



Department of
Housing and Works

**OLD TREASURY BUILDING
REDEVELOPMENT – INVITATION TO
SUBMIT PROJECT CONCEPT**

EXPRESSION OF INTEREST

Lodgement of Responses

Date: Thursday 23 August 2007
Time: Before 2:30pm Western Standard Time
Place: East Perth Tender Box
Ground Floor,
99 Plain Street
EAST PERTH WA 6004
Facsimile: +61 8 9325 8172

INVITATION

A. INVITATION TO SUBMIT PROJECT CONCEPT

A.1. INTRODUCTION

The site in the central business district of Perth (corner of Barrack Street and St Georges Terrace) known as the "Old Treasury Buildings" (the **Site**) is a Perth landmark with significant civic, cultural and heritage values in a precinct which includes St. George's Cathedral, the Town Hall, Council House, Government House, the Concert Hall, Supreme Courts and Stirling and Supreme Court Gardens.

The State of Western Australia (**State**) would like to ensure the redevelopment of the Site by identifying a sustainable functional use that will regenerate the buildings while preserving the Site's significant heritage values and bringing public activity to the location. Although the State has a preference for the Site to be developed for use as a high class hotel or a mixed use development of high class hotel and specialty office/retail, the State may consider other appropriate uses.

A.2. STATUS AND PURPOSE OF THIS DOCUMENT

A.2.1. Invitation to submit Responses

This document is an invitation to private sector parties to submit to the Department of Housing and Works (the **Department**) acting on behalf of the State, in accordance with the requirements of this document, a concept for a project to redevelop the Site (**Response**).

This document sets out certain benchmark criteria that each person who submits a Response (each a **Respondent**) is required to address as well as the State's objectives for the development of, and some factual background in relation to, the Site.

Persons considering submitting a Response should be aware that Responses are primarily intended to assist the State to test the market and identify suitable concepts for the redevelopment of the Site.

A.2.2. Short-listing of Responses and subsequent processes

It is contemplated that based on the State's assessment of each Response and the number, quality and suitability of the Responses received by the State, the State may, at its option, short-list one or more of them and invite each short-listed Respondent to prepare for submission to the State:

- (a) a detailed scheme or proposal for the redevelopment of the Site based on the concepts outlined in their respective Response; and
- (b) a "term sheet" setting out the form of contractual arrangements and the general terms and conditions that the Respondent would be prepared to enter into with the State in respect of the implementation of that detailed scheme or proposal,

(Detailed Proposal).

Each Respondent will be advised in writing whether or not they have been short-listed.

The State may issue further details or guidelines regarding the preparation and evaluation of Detailed Proposals. In this regard, Respondents should be aware that all Detailed Proposals will be required to incorporate all costings to make the redevelopment project financially viable and sustainable, including the level of government subsidy (if any) required to implement the project and any access costs of fees (if any) payable to the State. However, Respondents may be evaluated on the extent to which Detailed Proposals demonstrate an intention to allocate to

COMPLETE AND RETURN THIS PART WITH YOUR RESPONSE

the State the costs and risks associated with the implementation of the relevant scheme or proposal.

Depending on the outcome of the State's evaluation of any Detailed Proposals submitted to it, the State may proceed to award "Preferred Developer" status to a shortlisted Respondent and enter into detailed contractual negotiations with that Respondent for the development of the Site. If the State determines, in the course of negotiations with the Preferred Developer, that those negotiations are not likely to result in the execution of a contract between the State and the Preferred Developer, the State may cease negotiations with the Preferred Developer and either award "preferred developer status" to an alternative short-listed Respondent or terminate the process altogether.

Respondents should also note that, amongst other things, a more detailed financial due diligence assessment of a Preferred Developer would need to be carried out as part of negotiation of any contractual arrangements with the State.

The State would also require the Preferred Developer to supply details of any circumstances which may affect its ability to meet its contractual obligations, such as for example, any regulatory or law enforcement agency investigations of the developer and any significant current or pending litigation against the developer or any related organisations.

