



4 December 2018

# HOPE ISLAND RESORT

## Redevelopment Proposal

### Circular to all Owners

Dear Owner,

The Hope Island Resort Primary Thoroughfare Body Corporate (PTBC) Executive Committee wishes to inform all members of the PTBC, including all property owners in the Hope Island Resort Principal Body Corporate (PBC), about a major proposal to redevelop the Tennis Centre and Fitness Development properties within Hope Island Resort (HIR). Both properties are contained within HIR, and are members of the PTBC

For 8 years the PTBC has been trying to resolve the situation regarding the unpaid Body Corporate levies by the company who owns the Fitness Development site (FDS), Fitness Development Pty Ltd, which was placed into liquidation in 2010.

Despite all initiatives to address the growing debt caused by the owner not paying the annual levies, through the sale of the property to a willing developer, the PTBC has been thwarted by an uncooperative Mortgagee, who, as the major secured creditor, has controlled the property without having any obligation under the legislation that governs the Resort to pay the PTBC levies. The cumulative debt is now almost \$1.5m.

Because of the amount of the debt the PTBC has had to defer the implementation of many major projects and decline requests from members to improve and enhance the Resort. Such projects as revetment wall rocks along some canals and at Allabah Park, road renovations, security camera upgrades, landscape upgrades and numerous other important improvements that would enhance the Resort.

The PTBC is pleased to be able to advise members, that after several months of negotiation, a company registered in the name of Capgrow P/L, has been able to negotiate an agreement to purchase the FDS from the Mortgagee. In addition, Capgrow has reached agreement with the owner of the Tennis Centre to also purchase that property. The completion of the settlement to purchase both properties is subject to approval of an application to amend the approved scheme of development for Hope Island Resort.

Full details of the proposed application to amend the approved scheme of development for Hope Island Resort, which includes the proposed redevelopments, will be made available to all members of the PTBC and the PBC, including all Body Corporate Committees and every property owner in HIR following approval by the PTBC to process the application at its meeting scheduled for the 3<sup>rd</sup> December 2018..

In summary the proposed redevelopment of the two properties includes the following:

On the Tennis Centre Site -

- A high quality Retirement Village, to be operated by a professional Village operator, Reside Communities, who have a similar Village approved at Pacific Golf Club
- Two tennis courts and a gymnasium
- A Community facility, which will be available for use by all members of the PTBC and PBC
- A Medical Centre to service the Retirement Village and other external clients
- Shops and a café

On the Fitness Development Site -

- A professional Office Centre
- A Child-minding Centre in the existing building

The above development will be a great boon to HIR residents especially those who wish to downsize into a retirement village lifestyle with on-site facilities and services, but are still part of the Hope Island Resort community with all the benefits of the golf club, shopping centre and restaurants.

Should the proposed redevelopment of the two properties be supported by the various members of the PTBC and PBC, and approved by the Minister, there will be significant benefits to Hope Island Resort as well as the establishment of the professionally operated activities outlined above.

These can be summarised as follows:

- The negotiation of the settlement of the outstanding debt to the PTBC (currently almost \$1.5m), will be finalised.
- The levies of all members of the PTBC, including in the PBC, will be reduced, as the new owner will take over the responsibility for paying the PTBC levies from the date of purchase of the properties, following approval by the Minister.
- There may be further reimbursement or an offset of the excess levies paid by members of the PTBC and PBC relating to the payment of the levies not paid by the owner of the Fitness development site over the past 3 years.
- The total lot entitlements of the two sites will be reallocated to the various activities, which will provide a far more sound basis to achieve viable commercial operations in respect to each activity, in the long term, and guaranteed payment of levies.
- The two existing ugly properties, which greatly detract from the presentation of a main access point into Hope Island Resort, would be transformed into high quality assets for the benefit of Hope Island Resort generally.
- Deferred and declined PTBC projects throughout the Resort will be able to be funded and actioned.

All members of the PTBC and the PBC (Residential Bodies Corporate) and individual residents living in Hope Island Resort will receive a copy of the application to amend the approved scheme of development for Hope Island Resort from the PTBC, and will have the opportunity to lodge a submission to the PTBC expressing their support or otherwise for the proposed redevelopment. The PTBC will then lodge all submissions to the Minister for consideration.

Should the proposed redevelopment not receive appropriate level of support, then Capgrow are at liberty to withdraw the proposal and Hope Island Resort will be left with a burgeoning debt and eyesores, and in the long term as the debt increases, the Fitness Development Site will be vastly more unattractive to any prospective developer.

For any individuals seeking clarification on certain matters or who have any queries in regards to the proposed application to amend the approved scheme of development, Capgrow will be holding an open forum on **Wednesday 16 January 2019** at The Links Hope Island Golf Club between the hours of 4:00pm – 6:00pm.

Yours faithfully,  
For and on behalf of the Hope Island Resort  
Primary Thoroughfare Body Corporate

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