

Community Drop-In Session - Potential Rec Club Redevelopment

Sanctuary Lakes is and will be for generations of Melbournians, a turn of the century legacy development. It set a high watermark in 21st century urban living in the Western suburbs. A social destination which offers every convenience, within a truly walkable and botanic neighbourhood. If we are to preserve all that we love about Sanctuary Lakes, it is the responsibility of today's residents to keep residential community services modern, relevant and in excellent condition. These services are why we all purchased in Sanctuary Lakes before today and property values demonstrate their value.

As we look to expand and refresh our service offering, here are some of the common questions we have received:

Why are we doing this?

The reason for the initial concept was as a result of the resident's survey in October 2018. Upgraded rec club facilities was the number 1 request from residents.

Results from the survey were posted in the newsletter dated - December 4, 2018.

Wasn't the Rec Centre recently upgraded?

The last update/refresh was done in 2014. The building is over 20 years old now and is becoming increasingly expensive to maintain.

Is design Proposed or Defined?

It's a Concept, this is about understanding desire for request.

Where did the draft Concept come from?

The initial concept was managed by SMEC development consultants, the plans were drawn up by Bruce Henderson Architecture and the costing were prepared by WT Partnership.

Their websites are below:

<https://www.bh-architects.com/>

https://www.smec.com/en_au

<http://wtpartnership.com.au/>

Is this signed, sealed and delivered?

No, this concept is only an initial draft so all options (including no action) are on the table. We really encourage all lot owners to reply with their feedback no matter what it is. Please email all feedback to communications@sanctuarylakes.com.au before Friday 6th September.

Why are the drawings so poor?

Purely a concept for initial layout testing and costing. The next step is formal architectural drawings and models. We did this to avoid costs at this early stage

Why is this so rushed?

Been going for 2 years now and requests for bigger pool for 10+ years. Another 10 months of consultation is expected before anything is set in stone.

Why \$15M, that's HUGE!

Commercial buildings are expensive. They are also built to a much higher quality and endurance level so they can withstand very high traffic volumes and abuse. Our building is located in the middle of a saltwater lake as well, this means any work is done on existing or new structures.

How much is the proposed fee increase?

It's \$250 to \$300 based on Concept design pricing, this is \$21 to \$25 per month.

How do we know that SLRS is going to deliver in the \$300 over 20 years, what's going to stop them from blowing out the budget to \$20mil, 25mil, etc.

By robust fiscal management which has seen fee increases below CPI for the last 5 years.

Can't we reuse the existing building to reduce cost/be environ friendly/etc.

The increase in footprint of services simply don't fit in the current building. Reduction of services may fit inside the current building but will result in compromises such as smaller spaces around Rec Club or relocation of Administration services to a new location at a cost.

There has been lack of competition during this process.

As this is just an initial concept, no developer or preferred suppliers have been canvassed in this process.

We have independently sourced development consultants, architects and quantity surveyors (listed above). If the process continues, and that will only occur once feedback is collated from residents, a transparent and open tender process would occur.

If fees are to be increased and I (owner) don't agree to the upgraded facilities, are you (SLRS) going to force me to pay the additional fees and where in the constitution does this enforce this?

Fees are based on your lot liability under the Owners Corporation Act, and ratified at the annual AGM. This is binding on all members of your Owners Corporation regardless of what services you use and whether you are on the lake, next to a park, on the skeleton creek corridor, on the boulevard or on the golf course.

How many owners in percentage are required to approve/accept the project for it to go ahead and hence the increase in fees.

A percentage hasn't been set. The board of SLRS are encouraging all residents to give their thoughts and feedback to communications@sanctuarylakes.com.au.

What if the majority choose not to go ahead with facility upgrade? What are the other options?

If a majority don't support, we will not proceed.

How many people use the Rec Club?