A.2.3. Status of this document and processes

It should be noted that by inviting the submission of, or assessing, Responses or by shortlisting Respondents or assessing Detailed Proposals or by awarding Preferred Developer status to any shortlisted Respondent, the State is not agreeing to enter into any binding agreement or binding process, for the development of the Site or otherwise and the process contemplated in this document (including any subsequent processes that the State may choose to adopt in respect of this matter) may not result in the identification of a development project for the Site which is financially or commercially viable or which otherwise meets the State's requirements and objectives.

Notwithstanding anything in this document, each Respondent acknowledges that the State reserves at all times, the right to consider all possible options in relation to the redevelopment of the Site and that:

- (a) this document and the State's acceptance of any Response or Detailed Proposal does not constitute an offer to contact or an invitation to offer in respect of the redevelopment of the Site;
- (b) except to the extent of Part A.5 of this document, no legal relationship can arise (at law or in equity) in respect of the redevelopment of the Site unless and until formal contractual arrangements have been executed and all necessary Ministerial and other consents have been obtained;
- (c) notwithstanding anything else in this document, this document and the lodgement of any Response or Detailed Proposal and any other conduct or statement of the State, the Department or any other agency of the State and any of their employees, agents or officers in connection with this document does not oblige, or indicate an intention by, the State to proceed in respect of the redevelopment of the Site or select a Respondent to redevelop the Site or to enter into any contract with any Respondent in connection with such redevelopment or to take any action on any date or at any time; and
- (d) the State has no obligation to accept, and may reject, any or all Responses or Detailed Proposals received (if any) and may terminate any process undertaken pursuant to or contemplated under this document and Respondents have no right of appeal against any decision of the State in relation to any Response, Detailed Proposal or other process or otherwise in connection with this document or the redevelopment of the Site.

A.3. CONTENT AND LODGMENT OF RESPONSES

A.3.1. The criteria for Responses

The State does not require Responses to be in any particular form provided that each Response must address the benchmark criteria set out in this Part and enclose the completed Part C Respondent Information included in this document.

The approximate number of pages shown against each criterion is a guide to the suggested maximum length of each response. Additional information, examples of previous projects, corporate brochures, CV's and the like should be included as appendices and may be taken into account by the State (to the extent relevant).

The benchmark criteria are as follows:

- 1. Outline of the proposed development being considered by the Respondent (approximately 4 pages). Each outline must address the following matters (without limitation):**
 - **the financial viability of the proposed development and the Respondent's proposed approach to funding, including with respect to equity and debt provision;**
 - **the extent (if any) to which the Respondent would be prepared to pay the State for access to the Site, whether through rent or any access or other fees; and**
 - **the approximate financial input (if any) that would be sought from the State.**
- 2. Experience in projects of a similar nature (approximately 4 pages). Responses should outline any experience in projects involving consideration of heritage issues and ongoing public access to the relevant site. Respondents are also required to identify how they propose to address heritage issues (see A.3.3) and the regeneration of the public buildings at the Site and to provide details on public access and usability.**
- 3. Capacity/Commercial Viability of the Respondent organisation or organisations to complete the project (approximately 2 pages). Responses should address specifically financial and organisational capacity to implement the development concept outlined in the Response, including:**
 - **the Respondent is of a size to manage a major infrastructure development project (include description of the ownership structure and associated entities) and obtain all necessary approvals for its implementation;**
 - **full audited financial statements of the Respondent organisation or organisations the past three years (or other equivalent financial information);**
 - **executive and management team skill and experience; and**
 - **description of the level and type of any parent support (e.g. parent company guarantees) expected to be provided to the State.**

The above criteria are provided to assist prospective Respondents in assessing the suitability of their Responses and in preparing their Responses in accordance with the State's requirements as set out in this document and the State will consider each Response by reference to those criteria. However, Responses do not need to be limited to the above criteria and should be sufficiently detailed to enable the State to give full consideration to any development concept contained in it without further reference to the Respondent. In particular, Respondents should assume that the State knows nothing about them or, if the Respondent is a consortium, any of their consortium members.

