

## Management report to Council

Agenda item 6.9

**Proposed lease of Council land, the Munro site at 93-151 Therry Street, 452-468 Queen Street, rear 128-130 Franklin Street, Melbourne**

Council

**Presenter:** Rob Adams, Director City Design and Projects

**28 February 2017**

### Purpose and background

1. The purpose of this report is to recommend Council enter into a lease with PDG Developments Pty Ltd to undertake construction works at the Munro site; 93 – 151 Therry Street, 452-468 Queen Street and Rear 128-130 Franklin Street, Melbourne.
2. The lease will facilitate the redevelopment of Council owned Munro site by PDG Corporation pursuant to the executed Development Deed in accordance with Council's resolution of 30 August 2016. Refer Attachment 2. The proposed development includes; a 120 place child care facility family and children's services centre, community centre, community kitchen artists' studios, city room gallery, affordable housing, customer car park and mixed-use development with residential apartments, retail and other uses.
3. In accordance with provisions of the *Local Government Act 1989*, the proposal was publicly advertised in 'The Age' newspaper on Thursday 27 October 2016 (Attachment 3), and on Council's website.

### Key issues

4. Eight written submissions opposing the proposal were received, (Attachment 4) and considered by the Submissions (Section 223) Committee (Submissions Committee) at its meeting on 8 December 2016.
5. The Submissions Committee resolved to recommend that Council enter into a lease to PDG Corporation Pty Ltd. Detailed background, key issues and the Submission Committee resolution are included in Attachment 5.
6. The recommendation from management reflects the recommendation from the Submissions Committee.

### Recommendation from management

7. That Council:
  - 7.1. Enters into a lease with PDG Developments Pty Ltd of the land at 93-151 Therry Street, 452-468 Queen Street and rear 128-130 Franklin Street, Melbourne on the terms contained in the public notice dated 27 October 2016 for the reasons that the lease will enable the development of and activation of the site including the construction of:
    - 7.1.1. a car park which will contribute to meeting the Council's obligations under an agreement with the State in respect to the redevelopment of the Queen Victoria Market precinct
    - 7.1.2. important community infrastructure
    - 7.1.3. retail areas.
  - 7.2. Notifies in writing every person who has lodged a separate submission of the decision and reasons for the decision.

### Attachments:

1. Supporting Attachment (page 2 of 21)
2. Council Resolution August 2016 Agenda Item 6.13.1.7 (page 3 of 21)
3. Public Notice (page 4 of 21)
4. Submissions (page 5 of 21)
5. Detailed background key issues and submissions committee (page 21 of 21)

**Supporting Attachment**

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**Legal**

1. The Council's power to lease any land is contained in section 190 of the *Local Government Act 1989* (Act). Section 190(3) of the Act provides that if the lease is:
  - 1.1. for one year or more and the rental during the term or market rental at the commencement is \$50,000 or more a year
  - 1.2. for ten years or more
  - 1.3. a building or improving lease,the Council must give at least 4 weeks public notice of the proposed lease notice and consider any submissions received in response to the public notice before it makes its decision.

**Finance**

2. Council's costs associated with managing the statutory process and application will be met by Council. These costs include property valuation, general advertising and associated legal costs.

**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 direct or indirect interest in relation to the matter of the report.

