

DEVELOPMENT UPDATE

Dear Members

The long-awaited transition to getting the City Tattersalls Re-development up and running is finally here!

Following the conclusion of the deal to sell our hotel interest to the Developer, various aspects of the project have been re-designed including the Club and Hotel components.

The Developer is currently undertaking the final stages of the procurement process to select and engage a builder and have confirmed early investigation work are expected to commence in the next few months.

In an attempt, to making this update as easy as possible to follow, below is a table form summary of the key topics, I hope, members would appreciate being kept informed of the most. A copy of this update and the Artist's Impressions of the future Club Fit-out prepared by our interior's architects, FJMT are available on the Club's website and will also be available for discussion at the **Annual General Meeting on the 24th of May**.

To access the notice of AGM Circulated last week, click on this link.

<https://citytatts.com.au/wp-content/uploads/2022/04/Notice-of-Annual-General-Meeting-2022.pdf>

KEY UPDATE	SPECIFICS
Temporary Closure of CTC Pitt Street	<p>City Tatts Pitt Street including the TAB facility next door at 196 Pitt and the retail outlet at 194 Pitt Street will close in the coming months. A final date will be determined in conjunction with the Developer and will be advised to members as soon as date is confirmed.</p> <p>Ahead of what could be a 4-5 year long-temporary closure, we have setup new facilities in the following venues for the benefit of all members:</p> <p>The Castlereagh Club https://thecastlereaghclub.com.au/</p> <p>Within the Castlereagh, members will have access to:</p> <ul style="list-style-type: none">• A sports bar and gaming facilities at ground floor level,• A fantastic bar, lounge, alfresco seating areas and a restaurant run by celebrity Chef Colin Fassnidge on Level 1, and;• A world class fitness facility within the World Gym Castlereagh across two basement levels. <p>https://www.worldgym.com/castlereagh/home</p>



T: 02 9267 9421
F: 02 9261 3593



194-204 Pitt Street
Sydney NSW2000



members@citytatts.com.au
ABN: 44 004 054 353

www.citytatts.com.au



St James

Formally known as the St James Hotel on Castlereagh Street, towards to the corner of Market Street. St James will be (subject to Government approval) a temporary entertainment facility, we are hoping to hold for at least 3 years, subject to the building owner's redevelopment timetable for that building.

Within St James, members will have access to:

- A fun and easily accessible bar with an alfresco area at ground floor level,
- Access to the great Asian Style food and some traditional Western food items served by the team at Noodle Bay
- A well-appointed gaming area on the Level 1.
- An intimate function space on Level 1

The Barracks

<https://www.barracksonbarrack.com.au/>

Located towards the Northern end of the city, The Barracks is another great facility, our members can enjoy, in particular, its fabulous restaurant on Level 1, which is open (for lunch only) Monday to Friday and is run by Jason and beautiful wife Sue.

Barracks is also home to the Combined Services RSL Sub Branch, a welfare organisation that conducts several Veteran support activities, in recognition of the amazing work service men and women do for our country.

If you wish to support the RSL Sub-Branch, you can become an affiliate member for free by completing the form on the link below.

<https://www.rslnsw.org.au/sub-branch-listing/combined-services-rsl-sub-branch/>

Over the next couple of months, we will be making some further improvements to "The Barracks", one of which will be, the relocation of the gaming area to the basement, so we can open up the ground floor further and allow for live music and other activities to take place.

Builder Selection and Commencement of Construction and Construction Program

The Developer is currently overseeing the tendering process, and is due to report back in the coming months with a recommendation on the preferred contractor.

According to the latest development programme submitted by the Developer, these are the high-level “indicative” Development milestones:

- Club Relocation date 31/05/2022
- Building Contract executed 03/08/2022
- Commencement of works 03/08/2022
- Demolition 30/09/2022 to 07/03/2023
- Civil works commencement 20/02/2023
- Date for Practical Completion 0/07/2026

Worldwide supply chain issues and inflation impact on construction costs

Members will be aware that the current Worldwide Supply Chain issues have significantly impacted construction costs and programs in Australia and across major developed countries.

The Developer is currently assessing the impact of these issues on the project and is due to report back to the Club in the coming months.