Notwithstanding compliance with the above requirements, the State may, in its absolute discretion, seek clarification of Responses by making a request for further information and/or by conducting clarifications interviews with Respondents.

A.3.2. Further Interview and consideration of "Value For Money"

Initially the State will review the Responses for completeness and may, as a consequence, require further information from Respondents or reject an incomplete Response at the State's discretion.

If the State is satisfied that a Respondent has met the benchmark criteria in Part A.3.1 to the State's satisfaction, the Respondent may be asked to attend a further interview or interviews to assess:

- Commonality of Values;
- Understanding of Goals;
- Commitment and capacity to ensure the timely completion of the project;
- Ability to Value Add; and
- Approach to Risk.

The State will then consider all the Responses and further interview outcomes holistically to determine whether any of, or more than one of, them are likely to meet the State's requirements for the development of the Site using a "value for money" approach.

"Value for money" will be assessed solely by the State and will consider a variety of factors including both non-cost and cost factors such as whether Responses demonstrate an intention to allocate to the State any costs and risks associated with the implementation of the relevant development concept. The State may take into consideration but is not bound or limited to the benchmark criteria listed in Part A.3.1 and the respondent's performance in the further interview component in this Part.

The State may also take into consideration its objectives as outlined in Part B.2 of this document.

A.3.3. Cultural / heritage / environmental issues

The Site buildings have attained permanent listing on the Heritage Council of Western Australia's Register of Heritage Places a Conservation Plan has been prepared for the Site, along with an approved set of a Heritage Planning and Design Guidelines. These have been endorsed by the Heritage Council of Western Australia (HCWA) 2003.

Respondents should be aware that any development approval for the Site will require a Heritage Agreement to be entered into by the developer of the Site. Where a development concept would require, in order for it to be implemented, an amendment to the above Heritage Planning and Design Guidelines, Responses should detail the amendments that would be required and how they are proposed to be achieved.

The State takes no responsibility with respect to heritage issues or any other Site impediments including but not restricted to encumbrances on title, native title claims and environmental and other approvals. Respondents must satisfy themselves in regard to those matters and will be obliged to comply with the policies, procedures and other requirements of the relevant regulatory agencies and authorities that may affect the Site.

A.3.4. Lodgment of Responses

Each Response must be submitted in a sealed envelope marked with the Respondent's name and the title "The Old Treasury Building Redevelopment – Response to Invitation to Submit Project Concept" and sent by prepaid post to the nominated place, by the date and time stated for submission of Responses on the cover page of this document.

Facsimile Responses sent to the number stated on the cover page of this document will be accepted.

The State may at its discretion exclude from consideration any Responses received after the time and date stated for the submission of Responses.

A.4. FURTHER INFORMATION

A.4.1. Industry Briefing and Site Inspection

An industry briefing and Site inspection for all interested parties will be held on 11 July 2007 between 9.00 am and 12.00 pm.

Persons who requested a copy of this document are eligible to attend but must register their intention to do so and the number of individuals attending by 5 pm on 9 July 2007 by contacting the person specified in Part A.4.2 below.

The purpose of the industry briefing is to provide attendees with an opportunity to receive further clarification of the State's requirements as set out in this document. However, the State may at its discretion decline to answer questions at the industry briefing and require any or all questions to be submitted in writing to the person specified in Part A.4.2 below for the State's detailed consideration and response.

The State may refuse to answer any questions that it deems to be not of a clarification nature.

A.4.2. Contact Person

The person below is the ONLY contact person in relation to this document and the submission of Responses and all enquiries in connection with this document or the processes contemplated in it must be referred to that person. Respondents must not contact any other officers of the Department or the State.

