



8.3

VICTORIAN PRIDE CENTRE - REVIEW OF SUBMISSIONS IN RESPONSE TO PUBLIC NOTICE, AS REQUIRED BY SECTION 189 AND 223 OF THE LOCAL GOVERNMENT ACT 1989, FOR THE INTENTION TO TRANSFER PROPERTY AT 3/77 FITZROY ST, ST KILDA TO THE VICTORIAN PRIDE CENTRE

WARD:

LAKE

GENERAL MANAGER:

CHRIS CARROLL, ORGANISATIONAL PERFORMANCE

PREPARED BY:

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TRIM FILE NO:

66/27/05

ATTACHMENTS:

1. Attachment 1 Map and Aerial Image 3.77 Fitzroy St

PURPOSE

To hear and consider public submissions from interested parties as required by Section 223 of the *Local Government Act 1989* in response to the notice published in accordance with Section 189 of the *Local Government Act 1989* in The Age, on CoPP web-site and in the Local Leader newspaper advising of City of Port Phillip's intention to sell the land located at 3/77 Fitzroy St, St Kilda to the Victorian Pride Centre.

RECOMMENDATION

That Council:

- 1.1 Notes that under clause 189 and 223 of the *Local Government Act 1989* a public notice inviting submissions from interested parties in relation to the City of Port Phillip's intention to sell the land owned by the City of Port Phillip located at 3/77 Fitzroy St, St Kilda to the Victorian Pride Centre Limited was published in The Age, on the CoPP web-site and in the local Leader newspaper.
- 1.2 Notes that no submissions were received by or on the closing date and time of 5pm, 7 July 2017.
- 1.3 Having followed all the required statutory procedures pursuant to sections 189 and 223 of the *Local Government Act 1989*, authorises the CEO to sell the land and transfer it to the Victorian Pride Centre in line with the conditions of the Collaboration Deed (agreement) executed by the Victorian Pride Centre and City of Port Phillip.
- 1.4 Authorises the CEO to affix the common seal of Port Phillip City Council to any transfer of the land and any other documents required to be signed in connection with the sale of the land and transfer to the Victorian Pride Centre.
- 1.5 Authorises the CEO to create or save any easements, rights or interests over the land so they are not affected by the sale and transfer.



2. BACKGROUND

- 2.1 On 20 April 2016, the State Government announced that \$15 million had been allocated from the 16/17 State Budget to the establishment of a Victorian Pride Centre.
- 2.2 On 20 August 2016 Council Officers were advised that the City of Port Phillip would be formally invited to submit a proposal for the Pride Centre for evaluation as part of a competitive process.
- 2.3 On 11 November 2016 PWC, on behalf of the Victorian Pride Centre, issued an invitation to the City of Port Phillip to submit an expression of interest for the provision of a site/s to enable the establishment of Australia's first Pride Centre in Melbourne.
- 2.4 On 13 December 2016 Council, in a closed meeting to protect the integrity of the commercial expression of interest process being undertaken, authorised the CEO to submit an expression of interest to PWC on behalf of the Victorian Pride Centre, and a submission was made by the due date of 16 December 2016.
- 2.5 Council's decision to make a submission valued at up to \$13M was supported by a Strategic Business Case that identified that Council's investment would deliver an additional \$46 million of socio-economic benefits to the precinct over the next 20 years and provide capacity for health care, advisory and support services for LGBTIQ members.
- 2.6 The social, cultural and economic benefits are summarised in Section 7.2 of this report.
- 2.7 Following advice by the Chair of the Victorian Pride Centre that the City of Port Phillip was the preferred proponent, Council met on 8 March 2017 to review key terms and conditions forming the basis for an agreement with the Victorian Pride Centre.
- 2.8 On 17 March 2017, the State Government announced that Fitzroy Street, St Kilda will become the home of the Victorian Pride Centre.
- 2.9 On the same day CoPP also announced that following a competitive selection process, it was successful in its bid for St Kilda to be location for the Victorian Pride Centre.
- 2.10 Following review and authorisation of the terms and conditions of the agreement with the VPC in a special council meeting dated 8 March 2017, a Collaboration Deed setting out the terms and conditions of the agreement particularly in relation to the property transaction and requirements of the development was executed by the Victorian Pride Centre and Port Phillip City Council. The detail in the Collaboration Deed, with the exception of certain items required to become public, remain, as agreed with the VPC, confidential.
- 2.11 A number of protections for Council's investment were included in the agreement; these are summarised as follows:
 - Minimum development requirements
 - Timeframes for obtaining all necessary approvals for the development
 - Timeframes for commencement and completion of the development
 - Use of the land for a Pride Centre only.

