4. The decision as to which is the best move disregarding cost of acquisition is dependent on certain understandings with B.P. as follows.

5. Notwithstanding that B.P. have asked for 5 - 6 acres in Western Reclamation, lets look at the situation more logically:-

(a) B.P. at present have : White Products at Quay Street
Black Product at Western Reclamation held by other Companies.

(b) The white products are to go to Favona Road and while the Company may not like having to share blacks with other Companies and existing use could well continue. Indeed I am sure that with B.P. at Favona Road, they will be working together on whites for the Air Port etc.

(c) This prime requirement for land in Western Reclamation is the Boards in order that Eastern Foreshore can be fully released and Tanker Berth closed down. To do this we want the Company to lay down a pipeline through the Port and if this can be done then the requirement for land at Western Reclamation is, and in priority:-

(i) Pump Station and Surge tanks for petrol and Av. Kerosene.

... ..

*Copy to P/O
for necessary action
AS. 1/4/70*

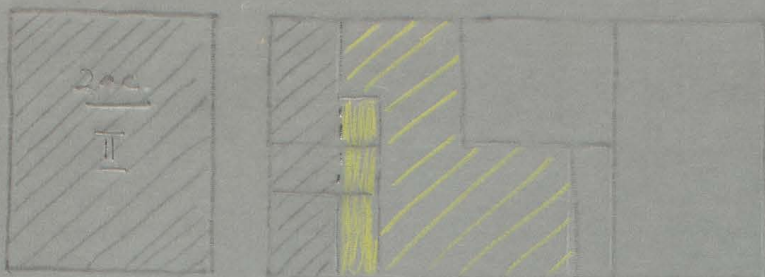
- (ii) Some local distribution of the above two products with office space.
- (iii) Some storage for specials such as solvents.
- (iv) Storage for the other products which will be related on type and quantity to land that can be made available.

In my opinion we do not make land available for black oils. If the pipeline right through materialises there can be possibilities of additional tankage being available for blacks if so required.

Therefore we offer B.P. up to three acres only and we select the proposition which suits us best in relation to port planning and safety needs. In my opinion the Block II and part Block VI is better than the land alongside Halsey Street.

NS:RB

1.4.70



PROPOSAL 1

Area

- (a) Balke out as suggested by P/O
- (b) Customise Site out
- (c) New Subdivision of allotments
- (d) Seaports acquire
- (e) Balance for BP?
- (f) Blom of Daldy St could be available.

0.68 ac
 0.52 ac
 1.20

BP. 2ac for Pumpstation + Storage etc
 1.2ac for office and other use.

AUCKLAND HARBOUR BOARD

DRAWN

DATE

NOTES:

OIL CONSOLIDATION PROPOSALS RELATING TO B.P.'S SCHEME

1. Having regard to lease expiry dates, present utilisation and the occupiers concerned, there is only certain land in reasonably sized blocks in the Freemans Bay Reclamation area which would be suitable or available for long term oil consolidation proposals. These blocks are listed as follows and are coloured on the attached Plan Ref. B.1303/7.

- (a) The whole of Block II - 2 acres 0 roods 02.15 perches. (Red)
- (b) Part of Block VI, Lots 11-21, 1 acre 2 roods 13 perches. (Yellow)
- (c) Ex Union Company land, 1 acre 1 rood 39.92 perches. (Green)
- (d) Victor Plasters' site - Lots 38-44 Western Reclamation. (Brown)
- (e) Certain Lots in Block VII - 1 acre 2 roods 13.07 perches. (Blue)

2. B.P. have stated that they require 6 acres of land in the Freemans Bay Reclamation area. It is unlikely however, that such an area can be accumulated for the Company in that location and an exercise involving a more limited area, assuming this to be satisfactory, is the object of this exercise.

