



25th January 2008

Richard Schuster
Co-ordinator Statutory Planning - St.Kilda/Albert Park
City of Port Phillip
Cnr Carlisle Street and Brighton Road
St Kilda, Victoria, 3182

Dear Richard,

Re: St Kilda Triangle

We wish to clarify several matters raised at our meeting yesterday with yourself and George Borg at the South Melbourne Town Hall. The information provided in this letter as a consequence of that meeting is relevant to the recommendations currently being prepared for the Statutory Planning Committee at the forthcoming meeting on the 7 February 2008.

The matters relate to further concessions made by Citta in consultation with Community Groups as outlined in our letter to Council dated 18/1/2008. These concessions build on, and in some cases, will supersede those made in our previous letter to Council last year (10/12/2007) and this may therefore require some adjustment to the corresponding recommendations presented to the Statutory Planning Committee at last years meeting (13/12/07).

The following are referenced to the 29 recommendations contained within the Statutory Planning Committee Report for the meeting of the 13th December, 2007:

- Recommendation No. 5: We confirm that the proposed Nighclub/Performance Venues will hold not more than 3000 patrons in total.
- Recommendation No. 6: We confirm that the St Kilda Common tenancy will be reduced from 1500sqm to not more than 900sqm of lettable area. The total number of permissible patrons will be subject to detailed analysis in conjunction with the tenant and will be established in conjunction with liquor licensing requirements.
- Recommendation No. 6: We confirm that, based on current negotiations with the preferred tenant, a cinema of between 600 and 650 patrons is envisaged. We request, in consideration to the reduction in Nightclub and Tavern use, that a cap of 650 patrons be adopted, provided that any increase can be accommodated within the allowable total gross area of the development.

- Recommendation No. 12: We confirm that the upper levels (above RL 11.00) of the Linden Building has been made available to the Council for a possible new cultural function and we request that the land use ascribed to this building be extended to include this use in addition to the currently defined use as a restaurant/cafe.

In addition to the matters outlined above we wish to advise you of the design improvements proposed to the Nolan building (corner of Jacka Blvd and Cavell St) and the Green building (west of the Palais). We believe these proposals will further enhance the project and address some of the concerns raised in the community regarding the lack of “expression” to the south-east and north-west corners of the Palais resulting from the proposed development.

The objective of these changes is to improve views of the Palais from a range of vantage points, strengthen it's appearance as a dominant and freestanding building on the site and reduce the bulk of new development immediately adjacent to the Palais. Additionally, we believe a more elegant resolution of Nolan Building may also result from the proposal.

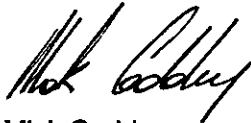
Our architects, ARM, presented the objectives of our proposal to the Convenor of the Council's Design Review Group, Jim Holdsworth, on the 24th January, 2008. Jim Holdsworth agrees that the principles underlying these changes presented a positive opportunity for the project design. Jim is aware that the following recommendation is being suggested by Citta for Council acceptance at the meeting of the 7th February 2008 and that you will be in contact with him to confirm his endorsement. It should be noted that any design amendments as contemplated by the suggested recommendation will require appropriate Design Review Group approval before being incorporated into the Development Plan.

We provide the following principles below for your consideration, discussion and possible inclusion in the forthcoming recommendations to the Statutory Planning Committee:

“That the following design enhancements be adopted;

- Reduction in the maximum building height of the Nolan building at the rear of the Palais such that it is similar in height to the Palais;
- Rebated façade (cinema boxes) at the rear of the Palais in Cavell St to provide visual separation of the Nolan building from the south-east corner of Palais and expose the vaulted profile of the roof;
- Lowering of the building immediately adjoining the front north-west corner and side of the Palais (Little Cavell St) to expose a significant portion of the Palais side wall;
- Chamfering the south-west corner of Green Building to increase views of the Palais side wall;
- Reduce the tapered appearance of the Nolan façade facing Jacka Blvd and reinforce the podium (nominally RL16) level of the Nolan building;
- Provide a minimal increase in the height of the Green Building to account for the redistribution of building volume noted above.”

We trust that the above matters are consistent with the Council's process of improving the proposed development during the current consultation period. Please do not hesitate to contact us if you wish to discuss these matters further.

A handwritten signature in black ink, appearing to read 'Mick Caddey', written in a cursive style.

Mick Caddey
Project Director
Citta Property Group
For BBC Triangle Investments Pty Ltd