**Stakeholder consultation**

4. Public notices for the proposed Lease were advertised in the Age newspaper on Thursday 27 October 2016.

**Environmental sustainability**

5. These proposals have no significant impact on environmental sustainability.

**Queen Victoria Market Precinct renewal – Queen and Therry streets  
(Munro site) redevelopment development deed**

1. *That Council:*

- 1.1. *Authorises the acting Chief Executive Officer to execute the project documentation (Development Deed) dated 26 August 2016 with PDG Corporation to redevelop Council owned properties at the corner of Queen and Therry streets Melbourne.*
- 1.2. *Approves expenditure by Council of \$50 million under scenarios 1 or 2 as outlined in the Management Report or \$80.1 million under scenario 3.*
- 1.3. *Authorises the Director City Design and Projects to support Development Plan and Planning Permit applications, consistent with the Development Deed, by PDG Corporation for the approval of the Responsible Authority for the proposed redevelopment of the Munro site which includes, a 120 place childcare facility, family and children's services centre, community centre, community kitchen, artist studios, city room gallery, affordable housing, customer car park and mixed-use development with residential apartments, retail and other uses.*
- 1.4. *Notes that entry into a development lease and contract of sale with PDG Corporation pursuant to the Development Deed is subject to the public notice and submission process pursuant to sections 189 and 190 of the Local Government Act 1989.*
- 1.5. *Agrees that following briefing of the Minister for Planning this resolution will be made public.*

## MELBOURNE CITY COUNCIL

### Notice of proposed Lease

Notice is given pursuant to sections 190 and 223 of the *Local Government Act 1989* ('Act') that the Melbourne City Council ('Council') proposes to enter into a lease with PDG Developments Pty Ltd (the 'Tenant') of the land at 93 – 151 Therry Street, 452-468 Queen Street and Rear 128-130 Franklin Street Melbourne, for the purpose of the Tenant and its contractors undertaking construction works on the property ('Proposal') on the following terms and conditions:

- a. a term commencing on the date the Tenant requires access to the site to start demolition works (after all relevant approvals have been obtained) and ending on completion of the construction works
- b. the lease is granted on a rent-free basis
- c. the Tenant must pay all charges for water, electricity and other services consumed on the land
- d. the Tenant must take out the appropriate insurances, including but not limited to public liability insurance
- e. the Tenant is required to comply with environmental laws.

Any person may make a written submission on the Proposal to the Council. All submissions received by the Council on or before Friday 25 November 2016 will be considered in accordance with section 223(1) of the Act, by the Council's Submissions (Section 223) Committee ('Committee').

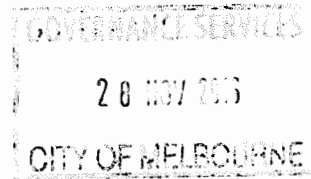
If a person wishes to be heard in support of their submission they must include the request to be heard in the written submission and this will entitle them to appear in person, or by a person acting on their behalf, before a meeting of the Committee, scheduled to be held on Thursday 8 December 2016 commencing at 3pm, in the Melbourne Town Hall, Administration Building, Swanston Street, Melbourne.

Written submissions should be marked 'proposed lease to PDG Developments Pty Ltd for at 93 – 151 Therry Street, 452-468 Queen Street and Rear 128-130 Franklin Street Melbourne' and addressed to the Manager Governance and Legal, Melbourne City Council, Town Hall Administration Building, 120 Swanston Street, Melbourne, 3000 or GPO Box 1603, Melbourne, 3001.

Submissions form part of the public record of the meeting (including any personal information you provide) and will be appended to the Council report which is published on Council's website (accessible worldwide) for an indefinite period. A hard copy will also be made available for inspection by members of the public at Council offices, in accordance with the requirements of the Act.

If you have any concerns about how Council will use and disclose your personal information, please contact the Council Business team via email at [privacy@melbourne.vic.gov.au](mailto:privacy@melbourne.vic.gov.au)

Vic 3003  
November 24, 2016



The Manager  
Governance and Legal  
Melbourne City Council

Submission by Ann Brady regarding:

- The proposed sale to VG Property Holdings No. 6 Pty Ltd
- and
- The proposed lease to PDG Developments Pty Ltd for 93-151 Therry St. 452-468 Queen St. and rear 128-130 Franklin St. Melbourne.

I am opposed to both of these proposals for the following reasons.

Firstly, notices regarding the proposed sale and lease appeared in The Age on Thursday 27 October during the period of the Council elections when there was effectively no Council and it was in caretaker mode. No decisions which will clearly have considerable impact on the future of the city should be made at such a time. One wonders why such significant decisions could not wait until the new Council was in place. This is surely cause for concern.