3. There are three areas of those listed above which could be available for Oil Consolidation, without any complication as to the removal of existing Lessees, but these must be considered in the light of other planning matters relevant in the port at this time, in particular the wheat trade and Northern Roller Mills. Two of these areas, the Victor Plasters' site, and the ex Union Steamship Co. site, could be available immediately. The third involving an area of approximately $1\frac{1}{2}$ acres, will not be available until June 1975 by which time all the leases in that area will have expired without Right of Renewal and without compensation. This latter area I refer to comprises Lots 11-21, Block VI, now occupied by Dillinghams, Auckland Seine Boat, Neuchatel and J. Lysaigh.

4. The other two areas being the whole of Block II and pt. Block VI offer some complications in re-acquisition. If however, both of these areas could be consolidated and subject to the City being prepared to close Daldy Street, a total of just over $3\frac{1}{2}$ acres would be available in one Block (3 acres, 2 roods, 9.2 perches). This includes half an acre of closed road which it would be in the Board's interest to purchase from the City in order to retain the whole area on a similar system of leasehold tenure. The difficulties in re-acquiring part Block VI however, are related to the acquisition of the property held by Sanfords and Caltex on long term rights. I believe that it would be almost impossible to negotiate with these lessees for the purchase of these sections without offering them alternate land on a long term lease basis. One solution could be:-

- (a) Re-locate Sanfords Ltd from Lot 29 to Shed 118 including associated land adjoining the Western Viaduct. (This involves the removal of Kia Ora Fisheries who have a temporary tenancy of a large part of Shed 118).
- (b) Caltex, the lessee of Lots 27 and 28 Block VI, has renewal rights but could probably be persuaded to release this land on the basis of an offer of more secure tenure in the lower Western Reclamation area adjoining Jellicoe Street.

Other alternate sites have been considered for Sanfords but each is complicated and offers a poor solution e.g. pt. ex Union Co. block, J. Lysaigh or Auckland Seine Boat site in 1974, both solutions effecting other useful areas already consolidated into title or potentially consolidated.

... ..

There is one further complicating factor, that being the expiring date of the Carbonic Ice lease which is not until 1977. Another factor is that Sanfords are looking for additional land on which to expand onto and the Shell site in Block VI could offer the best solution for them. Taking all matters into account therefore, the area coloured yellow on the plan is unsuitable for oil consolidation and probably best left with existing lessees but allowing for expansion by Sanfords.

(c) Block II - These leases expire at various intervals from May of this year until June of 1973. C. Aicken and Sons Ltd's activities would normally be seriously effected when its first lease expires at the end of this year. A suitable compromise as far as Aicken is concerned, would be to extend the availability of the lease areas which expire in the near future to a fixed date, say the end of 1972, but subject to the Company agreeing to re-accommodate by this time and sell its leasehold interest in its long term interests to the Board at a fair valuation. J. Sawh's lease would have to be negotiated for and L.A. Marquet's lease with rights of renewal can be bought now as it is on the market. There are no re-accommodation problems in the purchase of Block II as most Lessee's activities could be reasonably accommodated outside the port area. The amount of compensation estimated to be payable say as at the end of 1972, would be \$150,000.

Recommendation:

1. Aim for the acquisition of all of the outstanding lease rights on Block II (2 acres approx. red on plan) by the end of 1972. To do this it will be necessary:-
 - (a) To negotiate and purchase Marquet's leasehold interest immediately.
 - (b) Negotiate with Aicken and Sons and J. Shaw to terminate leases on a common date at the end of 1972.
2. Aim for the consolidation of pt. Block VII (1½ acres blue on plan) by July 1975. No lessee interests to purchase.

This in effect gives B.P. 2 acres by the end of 1972 and a further 1½ acres by mid 1975 to enable the completion of their phasing out from Mechanics Bay. The ingoing cost for B.P. approx. \$150,000 for the land available in 1972, plus rentals and ^{2.90000} for the purchase of improvements on pt. Block VII which will have reverted to the Board by the date of expiry of the last lease in this block, June 1975.

Should B.P. wish to commence relocation at an earlier date than the end of 1972, the only alternative would be either Victor Plasters or Union Co. site depending on what was required for the wheat trade.

MMent

considers - alternative approach on land acquisition given to Darwin 26/3/70.

