

# FAQ



## **New Transformational Project: Blacktown Brain and Spinal Institute**

### **What is the Blacktown Brain and Spinal Institute (BBSI)?**

Professor Charlie Teo AM, a global neurosurgeon, proposes to establish The Blacktown Brain and Spinal Institute (BBSI).

BBSI will be a world leader in medical research, practice, treatment and recovery. National and international surgeons will carry out research and treat patients at BBSI. For that reason, patients will travel from all over the world for to Blacktown medical care.

BBSI will cover up to 150,000 square metres of floor space (by comparison, Westpoint Blacktown is 92,000 square metres, and Blacktown Hospital is 100,000 square metres)

It will comprise:

- a medical research institute (with university partner)
- a private hospital
- a medi-hotel
- retail space
- residential apartments.

### **Where will BBSI be located?**

The arrangements in place relate to the site of Council's Administration Centre on Flushcombe Road, (including the former WSROC building and surrounding car park), as well as the site of the Leo Kelly Blacktown Arts Centre. A part of the Blacktown Kmart car park, across the road, is also included.

### **Who is Charlie Teo?**

Professor Charlie Teo AM is a Professor of Neurosurgery with placements at the University of New South Wales, Duke University (School of Medicine) (North Carolina, USA), Truong Dqai Hoc Y Ha Noi (Hanoi Medical University) (Vietnam), University of Stuttgart (Klinikum Stuttgart) (Germany), and the National University of Singapore (Singapore).

In association with these roles and others, he has published over 100 peer reviewed articles.

Professor Teo AM devotes 3 months of his time every year to instructing and practicing surgery in developing countries.

In 2011 Professor Teo AM was made a Member of the Order of Australia for service to medicine as a neurosurgeon through the introduction of minimally invasive techniques, as a researcher, educator and mentor, and through the establishment of the Cure for Life Foundation.

Professor Teo AM has raised over \$20 million for research through the Cure for Life Foundation, the Cure Brain Cancer Foundation and the Charlie Teo Foundation.

### **How will BBSI benefit Blacktown City?**

BBSI has the potential to be one of the most significant investments ever made in Blacktown's city centre.

The project has the capacity to attract hundreds of millions of dollars of capital investment, hundreds of long-term, highly skilled jobs, many more long-term support jobs, and millions of dollars of medical research. It will also help to attract quality hotel accommodation to support international medi-tourism, and private hospital services which are not available in our City.

All of this activity will attract patients and businesses to Blacktown City. This will provide new services to the community and new business capacity for existing businesses in the city.

If Council continues to pursue the goal of co-location with Australian Catholic University in a new office building in Blacktown city centre, the Council Administration Centre site will be surplus to Council's needs. The BBSI project provides a willing purchaser.

### **What will be the development value of the BBSI project?**

There is an estimated total construction cost of \$800 million, which will generate hundreds of construction jobs. BBSI will also become a catalyst to attract hundreds of skilled jobs to Blacktown city centre and the region, along with hundreds more support jobs and investment.

### **How does the BBSI project align with existing NSW Government and Blacktown Council government planning and strategy?**

The project aligns with key NSW Government and Blacktown City Council strategies. It aligns with the goals of Metropolitan, District and local planning strategies.

It will facilitate the redevelopment of Warrick Lane, by attracting more businesses to the CBD, to provide a broader range of services to the community.

It will foster demand for training of nurses and allied health professionals, providing learning pathways for the community. It will aid the outcomes sought by Council's Transformational Health Precinct project by stimulating demand for health professionals within and adjacent to the CBD.

BBSI will also create opportunities for medical training, and nursing and allied health training.

### **What future impacts will the project have on Council's budget?**

If the BBSI project proceeds, Council would need to relocate from its existing administration building at 62 Flushcombe Road to another location. Frontline customer services presently provided from the administration building are likely to be relocated to another Blacktown CBD location.

The existing Council administration building is aged and no longer has sufficient capacity for all of Council's staff, many of whom have needed to be relocated in recent years to various other buildings across the City.

To address this problem, one of Council's Transformational Projects is to address office accommodation for its organisation. We aim to ensure that Blacktown City Council remains a major employer in the heart of the Blacktown city centre.

It is important that Council, as a large and highly skilled organisation, will be appropriately accommodated to attract and retain staff and provide high quality local government services to the community through latest technologies.

Council's interim accommodation strategy is dependent on the decision around the BBSI and timing of a possible new head office for Council at Warrick Lane (in conjunction with the Australian Catholic University development). The cost of relocating Council to temporary accommodation will be funded by the BBSI developer. While Council will incur rental costs in the temporary accommodation, these will be manageable within existing resources.

