

The evolution of



The \$80m resort-style hotel and apartment complex to be run by Outrigger Hotels & Resorts; The Gateway on Palmer; The Metropole Hotel redevelopment; and Solarus

More of everything on Palmer St

By **TONY RAGGATT**
Business editor

THE hotels are full and the restaurants have been buzzing in Palmer St.

But this is just a taste of what's to come for one of Townsville's most unlikely development hot spots.

The popular dining strip is in the midst of a construction boom and more than \$560 million worth of projects are either under way or on the drawing board.

More restaurants, taverns and conference facilities and more than 600 units and hotel rooms are planned for the next two years.

While they may not all be built, there's no doubt Palmer St is booming.

One of the first developers at Palmer St, Townsville businessman Jon van Grinsven, told the *Townsville Bulletin* this week that he was just as surprised as anyone at its development.

He attributed much of the success to a combination of events, both in the street and out of it, to the availability of parking and to just plain coincidence.

Mr van Grinsven developed the Southbank motel in 1988 when the street was little more than a collection of doss houses for drunks.

The Sheraton casino hotel had just been developed, the city had an international airport and tourism entrepreneur Doug Tarca was operating a floating hotel on the reef off Townsville.

However, the council was opposed to high-rise buildings on The Strand and the city centre had a huge mall that was not

working commercially — leaving developers unsure where to turn.

Mr van Grinsven said it was the council's then-town planner Phil Dance who helped get Palmer St going when he supported development of the Southbank motel.

The transit centre was developed as a terminal for coaches, which helped bring the backpackers and the tourists, and Mr van Grinsven opened one of the first restaurants, Cactus Jacks, in an old chandlery store in 1990.

"From the first day Cactus Jack's was a hit," Mr van Grinsven said. "I couldn't believe how many people came."

The council relaxed parking requirements for the restaurant but at that time much of the property on the street was vacant and was available for parking.

"I think originally what made it was all the vacant lots across the road (for parking)," Mr van Grinsven said.

Restaurateur Michel Flores was attracted to Palmer St from Flinders St East and other restaurants followed.

Mr van Grinsven said the Federal Government's better cities program pumped money into improving the streetscape but could have killed it off with initial plans to turn the street into a mall.

"(Mayor Tony) Mooney understood they already had one dead mall and the last thing they wanted was another dead mall so they quickly changed the plans," he said.

"If you get a catalyst of a couple of good traders, the others feed off it."

It was a point lost on many people about Flinders Mall, he said.

Nobody will go there without

good retailers and good retailers will not go into a dead mall.

Mr van Grinsven said the character of Palmer St would continue to evolve and the development of accommodation would feed further into the restaurants.

Sydney developer Peter Bega is developing three unit and retail complexes, including Solarus on the old Crown Hotel site.

He said Palmer St had all the attributes he was looking for — a popular dining strip, water frontage and views facing north.

"All towns that are vital have one or two dominant streets and in Townsville you have two: The Strand and Palmer St," he said.

Town planner Phil Dance was not claiming all the credit for Palmer St.

He said the Southbank had been a big venture for the van Grinsven family, who as pioneers had taken a lot of risks in its early development.

To the credit of other restaurateurs, they had seen the merit in attracting other operators, he said.

Melbourne developer Warren Thompson is embarking on a fourth venture in Palmer St, a \$100 million redevelopment of the Transit Centre. He said development of the restaurants and the area's proximity to the CBD had been its making.

"It's very convenient," he said. "At night time it gives you a choice of places to eat and it's still a short walk to Flinders St."

"Palmer St and the (Breakwater) waterfront development are going to change the whole face of Townsville."



WHERE IT BEGAN . . . The Southbank Hotel and Convention Centre in Palmer St

Photo: EVAN MORGAN

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Grounded on safety issues

THE Civil Aviation Safety Authority (CASA) has grounded a Cairns-based airline because it allegedly failed to meet pilot training and safety standards.

A CASA spokesman said Aero-Tropics, which flies 15 small aircraft to Cape York, Thursday Island and the Torres Strait, was served with a notice to ground all aircraft at 6pm yesterday.

"We believe they pose a serious and imminent risk to air safety," a CASA spokesman said.

The grounding comes after a 10 month investigation into training and pilots at the airline.

"We've had an investigation going since last September into Aero-Tropics," the spokesman said. "We have found a number of deficiencies in that 10 months."

"We've issued a number of notices to the airline to make improvements, and put them on notice that we were dissatisfied with their performance. "In effect they have not improved

anything and in recent days we've done more investigations and found safety standards have got worse."

He said the decision was not made due to any incidents with the fleet of 15 seven to 11-seater aircraft or the pilots operating them.

The airline will be grounded for at least five days.

CASA will now apply to the Federal Court for a 40-day extension to the grounding.

"Within that 40 days we have to build a case to put them on the ground permanently, or alternatively the airline can build a case to say why they should be allowed to continue to fly," the spokesman said.

Air services to the region will be disrupted over the weekend and into next week.

A recorded message left on Aero-Tropics' answering machine said it would challenge the decision in the Federal Court on Monday.

our dining mecca



POSSIBILITIES . . . an artist's impression of a tower block planned for the Transit Centre site

Apartments put people in the heart of the action

By **TONY RAGGATT**
Business editor

MELBOURNE developer Thompson Property Group is proposing a \$100 million redevelopment of the Townsville Transit Centre in Palmer St.

The company has lodged a development application with Townsville City Council for a project covering much of the 6000 sq m site, including two residential towers to 14 and 11 levels as well as restaurants and shops.

A part of the site where a BP service station trades at the corner of Plume and McIlwraith streets will not form part of the development.

The transit centre is to be demolished.

"It's an exciting street and this site needs to be redeveloped," Thompson Property Group principal Warren Thompson said yesterday.

"It's going to be the 'in' spot in Townsville."

The company is planning 117 apartments in two towers, one facing Palmer St, the other fronting Plume St.

Ground-floor restaurants are planned for Palmer St and shops on Plume St.

A three-level car park is proposed for McIlwraith St.

The towers are to be built around a pool and landscaped area, with a mix of accommodation types and styles.

The application says the development exceeds the height limit of 12 levels on Palmer St but submits that the project does not jeopardise planning expectations for the area given its nexus with the CBD.

"I think we've designed a development that is not as large as it could have been," Mr Thompson said.

He expected to be able to start construction in late 2009 and possibly develop in two stages, with a completion in 2011.

He believed the market was there for units provided they could be delivered at an affordable price.

"Demand for accommodation in Townsville is not going to slacken off," he said.



Riva on Palmer

“It’s an exciting street and this site needs to be developed. It’s going to be the ‘in’ spot”

"The growth rate is well above the national average."

Thompson Property Group has developed the Ibis Hotel and is building the Grand Mercure Hotel, both in Palmer St, and has a minority interest with fund manager Opus Capital in another development also in Palmer Street, the Riva apartment project.

Work to excavate Riva's multi-level basement car park started in 2006 and stalled when the project was redesigned to add another three floors.

Mr Thompson said it had taken close to a year to gain approvals for the redesign and negotiations were under way with a builder.

A new marketing campaign for its units would be launched in July.

PALMER STREET'S \$560M MAKEOVER

\$70m - Gateway on Palmer
112 apartments, restaurant, cafe and conference facilities

\$35m - Metropole Hotel
apartments
52 units (104 rooms)

\$50m - Glen Alpine
arcade and unit complex
66 units, two levels retail

\$80m - Laing O'Rourke
hotel/apartments
160 rooms/ retail



Michels Cafe and Bar refurbishment

\$100m - Transit Centre
towers
117 units/ retail

\$65m - Riva apartments
74 units

\$75m - Solarus
73 units

\$50m - Allure
46 units

\$35m - Grand Mercure
Hotel
106 rooms, two restaurants

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The Museum of Tropical Queensland's Free Fun Holiday Program 30 June - 14 July

If you go down to the museum in the holidays, you're in for a big surprise! It's mammal mayhem with a whole host of activities, movies, fun and games!

Entry to the museum is free for residents of Townsville, Burdekin and Charters Towers councils.

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Queensland Government | museum of tropical queensland | queensland museum

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