Secondly, why the haste to accomplish these deals? The new Council and, indeed the general community should be permitted adequate time and opportunity to comment on the proposals for the site as they will have a powerful ongoing impact on this area which is an integral part of the Victoria Market precinct.

Thirdly, it would appear that the Council's approach in this matter has been less than transparent. There has been a distinct feeling of haste and pressure to begin work on this site - the retailers were initially asked to vacate their premises by 15 February and then to consider going before Christmas. There has been minimal consultation and very little regard for the livelihoods of these people.

Fourthly, the detailed plans for the Munro site should be available for public discussion as whatever is developed on it significantly affects the associated redevelopment of the market. Discussion with regard to this is ongoing and the plans are not publicly available. What can be said is that such proposals as have been put forward are not widely supported by the traders, the customers and the community generally.

Fifthly, the Munro site as it currently is, contributes to the atmosphere and commercial viability of the market. The diversity of the shops along Therry Street enriches the whole market precinct and contributes to the life and soul of the place. Certainly, as with the market itself, it could do with some refurbishment, but not the extensive development which would destroy its authenticity. Surely a creatively planned low rise development which would preserve the heritage buildings and enhance the whole precinct should be possible.

Lastly, the issue of car parking has still not been clarified and exits and entrances in either Queen or Therry Streets would render the area perpetually congested and not a desirable place to shop and eat, since this is currently where the concentration of seating for eating is.

The impact of the proposed developments implied by this sale and lease have not been properly considered by residents, retailers and customers and the Council. It is in the public interest that this should be done before the Council enters into binding contracts of sale.

Ann Brady

25 November 2016

The Manager Governance and Legal  
Melbourne City Council  
GPO Box 1603  
Melbourne 3001

Dear Sir/Madam

**Submission by Friends of Queen Victoria Market Inc regarding:**

- **The proposed sale to VG Property Holdings No. 6 Pty Ltd**
- **The proposed lease to PDG Developments Pty Ltd for at 93-151 Therry Street, 452-468 Queen Street and Rear 128-130 Franklin Street Melbourne**

Friends of Queen Victoria Market Inc (**Friends**) are opposed to both the proposed lease to PDG Developments Pty Ltd (**Proposed Lease**) and the proposed sale to VG Property Holdings No. 6 Pty Ltd (**Proposed Sale**) regarding parts of the land forming the Munro site (**Site**).

Our submission in opposition of the Proposed Lease and Proposed Sale on the following basis:

1. We are concerned that the City of Melbourne's (**Council's**) approach to the Proposed Sale and Proposed Lease have not been properly carried out in accordance with *section 189 of the Local Government Act 1989 (Act)* or the *Local Government Best Practice Guideline for the Sale, Exchange and Transfer of Land*, Department of Planning and Community Development, June 2009 publication (**Guidelines**).

Section 189 of the Act and the Guidelines emphasise that compliance with the Act must be genuine and seen to be genuine, free from any disqualifying prejudgement and be carried out to the highest standards of probity and transparency.

We are concerned that the Council's approach to the Proposed Sale and Proposed Lease has been steeped in secrecy, rather than transparency and could be said to not be genuine and in breach of section 189 of the Act on the basis that it wishes to sell and lease parts of the Site to specific parties, demonstrating disqualifying prejudgement.

In this regard, Council's attention is drawn to *Bycon Pty Ltd & Byham v Moira Shire Council, Registrar of Titles & Nelread Pty Ltd* (1998) VSC 25. In this case, the Victorian Supreme Court, in granting an injunction against a sale of land, found that the Moira Shire Council was not genuinely open to all offers during the mandatory and statutory consultation period set out in section 189 of the Act.

2. Given the circumstances surrounding and method used for the Proposed Sale and Proposed Lease, the Council should properly explain to its community the circumstances which led to its decision to carry out the method of sale and lease with regard to the interest of probity, public accountability and transparency. Council's attention is drawn to the Guidelines in this respect.

