

## South Melbourne Town Hall – Refurbishment & Renewal

ANAM is proposing to commit \$15m of Commonwealth and private funds now and a further \$10m-\$15m within a decade to the SMTH. It will transform this magnificent building into an iconic, industry-standard, sustainable venue. It will host more live performance, community and cultural events. It will enable more activation of the local precinct, more engagement of the local community and more digital accessibility.

ANAM believes the future plan for the SMTH should adjust to recognise changed circumstances. The State Government appears unlikely to contribute to an upgrade; much more serious structural building issues have been identified; ANAM has been forced to move to the Abbotsford Convent; and COVID has hit.

Consequently ANAM is proposing:

- It will commit to the lease much earlier (i.e. it will sign a lease, not an agreement to lease)
- The lease, and the commitment of ANAM funds for upgrading the SMTH will no longer be conditional on Victorian Government funding;
- The project will be done in a few stages rather than in one go.
- CoPP will remain responsible for the structural integrity of the building, because an organisation like ANAM cannot take on the risk that structural issues such as those identified over the last 12 months might be identified in future

### KEY TERMS

- Lease term of 35 years for the entire building (as compared with 50 years in the original proposal);
  - It is extremely unlikely that the Commonwealth Government and any potential philanthropic funders will agree to providing capital funding for building investment for any shorter lease term.
- Rental
  - **Total Rental** (excludes outgoings) **\$900k** (+ CPI) annually
  - Comprised of*
    - Community performance abatements \$350k
    - Rent paid in advance (via \$15m upfront investment)<sup>1</sup> \$300k – equivalent, with CPI
    - Annual contribution (to Building Maintenance Fund) \$125k – cash component
    - Annual contribution (to Asset Maintenance Fund) \$125k – cash component
  - Additionally*
    - ANAM pays all outgoings (approx. \$110k per year)
- ANAM will invest at least \$15m in the operational parts of the building now, to enable it to function at an industry-standard level, including:
  - Extend H/Vac to Main Hall (excluded from Council’s current project scope);
  - Main Hall refurbishment;
  - Introducing energy efficiency measures.
- ANAM will develop a targeted fundraising campaigns to raise between \$10m-\$15m over the next decade to invest in the further development/fit-out of the building, some of which may be committed soon so that it is part of the initial building project:
  - Supper Room & catering kitchen (west wing, former MAV offices) – refurbished, available for public hire;
  - Rehearsal Studio (former ANAM offices/site of 2018 roof collapse) – refurbished, available for public hire;
  - Artists’ Apartment (former caretaker’s apartment).
- Port Phillip Council takes responsibility for
  - Standard landlord responsibilities (as outlined in Asset Management Plan)
    - Maintain building at ‘lettable standard’, including
      - Services;
      - Structural repairs and upgrades.
- ANAM will work with Council and Creative Victoria to develop a South Melbourne Arts and Cultural precinct;
- As a precondition of the lease, ANAM must be satisfied that:
  - Council’s proposed program of building remediation works appropriately addresses the issues raised in the various engineering reports;
  - There are no issues in the Heritage Management Plan, Cultural Management Plan or other Council documentation that constrains ANAM’s ability to deliver its refurbishment and utilisation vision.