- We have 220 daily card reads during the week.
- We have 142 daily card reads over weekend days.
- An average of 199 unique card reads per day.
- On average we have 1,400 unique card reads per month.
- Over the year we have 3,514 unique cards that visit more than once per year.

*information obtained from Commander card reading program.

How many residents/owners(numbers/percentage) use the pool facilities and gym today on a daily or weekly basis? Is it fair if the numbers are less than 50% to impose all the other residents to a fee increase and impost that does serve them?

Fees are based on a lot liability. A user pay system is not legally possible under the structure. All residents pay \$2,640 regardless on use of services, size of lot, or location.

Why do we offer swimming lessons? Where does that money go?

The swimming lessons are run and staffed by CHM (management company who run the gym). These classes are run at agreed times, these classes are run for Sanctuary Lakes resident children only.

There is an obvious need for swimming lessons as they are always booked full. In addition to this CHM had requested to increase the amount of swimming lessons due to an enrolment wait list but were denied this request.

CHM's management fee is also offset by the revenue raised from swimming classes.

Is the Rec Club Exclusive to Sanctuary Lakes residents?

Yes! You must be a holder of the Sanctuary Lakes card to obtain access to the Rec Club. These cards are issued by SLRS only after proof of residency is confirmed.

How do we keep old tenants out? Tenants cards are linked to the end date of their lease and card will automatically be cancelled when the date comes. Tenants then need to provide new evidence that they have signed a further lease at the property before we reactive the cards.

Similarly, when owners sell their property the cards are deactivated when we received the notice of disposition / or acquisition of the new lot owner.

Do we need to have leisure facilities, why don't we just remove the offering altogether and instead convert the exhausting premises to restaurant/food retail businesses?

Recreation is a key pillar of Sanctuary Lakes and the board of management would like this to continue. Currently this includes the Recreation Club, Tennis Courts, Outdoor Gym Circuit, Park Maintenance and Lakes Maintenance.

What powers do the Directors of SLRS have?

Under the constitution (located on our website) at 43.1 *the directors are responsible for managing and directing the activities of the company to achieve the purpose(s) set out in clause 7. Clause 7 lists several purposes including 7.5 To manage, and maintain in good working order, any and all assets obtained by the company and held for the benefit of members, including the common property.*

What happens next?

Once the consultation process ends, we'll collate all the feedback and, if there is enough support for the redesign, we will adjust the design and hone in on what residents want.

We will then engage lot owners focus groups and refine the plan and costings.

Once a new plan and estimates are received, we'll send out to all lot owners for final review and response through a survey.

We estimate by February 2020 we'll finalise if the redevelopment will proceed or not.

Why not just let the developer of 76 Greg Norman Drive build the Rec Club? Why can't we see their plans?

We cannot share the plans the developer put forward as SLRS do not have these plans as they are confidential to the developer.

In relation to the proposal the Board had many concerns including: -

- Development MUST be a money-making exercise for a developer. This means residential apartments are required to fund total cost.
- Potential for a high rise, high density residential development on the current Recreation Club site (72 Greg Norman Drive).
- SLRS to relinquish ownership (and value) of current Recreation Centre site to owner of 76 Greg Norman Drive.
- The Recreation Club contained within a multi-storey building on 76 Greg Norman Drive which also includes private residential apartments (amount unknown) and commercial spaces (owned or sold by the developer).
- Recreation Club would lose majority/all views of lake.
- Residential/Recreation Club in same building may result in noise and traffic issues, impacting opening hours for the Recreation Club.
- Proximity of the Recreation Club to properties inside Lakeside Central.
- Historic inability for Developer to complete agreed works (Boardwalk) for over 5 years, despite repeated commitments to complete.
- Plans presented lacked detail, at that time, to proceed.

The Boards primary objective was to protect all residents' long-term interests and saw that risks like high-density overdevelopment, overall the value proposition, the lack of details around the proposal and the short timelines to give a commitment (one week) as being too high risk to proceed.