

**13.1 INTENTION TO SELL 351 ST KILDA ROAD, ST KILDA:
CONSIDERING SUBMISSIONS OF RESPONSE**

**EXECUTIVE MEMBER: CHRIS CARROLL, GENERAL MANAGER, CUSTOMER,
OPERATIONS AND INFRASTRUCTURE**

**PREPARED BY: ANTHONY SAVENKOV, HEAD OF REAL ESTATE PORTFOLIO
(DEVELOPMENT & TRANSACTIONS)**

TOM TEMAY, PROPERTY DEVELOPMENT ASSOCIATE

1. PURPOSE

- 1.1 To consider submissions received in response to a notice published in accordance with section 114 of the *Local Government Act 2020* advising of City of Port Phillip's intention to sell its land at 351 St Kilda Road, St Kilda, and to recommend whether to proceed to sale.



2. EXECUTIVE SUMMARY

- 2.1 In accordance with Council's resolution of 1 September 2021, a notice was published of Council's intention to sell 351 St Kilda Road, St Kilda, ("Notice").
- 2.2 At its meeting of 8 December 2021 Council noted the submissions made in response to the Notice.
- 2.3 Council is now asked to consider the community response and to determine whether it is to proceed with the sale of the property.
- 2.4 Officers have reviewed the submissions and heard the matters raised – specifically: the loss of green space in favour of redeveloping the site, risk of the property being purchased by a property developer and concern that the site could be developed as affordable housing.
- 2.5 Officers recommend proceeding with the sale of the property.



- 2.6 There is potential for the sale to deliver on Councils 'In Our Back Yard' strategy by providing purchasers an incentive to undertake the development of social/affordable housing on the site, as was flagged in the notice of intention to sell.
- 2.7 The rationale for this recommendation is outlined in section 5 of this report.
- 2.8 Money from such a sale is ordinary allocated to the Strategic Property Reserve, for reinvestment to improve Council's property portfolio – acquiring new assets and upgrading existing ones.
- 2.9 In the instance, Officers recommend allocating the proceeds of the sale specifically for the acquisition of public open space.

3. RECOMMENDATION

That Council:

- 3.1 Notes that it has received, heard and considered the submissions in response to its Notice of Intention Sell 351 St Kilda Road, St Kilda.
- 3.2 Resolves to sell 351 St Kilda Road, by expressions of interest.
- 3.3 Notes the opportunity to incorporate into the potential transaction terms, an incentive to provide social and/or affordable housing.
- 3.4 Directs the Chief Executive Officer to apply to the proceeds of sale to the acquisition of public open space.
- 3.5 Authorises Officers to do all things necessary to enable the sale and transfer of land, including affixing the Common Seal of Port Phillip City Council to the relevant documents.
- 3.6 Thanks the submitters for their submissions, and advises them of the decision to sell the land and the reason(s) for the decision.

4. KEY POINTS/ISSUES

Public Notice

- 4.1 On 2 October 2021 a Council notice of intended sale was published in The Age newspaper. It was also published on Council's website. (Attachment 1)
- 4.2 Courtesy letters were sent to 1200 owners and residents in the surrounding area, and signs were placed on the site to draw public attention to the sale proposal and the opportunity to provide feedback.
- 4.3 The public was made aware of the opportunity to have their say through the various channels noted in section 6 of this report.

Responses received

- 4.4 The submissions received were noted at Council's Ordinary Meeting of 8 December 2021, and the submissions attached to the Officer report.
- 4.5 The submissions raised several matters, which are considered below. (Attachment 2)



Table: Matters raised in the submissions

Matter raised	Explanation	Response
Development of the site into affordable housing	<ul style="list-style-type: none"> Potential that development of the site be social/affordable housing, with associated concern about: <ul style="list-style-type: none"> safety & security (particularly with the site's proximity to Greeves Street) increased crime devaluing of nearby properties 	<ul style="list-style-type: none"> If Council resolve to sell the property and it is sold to a social/affordable housing organisation, the development of the site would be guided by the Port Phillip Planning scheme which invites community feedback on development applications. From the submissions received, officers note that five submissions were supportive of social/affordable housing being developed on the site.
Lack of green open space	<ul style="list-style-type: none"> Concern was raised with the potential removal of green space and trees. 	<ul style="list-style-type: none"> The site is not identified as public open space within the City of Port Phillip draft Public Space Strategy, which underwent community consultation in 2019. Although the site is large enough to function as public open space, the site is undermined by: <ul style="list-style-type: none"> Poor connection with other public open spaces; Traffic noise speed and movement, which would affect enjoyment and safety; and Single frontage, which is not ideal for surveillance and the perception of connectivity.
Risk of being purchased by a property developer	<ul style="list-style-type: none"> Concern that additional development increases the area's propensity to become a wind tunnel and heat spot. 	<ul style="list-style-type: none"> Should Council resolve to sell the property, development of the site would be guided by the Port Phillip Planning Scheme, and the subject planning permit application, assessment and consultation process.
Money from potential sale of the property	<ul style="list-style-type: none"> Should the land not be used for social/affordable housing, the money from the sale should be used for creating green space. 	<ul style="list-style-type: none"> If Council resolve to sell the property via Expressions of Interest, and the site is not sold for social/affordable housing, the potential proceeds of the sale would be reinvested in Council's property portfolio (via the Strategic Property Reserve) specifically for the acquisition of public open space.