4/8

OIL CONSOLIDATION PROPOSALS : VARIATION AS TO LAND AVAILABILITY

BLOCK VII. - FREEMANS BAY RECLAMATION

<u>Lot Nos.</u>	<u>Area</u>	<u>Lessee</u>	<u>Lease Expires</u>	<u>Right of Renewal</u>	<u>Compensation</u>	<u>Govt. Valuation</u>	<u>Cost of Acquisition</u>
11 & 12	38.44	Dillingham	17.9.74	Nil	Nil	Land 36,500 Imp. 16,000 <hr/> C.V. 52,500	Nil as at 17.9.74
13	19.22	Auckland Seine Boat	19.3.74	Nil	Nil	Land 24,000 Imp. 32,000 <hr/> C.V. 56,000	Nil as at 19.3.74
14-18	3 roods 17.75p.	Neuchated	24.6.75	Nil	Nil	Land 118,500 Imp. 19,500 <hr/> C.V. 138,000	Nil as at 24.6.75
19-21	1 rood 17.66p.	J. Lysaigh	8.12.70	Nil	Nil	Land 63,000 Imp. 25,000 <hr/> C.V. 88,000	Nil as at 8.12.70
	1A. 2R. 13.07P.						

OIL CONSOLIDATION PROPOSALS : VARIATIONS AS TO LAND AVAILABILITY

PT. BLOCK VI - FREEMANS BAY RECLAMATION

<u>Lot Nos.</u>	<u>Area</u>	<u>Lessee</u>	<u>Lease Expires</u>	<u>Right of Renewal</u>	<u>Compensation</u>	<u>Govt. Valuation</u>	<u>Cost of Acquisition</u>
1 & 2/VI	39.26	Shell Oil	10.11.71	Nil	Nil	Land 44,500 Imp. 3,000	Nil at 10.11.71.
						C.V. 47,000	
30/VI	33.06	Shell Oil	6.7.76	Nil	Nil	Land 25,000 C.V. 25,500	Nil at 10.11.71 assuming Co. would accept by term lease over alternate area say Lot 4/V at present to be leased to Co. on short term lease,
29/VI	33.06	Sanford Ltd	12.10.77	In perpetuity	Payable	Land 26,000 Imp. 12,500 C.V. 38,500	\$40,000 but likely to be very difficult to acquire at any price unless alternate land can be made available to Company.
27 & 28/VI	39.26	Caltex	10.11.70	In perpetuity	Payable	Land 42,000 Imp. 11,000 53,000	\$55,000 but likely to be very difficult to acquire at any price unless alternate land can be made available to the Company.
26/VI	19.63	Carbonic Ice	12.10.77	Nil	Nil	Land 18,500 Imp. 6,500 2,500	Best left until 12.10.77 without compensation.
	<u>1A. OR. 4.27P.</u>						

BLOCK II - FREEMANS BAY RECLAMATION

OIL CONSOLIDATION PROPOSALS : VARIATIONS AS TO LAND AVAILABILITY

<u>Lot No.</u>	<u>Area</u>	<u>Lessee</u>	<u>Lease Expires</u>	<u>Right of Renewal</u>	<u>Compensation</u>	<u>Govt. Valuation</u>	<u>Cost of Acquisition</u>
1	21.44	J. Shaw	Temp. Tenancy	Nil	Nil	Land 26,000 Imp. 16,000 <hr/> C.V. 42,000	Nil
2	21.45	J. Shaw	13.10.71	Nil	Nil	Land 21,750 Imp. 11,500 <hr/> 33,250	Nil as at 13.10.71.
3	21.45	C. Aicken	20.6.73	Nil	Nil	Land 21,750 Imp. 6,500 <hr/> C.V. 28,250	Nil as at 20.6.73
4	21.45	"	30.9.70	In perpetuity	Payable	Land 21,750 3,350 <hr/> 25,100	\$25,000 as company's other leases in this area terminate shortly this one should become available at normal compensation.
5	21.45	Shell Co.	1.5.70	Nil	Nil	Land 26,000 2,000 <hr/> 28,000	Nil as at 1.5.70
2/ DP25871	27.27	C. Aicken	28.6.81	To 2023	Payable	Land 22,500 Imp. 250 <hr/> C.V. 22,750	\$22,750 as company's other leases in this area terminate shortly this one should become available at normal compensation.
4/ DP25871	26.68	C. Aicken	1.7.78	To 2020	Payable	Land 22,500 Imp. 9,700 <hr/> 32,200	\$32,200 as company's other leases in this area terminate shortly this one should become available at normal compensation.
1/ DP25871	27.02	J. Shaw	14.4.79	To 2021	Payable	Land 25,250 Imp. 11,500 <hr/> 37,750	\$37,750 sale would require to be negotiated.

