

2 April 2020

Wagga Wagga City Council  
Attn: *Belinda Maclure*  
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**Formal Request for Delayed Payment of s64 Contributions (due to Covid-19)**

**Holiday Inn Hotel & Suites and The Interlink Centre  
THE WAGGA MILL DEVELOPMENT**

Belinda,

Due to the current economic climate created by the global outbreak of COVID-19, continued works at The Mill Development are at risk.

The Owner's, ILC COMMERCIAL, whom I represent, are looking for assistance so as to ensure that they can commence construction of the 148-room Holiday Inn Hotel & Suites, and associated commercial building, The Interlink Centre.

As the Hospitality / Tourism sectors are suffering most under these current restrictions, pressure on the Project has increased significantly.

Specifically, the Property Valuation has been adversely impacted, which has greatly reduced the amount of funding available from our Financier.

This change to the amount that our Financier is able to lend, means that more equity would need to be provided upfront, by the Developer.

However, ILC COMMERCIAL has already injected several million dollars of equity into this Project, and unfortunately, as the gap now created by the reduced funding was unplanned, there is no further ability to 'tip-in' any more equity, without first incurring substantial delays.

This has created a large financial obstacle for the Project.

ILC COMMERCIAL is exploring all avenues potentially available, to avoid the Project needing to be put on-hold.

Up until now, the Project had some really positive forward momentum. Our recent Amended Council Application had been approved, an Early Works Package had been completed, and we're only a few weeks away from achieving the Construction Certificate for our Main Works (the balance of the site).

But, without a solution to this changed financial circumstance, unfortunately progress

on site risks grinding to a halt.

Accordingly, Council's assistance is requested by way of delaying the timing for payment of the s64 Contributions (currently required prior to issue of Construction Certificate (CC)).

For clarity, we are not requesting a reduction in the amount payable; just some assistance with cashflow, by deferring payment until Occupation Certificate (OC).

Occupation Certificate is still a very safe milestone to link payment of the contributions to, as without it, operation / trading of the Hotel and Commercial Building cannot occur.

Occupation Certificate is also quite an appropriate milestone to link payment to, as prior to achieving it, the additional demand on Council infrastructure generated by the new use, would not yet have commenced.

Occupation Certificate is forecast for approximately 14-16months after Construction Certificate (i.e. mid/late 2021).

Similarly, the same condition of the Council Consent (Condition 3) that prescribes the timing for the payment of the s64 contributions, also requires Riverina Water Country Council's (RWCC) fees and charges are to be paid prior to CC.

RWCC's fees are a similar amount to Council's contributions, and so, if Council were able to consider also deferring the requirement for payment of the RWCC fees, then this would maximize the cash-flow benefit to the Project – and assist greatly in achieving the objective of continuing on with the construction of the Hotel & Commercial Building in a timely manner.

Whilst it is understood that Council has no specific jurisdiction over RWCC, the requirement for RWCC's fees to be paid 'prior to CC' is mandated by Condition 3 of Council's Consent – which is within Council's control (i.e. if Council modify their Condition 3, then this can defer the timing for the payment of RWCC's fees).

Finally, from a 'greater-good' perspective, we're engaging a Local Contractor, which, in these difficult times, ensures that they will not have to 'let-go' staff (in fact, they'll actually be needing to hire additional personnel). Also, with a Project of this scale, it ensures continued and significant investment into the region, and guarantees hundreds of local jobs (both initially, during construction, and then permanently, once in operation).

Thank you for considering our request for assistance, due to financial hardship.

It would be greatly appreciated if Council would allow for the delayed payment (prior to OC, not CC) of Council Contributions and RWCC Fees to be permitted, in these circumstances.

Thank you for your continued support of The Mill Development!

Regards,



**James Maher**  
Project Manager

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