The Developer is currently preparing a revised Cost Estimate for all base building components of the development via the independent Quantity Surveyor (WT Partnership). This updated report (**which is due imminently**) will inform us of the most likely costs to deliver the Club components under the current climate and will also provide an updated figure on the Club amount.

Total cost of building the future CTC Club House

Escalated Club Amount	\$84,099,842	Current estimate <u>dates back to</u> 30 June 2020
Developer Works CTC Component	Base Building	
Construction Costs	58,562,316	Based on WT Cost Estimate dated November 2021
Professional Fees	7,358,141	Capped Cost nominated by Developer
Statutory Fees	1,348,644	Capped Cost nominated by Developer
Contingency	2,745,424	Capped Cost nominated by Developer
Funding Costs Cap	8,700,000	Funding Cost Cap
Total Base Building Cost	<u>\$78,714,525</u>	
Surplus Available	\$5,385,317	
Club Fitout		
Core Club	\$38,417,587	Based on Slattery Cost Estimate April 2022
Non-Core Club	\$30,285,215	Based on Slattery Cost Estimate April 2022
Funding Requirement	\$63,317,485	

Look and Feel of our Future Club



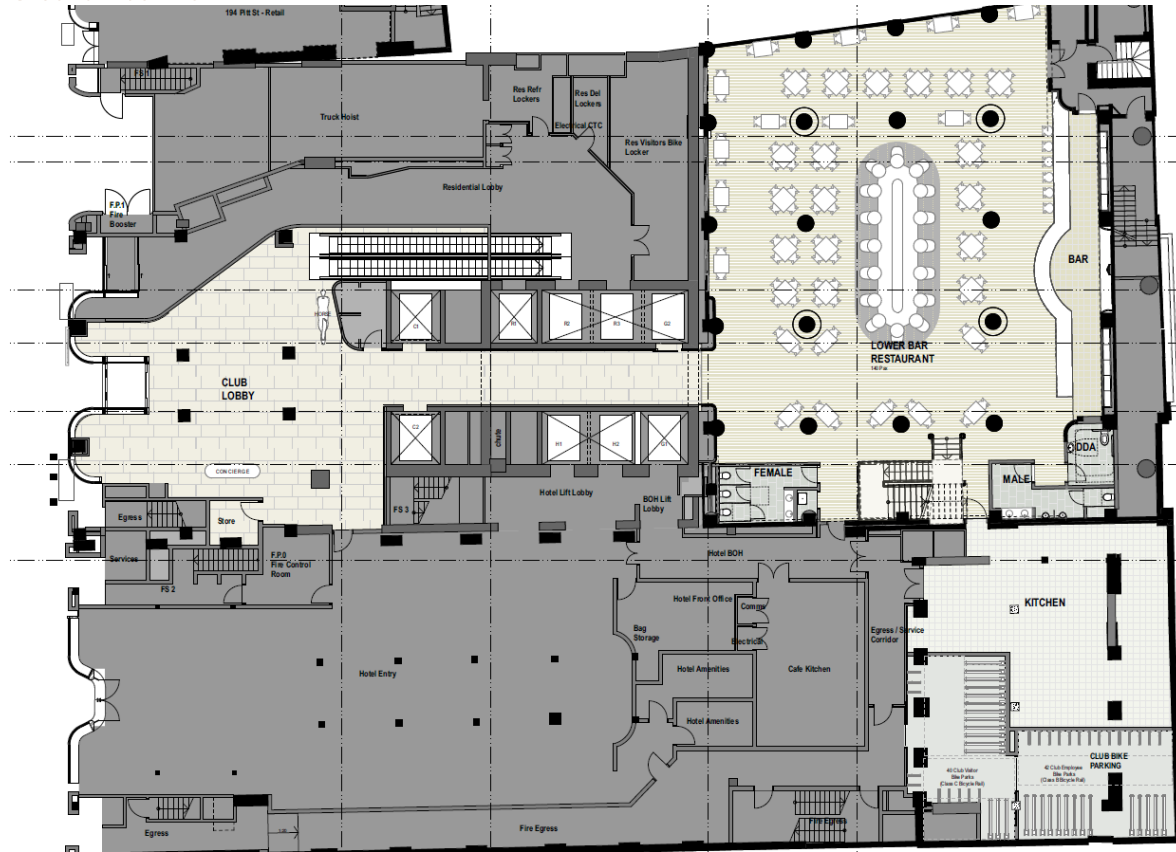
Club Entry – Ground Floor - FJMT Artist Impression only