<u>Lot No.</u>	<u>Area</u>	<u>Lessee</u>	<u>Lease Expires</u>	<u>Right of Renewal</u>	<u>Compensation</u>	<u>Govt. Valuation</u>	<u>Cost of Acquisition</u>
3/ DP25871	26.46	L.A. Marquet	4.3.78	To 2020	Payable	Land 25,000 Imp. 13,500	Can be bought now for \$30,000.
7 & 8	1rd 2.84p.	C. Aicken	14.10.70	Nil	Nil	C.V. 38,500 Land 53,000 Imp. 750	Nil at 14.10.70
9-11	1rd 24.64p.	C. Aicken	20.6.73	Nil	Nil	C.V. 53,750 Land 68,500 Imp. 15,450	Nil as at 20.6.73.
						C.V. 83,950	
<u>2A. OR. 02.15P.</u>							

OIL CONSOLIDATION PROPOSALS : VARIATION AS TO LAND AVAILABILITY

Lots 10 to 19/VI

Received from U.S.S.Co. by the Board and occupied under various temporary tenancy arrangements.

Area 1 acre 1 rood 39.92 perches.

\$23,000 compensation paid to U.S.S.Co. to be repaid.

Lots 38/44

Recovered from Victor Plasters and now occupied under various temporary tenancy arrangements.

Area 1 acre 5.06 perches.

Board paid \$51,500 for the lessees interest in improvements and lease and might reasonably expect some repayment of this from any ingoing lessee.

WESTHAVEN
HARB

EXTRACT FROM MINUTES
GENERAL PURPOSES COMMITTEE

76 SEP 1969

7. B.P. (NEW ZEALAND) LIMITED - OIL INSTALLATIONS, MECHANICS BAY

The General Manager advised in his report of proposals for re-siting the facilities of B.P. (New Zealand) Ltd at present accommodated at Mechanics Bay. The proposals provide for the Company establishing a storage and administrative facility on a seven acre site to be reclaimed in the Mangere Inlet adjoining Favona Road. The purpose of this storage area is to accommodate the bulk of the Company's white oils i.e. Class I, imported by tanker discharged at the Eastern Tanker berth. The Company seeks to retain a five acre leasehold site on its present location on perpetual rights of renewal and pump white oils via a pipeline to the Favona Road site. The Board's Planning Panel had decided to inform the Company that while it welcomes the proposal to relocate the oil installations away from the city area, it cannot agree to the Company remaining in Mechanics Bay. As an alternative the Board has suggested it will assist the Company in granting a lease in perpetuity in the Western Reclamation and has established that the Company's needs

would amount to approximately $3\frac{1}{2}$ acres. Such proposal being contingent on the practicability of extending the Favona Road - Eastern Foreshore pipeline along the waterfront to the Western Reclamation. The Company has been formally advised of the Board's immediate reaction to its proposals and has been further requested to set up a joint study with the Board to establish the four principal matters detailed in the report. The Company had been advised of the Board's attitude and approval to the action taken was requested.

During discussion reference was made to the establishment of the pipeline to Mangere Inlet and the attraction this might have to allow removal of other Oil Companies to the Favona Road area, being a much safer and preferable site. Concern was expressed regarding the proximity of the present B.P. pipelines to the operations at the Fergusson Wharf area and it was considered that on no account should the Company be allowed to remain at the Eastern Foreshore site.

It was RESOLVED that the action taken be confirmed.

REMAINED IN COMMITTEE