Name: John Savell

Telephone: (08) 9222 4978 or 0419 910 848

Facsimile: (08) 9440 2223

E-mail: john.savell@dhw.wa.gov.au

A.4.3. Change in circumstances of Respondent

Each Respondent must promptly inform the State of any material change to any information provided by the Respondent or of any event that would potentially have an impact on the financial position and capacity of the Respondent or of any member of the Respondent's consortium. This includes any change in the identity of the Respondent. In this regard, the identity of the Respondent is fundamental to the State and the Respondent must be the person, persons, corporation or corporations named as the Respondent.

In particular, Respondents must immediately notify the State if:

- (a) anything occurs, the effect of which is to transfer, directly or indirectly, the management or control of the Respondent to another person, including in respect of an Respondent which is a body corporate, if there is a change in control of the Respondent within the meaning of the *Corporations Act 2001* (Cth);
- (b) in respect of a Respondent which consists of a consortium, there is a change of membership of the consortium or change of management or change in control of a consortium member as referred to above; or

- (c) the Respondent or, where the Respondent is a consortium, any consortium member, becomes, or is deemed to be insolvent (including where an administrator, receiver or other controller is appointed to all or any of its assets or undertaking or where an application, order or resolution is made or passed for its winding up, administration or dissolution).

A.5. FURTHER TERMS AND CONDITIONS

A.5.1. Disclaimer

Each Respondent, by lodging a Response, acknowledges and agrees with the State that:

- (a) the State, the Department and any other agencies of the State and their respective officers, employees, consultants, contractors and agents:
 - (i) make no representation or warranty as to the accuracy or completeness of information, statements and representations contained in this document, including appendices, or other documents referred to in this document; and
 - (ii) will not be liable for any loss, cost or expense of any kind suffered or which may be suffered by the Respondent arising directly or indirectly from any inaccuracy or incompleteness of the information in this document or those other documents;
- (b) there may be other documents and information of which the State, its agencies, their respective officers, employees, consultants contractors or agents are aware and which may be relevant to the redevelopment of the Site, but which have not been provided or to which no reference has been made in, or in connection with, this document; and
- (c) the Respondent has made, and relied on, its own independent assessment of the suitability of the information in this document for the purpose of lodging its Response and any other document or material pursuant to this document and as to the attributes of, and risks associated with doing so.

A.5.2. Disclosure of Information by the State

The confidentiality of any information submitted by the Respondent, which is not available to the public, will be respected except where disclosure is permitted or required by law.

The State reserves the right to publish details as to the identity of any Respondent.

A.5.3. Ownership of Documents and Material

The State will not be required to return any documents, materials, articles and information lodged by the Respondent as part of, or in support of, its Response or a Detailed Proposal and all Responses and Detailed Proposals and any other documents or material submitted by a Respondent become the property of the State on submission.

The State reserves the right to copy, adapt, modify, disclose (including without limitation for the purposes of an audit, governmental and Parliamentary reporting requirements and provision to Parliament or a Parliamentary Committee but subject always to section A.5.2 above) or to otherwise utilise any Response or Detailed Proposal or other documents and materials submitted by any Respondent and, by submitting a Response or a Detailed Proposal, Respondents are deemed to consent to this usage.

A.5.4. Confidentiality

Each Respondent will be required to maintain confidentiality with respect to its own Response or any Detailed Proposal it submits pursuant to this document, and must not seek details of any other Responses or Detailed Proposals (as the case may be).

Respondents must not:

- (a) disclose the contents of this document or any other information provided in connection with it; or
- (b) make any public statement or announcement in connection with its concept for the redevelopment of the Site,

without the prior written consent of the State.

A.5.5. Costs Borne By Respondents

All costs and expenses incurred by a Respondent in any way associated with its submission of a Response, including (but not limited to) attendance at meetings, discussions, interviews, etc, and providing any additional information required by the State, will be borne entirely and exclusively by the Respondent.

