

# Ryde Civic Precinct

# Good Economic Sense

The proposed Ryde Civic Precinct makes good economic sense for Ryde. It will provide much needed facilities for Ryde at a fraction of the cost of maintaining or refurbishing the existing building.

***“Council is ‘giving’ Lend Lease 70 per cent of the land”*** **WRONG**

Council is selling around 60% of the site to allow development which will pay for \$79m worth of new community assets including community facilities and a new administration building. Council will retain ownership of these facilities and the land.

***“The value of the land that Council is selling is worth \$100 million”*** **WRONG**

Council has undertaken extensive valuation studies. This value is grossly overstated.

***“Lend Lease will make a substantial profit. \$250 million in apartment sales for a building cost of \$20-40 million”*** **WRONG**

Detailed modelling undertaken by Council shows these so called profits are also massively overstated.

***“Council is acting as a banker, providing a \$35 million loan with no financial guarantee”*** **WRONG**

Lend Lease is financing the entire development with the option for Council to provide funding fully guaranteed by Lend Lease. This option (if pursued) will benefit Council by \$6m. We reiterate this loan is an option only.

***“Council is paying \$21 million to relocate services”*** **WRONG**

Council’s maximum cash contribution to the project would be \$5.8 million after 10 years.

***“Council is paying Lend Lease \$8 million for new facilities”*** **WRONG**

Council’s infrastructure costs for the project are fully funded by the Civic Precinct Property Reserve Fund, which was set up in 2007 for this very purpose with funds from the sale of Council land to the Top Ryde shopping centre.

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***“Ratepayers lose if Lend Lease goes bust”***

**WRONG**

Council keeps title to the entire site and Lend Lease would provide a corporate guarantee that is particularly robust because of its low gearing level.

***“The deal does not stack-up”***

**WRONG**

We have tested the market in accordance with regulations and standard industry practice. This is the best deal Council can get and matches Council’s feasibility analysis.

## THE FACTS

- ✓ There will be NO increase of rates as part of the proposed Lend Lease development.
- ✓ The developer will have financial obligations to Council to deliver our new community facilities.
- ✓ This is fully funded by the Civic Precinct Property Reserve Fund, which was set up in 2007 for this very purpose with funds from the sale of Council land to the Top Ryde shopping centre.
- ✓ The project utilises \$40 million worth of infrastructure already built at no cost to Council. It makes full use of the traffic improvements provided to Council from the construction of Top Ryde City shopping centre and will stop rat-running in local streets.
- ✓ 15% of the Civic Centre land was sold by Council to the Shopping Centre owner in 2007 for this development to happen.
- ✓ The work done by Council takes the land value from \$18 million to \$79 million.

## THE ALTERNATIVE

The alternatives - do nothing or refurbish the existing building - will cost Council around \$500,000 annually in maintenance until the building fails: this is expected in the near future.

Refurbishment will cost Council considerably more (estimated at \$39.2 million) than the proposed development with none of the community benefits and NO new facilities.