

Report No:	RCS11-06-19
File No:	11901
Date:	14 June 2011
Decision Required	

REPORT SUMMARY

Report to: Tasman District Council
Meeting Date: 30 June 2011
Subject: Golden Bay Medical Centre
Report Author: Jim Frater, Manager Property Services

EXECUTIVE SUMMARY

The Council has previously approved the sale of the property at 185 Commercial Street, Takaka and the Golden Bay Medical Centre property, all of which is owned by the Council. Now that the Golden Bay community have reached an agreement on the construction of a new integrated health facility, there is a wish to proceed with the sale of the land and improvements and a request to make the proceeds available for the construction of the new facility. This report recommends this action.

RECOMMENDATION/S

It is recommended that the Council confirm that the net proceeds of sale be made available for the construction of the new integrated health facility in Golden Bay.

DRAFT RESOLUTION

THAT the Tasman District Council receives the Golden Bay Medical Centre (Report RCS11-06-019) and;

THAT the Tasman District Council directs that the net proceeds from the sale of the Golden Bay Medical Centre property at 1 and 3 Edinburgh Street, Takaka plus the residence at 185 Commercial Street, Takaka, following the deduction of selling expenses and the costs of undertaking a boundary adjustment and the value of improvements that are not owned by the Council, be made available for the construction of the new integrated health facility in Golden Bay.

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1. PURPOSE

- 1.1 To report on the allocation of the net proceeds from the sale of the Golden Bay Medical Centre property and the property situated at 185 Commercial Street, Takaka.

2. BACKGROUND

- 2.1 Various reports have been presented to the Council Committees over the last four years relating to the potential sale of the Golden Bay Medical Centre. Two resolutions are relevant for the purposes of this report. They are resolutions CN09/01/05 and CS09/12/09.

Moved Crs King/Currie CN09/01/05

- 1 That the report on the Golden Bay Medical Centre dated 20 January 2009 be received.**
- 2 That Council confirms that it is not willing to pass ownership of the Golden Bay Medical Centre property to the Golden Bay Medical Centre Community Trust.**
- 3 That Council agrees to the request from the Golden Bay Medical Centre Community Trust that the medical centre property be offered for sale subject to:**
 - Agreements being sought and obtained with any existing tenants and the Golden Bay Medical Centre Community Trust and the St John Ambulance regarding their improvements.**
 - Agreement being reached with the Golden Bay Medical Centre Community Trust on the retention of the residence for use as a doctor's residence or similar use.**

- **Possession and settlement date to occur after any new medical facility is operational.**
- **If agreement is not reached with the Golden Bay Medical Centre Community Trust, that the matter be reported back to Council.**

These actions to be delegated to the Chief Executive and Manager Property Services.

- 4 That subject to the issues in “3” being satisfactorily resolved the net proceeds of any sale after deduction of subdivision expenses, sale expense, value of other improvements etc be made available to the Golden Bay Community for; either:**
- **the construction of a new medical centre; or**
 - **the construction of a new integrated health facility.**

With a report and recommendations on the allocation of the net proceeds to be brought to Council at a later date.

CARRIED

**Moved Mayor Kempthorne/ Cr Currie
CS09/12/09**

THAT the intention to undertake a boundary adjustment with the Golden Bay Medical Centre property and the land at the rear of 189 Commercial Street, Takaka be confirmed; and

THAT the balance of the land after the boundary adjustment at the rear of 189 Commercial Street, Takaka be marketed with the property at 185 Commercial Street with the balance of the loan on that property being deducted from any sale proceeds.

CARRIED

- 2.2 A request has been received from the Golden Bay Medical Centre Community Trust to commence the process of selling the property.

3. PRESENT SITUATION/MATTERS TO BE CONSIDERED

- 3.1 The Council minute records set out within this report clearly shows the process to be followed with the sale of the Golden Bay Medical Centre property. It also provides a clear guide that the net proceeds are to be used

for either the construction of a new medical centre or the construction of a new integrated health facility. The intention to sell the Golden Bay Medical Centre property after a boundary adjustment was undertaken as shown on Attachment 1 has also been approved and it is the land outlined in blue on Attachment 1.

- 3.2 The requirements of the two resolutions have either been attended to or are being attended to as part of the process of placing the property on the market. All that remains for the Council to resolve is the purposes to which the net proceeds will be put.

4. OPTIONS

- 4.1 According to the previous resolution of Council, the options for the net proceeds of sale after deduction of subdivision expenses, sale expenses, the value of other improvements etc are to be made available to the Golden Bay community for either:

- the construction of a new medical centre; or
- the construction of a new integrated health facility.

While there are other options for the use of the net proceeds of sale, they have not been explored in this report due to the clear nature of the 2009 resolutions.

5. EVALUATION OF OPTIONS

- 5.1 The request is for the Council to make the net proceeds from the sale of the property outlined in blue in Attachment 1 to be utilised towards the construction costs of a new integrated health facility for Golden Bay. This is the request of the Golden Bay Medical Centre Community Trust and the Interim Health Management Group for the integrated health facility. Therefore in evaluating the options, the preference is to make the proceeds available for the new integrated health facility.

6. SIGNIFICANCE

- 6.1 This matter is not significant in terms of the Council's policy on significance.

7. FINANCIAL/BUDGETARY CONSIDERATIONS

- 7.1 The existing loan on 185 Commercial Street will be repaid from the proceeds of sale and the costs of the boundary adjustment and the selling expenses will also be met from the proceeds of sale. Therefore a decision to make net proceeds of sale available for the construction of the integrated health facility will have no effect on Council budgets or financial processes.

8. RECOMMENDATION/S

- 8.1 It is recommended that the Council confirm that the net proceeds of sale be made available for the construction of the new integrated health facility in Golden Bay.

9. TIMELINE/NEXT STEPS

- 9.1 Following a decision of Council the net proceeds, when they are made available as the result of the disposal of the property, will be forwarded to the appropriate body in accordance with Council's decision and with clear requirements as to the use of the proceeds. In the event that the new facility did not proceed for any particular reason, Council would reserve the right to reconsider the use of the funds.

10. DRAFT RESOLUTION

THAT the Tasman District Council receives the Golden Bay Medical Centre (Report RCS11-06-19) and;

THAT the Tasman District Council directs that the net proceeds from the sale of the Golden Bay Medical Centre property at 1 and 3 Edinburgh Street, Takaka plus the residence at 185 Commercial Street, Takaka, following the deduction of selling expenses and the costs of undertaking a boundary adjustment and the value of improvements that are not owned by the Council, be made available for the construction of the new integrated health facility in Golden Bay.

J K Frater
Manager Property Services