

MANLY 2015 - THE FACTS

Manly Council's proposed Manly 2015 redevelopment plan includes a new car park, new library, and revitalised laneways in Manly CBD.

THE PLAN:

- Demolish Whistler St car park (342 spaces). Demolish the 18 year old library.
- Rebuild the library. Cost: \$36 million.
- Sell the Whistler St site to a property developer to build a 50 apartment high-rise block, with shops.
- Build a new car park under Manly Oval (760 spaces). Cost: \$34 million
- Remove 100 existing CBD on-street parking spots.

THE DEBT:

- The 2015 plan, plus the revamped Swim Centre project, mean Manly Council debt will increase to \$92 million. It's \$18 million now.

THE NUMBERS:

- Manly 2015 will cost \$80 million. We need to borrow the full amount.
- It is a 50 year loan. The council assumes an interest rate of 5% for the life of the loan. But the 5% rate is locked in only for the first 10 years.
- The car park's internal rate of return (the yield on the \$34 million investment) is 6.6%, according to a KPMG report for Manly Council. That figure doesn't include interest repayments.
- After interest repayments, the car park could achieve a net return of 1.6%.
- KPMG concludes that "the project potentially exceeds the required return".

THE ASSUMPTIONS:

MANLY OVAL CAR PARK

Manly Council has commissioned project assessments from KPMG (Financail & Commercial Review); Hill PDA (Economic Assessment); and Bitzios (Demand Forecasting Study). The reports all rely on undisclosed information provided by the council and all use different assumptions.

CONSTRUCTION COSTS:

- KPMG assume a construction cost of \$40,000 per car space for the oval car park, although the comparable industry average is \$50,000 – \$55,000.

PARKING:

- KPMG assume an average spend per car park stay of \$14. But across Manly's car parks it's actually \$10 per car park stay. This 40% jump is not explained anywhere. Will car park fees rise? Will our 2-hour free parking go?

CBD FLOOR SPACE:

- The reports vary wildly in their assessment of Manly's existing retail and commercial floor space. Bitzios (and KPMG) say we now have 111,000 sqm of shops and offices. Hill PDA says it's only 36,000 sqm.
- The reports vary just as much in their predictions for Manly's retail and commercial growth. Bitzios assumes a 42% increase (an extra 47,000 sqm) by 2033. Hill PDA predicts 25% growth (or 9,000 sqm) by the same time.
- KPMG - the master report - has used Bitzios' high-end figures. But 47,000 sqm of new shops and offices is equivalent to building three new Balgowlah Stockland malls. Within walking distance of the oval. Where will they all go?
- It's important to get this right. Demand for, and revenue from, a new car park is linked to the size of our retail and commercial area.

LOST OPPORTUNITIES:

- Manly 2015 should be a chance to revitalise Manly's CBD with cafes, wine bars and late-night events like the recent Saturday night markets. That's possible now, but not if a big apartment block is built right in the heart of Market Place (Whistler Street) when noise restraints could apply after 10pm.
- Manly Library was designed by renowned architect Feiko Bouman and is only 18 years old. Its prize-winning design allows for two additional levels to be added as required.

FINANCIAL RISKS:

- The Manly Oval car park proposal makes cost and revenue assumptions that are extremely optimistic.
- Even with these questionable assumptions the expected rate of return is a meagre 1.6%.
- If the assumptions are wrong Manly ratepayers will have to pick up the bill.
- A council cannot go broke. That means, as ratepayers, there is no limit to our financial liability.

To take action, email Manly's local councillors:

**Email addresses at www.manly.nsw.gov.au/council/councillors
or local MP Mike Baird at manly@parliament.nsw.gov.au**

Information provided by Good for Manly www.goodformanly.com.au

Based on public documents available at the time of printing

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