

Management report to Council

Agenda item 6.6

Proposed discontinuance and sale of part of Riverside Quay Melbourne, and sale of part of Riverside Quay Reserve

Council

Presenter: Michael Tenace, General Manager Finance and Corporate

23 February 2021

Purpose and background

1. The purpose of this report is to seek endorsement to commence statutory procedures relating to the proposed discontinuance and transfer of a portion of Riverside Quay road reserve (the Road) adjacent to 12 Riverside Quay, Southbank (Esso House) and transfer of a 166m² portion of the Riverside Quay Reserve (the Adjoining Land), as outlined in Attachment 2 (Proposal).
2. The Road has an area of approximately 130m² and abuts Esso House. The Adjoining Land has an area of approximately 166m² and forms part of the Riverside Quay Reserve (owned by Council). The removal of the reserve status was considered at the Future Melbourne Committee on 13 October 2020, and was deemed appropriate given the subsequent delivery of a more significant public open space offering on Southbank Promenade delivered through the redevelopment of Esso House.
3. Nice Future International Investment Pty Ltd (the Applicant), has expressed an interest to acquire the Road and the Adjoining Land as a part of its development, which was recently approved by the Minister of Planning. As a part of this approval, approximately 1,000m² has been allocated on the Applicant's land fronting Southbank Promenade for a new open space to be vested in the Council (Attachment 3).

Key issues

4. Management's preliminary assessment of the proposed discontinuance indicates the Road is not reasonably required for public purposes, nor is it likely to be required in the future. The removal of the Road is not considered to impact on the safe and efficient functioning of the balance of Riverside Quay.
5. With the exception of street lighting and street trees, there are no assets located on the Road and no easements are required as a result of the discontinuance. Furthermore, any rights, powers or interests held by Council or any other public authority in the Road in connection with any sewers, drains, pipes, wires or cables under the control of the authority in or near the Road are preserved.
6. It is proposed that management commence the statutory procedures to consider the proposal to discontinuance the Road and transfer the Road and the Adjoining Land to the Applicant. This will involve Council giving public notice and considering any submissions received in accordance with section 206 and clause 3 Schedule 10 and section 189 of the *Local Government Act 1989*.
7. Following the public notice process and consideration of any submissions received, Council will then make a decision whether the Road is not reasonably required for public use, is surplus to Council's requirements and the suitability of its discontinuance and whether the Road and Adjoining Land should be considered for transfer.
8. The transfer of the Road and Adjoining Land will be based on a market valuation to be prepared in accordance with Council's Road Discontinuance and Sale Policy. Notwithstanding, given that a significantly larger land parcel is to be returned to the Council by the Applicant, it is proposed that the land forming the Road and the Reserve will be transferred to the Applicant in lieu of paying market value.
9. Given the dimensions and layout of the Road and the Adjoining Land, the land's value is only likely to be realised through consolidation into the adjoining Esso House as a part of a holistic redevelopment. The area of land to be returned to the Council by the Applicant is significantly greater than the Road and Adjoining Land, and the proposed open space is considered to provide a better community outcome.

Recommendation from management

10. That Council:

- 10.1. resolves to commence the statutory procedures pursuant to Schedule 10, Clause 3 and sections 189 and 223 of the *Local Government Act 1989* (Act) and place a public notice in The Age newspaper and on the City of Melbourne website of Council's proposal to discontinue and transfer a portion of Riverside Quay road reserve adjacent to 12 Riverside Quay, Southbank and transfer the adjoining land (previously known as a reserve) at Riverside Quay (Proposal) to Nice Future International Investment Pty Ltd
- 10.2. notes that:
 - 10.2.1. any submissions received in relation to the Proposal will be considered by the Council's Submissions (Section 223) Committee, which will report back to Council
 - 10.2.2. if no submissions are received in relation to the Proposal, a further management report will be presented to Council for a final decision.

Attachments:

1. Supporting Attachment (Page 3 of 5)
2. Proposed Discontinuance and Sale Plan (Page 4 of 5)
3. Esso House Incorporated Document Plan (Page 5 of 5)

Supporting Attachment

Legal

1. Pursuant to sections 189, 206(1) and 223 and clause 3 of Schedule 10 of the Act, the Council must give public notice of any proposal to discontinue and transfer the Road and the Adjoining Land. Any submissions received in the submissions period, must be considered by the Council before a decision is made. All submitters must be advised of the Council's decision and the reasons for that decision.

