



For Immediate Release - 5 February 2009

**AUCKLAND DISTRICT HEALTH BOARD
DECIDES AGAINST
PRESERVATION OF BUILDING 5
AND SUPPORTS RETENTION OF COSTLEY BLOCK**

At a meeting of the Auckland District Health Board (ADHB) yesterday, members voted unanimously to oppose the scheduling of Building 5 for preservation in the Auckland City District Plan and decided to oppose in the Environment Court, the appeal of the resource consent granted to ADHB for the demolition of Building 5.

The Board's decision which now makes the restoration of building 5 unlikely, follows an ADHB initiated widespread marketing campaign via a Request For Proposal (RFP) to attract a lessee interested in refurbishing, adapting, and occupying Building 5 in return for a long-term lease at a peppercorn rental. The result was just five formal replies, none of which fulfilled the base criteria of a commitment to funding the building refurbishment costs, estimated at \$4 million.

In reaching the decision the Board was mindful of its moral and statutory duty to deliver quality health infrastructure and services to the people of Auckland and the Northern Region. The current difficult economic climate, the tightening of health funding, in concert with increasing requests from the Ministry of Health to plan for added infrastructure and services capacity were other considerations.

ADHB Board chair Pat Snedden says that while the Board is disappointed that a party prepared to restore and occupy Building 5 wasn't found, it is pleased to have explored other avenues and opportunities for the restoration of Building 5.

"Having had a very thorough and public approach to try to find alternate uses, the decision to oppose the scheduling of the building is now a pragmatic one. The bottom line is we have a statutory duty to deliver quality healthcare to Aucklanders, they are our priority, and we cannot ask our patients to pay for the restoration of Building 5 when there are more efficient ways to spend their money and get the health result we seek," he said.

While it is now unlikely that Building 5 will be retained, the ADHB has committed to the preservation of the Costley Block. This elegant late 19th century brick building preceded the introduction of old age pensions as the Home for Aged Poor. The ADHB estimates the cost of restoring this building and bringing it up to modern building and earthquake standards will be around \$4 million. Planning for the restoration of this building will need to be provided for in the capital planning prioritization process and will be considered along with other Board commitments required to maintain its service provision.

Additional Notes:

- The Auckland City Council (ACC) hearing on scheduling of Building 5 is set down for 19,20 February 2009

Request for Proposal (RFP) Details:

- RFP conducted 1 November to 19 December 2008
- Crown Health Financing Agency (CHFA) acted as the RFP Agent
- Advertising was widespread including; New Zealand Herald (Business Section) on four Saturdays and GETS online
- Twenty compatible health industry organizations, such as NZ Blood Service were targeted by direct mail

- Leading commercial real estate firms, for example Bayleys and Colliers were approached by direct mail
- There were 27 requests for the Information Memorandum; seven parties inspected the property
- There were five formal responses to the RFP
- None of the respondents agreed to the base criteria of funding the building refurbishment costs of approximately \$4 million.

Any Building 5 Agreement would have been subject to:

- Obtaining a resource consent from ACC
- A use compatible with ADHB's onsite activities
- Compliance with the underlying trust under which ADHB owns the land
- ADHB Board approval
- Consent of the Minister of Health.

For Further Information contact:

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