Lower Bar and Grill Ground Floor - FJMT Artist Impression only



Ground Floor Plan



Members Lounge and Café Level 1 – Facing Pitt Street - *FJMT Artist Impression only*



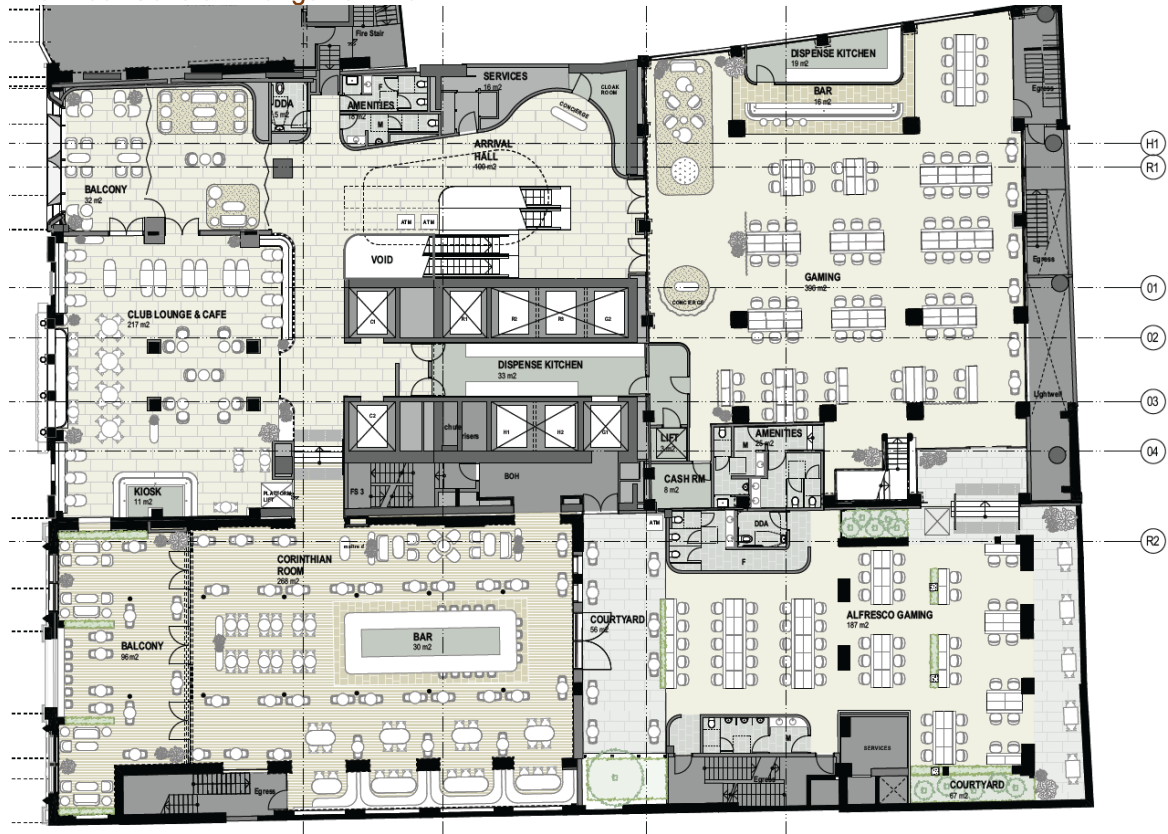
Zest Bar – Level 1 - *FJMT Artist Impression only*



New Gaming Area in the Old Celebrity Room – Level 1 - *FJMT Artist Impression only*



