

## **CROSS STREET CAR-PARK CINEMA PROPOSAL**

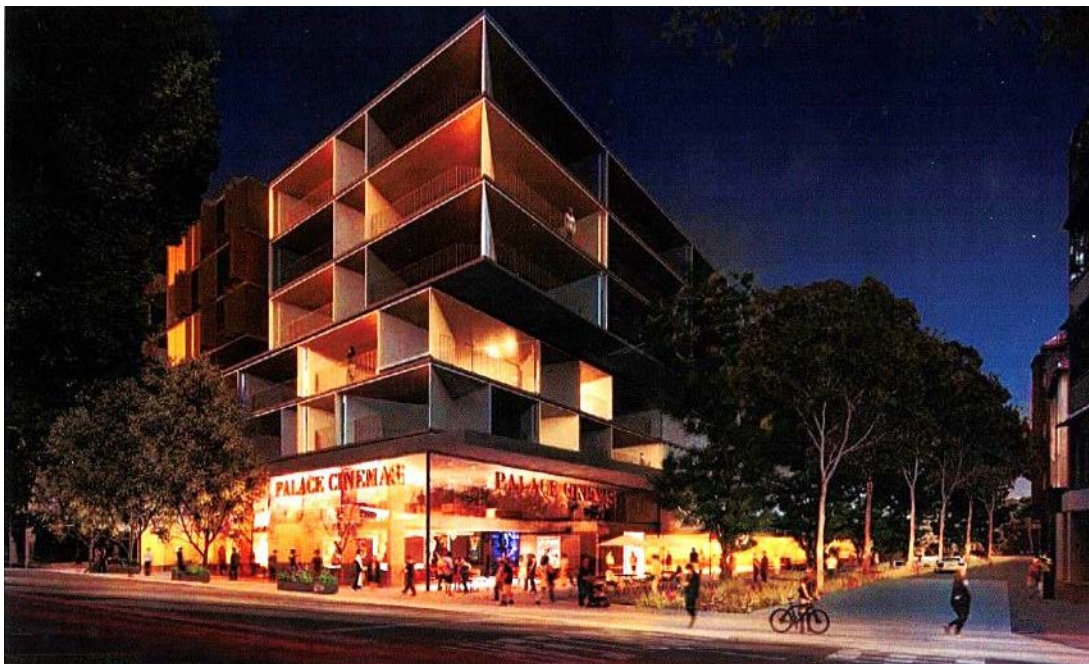
**(PUBLIC BRIEFING PAPER 26 JULY 2016)**

Woollahra Council has selected Palace Cinemas in a consortium with Built and Axiom Properties Ltd as the preferred proponent for the potential redevelopment of Council's Cross Street Double Bay Car-park to incorporate a cinema complex.

The expressions of interest process resulted in three (3) high quality shortlisted proposals which all have the capacity to deliver a superior quality development that achieves Council's aim of bringing a cinema back to the Double Bay commercial centre. After careful planning and financial evaluations by both Council staff and independent experts of the shortlisted proposals, Council has concluded that the Palace Cinemas proposal provides the most suitable scheme from both a planning and financial perspective when assessed against the following objectives expressed through the expressions of interest.

- A suitable joint venture partner with appropriate industry knowledge to facilitate an economically viable cinema complex.
- Increase activity in the centre through the introduction of a cinema complex.
- Enhance the social, artistic and cultural life of the centre.
- Provide car parking on the site sufficient to satisfy current and future demands.
- Substantially upgrade the building and streetscape presentation.
- Achieve high quality design outcomes which maintain amenity and consistency with the objectives of planning controls.
- Maintain Council ownership of land and buildings.
- Provide a long-term financial return to Council.

The Palace Cinemas/Built/Axiom proposal involves a complete knock down and rebuild on the car-park site with the development comprising a mix of residential dwellings, public and residential parking, and activation of both the Cross Street frontage and Jamberoo Lane through retail space and a 10 theatre Palace Cinema complex.



*Draft Concept Only Image*

The Palace option was selected as the preferred proponent on the basis that:

- It provides the greatest opportunities for street activation.
- The arrangement of the cinema, its foyer and other ground level uses best integrates into the adjacent public domain context.
- It maintains a high level of public parking and the parking is designed to best separate public and private parking.
- The streetscape and design qualities reveal a high level of understanding of Council's desired future character of Double Bay with the way the building fits in the context generally and specifically with the Cross Street and Jamberoo Lane frontages.
- It allows for the overall height of the development to be kept below that of the other shortlisted schemes with less impact on the amenity of surrounding properties.
- The cinema component meets the aims of Council's expressions of interest with a capacity to generate equal or greater activity than the other shortlisted schemes.



*Draft Concept Only Image*

It was clear from the assessment of the proposals that this project provides significant public benefits insofar as it will:

- Replace an existing poor quality car park with a limited life with a new high quality building and public domain upgrading.
- Maintain public car parking.
- Provide a substantial long term financial benefit to Council.
- Provide a large cinema complex with a diverse range of programming which will substantially contribute to the social, artistic and economic life of Double Bay.
- Provide for an additional residential population within the Double Bay commercial centre which will contribute to the economic life and vitality of the centre.

These outcomes can only be achieved if Council and the community are prepared to accept a new building on the site which is 2 storeys higher than the existing car park and accommodate the loss of car parking and associated disruption to the operation of the centre during construction.

Council is of the view that the long term benefits of this project are significant and for the reason the Council has concluded that the proposal should progress to the next steps.

### **Next Steps:**

Selecting Palace Cinemas as the preferred proponent does not mean a green light for any development on the site. There is much work to be done before that could happen.

The decision Council made on 25 July 2016 was to select Palace Cinemas/Built/Axiom Properties Ltd as the preferred proponent and to enter into formal negotiations with the consortium with a view to preparing draft commercial terms acceptable to all parties.

Having done so, the next steps are to advise the NSW Office of Local Government of Council's intention to progress direct negotiations with the consortium as a potential Public Private Partnership and to implement a community consultation and engagement strategy in relation to the redevelopment proposal. This public briefing paper is the first stage of that stage of that strategy.

It is also important to note that in order for the redevelopment proposal to proceed:

- A planning proposal will be required to change the *Woollahra LEP 2014* height and floor space ratio controls for the subject site;
- Amendments will be required to Part D5, Double Bay Centre, of the *Woollahra Development Control Plan 2015*;
- The planning proposal and DCP amendments will need to be the subject of community consultation and Council will need to consider all submissions before a decision is made as to whether or not the planning proposal and DCP amendments proceed.

Determination of any future development application would be the role of the Joint Regional Planning Panel.

Having selected Palace Cinemas as the preferred proponent, Woollahra Council will be writing to the other shortlisted proponents thanking them for their interest in the redevelopment proposal, for the comprehensive and professional nature of their proposals and for their presentations to the Strategic & Corporate Committee meeting on 19 July 2016.

The other shortlisted proponents were:

- Dendy Cinemas and Commercial & Industrial Property Pty Ltd
- Limelight Cinemas – Leda Holdings Pty Limited

Council would need to seek approval from these organisations to release specific details of their proposals.