Finance

2. The 1,000m² area of land to be vested in Council by the Applicant is expected to have a value significantly greater than the Road and Adjoining Land value, and the proposed open space is considered to provide a better community outcome. A valuation report is currently being commissioned and will be presented to Councillors when considering the transfer of land however it is anticipated that the proposal, if endorsed, will result in a more favourable position for Council.

Conflict of interest

3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

Health and Safety

4. In developing this proposal, no Occupational Health and Safety issues or opportunities have been identified.

Stakeholder consultation

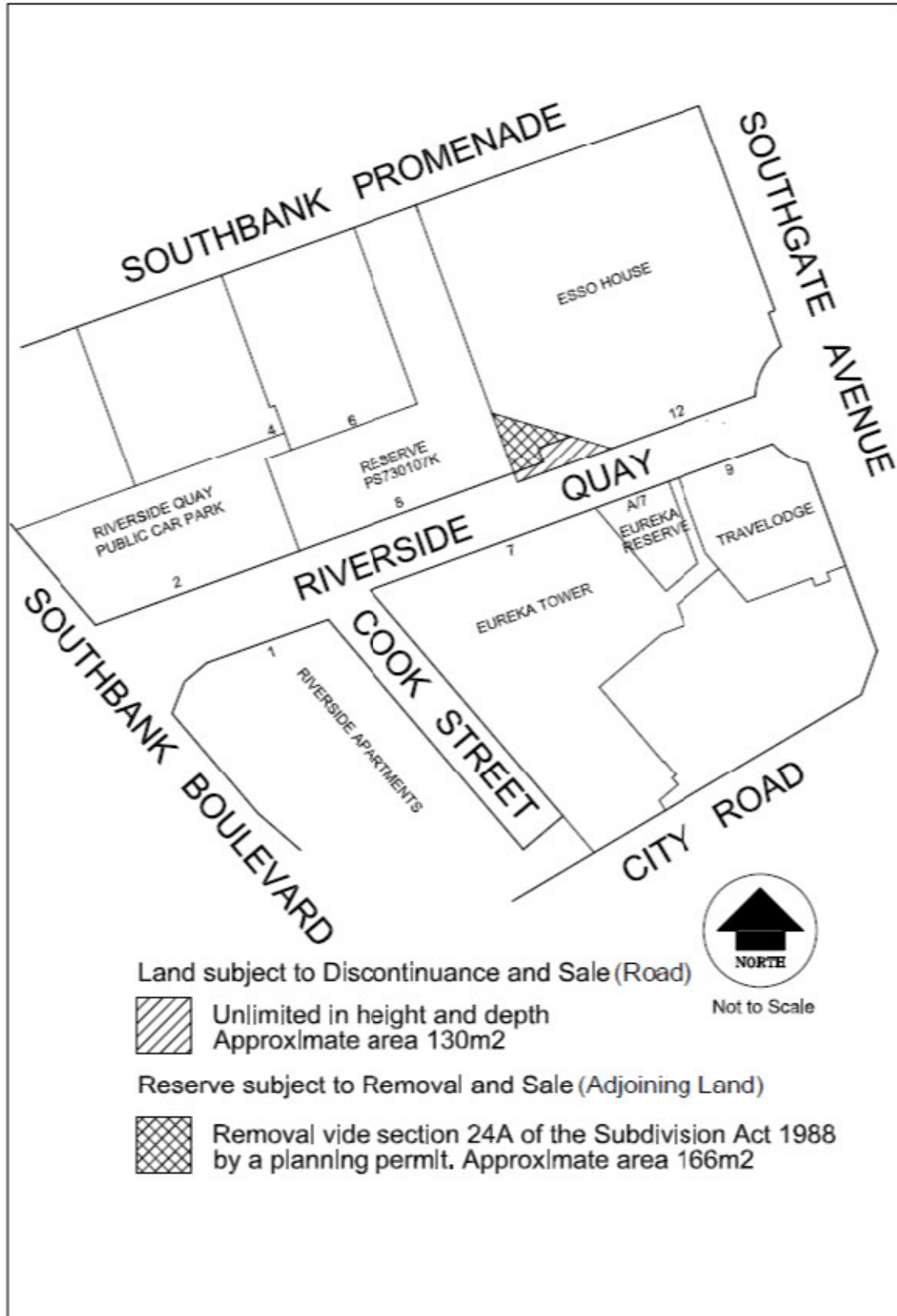
5. The purpose of this report is to commence public consultation for the proposal pursuant to section 223 of the Act.