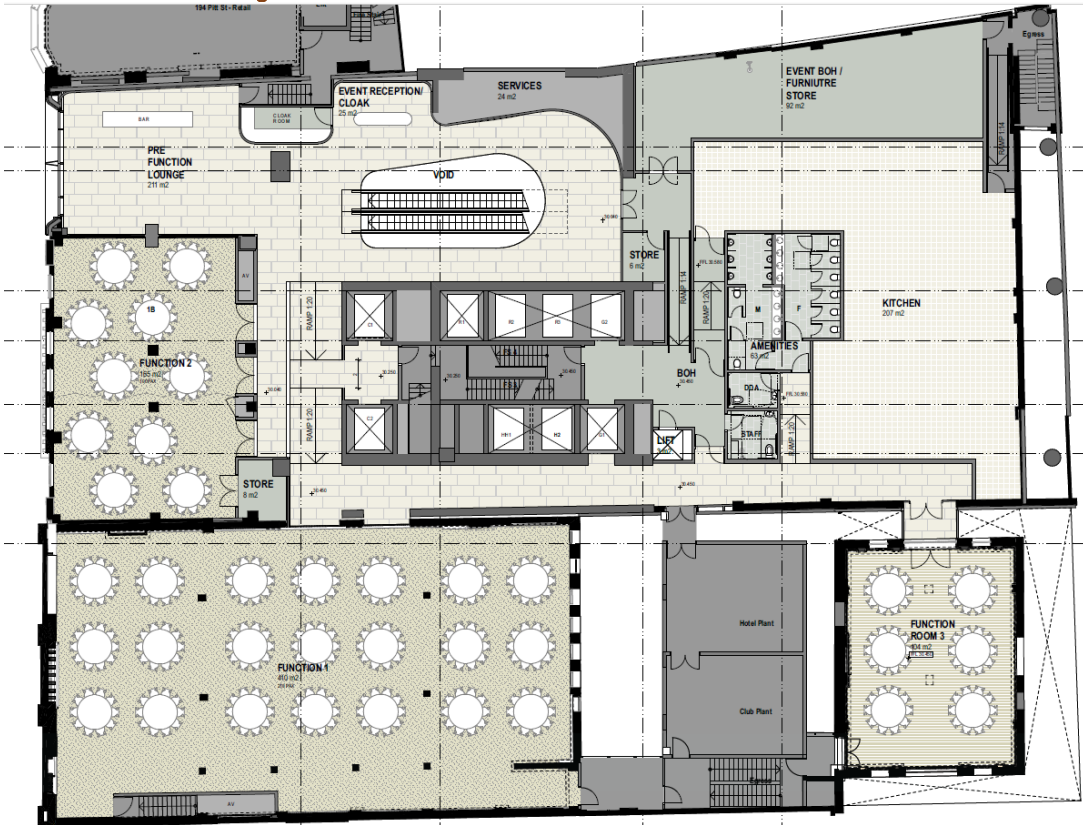
First Floor General Arrangement Plan



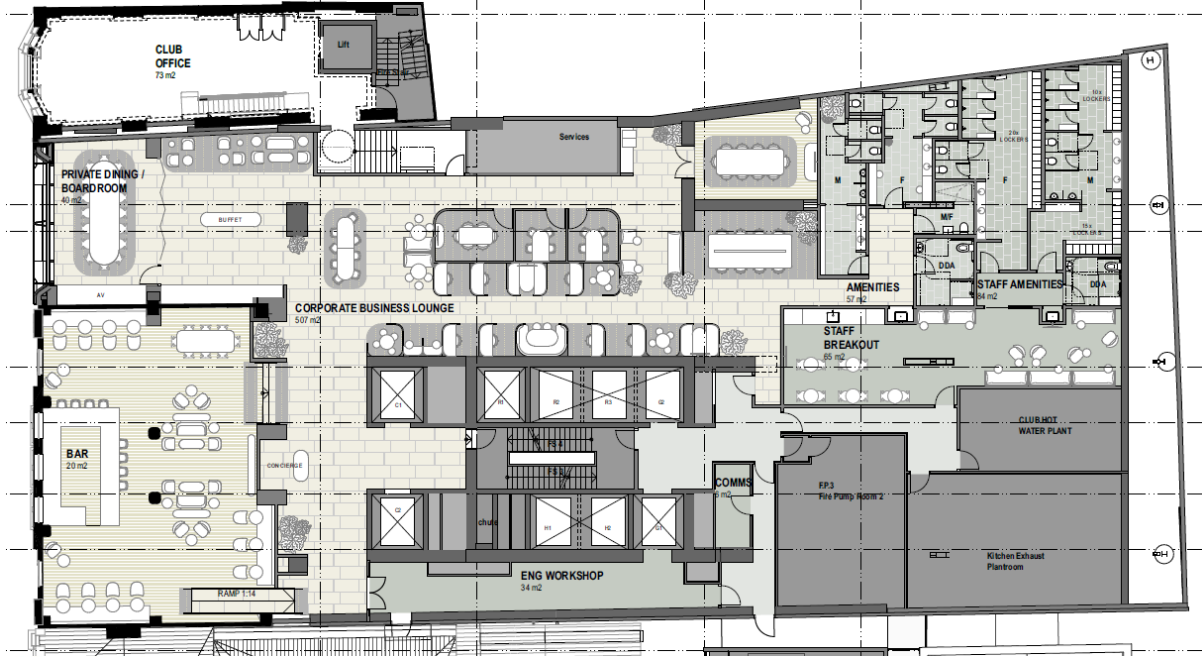
1 of 3 New Function Spaces - Level 2 - Lantern Fully Revealed - FJMT Artist Impression only



