

## **MACKENZIE DISTRICT COUNCIL**

**REPORT TO:** FAIRLIE COMMUNITY BOARD  
**SUBJECT:** OLD LIBRARY BUILDING, FAIRLIE  
**MEETING DATE:** 25 NOVEMBER 2013  
**REF:** LAN  
**FROM:** WAYNE BARNETT, CHIEF EXECUTIVE OFFICER

### **PURPOSE OF REPORT:**

To update the Board on progress with the option of rebuilding the Old Library building.

To seek input from the Board to assist with Council decision making.

### **STAFF RECOMMENDATIONS:**

1. That the report be received.
2. That the Fairlie Community Board supports the repair of the existing Old Library Building.  
or;
3. That the Fairlie Community Board supports the demolition of the Old Library Building and construction of a replacement.

**WAYNE BARNETT**  
**CHIEF EXECUTIVE OFFICER**

## **ATTACHMENTS:**

Powerpoint slides prepared by Architects Plus.

## **BACKGROUND:**

The situation with the Old Library building is well known to the Board and the matter has been considered at several meetings.

In essence, the Old Library building was damaged by fire in October 2011. The building was insured and the insurance company has given Council several options regarding settlement. The insured value is \$676,000 excluding GST. This can be used to either repair the existing building or to construct a replacement.

Council was also offered the chance to demolish the building and receive the indemnity value (\$272,000), but Council has not indicated support for this option.

Decision making for the Old Library building is a Council responsibility but it is appropriate and will be helpful for Council to be aware of the Community Board's views when considering this matter.

Over the past few months staff have worked with Graham McDermid of Architects Plus to formulate a repair methodology and estimate of costs. The total expected cost for repairing the building is \$585,000.

## **POLICY STATUS:**

See comments on significance below.

## **SIGNIFICANCE OF DECISION:**

The decision on the future of the Old Library building triggers Council's Significance Policy because the expenditure will exceed \$400,000 and is not included in either the long term plan or the Annual Plan.

Council's policy sets out the following procedure for managing significant decisions.

### ***Procedures***

- *The Chief Executive Officer will report to Council whenever the thresholds of significance listed in this policy are likely to be exceeded.*
- *Any such report will:*
  - *Identify how the decision sought fits Councils' policy on significance,*
  - *Evaluate it against the criteria contained in this policy and*
  - *Recommend how it should be treated.*

*Where the decision is deemed to be significant, the report to Council will recommend how the specific requirements of the Local Government Act 2002 can be met.*

In this instance it will be recommended that the public meetings held on 11 June and 14 November 2013 together with the feedback from the Fairlie Accessible Survey a recommendation from this Board will constitute suitable public consultation in relation to the future of the Old Library building.

**ISSUES & OPTIONS:**

Architects Plus has completed a rebuild design and obtained realistic/conservative price estimates from a specialist construction company and a local builder. The total expected cost of repairing the Old Library building is \$585,000. This cost includes an appropriate contingency allowance.

Council will consider two key parameters when deciding how to proceed, firstly they will need to weigh the relative benefits of owning a reconstructed heritage building against a new purpose built commercial building. Secondly they will need to assess the cost, risk and uncertainty associated with each option.

It will be helpful for Council to receive a specific indication from this meeting regarding your preference for either a reconstructed building or a new building.

The following table sets out three variability criteria that will apply to each of the available options.

<b>Criteria</b>	<b>Rebuild Option</b>	<b>New Building</b>
Cost	Realistic/conservative price estimate from Architect Plus is \$585,000	It is known that a high quality new building can be constructed for \$676,000
Risk	Scale risk is low – extent of work is known.  Pricing risk is moderate/low – work priced by competent building practitioners  Unknown risk is moderate – working on an existing old building	Scale risk is moderate – extent of work is unknown.  Pricing risk is moderate – market risk exposure. Possible discrepancy between architect’s price and builder’s price.  Unknown risk is low – new build on a clean site.
Uncertainty	Low risk – project is well defined with good community support.	High risk – new build project would need preliminary consultation. Risk of variation in community expectation.

Going forward management will be directed toward containing the higher risk areas for the option selected.

For the rebuild option a tender process would be recommended to lower the pricing risk. The unknown risk associated with working on an existing old building will remain.

For the replacement option the initial focus would be on the uncertainty surrounding architectural aspects, (purpose, size, concept and form of the building). A Quantity Surveyor could then be used to determine cost, thus reducing the scale risk. This would be followed by a tender process to control the residual pricing risk.

## **CONSIDERATIONS:**

### **Legal**

There are no significant legal implications associated with this decision.

### **Financial**

It is expected that the cost of either option will be covered by the insurance funding that is available. The only cost to Council is the excess which is \$5,000.

### **Other**

Community consultation undertaken to date indicates a community preference for repairing the existing building.

	<b>Support for Repair Option</b>	<b>Support for New Building</b>
Feedback from forms from Fairlie Accessible	64	13
Indicative vote taken at the public meeting on 11 June	Majority	The Remaining
Indicative vote taken at the public meeting on 14 November	9	1

## **CONCLUSION:**

The purpose of this report is to seek the Community Board's recommendation on the most appropriate option for addressing the Old Library building. The Board's recommendation and reasoning will be provided to Council to assist their decision making process.