A.5.6. Conflicts of Interest

Respondents must notify the State promptly upon becoming aware of any conflict of interest arising in respect of the Respondent, any of its consortium members or the employees, agents, consultants or contractors of the Respondent or any of its consortium members.

If the State determines that a conflict of interest has arisen, or is likely to arise, in respect of any particular Respondent, any of its consortium members or the employees, agents, consultants or contractors of the Respondent or any of its consortium members, then the Respondent must take whatever action is required by the State to resolve or manage that conflict of interest.

If the Respondent is unable or unwilling to resolve or manage the conflict of interest to the reasonable satisfaction of the State, the State may exclude the Respondent from any phase or processes outlined or contemplated in this document.

A.5.7. Language of Proposals

Responses and any Detailed Proposals (including all attachments and supporting material), must be written in English. Unless otherwise specified, monetary amounts must be specified in Australian dollars and must indicate whether they are inclusive or exclusive of GST.

B. PROJECT INFORMATION

B.1. BACKGROUND

The Old Treasury Buildings are a Perth landmark and are among the most significant heritages places in Western Australia. They are located in a very important civic, cultural and heritage precinct, which includes St. George's Cathedral, Perth Town Hall, Council House, Government House, Perth Concert Hall, the Supreme Courts and Stirling and the Supreme Court Gardens.

The Site provides a number of important planning issues of interest to the State, including linkages along Barrack Street, the negative impact of the adjacent Law Chambers/Public Trust Buildings (possible Cathedral Square development), the integration of the Perth Town Hall into the precinct, and the relationship with other buildings and spaces within the precinct.

A Conservation Plan has been prepared for the Site, along with an approved set of a Heritage and Planning and Development Design Guidelines. These have been endorsed by the Heritage Council of Western Australia (HCWA) 2003. A Heritage Agreement will be required for development of the Site.

The primary objective for any functional use of the properties is the conservation of the Site's heritage values. Therefore, it is expected that any redevelopment of the Site will enhance its civic, cultural and heritage attributes.

The State's priorities for redevelopment of the Site are:

- retention and enhancement of their high quality civic, cultural and heritage status of the Site and nearby precinct;
- achievement of a sustainable functional use. Sustainable functional uses may include a high quality hotel and mixed use specialty office/retail (e.g. legal offices, bars, restaurants); and
- generate a positive financial outcome for the State.

As indicated above the Site buildings have attained permanent listing on the Heritage Council of Western Australia's Register of Heritage Places and any development approval will require a Heritage Agreement.

B.2. DEVELOPMENT OBJECTIVES

The State has established the following objectives for any redevelopment of the Site.

B.2.1 Retention of Ownership of the Land through the A Class Reserve Allowing a Long-Term Transferable Lease

The State will retain ownership of the Site land (held as a Class A Reserve) and will consider providing a 99 year lease to the developer of the Site on terms and conditions acceptable to the State.

B.2.2 Achievement of a Viable Use for the Property

The State has a preference for the Site and buildings to be converted to a high class hotel. This will ensure the regeneration of the buildings whilst encouraging public access to this significant heritage area.

Notwithstanding the above, Respondents should not preclude other uses including retail, apartment and offices or education institution or the possibility of a mixed use development incorporating some or all of these possibilities.

If it is considered by a Respondent that the best possible utilisation of the Site to ensure the ongoing financial viability of a development is a mixed use then this should be demonstrated in its Response.

The incorporation of suitable car parking facilities into the development of the Site forms part of this objective. Respondents should identify the number of car parking bays required to make their development concepts viable. It should be noted that the Department together with the Perth City Council are currently investigating options incorporating the car parking facilities at the adjacent Law Chamber/Public Trust Buildings to be part of the proposed redevelopment of the Site, but this should not deter a Respondent considering its own solution to the issues of parking on the Site.

B.2.3 Preservation of the Heritage Values of the Property and its Surrounds

Respondents must be able to demonstrate that they have completed projects of a similar nature, where consideration of the heritage issues was given priority.

