

**ORDINARY MEETING OF COUNCIL
25 MAY 2009**

ORDER OF THE DAY

ORDER 1	REVIEW OF THE GOVERNANCE ARRANGEMENT APPLYING TO THE DEVELOPMENT OF THE ST KILDA TRIANGLE SITE
LOCATION/ADDRESS:	ST KILDA'S EDGE PRECINCT
RESPONSIBLE EXECUTIVE DIRECTOR:	KAY RUNDLE, CHIEF EXECUTIVE OFFICER
AUTHOR:	KAY RUNDLE, CHIEF EXECUTIVE OFFICER
FILE NO.:	38/09/18
ATTACHMENTS:	NIL.

1. EXECUTIVE SUMMARY

- 1.1. This report examines the governance arrangements applying to the development of the St Kilda Triangle site, and recommends that Council dissolve the St Kilda's Edge Committee and reinstate its role directly as decision maker for the future of the St Kilda Edge developments, including the St Kilda Triangle Site.

2. RECOMMENDATION

- 2.1. That the Council resolve to:
- dissolve up the St Kilda's Edge Committee, a section 86 committee of the Port Phillip Council established on 2nd August 2004, and the instrument of delegation to that committee be revoked, to be effective immediately upon adoption of this resolution by the Port Phillip City Council
 - advise the current members of the St Kilda's Edge Committee of Council's decision and thank them for their past contribution to the work of the Committee and the Council.
 - note that the CEO intends to establish a liaison committee with no delegated powers, for the purpose of liaising with representatives of the Victorian Government regarding implementation of the St Kilda's Edge: Foreshore Urban Design Framework, including matters relating to the St Kilda Triangle development.

3. DISCUSSION

Background

- 3.1. The Council is the Committee of Management for the St Kilda Triangle site, being reserved Crown land. It has entered into a Development Agreement dated 25 May 2007 with the Minister for Planning on behalf of the Crown in right of the State of Victoria and BBC Triangle Investments Pty Ltd in its personal capacity and in its capacity as trustee for the Trust (Developer). The Trust is the BBC Triangle Investment Trust, a joint venture of Citta and Babcock and Brown.
- 3.2. The Development Agreement was varied by a Deed of Variation dated 10 May 2008 and a Second Deed of Variation dated 24 October 2008.
- 3.3. The site is zoned Special Use Zone and is subject to a Development Plan Overlay that requires a Development Plan be approved before a planning permit is issued. The Development Plan was conditionally approved on 7 February 2008 and endorsed under delegation on 8 August 2008. It was the subject of an appeal under Section 149B of the Planning & Environment Act to the Victorian Civil and Administrative Tribunal by unChain St Kilda (application P2621/2008). On 18 May, VCAT handed down its decision that rejected the five grounds of appeal and thus dismissed the application.
- 3.4. The Developer is required to obtain a planning permit(s) prior to development and for some land use, and the permit must be generally in accordance with the Development Plan. Planning permits for this site are exempt from third party-appeal rights.
- 3.5. In 2004 Council established the St Kilda's Edge (SKE) Committee, a section 86 special committee under the Local Government Act 1989. The SKE Committee has the power to enter into contracts for consultancy services and minor capital works; negotiate and make recommendations to Council in relation to contracts for design, construction, finance, maintenance and operation of the St Kilda's Edge Project; and "otherwise do all things necessary or convenient to be done ..." to deliver the project. The St Kilda's Edge Project is much broader than the development of the St Kilda Triangle site and relates to implementation of the *St Kilda's Edge: Foreshore Urban Design Framework* adopted in 2002, however the St Kilda Triangle site is a significant component.

St Kilda's Edge Committee

- 3.6. The SKE Committee is chaired by Council's Chief Executive Officer and in addition comprises up to three independent members; up to three Councillors; two State Government representatives; and Council's Manager City Strategy (now Executive Director Community Development & Planning). Current members are:
 - Chief Executive Officer: Kay Rundle
 - Independent members: David Elsum and Liz Johnstone

- Councillors: Cr Frank O'Connor (Mayor), Cr John Middleton and Cr Serge Thomann
- State Government: Peter Watkinson (DSE), David Heale (DSE) Chris Hardman (Parks Victoria) and Brad Ostermeyer (Tourism Victoria)
- Executive Director Community Development & Planning: Geoff Oulton

3.7. The St Kilda's Edge Committee has for the past five years overseen a range of developments associated with implementation of the *St Kilda's Edge: Foreshore Urban Design Framework* including:

- St Kilda foreshore promenade and pier entry – Completed at a cost of \$8.4m
- Luna Park Interchange (Carlisle/Acland intersection) – design nearly finalised
- West Beach Pavilion – refurbishment of derelict pavilion
- St Kilda harbour – masterplan completed and exhibited
- St Kilda Pier kiosk – reconstruction following the fire
- Fitzroy Street Connections – works underway and to be completed soon
- Solar system art installation - completed in September 2008
- St Kilda Triangle site development – contract and planning approval achieved

3.8. The St Kilda's Edge Committee has been successful in bringing together different levels of government, independent members, and expert advice around the table to resolve and progress the various projects. This has been particularly helpful in progressing complex projects such as the St Kilda Harbour and the St Kilda Foreshore Promenade where the cooperation of different levels of government and the input of expert advice has been instrumental in resolving issues and finding new and better ways to address the various issues. In a 5 year period it has overseen the commencement of 80% of the 18 projects in the St Kilda Foreshore Urban Design Framework 20 year vision and seen the completion of 40% of these projects.

3.9. With the election of a new Council, there is an opportunity for Council to resume the direct role as the decision maker in relation to the future of the St Kilda Triangle development. It is proposed that the SKE Committee be disbanded and Council resumes the powers previous delegated to the Committee.

3.10. If the SKE Committee is disbanded as recommended, the liaison function previously performed by the Committee will cease. There are great benefits

to be derived from maintaining a strong partnership with Victorian Government departments at a senior level. It is therefore proposed that the Chief Executive Officer form a new senior level officer committee with representatives of the State Government. This will foster positive ongoing relationships and facilitate cooperation with regard to future assistance that may be required to implement the Council's vision.

- 3.11. A review of the current Deed of Delegation to the Project Administrator and the consultants required to provide assistance to council in achieving its vision will be undertaken.