

Background information about the intended sale of The Rex

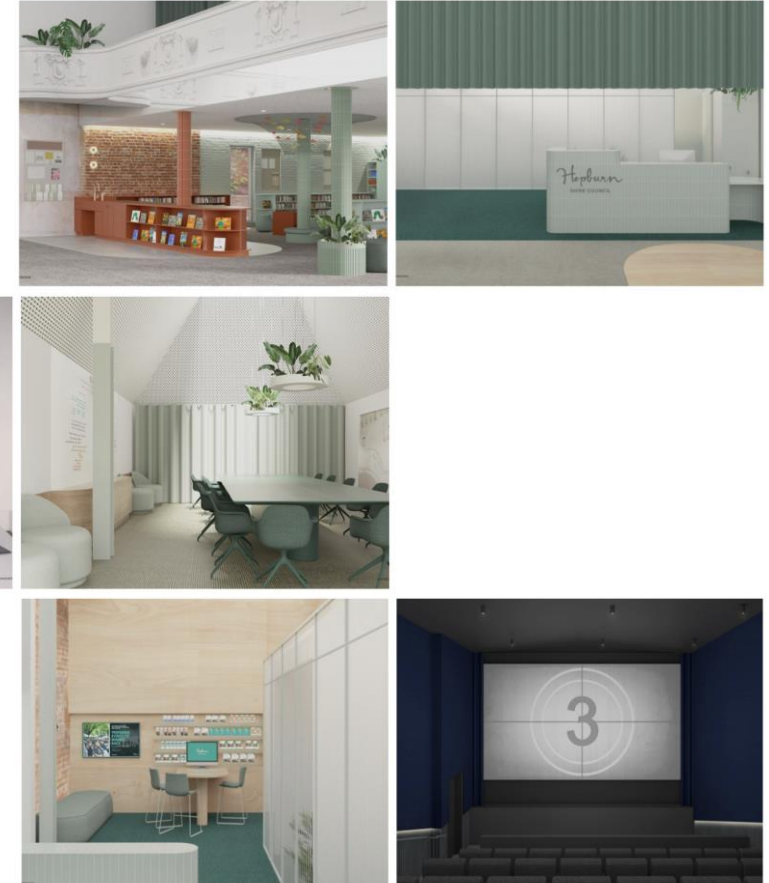


What was the Hepburn Hub at the Rex project about?

This project, located in central Daylesford, aimed to deliver both community and Council spaces.

The facilities were to include:

- a library,
- auditorium,
- digital co-working space,
- public toilets,
- Council customer service centre and offices.



Council starts the process to sell The Rex

23 November 2021

Project history

- Building bought in 2016 for \$6.345 million
- Building works undertaken in 2020
- Contractor engaged in 2020 for construction, mutually parted ways with Council in July 2021
- June 2021 - Council endorsed budget of \$8.755 million

Hepburn Hub at The Rex - Project Costs	
Item	Cost
Purchase Price (all inclusive)	\$6.345 million
Forecast costs of development	\$9.658 million
Restoration of facade and other works	\$unknown
Total	\$16.003 million +

Late 2021 events

- Tender process forecast costs at \$9.658 million
- Officers recommended award of contract to finalise the project, noting additional budget allocation was required
- Council motion passed that, in part, Council:
 1. Does not award a contract for building works and determines not to proceed with the Hepburn Hub at The Rex project; and ...
 4. Request that the Chief Executive Officer undertakes a process to sell, through a public process, The Rex building.

Reasons the Hepburn Hub at The Rex project was cancelled

Council's reasons were varied but included:

- uncertainty of the final cost
- previous construction issues
- Council's financial position and unknown financial impacts of COVID, storm recovery and operating in a rate capping environment
- concerns the project would not deliver expected outcomes
- perceived lack of Shire-wide value

“While we recognise the value in creating a community hub and consolidation of our council offices, we ultimately decided that the best choice for the community is to discontinue the project, which now provides a clear direction for The Rex site.”

- **Mayor, Cr Tim Drylie**

Next steps

Next steps are to:

- consider community feedback
- determine whether or not to proceed with the sale of The Rex building
- undertake a planning project to review possible solutions of staffing accommodation and community facilities, e.g. town halls

The Local Government Inspectorate is currently investigating matters relating to the project, with full cooperation from Council. This report will be released by the Inspectorate; the process to sell The Rex can proceed without the report being finalised.

“We fully understand the disappointment that many in the community will be feeling, including those who were looking forward to having a community auditorium, our passionate library patrons, and Council office staff who were to be consolidated into one building.”

- **Mayor, Cr Tim Drylie**

Council motion

The motion passed by Council was, that Council:

1. Does not award a contract for the building works and determines not to proceed with the Hepburn Hub at The Rex project;
2. Acknowledge the significant work undertaken by officers and contractors during the project, and within the current tender process;
3. Write to all tenderers acknowledging their work and that Council will not proceed with the Hepburn Hub at The Rex project;
4. Request that the Chief Executive Officer undertakes a process to sell, through a public process, The Rex building.
5. Work with the Daylesford Cinema group on potential temporary and permanent solutions for the community cinema;
6. Request the Chief Executive Officer prepare a scope to undertake a planning project that will review possible solutions of staffing accommodation and community facilities that were to be included in the Hepburn Hub; and
7. Request the Chief Executive Officer to review the financial loan drawn in June 2021 for this project with a view to immediately paying down the debt.

Frequently Asked Questions

What was the Hepburn Hub at The Rex project all about?

This project, located in central Daylesford, aimed to deliver both community and Council spaces. The community facilities were to include a library, auditorium, digital co-working space, public toilets, Council customer service centre and offices.

Why are we not being asked for our views on the Hepburn Hub at The Rex project?

Council has determined to not proceed with the project given a number of factors. This decision was made in November 2021. We do not want to ask the community about something which can no longer be influenced.

What was the main reason Council decided not to proceed with the Hepburn Hub at The Rex project?

Council recognised benefits the Hepburn Hub at The Rex project would have offered, however the uncertainty of the final cost, previous construction issues, the financial impacts of COVID, storm recovery and operating in a rate capping environment meant Councillors determined the project would not proceed.

The logo for Hepburn Shire Council features the word "Hepburn" in a large, teal, cursive script font. Below it, the words "SHIRE COUNCIL" are written in a smaller, teal, sans-serif, all-caps font.

SHIRE COUNCIL

Frequently Asked Questions

If Council has stated their intention to sell, what is the point of filling in the survey or holding a group conversation?

Council intends to sell The Rex, however wants to consider the views of Hepburn Shire residents before ultimately determining to proceed or not with the sale. At this point Council does not see a clear purpose for retaining The Rex given the lack of finances to undertake any works at the site. If there is strong community support for using The Rex for a worthwhile purpose, Council may be open to considering this. More detailed investigations would need to be undertaken to determine whether alternate proposals would be financially viable.

It would however be difficult for Council to consider options to redevelop the site to a similar extent as the Hepburn Hub at The Rex project. This is due to Council's current financial position and the costs required to bring the building to a basic standard in the current economic climate; current estimates indicate a cost of between \$5,000 - \$9,000 per square metre. The Rex is approx. 2,000m² meaning a financial outlay of between \$10 - \$18M.

Why are we being asked to have a conversation about this?

Conversations are helpful for groups to gain a shared understanding of an issue, consider various perspectives, apply critical thinking, and deliberate over important questions. Council is approaching various groups across the Shire also to ensure broader community input to Council about the future of The Rex.

**Thanks for taking the time to read this background
information.**

**Please complete the Individual Survey on
Participate Hepburn <https://participate.hepburn.vic.gov.au/>**