Consideration needs to be given by Respondents to the future use of Foundation Park and how the proposed development of the Site would interact with Foundation Park, the Town Hall and the proposed Cathedral Square project.

At the date of issuing this document, the former Land Titles Building in Cathedral Avenue is not considered as forming part of the Site. A study on the future utilisation of the Land Titles Building is currently being undertaken by the City of Perth.

B.2.4. Achievement of a positive financial outcome for the State

The State will be endeavouring to achieve a positive financial outcome for Western Australia.

Accordingly, the State will be interested to consider the extent (if any) to which Respondents are prepared to pay the State for access to the Site.

Further, the State is interested in minimising any government subsidy (if any) of the redevelopment of the Site and development concepts and proposals that facilitate this outcome will be well regarded. However, it should also be noted that if the State agrees to subsidise the redevelopment of the Site, appropriate conditions will be placed on any payment or subsidy in order to protect the State's interests.

B.2.5 Achievement of a Suitable Standard of Architecture and Urban Design

Respondents should identify projects of a similar nature where they have been able to achieve this objective.

The regeneration of the Site includes the public usability of the Site and proposed buildings as well as the public access corridors that will need to be created throughout and surrounding the development. It is considered that the regeneration of this significant Heritage area is of extreme importance to the State.

B.2.6. Creation of a Redevelopment that allows for Ongoing Public Access

The State considers ongoing public access to the Heritage buildings at the Site to be a highly desirable outcome. Respondents should identify the level of public access that will be available through its development concept.

B.3. GOVERNANCE

The Department and representative stakeholder groups will work in conjunction with the selected developer to progress a viable development scheme.

C. RESPONSE INFORMATION

C.1. THE RESPONDENT:

Full Corporate Name:
(Identity of the legal entity that will enter into any contract with the Principal)

Australian Company Number (ACN):
(If an Incorporated Company)

Australian Business Number (ABN):

Registered Trading Name:
(Only complete if relevant. If the same as Full Corporate Name enter "As Above")

C.2. CORPORATE IDENTIFICATION OF RESPONDENT

The State needs to know the corporate details of the entity or entities registering Interest.

C.2.1. CORPORATE STATUS

(Please nominate, by ticking one of the boxes below, your corporate status.)

- Sole trader
- Partnership (Attach, on a separate sheet, the full names of all Partners).
- Incorporated Company (Attach a copy of the ASC registration details including the full names of directors and shareholders. Should the Company be a Trustee also provide the names of the Trust beneficiaries and copy of the Trust deed).
- Incorporated Joint Venture (Attach a copy of the ASC registration details including the full names of directors and shareholders).
- Unincorporated Joint Venture (i.e. Consortium) (Attach details of each member of the consortium as appropriate to the corporate structure of the member).
- Trading Trust (Attach a copy of the Trust deed).
- Other (Attach details)

C.2.2. PRINCIPAL CONTACT DETAILS

C.2.2.1 PRINCIPAL PLACE OF BUSINESS

Business Address:
.....

Postal Address:

Telephone No.: Facsimile No.:

E-mail Address: Web Page Address:

Name of Principal Contact Person:

Signature:

Full Name:
(Please print)

Position With Respondent:

Date:

C.3. CONFIRMATION OF ATTACHMENTS THAT ACCOMPANY THE RESPONSE

Please confirm the contents of your Response by ticking the appropriate boxes below and entering the page numbers in your Response where these can be found.

C.3.1. CORPORATE IDENTIFICATION OF RESPONDENT

Enclosed and all requested details and/or attachments.

Yes Page Nos:

No

C.3.2. RESPONSE TO BENCHMARK CRITERIA

Yes Page Nos.

- 1. Criteria 1
- 2. Criteria 2
- 3. Criteria 3

No

Signature:

Full Name:
(Please print)

Position With Respondent:

Date: