



MEDIA RELEASE

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Chelsea Cinema Update

Elected Members from Burnside Council have held confidential discussions about the long term lease of the Chelsea Cinema as part of the Expressions of Interest process.

Expressions of Interest for the lease of all, or some, of the Chelsea Cinema (the Cinema proper, the non-Cinema parts of the building, the adjacent land to the east and the house property at 39 May Terrace), commenced in July 2011 and closed on July 29, 2011. Negotiations are now underway with selected applicants.

The confidential discussions ensure that the Expressions of Interest process is not compromised by participants obtaining information about the identity of parties who have submitted an application to lease Chelsea Cinema. Confidentiality will also ensure details of any offer submitted to Council will not be released publicly until the appropriate time.

“Council is attending to the process carefully and diligently,” said Mayor David Parkin.

“Council is mindful of the interest of the community in the process surrounding Chelsea Cinema but it regards confidentiality at this time to be of fundamental importance to the proper discharge of its obligations.”

“At the appropriate time, detailed information will be released. It is not possible at this time to determine exactly when the process will reach fruition” said Mayor Parkin.

Burnside Council has resolved to retain ownership of the Chelsea Cinema with its principal use being retained for cinema entertainment, confirming that the Cinema will not be sold. Wallis Cinemas formally held a lease over the Chelsea Cinema between 1995 and 2006 after occupying the main premises since 1971. Lease arrangements have been in place with other parts of the Chelsea Cinema precinct that are not part of the cinema function.

While the Company did not exercise all of its rights to renew its lease, resulting in the lease expiring in December 2006, it has continued to occupy the building under certain ‘holding over’ provisions of the lease agreement, at an annual rental of \$40,072.56. These lease provisions also permit Wallis to give one month’s notice to Council to terminate the tenancy.

Council has provided six months notice to Wallis earlier this year so the building can be vacated prior to any new lease being issued.

The Chelsea Cinema precinct was listed on the South Australian Heritage register in 1983.

Detailed information about the negotiations will be released by Council at the appropriate time.

For all media inquiries please contact Alisha Gangell, Communications Officer, City of Burnside on 8366 4181 or agangell@burnside.sa.gov.au.

Issued by:

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