

MEDIA RELEASE

19 March 2015

South Australian Government and Walker Corporation reach agreement on 1,560 Adelaide car park development as part of A\$610m transformation of Festival Plaza precinct adjacent to Adelaide Casino

SKYCITY agrees key commercial terms for Adelaide car park lease

Last Saturday, the South Australian Premier Hon. Jay Weatherill, announced that the State Government and Walker Corporation had reached agreement for the A\$610 million redevelopment of the Festival Plaza precinct adjacent to Adelaide Casino. In addition to the development of the new 1,560 space underground car park, the Festival Plaza redevelopment will include a premium office building (along a closed-to-traffic boulevard on Station Road), two levels of cafes, restaurants and retail behind Parliament House, and a complete redesign of the current Hajek Plaza, all adjacent to the Adelaide Casino. (Refer to the South Australian Government announcement attached.)

Following this, SKYCITY Entertainment Group Limited ("SKYCITY") has now agreed the key commercial terms (subject to final documentation) with Walker Corporation for the exclusive lease of 750 of the 1,560 spaces in the proposed Festival Plaza underground car park.

SKYCITY's CEO Nigel Morrison said: "SKYCITY is pleased that the SA Government and Walker Corporation have now reached agreement on this critical \$610m redevelopment of the Festival Plaza precinct, including the 1,560 space car park development. This is a major step forward in creating Adelaide's premier entertainment, hospitality and cultural precinct and will strongly complement the successful redevelopment of the Adelaide Oval and the significant expansion of the Adelaide Convention Centre currently being undertaken."

"With the announcement of this development and the key terms of the car park lease now confirmed, SKYCITY can now progress its plans to transform the Adelaide Casino into a world-class integrated entertainment complex. We continue to explore a range of different expansion options and hope to finalise these plans over the coming months," added Mr Morrison.

The key commercial terms for SKYCITY's car park lease are as follows:

- Exclusive use of 750 car park spaces (out of a planned total of 1,560 spaces);
- Fixed lease term out to 30 June 2035 (being the period for which the Adelaide Casino has exclusivity in South Australia);
- Annual cost of A\$4.7 million in the initial year after practical completion, increasing thereafter at a rate of CPI inflation plus 0.5% (subject to a 2.5-3.5% cap and collar range); and
- Walker Corporation must commence development of the Festival Plaza underground car park by 1 July 2016 and must achieve practical completion by not later than 31 December 2018.

Mr Morrison noted that the commercial arrangements with Walker Corporation would not expose SKYCITY to any development or financing risk. The lease costs are also materially consistent with those agreed between the South Australian Government and Walker Corporation for the State Government's lease of 400 spaces in the Festival Plaza car park.

For more information please contact:

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Premier Jay Weatherill

Deputy Premier John Rau

Minister for Planning

Saturday, 14 March, 2015

Vibrant new look for Festival Plaza

The State Government will commit \$180 million to redeveloping the Festival Plaza precinct under a \$610m agreement reached with Walker Corporation.

The redevelopment will include a premium office building along a closed-to-traffic boulevard on Station Road, two levels of cafes, restaurants and retail behind Parliament House, a new underground car park and a complete redesign of the current Hajak Plaza.

Walker Corporation has committed \$430m to the project including \$40m towards the public works of the Festival Plaza.

Premier Jay Weatherill said the revitalisation of the Festival Plaza precinct would ensure the first-class experience of Adelaide Oval was properly linked to the Riverbank, Festival Centre and Adelaide Casino.

“For a long time this vital precinct has been neglected as an entertainment area while the car park has fallen into a state of significant disrepair,” he said.

“The initial plans to rebuild the car park really presented us with a blank canvas upon which we could reimagine what should be the City’s premier cultural and entertainment precinct.

“These plans are substantial and the redevelopment seeks to extend the runaway success of the Adelaide Oval redevelopment with what we want to become Adelaide’s best public space.”

Renewal SA has negotiated the plan with Walker Corporation to develop:

- Two levels of restaurants, cafes and bars, ground-floor retail immediately behind Parliament House opening on to the Plaza
- 1,560 space underground car park, with new entrance point on King William Road, with electric car charging facilities that will support the Adelaide Casino and the growth of the Festival Centre
- High quality public realm which may include public artwork, water features and natural plantings
- A premium office building on Station Road of up to 24 stories, with potential to attract major national and global anchor tenants to the State
- Improved pedestrian connections between the footbridge and the railway station
- The closing over of the Plaza level to create a single cultural and entertainment precinct

“We said before the election that this precinct needed to be preserved as a public space and this plan does just that.

“This plan includes 4700 square meters of formal high-quality public realm, which is slightly larger than the existing Plaza, with more than 11,000 square meters of open space.”

Deputy Premier and Minister for Urban Development John Rau said this project would activate currently under-utilised space.

"This area has great potential and as it currently stands people are simply not using this space," he said.

"With the redeveloped Adelaide Oval, the footbridge and other city activation projects in this area its important this plaza provides a link that attracts more people to the precinct.

"The bulk of the project is expected to be delivered in three years and the project is expected to create more than 2,500 construction jobs with an estimated 400 ongoing jobs.

"This development is a prime example of how the State Government and private investors can work together to deliver significant returns for the State."

Andrew McEvoy, Chair of the Riverbank Authority welcomed the plans.

"Unlocking the potential of this area of the Riverbank has been foremost in the mind of the Riverbank Authority since it was formed last October," he said.

"The commercial development will perfectly compliment other Government-funded facilities such as the Adelaide Oval, Adelaide Convention Centre and plans to improve the Festival Centre experience.

"This announcement sees a continuation of the revitalisation of what I see as a world's best meeting place - for locals and visitors alike.

"Between the Walker development and potential for Sky City's exciting plans, there will be new public areas for people to enjoy in what is one of Australia's ultimate lifestyle cities.

"The Adelaide Oval is proof of how revitalised public infrastructure can generate economic growth and confidence and this development will be a further boost."