More generally, we strongly believe that the circumstances are such that the Council cannot be seen to be carrying out the Proposed Sale and Proposed Lease process

- with the highest standards nor in the interest of probity, public accountability or transparency, on the following basis:
- (a) The notices regarding the Proposed Sale and Proposed Lease were placed in *The Age* on 27 October 2016, which is within the Council's caretaker period. Therefore associated plans or financial details of the transactions could not have been disclosed to the current Council, nor discussed by them. Therefore, it is unlikely that the Council has had a proper opportunity to make any informed comment regarding the Proposed Sale and Proposed Lease;
  - (b) The outcome of Amendment C245 to the Melbourne Planning Scheme is yet to be determined by the Minister for Planning. Until the outcome of Amendment C245 is known, circumstances warrant deferring the Proposed Sale and Proposed Lease, given:
    - (i) The scale and potential impact of development on the Site is undetermined, making it unclear what other impacts could be caused by the development, as details of the works are presently unknown. Until this is known there is an element of risk in the Proposed Sale and Proposed Lease going ahead. For example the proposed DDO14 height control for the Site, including the scale and potential impact, is not determined. It is therefore unclear what other impacts may be caused by the development;
    - (ii) It is unclear who will be the planning authority for the Site, noting that it was argued at the Amendment C245 Panel that it should not be the Council; and
    - (iii) It is in the public interest that Amendment C245 and the proposed development of the Site be properly considered before the Council enters into a binding contract of sale and lease;
  - (c) The Friends understand the reason for bringing forward the Proposed Sale and Proposed Lease are to pursue redevelopment of the Queen Victoria Market (**QVM**). However the plans for the redevelopment have not been finalised and have not been made publicly available. Further, the redevelopment plans are not widely supported in the community; and
  - (d) Finally, given the method of Proposed Sale and Proposed Lease used by the Council, and to ensure that the highest standards of probity and transparency are applied, we believe that a probity auditor should be appointed to oversee the probity of both the Proposed Sale and Proposed Lease.
3. Contrary to the Guidelines, the Proposed Sale and Proposed Lease, at this time, cannot be said to be in the best interests of the community, nor provide the best result, both financial and non-financial, for the Council and the community.
4. Further, and in conflict with the Guidelines, the Site should first be appropriately zoned to ensure that the ultimate use of the Site is determined. Sale of lease of the Site prior to this means that any potential matters that should be addressed before offering parts of the Site for sale or lease are properly addressed.
5. More generally, the Friends opposed the Proposed Sale and Proposed lease due to the following concerns, amongst others:
- (a) The substantial interest and financial risk the public has in the redevelopment of the Site, including the associated proposals to redevelop the QVM;



- (b) The impact on the future operation of the QVM. The current Munro site forms an integral part of the QVM precinct. Some of the current businesses on the Site contribute to the commercial viability of the market as a one stop shopping destination; and
- (c) The implications of a 5 year closure of Franklin Street for purposes of Melbourne Metro construction have not been considered in the current proposed (to the extent that the details are available). Closing both Therry Street and Franklin Street for some extended period will compromise access to the market to the extent businesses may not be able to survive.

Please note that the Friends request to be heard at any Committee meeting regarding the Proposed Sale and Proposed Lease.

The Friends seek to be provided with the valuation which was required to be obtained in respect of the sale, pursuant to s 189(2)(b) of the Act and they reserve their rights to make further submissions after its provision.

The Friends consider that the consent of the Minister and the Treasurer would be required prior to effecting the sale or lease of the land, both activities being part of the Council's entrepreneurial exercise to redevelop the QVM.