<p>Exploring alternative uses for the site</p>	<ul style="list-style-type: none"> • There are a number of alternative uses for this small parcel of land rather than overdevelop the area. This piece of land has been vacant for a long time now and this could and should be used to enhance the community, rather than simply sell for more housing. 	<ul style="list-style-type: none"> • Within Council’s intention to sell notice which appeared in <i>The Age</i> on 2 October 2021, it stipulated that the purchase price would be abated should the purchaser elect to include housing for “very low income” and “low income” households. • Officers have considered other alternative uses – for instance: to remain as open space with upgrades, commercial use, hotel accommodation. However, as previously noted in Council Report dated 1 September 2021s, there appears no compelling alternative use for the property.
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5. RECOMMENDATION RATIONALE

- 5.1 The site is currently underutilised and doesn’t function well as an open space due to its limited accessibility, proximity to heavy traffic and poor connectivity to other open spaces, therefore, the subject property is not core to Councils strategy.
- 5.2 Alternative uses have been considered, including maintaining the parklet and upgrading the site to include seating and fencing. However, as mentioned in the City of Port Phillip Public Space Strategy Technical Report 2020, due to the poor surveillance and single frontage the site doesn’t meet the necessary criteria for public open space.
- 5.3 Not selling the property would result in the ongoing maintenance and upkeep of the site.
- 5.4 Additionally, there is potential for the sale to deliver on Councils ‘In Our Back Yard’ strategy by providing purchasers an incentive to undertake the development of social/affordable housing on the site, as was flagged in the notice of intention to sell.

6. CONSULTATION AND STAKEHOLDERS

- 6.1 This public report follows those to the Ordinary Meeting of Council of:
 - 1 September 2021 (seeking approval to commence the statutory process and notify the public of an intention to sell); and
 - 8 December 2021 (to report submissions).
- 6.2 The process under section 114 of the Local Government Act 2020 provide any person who has made a written response to the Notice an opportunity to be heard.
- 6.3 In addition to publishing formal Notice, supplementary communication was carried out, including a courtesy letterbox drop to 600 neighbouring properties on 23 September 2021 and a further 600 emailed to local property owners.
- 6.4 Signs were also placed on the site to support community awareness of the proposal.



- 6.5 A designated “Have Your Say’ page provided technical documentation about the site, opportunity to ask questions and have them responded to online and provide the contact details of relevant officers’ should members of the public wish to speak to them directly.

7. LEGAL AND RISK IMPLICATIONS

- 7.1 The section 114 of the Local Government Act 2020 process arises as a result of submissions received in relation to the public notice issued.

8. FINANCIAL IMPACT

- 8.1 The sale of this property is anticipated to release community funds.
- 8.2 Council’s current approach is to place the proceeds of such sales into the Strategic Property Reserve for use in the acquisition or upgrade of Council property. Officers recommend that in this case, the proceeds be used to purchase/develop public open space.

9. ENVIRONMENTAL IMPACT

- 9.1 No material environmental impacts are considered to arise from the adoption of the recommendations.

10. COMMUNITY IMPACT

- 10.1 The sale of poorer-functioning assets helps to fund the development of Council assets, and thus support community amenity and wellbeing.

11. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 11.1 This report supports transparent governance and an actively engaged community, and thus advances Council Plan direction “Well Governed Port Phillip”.
- 11.2 Should Council adopt the Officer recommendation, including the proposal to use the proceeds of the potential sale for acquisition/development of public open space, this supports Council Plan direction “Liveable Port Phillip”.

12. IMPLEMENTATION STRATEGY

12.1 TIMELINE

- 12.1.1 Should Council resolve to sell the land, Officers shall appoint a real estate agent to commence the Expressions of Interest marketing campaign.

- 12.1.2 A marketing campaign is anticipated to be carried out over four to six weeks.

12.2 COMMUNICATION

- 12.2.1 Officers shall notify the submitters of the decision and reasons for the decision.

- 12.2.2 Should Council adopt the recommendation, an advertising campaign for the sale of the property, by Expressions of Interest, will be carried out in a way that adequately expose the property to the market.



MEETING OF THE PORT PHILLIP CITY COUNCIL 6 APRIL 2022

13. OFFICER DIRECT OR INDIRECT INTEREST

13.1 No officers involved in the preparation of this report have any material or general interest in the matter.

ATTACHMENTS

1. Intention to sell notice  
2. Submissions received  