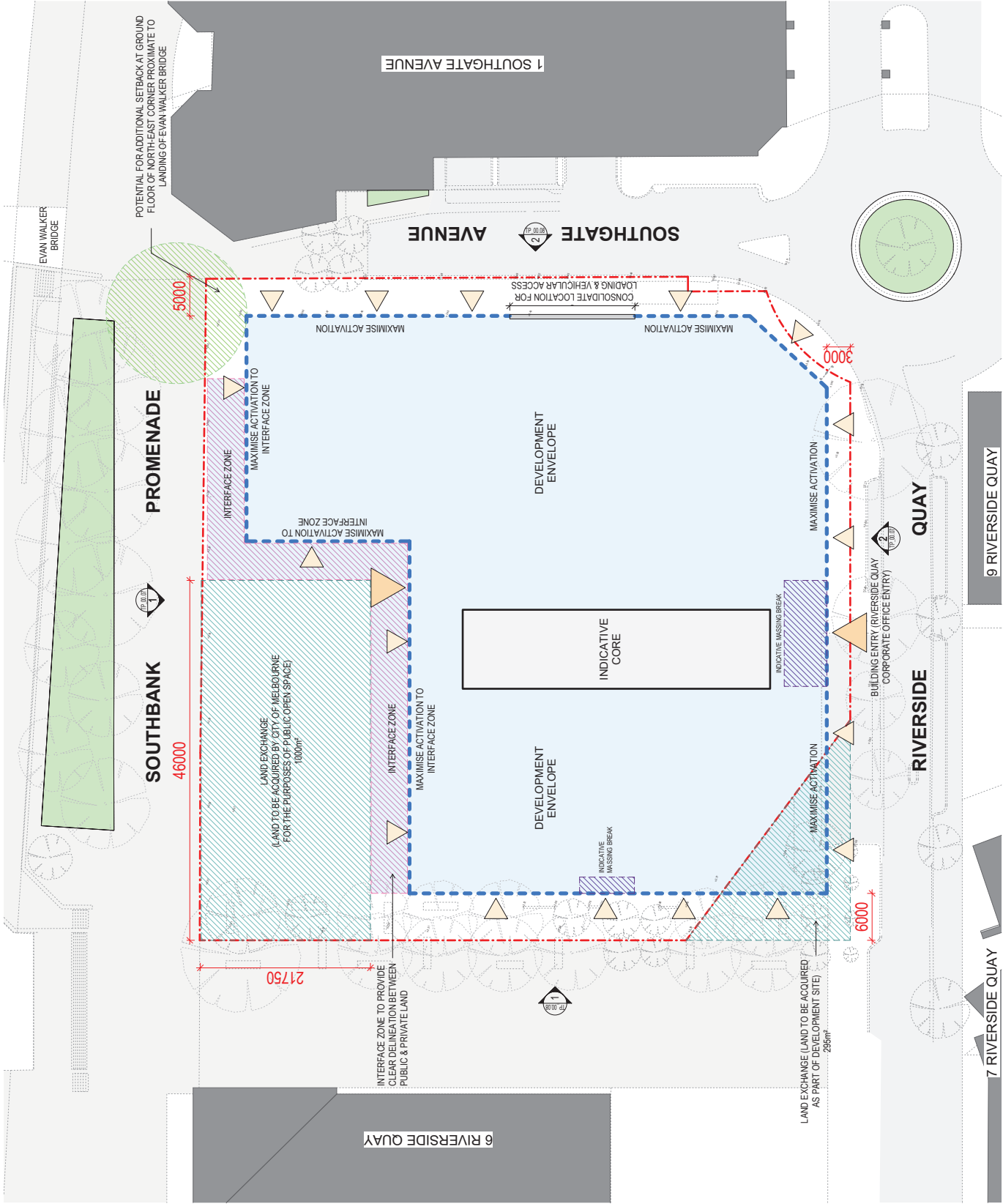
Relation to Council policy

6. This report has been prepared in accordance with the Road Discontinuance and Sale Policy.

Environmental sustainability

7. In developing this proposal, no environmental sustainability issues or opportunities have been identified.





Project No: 2213
Drawing Title: GROUND PLAN
Status: SKETCH DESIGN

Revision: A
Drawing No: TP_00.01

Author: 21/May/20
Date Printed: 1/25/20/21
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