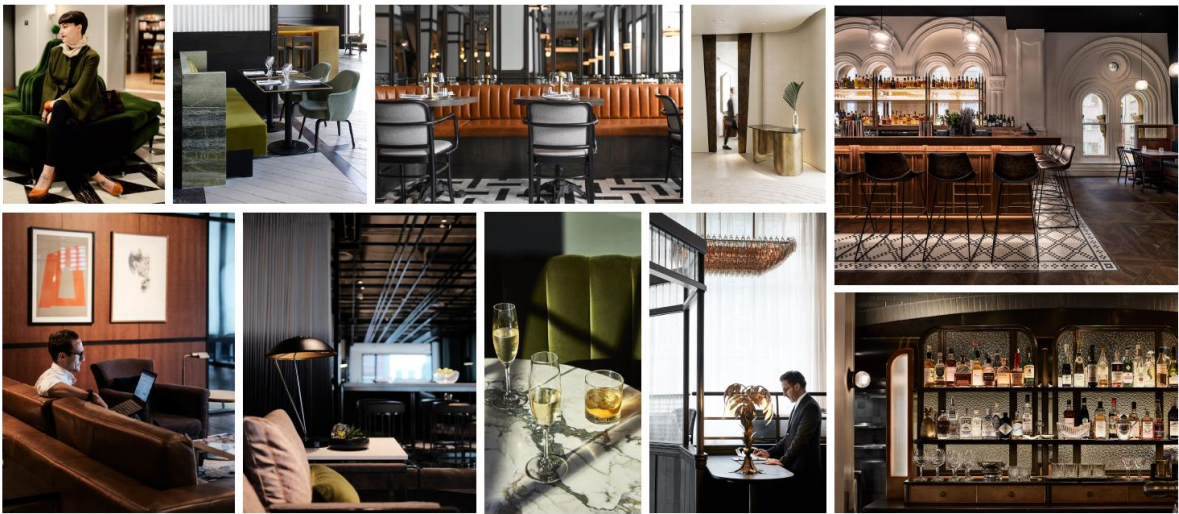
Level 2 General Arrangement Plan



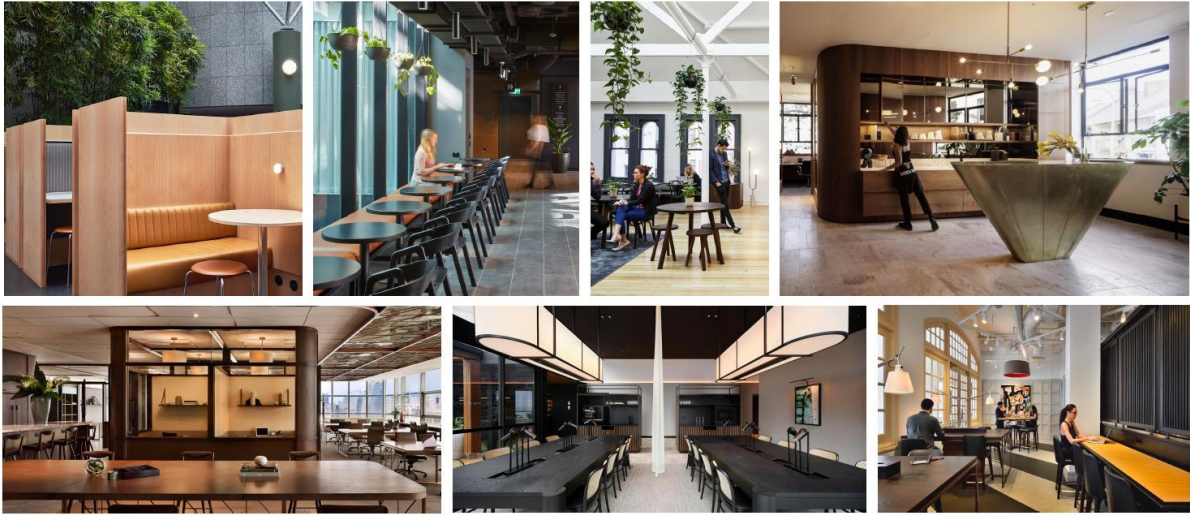
CTC Corporate Concierge & Platinum Members Area