The proceeds from the sale of Council's Flushcombe Road site in the Blacktown CBD to the BBSI project would be used to fund the cost of a new administration building. It is not expected these proceeds would fund the full cost of a new administration centre, and other funding strategies would be required. However, a key advantage of the BBSI proposal is it provides the ability to fund a significant proportion of the cost of a new Council administration building.

### **What is the process around the sale of Council land?**

This is a simple land sale. The sale contract applies tried and tested legal principles which have been used by other local council and NSW Government agencies to achieve development outcomes which benefit the community.

Council and BBSI have signed legal documents - a Development Deed and Sale Contract.

These documents outline a process, which includes the following key components:

- the sale of the land in 2 stages
- the sale price will be determined by a valuer from an agreed panel
- construction of the first stage will occur while the land is still in Council's ownership
- in relation to the Kmart car park land, any development on the land must continue to provide an equivalent number of public car parking spaces.

### **Risks to Council - what protections are in place?**

Stage 1 of the project is required to have at least 10,000 square metres of medical research and surgical floorspace with private hospital beds. A further stage of the project is required to have a minimum 100 private hospital beds and supporting infrastructure (which may be relocated from the first stage).

Council has taken legal advice from Clayton Utz, a leading independent law firm. Clayton Utz has significant experience in providing real estate legal advice to other local councils.

The sale documents ensure that if the proponents cannot meet specified targets, the sale will not proceed.

Should Professor Teo not be involved in the project, a bank guarantee of \$2 million would be forfeited by the BBSI developer.

## **Risk to Council - how will the community know that Council has received the highest possible price for its land?**

The arrangement for the sale of the BBSI properties is based on Council receiving the amount an independent valuer determines to be fair market value for the land.

Under section 377(h) of the *Local Government Act 1993*, a Council resolution is required to enable the sale of Council land. However, the *Local Government Act 1993* does not require Council to offer its land by way of tender or other public, competitive process.

Council frequently buys and sells land on the basis of independent valuations. In the 2018/19 financial year Council bought 34 land parcels on the basis of independent valuations, and in 2019/20 financial year we bought 26 land parcels on the basis of independent valuations.

<b>Acquisition and sale</b>	<b>18/19</b>	<b>19/20</b>
Buy	\$130.3m	\$79.0m
Sell	\$8.9m	\$35.5m

## **Risk to Council – what if that development fails part way through construction?**

There is a risk that the project may not proceed. On the basis of the best legal advice, Council has guarded itself against this risk through a land sale, with provisions which:

- necessitate the BBSI developer to demonstrate that project financing is in place prior to the first stage(s) of development commencing
- only allow for transfer of land title from Council to the BBSI developer when the first stage(s) of development has been completed.

This risk may also be mitigated if the BBSI developer on-sells the development to a larger institutional developer. Council has considered this, and Development Deed contains a structure which avoids the possibility that the developer would seek to revise the BBSI proposal into something vastly different, such as a residential development.

The proposed structure requires that the development occur on the land whilst it is in Council's ownership. This eliminates the risk that the BBSI developer could totally change the nature of the proposed development after signing an agreement with Council.

This structure is important because, whilst it remains owner of the site, Council has an absolute legal right not to approve of the lodgement of any development application on its land.

Necessarily, the consequence of this structure is that the first stage of the development will need to be built on Council's land.

Therefore, if the development fails part way through construction, Council will be left with a partially completed development on our land.

Council would then need to assess how to complete and use the partially completed development, or sell the site, with, or without, remedial works.

## **What happens to the Leo Kelly Blacktown Arts Centre site?**

The BBSI proposal includes the redevelopment of the Leo Kelly Blacktown Arts Centre. The former Church on the site is not a heritage item.

Council is committed to retain the Leo Kelly Arts Centre name, as well ensuring the replacement of an Arts space of equivalent (or greater) size and utility to the current facility.

The current facilities comprise: 2 gallery spaces, a 75-seat performance studio, workshop studio and weaving garden.

Council is proud of its record in the arts sector in Western Sydney, and will continue to play a leading role

Blacktown Arts is a recognised leader in the development of contemporary arts in Australia. We support artistic innovation and offer exciting, new experiences through an award-winning curated program of exhibitions, performances, workshops, residencies and events.

Blacktown Arts is committed to exploring dynamic, culturally diverse work that reflects Blacktown, its history and its communities. We place Aboriginal and Torres Strait Islander artists and communities at the heart of our program to develop new work drawing on issues of local and global significance.

The Leo Kelly Blacktown Arts Centre is an innovative multi-arts hub located in the heart of Blacktown.