

KARRATHA — NORTH HOTEL DEVELOPMENT

2157. Mr C.J. Tallentire to the Minister for Lands:

I refer to the Karratha City of the North Hotel development outlined on the LandCorp website, and ask:

- (a) how many expressions of interest did you receive in this project and what were the names of the interested parties;
- (b) who was the successful tenderer and what was the successful tender price;
- (c) can you please outline the successful development proposal;
- (d) when will construction begin on the project and what is the anticipated opening date of the hotel; and
- (e) what is the nature and value of the incentive offered to the hotel developer by the State Government?

Mr D.T. Redman replied:

An Expression of Interest (EOI) was advertised in July 2013 seeking parties with suitable hotel development and operational qualifications and the financial capacity to undertake the project.

- (a) LandCorp received six Expressions of Interest from the following groups:
 - Blackwattle International - (Accor nominated as Operator);
 - Lyons Capital - (Marriott nominated as Operator);
 - Pindan Contracting - (possible Operators include Oaks and Quest);
 - Precinct Hotel Group - (Mantra Group proposed as Operator);
 - The Prendiville Group; and
 - Ramtron Australia - (Hilton Worldwide nominated as Operator).
- (b) As this was an Expression of Interest, there was no tender price required. Ramtron Australia is the preferred proponent and is responsible for the development, including builder procurement by tender or other.
- (c) Karratha's first 4.5 star hotel will feature 152 guestrooms, 20 serviced apartments, a gymnasium, swimming pool and a restaurant and bar at ground level that will open onto a public square.
- (d) Construction is still subject to development approval and the proponent securing construction finance, however based on its latest program, construction is scheduled to start in August 2014 and the hotel to open late 2015.
- (e) Consistent with the EOI request, proponents were asked to identify what incentives would be needed to assist in the delivery of their proposal. Ramtron requested incentives up to the value of \$4.5 million.