Corporate Business Lounge
Lounge Bar Look & Feel



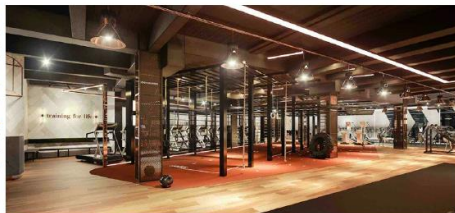
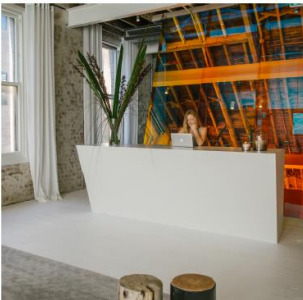
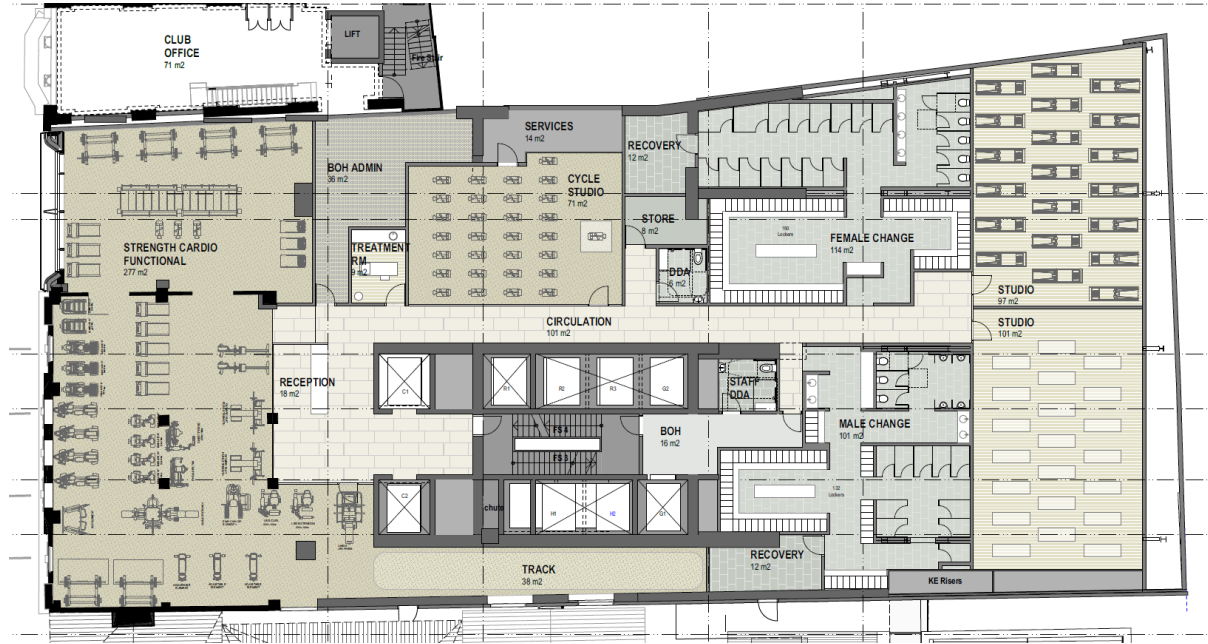
Corporate Business Lounge
Co-Working Space Look & Feel



