

BRIEFING BULLETIN 9

26 MAY 2014

THIS BULLETIN PROVIDES THE FOLLOWING WORK-IN-PROGRESS UPDATES:

1. **Council's Resolution 76/13 Part B of 3 June 2013**

- A. Communication
- B. CapEx Review by DLG
- C. DA and JRPP
- D. Due Diligence
- E. Tender
- F. Timeline

2. **MANLY2015 Northern Quarter**

PART 1

A COMMUNICATION

- Council staff and key consultants (KPMG, HillPD&A and Bitzios Consulting) who have worked on the Manly2015 Masterplan attended a briefing meeting convened by the Manly Chamber of Commerce on Wednesday 7th May, 2014. The following topics were addressed at the meeting:
 - An overview of the Manly2015 Masterplan
 - Financial Feasibility
 - Car Parking Demand Analysis Study
 - Economic Benefit
 - Factors informing the QS
 - An opportunity for general questions

Council remains committed to continuing an active dialogue with the Chamber of Commerce, local business, and Precincts in relation to the Manly2015 Masterplan.

- The official opening of Short Street (Manly Plaza) by the Mayor Cllr Jean Hay AM occurred on Saturday 17 May 2014.
- The fly-through video has attracted 6,458 views on YouTube.
- Live on the Manly Daily website is a Manly2015 ticker with click through to www.manly2015.com.au

B WHY IS MANLY2015 GOOD FOR THE LOCAL MANLY AREA?

The Manly2015 Masterplan aims to maintain Manly as a thriving location with a strong competitive edge for existing and future businesses. Locals and visitors will benefit from a more diverse retail mix than currently exists, with ease of parking for decades to come, together with a more pedestrian friendly CBD.

The new Manly Oval car park with its additional capacity will greatly improve Manly's desirability as a Park & Ride destination. This in turn will encourage greater use of ferries and buses.

Manly will achieve a point of difference in terms of urban design and retail mix ensuring it will maintain its competitive advantage as an iconic place to live, work and visit.

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The reality is if Manly CBD does not diversify from its current retail mix, any potential future business investment in Manly that could result in a more diverse retail mix will pass by Manly; this investment will simply move to adjacent regional centres such as Warringah Mall.

A recent presentation by HillPDA relating to Manly2015 also highlighted a number of points:

Danish Architect Jan Gehl believes that in today's society people ***"choose to be somewhere they like over somewhere they do not"***.

It is important to realise that in other areas of Sydney where there has been a lack of commitment to revitalise a precinct local business areas have suffered as a result. A good example is Oxford Street Paddington where 1 in 5 shop fronts are currently vacant and there has been a decline in property values since 2007. Business has moved to neighbouring regional super centres.

The case to do nothing in the Manly CBD represents:

- A 'missed' opportunity to secure investment
- Investment redirected to alternative / competing locations
- Continued deterioration of streetscape / public domain leading to a decline in:
 - Overall amenity
 - Tourism / local visitation
 - Poor accessibility contributing to economic inefficiencies / loss of retail trade.

However, there is much we can gain from having an integrated Masterplan for the Manly CBD.

In terms of economic benefits the Manly2015 Masterplan will see Council leverage millions of dollars in value from its existing Whistler Street car park site for improved community and business infrastructure.

The 300 plus car parking spaces would service parking demand for 7,500sqm of retail floorspace. Forecast in retail floorspace demand to 2031 is 9,000sqm .

In addition to the construction cost (\$34 million) of the proposed new car park (Manly Oval), net increase in car parking spaces could attract/service an additional \$15 million in retail expenditure per annum.

Council will be proactive in improving and enhancing the quality of the public domain over time. New and substantially better quality community spaces, facilities and amenities will be provided in the CBD of Manly.

C CAPITAL EXPENDITURE REVIEW (CAPEX)

Council lodged a Capital Expenditure Review with the Office of Local Government in late December 2013. The business case as submitted drew upon numerous background and supporting reports and detail in its preparation, including:

- Full detail of the project proposed
- The community engagement process that has been undertaken as the project has been developed and progressed
- Project feasibility
- Due diligence reports by KPMG, HillPDA, Bitzios Consulting, Quantity Surveyor Reports, Geotechnical and hydrological studies
- A Risk Management and Probity Plans

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Subsequently, the Office of Local Government has sought clarifications from Council following seven issues which the OLG would like Council to respond to in the review:

Issue	Response
1. Underground Risk	Referred the OLG to the original submission and provided additional information.
2. Full Lifecycle Cost	Referred the OLG to the original submission and provided additional information.
3. Sale of Whistler Street Car Park Site	Referred the OLG to scenarios in the original submission and to the KPMG's further advice on IRR for 'Sale' and 'No Sale' cases that was provided to the OLG in February 2014.
4. Interest Rate Risk	Advised the OLG that Council will take up fixed rate long term loans contracts in addition to selling Whistler Street Carpark site to reduce borrowings for the Oval Carpark.
5. Community Concern	Referred the OLG to Council's 2012/13 and 2013/14 CSP and the outcome from Council's Community Engagement process.
6. Project Management	Referred the OLG to the original submission and confirmed that Council will use external resources and consultants to deliver the Oval carpark.
7. The asset condition of the existing Whistler Street Car Park relative to the BCA work that is needed.	Referred the OLG to the original submission and provided additional information related to the 1997 consent to undertake life and fire safety works and the 2013 BCA reports.

Council anticipates a response from the Office of Local Government in the near future.

D DA AND JRPP

The CapEx Review Condition Precedent is not yet met.

E DUE DILIGENCE STUDIES COMPLETED

F TENDER

The DA and JRPP Condition Precedents are not yet met.

F ESTIMATED TIMELINE as at 20th May 2014

1	Cost plan for Oval Carpark**	Provided to KPMG
3	Retail Centre Study**	Provided to KPMG
4	Parking Demand Study**	Provided to KPMG
6	Independent Due Diligence Advice by KPMG	Published
6	Lodgement of CapEx to DLG	Provided to the DLG
7	Lodgement of DA to JRPP*	Mid-Year 2014
8	Tender for Oval Carpark*	After Mid-Year 2014

*Contingent on Condition Precedents

**Prepared by independent expert consultants

PART 2 – NORTH QUARTER

A SHORT STREET PLAZA – MANLY PLAZA

All the on ground installations and improvements for the redevelopment of Short Street (Manly Plaza) have been completed. The proposed installation of the mural and green wall items onto the facade of the Manly National Building are being fully investigated prior to a proposal being put to the Manly National Building.

At the Manly Council meeting on Monday 5 May 2014, it was resolved to name the pedestrianised area in Short Street “Manly Plaza”.

B RAGLAN STREET

CHROFI Architects have been requested to provide concept sketches for Raglan Street, between Belgrave Street and North Steyne.

A HENRIETTA LANE

Council is working with adjoining private property owners on public domain concepts for this area.

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