AGENDA - ORDINARY MEETING OF COUNCIL – 19 JULY 2017



- 2.12 Council's successful bid for the Victorian Pride Centre included the Council car park located at 3/77 Fitzroy Street, St Kilda. Council must comply with its obligations under sections 189 and 223 of the *Local Government Act 1989*. Refer to Attachment I for a plan showing the location of the carpark.
- 2.13 The car park was included as part of the offer on the basis that the Victorian Pride Centre retain the public car parking capacity currently located on the site.
- 2.14 In order to confirm its contribution of land to the Victorian Pride Centre, Council was required under clauses 189 and 223 of the *Local Government Act 1989* to notify the public of its intention to sell 3/77 Fitzroy Street to the Victorian Pride Board through private treaty for the purposes of a Victorian Pride Centre and hear and review submissions prior to making a decision to transfer the land.
- 2.15 In an Ordinary Council Meeting dated 7 June 2017, Council, under clause 189 and 223 of the *Local Government Act 1989*, authorised the CEO or delegate to publish a public notice and invite submissions from interested parties in relation to the City of Port Phillip's intention to sell the land owned by the City of Port Phillip located at 3/77 Fitzroy St, St Kilda to the Victorian Pride Centre Limited.
- 2.16 In this meeting Council also resolved to hear and consider any submissions received pursuant to Section 223 of the *Local Government Act 1989* at this Council meeting on 19 July 2017.
- 2.17 Section 189 of the *Local Government Act 1989*, *Restriction on power to sell land*, requires that before selling or exchanging land, the Council must ensure that public notice of intention to do so is given at least 4 weeks prior to selling or exchanging the land. Under this Section, a person has a right to make a submission under section 223 of the *Local Government Act 1989* on the proposed sale or exchange.
- 2.18 Section 223 of the *Local Government Act 1989*, *Rights to make a submission* requires that Council publishes a public notice that:
- Details the matter.
 - Provides a time by which submissions in response to the matter are to be submitted, being a date which is not less than 28 days after the date on which the public notice is published.
 - States that a person making a submission is entitled to request in the submission that the person wishes to appear in person, or to be represented by a person specified in the submission, at a meeting to be heard in support of the submission.
- 2.19 A public notice was published in The Age newspaper and on the CoPP web-site on 9 June 2017 following Council authorisation on 7 June 2017. A notice was also published in the local leader on 20 June 2017. The notices included this information, and specified the closing date and time for submissions as 5pm, 7 July 2017.



3. KEY INFORMATION

- 3.1 No public submissions were received by or on the closing date and time of 5pm, 7 July 2017 in response to the public notification inviting submissions from interested parties in relation to the City of Port Phillip's intention to sell the land owned by the City of Port Phillip located at 3/77 Fitzroy St.
- 3.2 Section 189 also requires that Council obtains from a person who holds the qualifications or experience specified under section 13DA (2) of the Valuation of Land Act 1960 a valuation of the land which is made not more than 6 months prior to the sale or exchange. City of Port Phillip has complied with this obligation; a valuation report for 3/77 Fitzroy St, St Kilda completed in June 2017 by Matheson Stephen Valuations, Certified Practising Valuers, assessed the value of the land as \$2.75M.
- 3.3 It should be noted that the value for this land has been factored into Council's overall contribution of up to \$13M to the Victorian Pride Centre as part of the bid.



FURTHER SUPPORTING INFORMATION

4. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 4.1 Establishing a Victorian Pride Centre represents a significant and potentially game changing opportunity for Fitzroy Street, St Kilda.
- 4.2 Successfully securing the Victorian Pride Centre for Fitzroy Street would contribute to:
 - Strategic Direction 1** - We embrace difference and people belong
 - Strategic Direction 4** - We are growing and keeping our character
 - Strategic Direction 5** - We thrive by harnessing creativity
- 4.3 The City of Port Phillip has a long standing commitment to social diversity and the inclusion and well-being of LGBTI community members.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 Council officers have engaged with a range of key stakeholders during development of the project:
 - 5.1.1 Hon. Martin Foley, Local Member, Minister for Equality
 - 5.1.2 Rowena Allen, Gender and Sexuality Commissioner, Department of Premier and Cabinet
 - 5.1.3 Simon Ruth, CEO, Victorian Aids Council
 - 5.1.4 Brad Scott, Senior Project Manager, Major Projects Victoria
 - 5.1.5 David Micallef, President and Sponsorship, Gay and Lesbian Organisation for Business and Enterprise (GLOBE)
 - 5.1.6 Tennille Moisel, CEO, JOY 94.9
 - 5.1.7 Karen Bryant, CEO, Midsumma
 - 5.1.8 Ross Williams, Partner, PwC, & Commercial Advisor to the State Government
 - 5.1.9 Fitzroy Street Traders' Association
 - 5.1.10 A range of other LGBTIQ organisations and community leaders