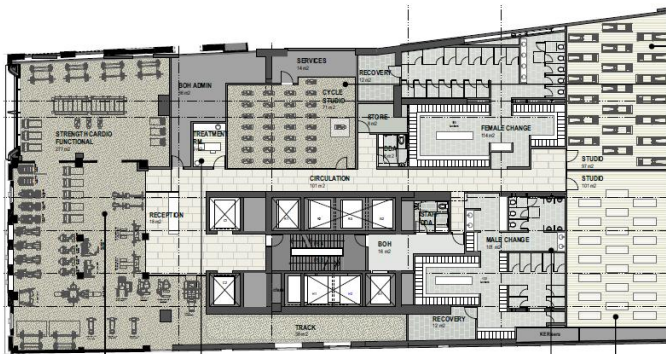
Corporate Business Lounge
Co-Working Space & Bar



CTC Fitness Area



Gym
Studios, Functional Training & Amenities



Reformer Pilates



Cycle Studio



Functional Training Zone



Treatment Room



Phanna Dome

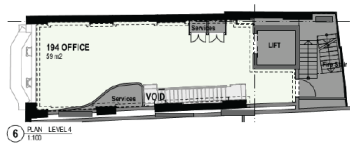
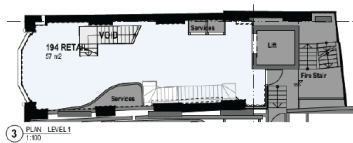
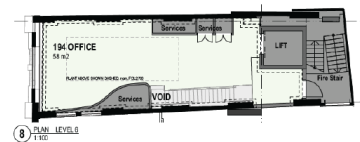
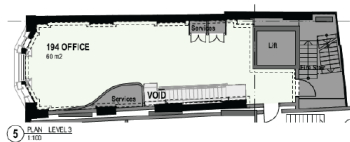
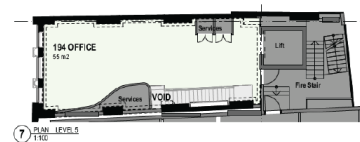
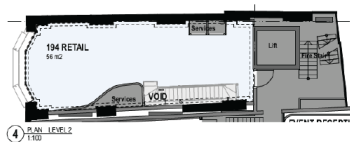
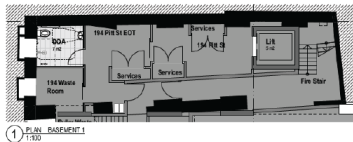


Yoga/Multi Purpose Studio

194 Pitt Street

We have managed to isolate the 194 building from the overall development. We are currently working with ICDFS and the FJMT team on improvements to the base-build of this property, that will eventually improve its commerciality in preparation of either leasing or selling this building.

Below is an artist impression of the building and indicative floor plans of how the floors will be commercialised.



DA Approval for CTC fitout

The Club has engaged Cadence Australia (now a division of Ernst and Young) to Project Manage the design and construction of the future Club fitout. We also engaged FJMT Interior Design to design the new Club and to prepare the plans and images included in this update.

Detailed design is being developed with the assistance of many other consultants for the project including, Heritage, Mechanical, Electrical, Hydraulic and Town Planning to name a few. A fitout Development Application is anticipated to be lodged with Council in late July and planning approval granted by the end of 2022.

Although work is not anticipated to commence for approximately 3 years, early design work ensures that we are able to coordinate and align the Club's fitout with the base build works

Procurement process Fitout delivery Partner for City Tatts

The design and documentation for the future Club fitout will follow a traditional tender process. The Club will procure competitive quotes from Builders based on the detailed design plans and specifications. The selected Builder for the Club's fitout of its floors, from Basement to Level 4 will be a separate Builder to the Head Contractor for the redevelopment.

The Club will separately manage the Fitout works. Fitout of the Club will commence as soon as the Head Contractor is able to hand over the Club's floors during construction of the overall project, to allow both the redevelopment project and the Club's fitout to be completed concurrently and open in 2026

Members, we recognise these are big changes and to help you navigate through these important changes, we will be holding a Q&A session at 4:30pm on the 16th of May.

At the session members will be able to ask question as they see fit in relation to the project, we can later share with the broader membership at the AGM on the 24th May.

Details of the Q&A Session

- 4:30pm Monday, 16th May 2022
- Reagh Bar, Castlereagh Boutique Hotel, 169 Castlereagh Street

Yours Sincerely,

Marcelo A. Veloz
Chief Executive Officer