

## DEC TO BE PUT ON OPEN MARKET

Glenorchy City Council has rejected as 'totally inadequate' an offer by HydraPlay to purchase the Derwent Entertainment Centre and will now seek expressions of interest from prospective buyers on the open market.

The expressions of interest process will also be open to HydraPlay, should they choose to make another offer.

Details of the offer, including the proposed purchase price, were being treated as 'commercial in confidence' at the request of HydraPlay. However, Council would be pleased, in the interest of transparency, to publicly release the Letter of Offer from HydraPlay dated 19 October 2018 if the authors provide their consent.

Mayor Kristie Johnston said Council had unanimously agreed that the HydraPlay offer was well short of what was considered acceptable for such a significant public asset.

"It is in the best interest of the community that we test the open market in trying to attract an acceptable offer," Mayor Johnston said.

As part of that process, Council has been provided with specialist advice, including that of the Tasmanian Valuer-General, to determine a realistic market value for the DEC. However, it admits that establishing a realistic valuation for the property is a challenge, with significant differences in the specialist advice it has already received.

Mayor Johnston said the HydraPlay offer was well below the lowest of the valuations received.

Council reiterates that the widely reported \$18.6m figure is not the market valuation but a valuation for accounting and depreciation purposes only.

She said that while price was clearly important, it would not be the only consideration in assessing any offer to purchase the DEC through the expressions of interest process.

"Council also wants to be assured that any future owner is prepared to invest in and develop the DEC for the benefit of the community through the provision of better facilities and increased entertainment options. The creation of job opportunities will be a further determinant as well as the credentials of the proposed purchaser to deliver on purchase commitments" Mayor Johnston said.

"Council has made it clear that it remains resolute in its determination to ensure that if the facility is sold, it is at a price that is both fair and reasonable and represents genuine value to the community."

**ENDS**

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