6. LEGAL AND RISK IMPLICATIONS

- 6.1 Council is required to meet Sections 189 and 223 of the *Local Government Act 1989* pertaining to the sale of land.
- 6.2 The process to comply with Sections 189 and 223, from seeking authorisation from the Council through to the publishing of a notice through to the hearing of submissions and subsequent decision-making must occur urgently to meet requirements in the agreement with VPC. A program has been developed to manage this process.
- 6.3 Council's contribution to the VPC is conditional upon Council meeting their obligations in relation to the Sections 189 and 223 of the *Local Government Act 1989*.



7. SUSTAINABILITY – Triple Bottom Line

7.1 ENVIRONMENTAL IMPLICATIONS

- 7.1.1 The new development will likely incorporate best practice principles of sustainable design.
- 7.1.2 A site was identified that is highly accessible by public transport and active transport, providing sustainable transport options to employees, volunteers and visitors.

7.2 SOCIAL & CULTURAL IMPLICATIONS

- 7.2.1 The case for Council's investment in the Pride Centre is built around the economic and social impact of additional demand from a socially contributory anchor institution, including that it would:
 - Deliver on Council's Urban Renewal objectives by attracting \$15,000,000 – \$25,000,000 in investment to the section of Fitzroy Street most affected by commercial and social underperformance (between Grey and Acland Streets)
 - Cement the City and community of Port Phillip's place as a recognised leader on the rights, well-being and inclusion of LGBTI community members
 - Provide a safe community and organising space to promote inclusion, health and wellbeing of LGBTI people, and build capacity within the LGBTI community
 - Act as a major visitor attractor, enhancing St Kilda's role as an iconic visitor destination and generating ongoing economic activity and employment
 - Catalyse a process of rejuvenating Fitzroy Street through increased passive surveillance, day-time demand and social diversity, fuelled by an iconic and socially contributory anchor institution
 - An increase in daytime trade for existing retailers due to the new local staff, and the additional volunteers housed at the Pride Centre
 - New volunteers, visitors, tourists and shoppers in Fitzroy Street each day drawn to a safe and vibrant destination
 - A more diverse mix of retail and other businesses for locals and visitors along Fitzroy Street, due to the interest and activities at the Pride Centre
 - Act as a social, cultural and political hub for LGBTI communities
 - New local jobs at the Pride Centre and during its construction phase



7.3 FINANCIAL IMPLICATIONS

7.3.1 Costs for services to compile the expression of interest and subsequent legal costs to resolve contractual issues are in the order of \$260,000, with further anticipated costs in the order of \$30,000 to cover forthcoming legal consultancy and property transaction costs.

7.3.2 The proposal offered a Council contribution up to a value of \$13M through provision of land and funding for land for the purposes of the development.

8. IMPLEMENTATION STRATEGY

8.1 TIMELINE

8.1.1 07 July 2017 – End of public notice period.

8.1.2 19 July 2017 – Council Meeting to conclude the legislative process required by the *Local Government Act 1989* pertaining to the sale of land, and resolve to authorise the sale of the land to the VPC in line with the conditions in the agreement with VPC.

8.1.3 24 July 2017 – CoPP advises VPC that the obligations required by the *Local Government Act 1989* are fulfilled and the land may be transferred to the VPC (should Council resolve to authorise the sale of the land to the VPC at this Council Meeting)

8.2 COMMUNICATION

8.2.1 A notice was published on the internet and in *The Age* and *Leader* newspapers.

8.2.2 An opportunity for in person submissions has been made available in this Council Meeting dated 19 July 2017. The decisions will be published in the Council Meeting Minutes.

8.2.3 CoPP continues to work closely with the VPC Board to progress various obligations and project planning.

9. OFFICER DIRECT OR INDIRECT INTEREST

9.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.