Yours faithfully

Friends of Queen Victoria Market Inc

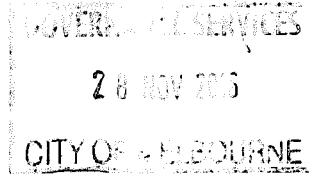
**B R A N D P A R T N E R S**  
C O M M E R C I A L L A W Y E R S



OUR REF: JG.0007  
EMAIL: jane.good@brandpartners.com.au

24 November 2016

The Manager  
Governance and Legal  
Melbourne City Council  
GPO Box 1603  
MELBOURNE VIC 3001



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[www.brandpartners.com.au](http://www.brandpartners.com.au)

Dear Sir/Madam,

**Re: The proposed sale to VG Property Holdings No.6 Pty Ltd and;  
Proposed lease to PDG Developments Pty Ltd for 93 – 151 Therry St. 452 – 468  
Queens St and Rear 128 – 130 Franklin St Melbourne**

1. My name is Jane Good and I am opposed to both the lease to PDG Developments Pty Ltd for 93 – 151 Therry St. 452 - 468 Queens St and Rear 128 – 130 Franklin St Melbourne and the proposed sale to VG Property Holdings No. 6 Pty Ltd.
2. The Notices of proposed Sale and Lease were placed in the Age on 27 October: that is within the Council caretaker period. Hence there has not been a proper opportunity for the Council, or indeed the community at large, to make any informed comment on the plans for the site and on the Council's current proposal for this sale and lease.
3. The Council's approach to this sale and lease has been steeped in secrecy rather than transparency. This is all the more concerning, given the substantial interest and financial risk that the public has in this project and the associated proposals to redevelop the Queen Victoria Market.
4. The reason for bringing forward the proposed sale and lease are for the purposes of pursuing the market redevelopment. However, the plans for this are still not publicly available. Nor are the proposals widely supported in the community.
5. The sale has very significant investment and risk exposure to the Council, as well as impacting on the future operation of the market. The risk assessment report for the QVM project in general and the proposed sale and lease in particular should be publicly available before the sale/ lease proceeds.

6. The Planning Minister has yet to determine the outcome of Amendment C245 to the Melbourne Planning Scheme and therefore this provides an additional considerable element of risk in this sale and the associated lease. The planning authority for this site has not yet been determined because the C245 Panel argued against it being the Council.
7. The Munros site as it presently stands forms an integral part of the market precinct. Some of the current businesses on the site contribute to the commercial viability of the market as a one-stop shopping destination. (eg the Minh Phat supermarket; the Soap Box) There are creative ways a low rise development on the Munro's site can preserve the heritage buildings and enhance the market business and the precinct.
8. Various articles in the Age newspaper have suggested a proposed building for the Munro site that would substantially exceed the discretionary 100m height limit recommended by the C245 Panel. It is unclear what other impacts would be caused by the development as details of the works are at present unknown. In particular we note Mr Wynne's comments in CBD News 24/11 "At the moment, there is not a proposal before me," Mr Wynne said. "It's changing all the time. They're looking at different road alignments and where the car park entrances might be. Is it going to be in Queen St? Is it going to be on Therry St?"
9. The implications of a 5 year closure of Franklin St for the purposes of Melbourne Metro construction have not been considered in the current proposals (to the extent that the details are available). Closing BOTH Therry St and Franklin St for the same extended period will compromise access to the market to the extent businesses cannot survive.
10. The impact of the proposed developments implied by this sale have not been properly considered by residents or other businesses located immediately in the vicinity of these sites. It is in the public interest that this should be done BEFORE the Council enters into binding contracts of sale.
11. If you have any queries, please contact the writer on 03

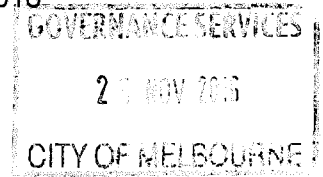
Yours faithfully

BRAND NAME

  
**JANE GOOD**  
Director  
Accredited Commercial Litigation Specialist

The Manager,  
Governance and Legal,  
Melbourne City Council,  
GPO Box 1603 Melbourne 3001

23 November 2016



Submission by Mary-Lou Howie regarding:

- The proposed sale to VG Property Holdings No. 6 Pty Ltd and
- Proposed lease to PDG Developments Pty Ltd for 93 – 151 Therry St. 452-468 Queens St and Rear 128 – 130 Franklin St Melbourne.

I am opposed to both the lease to PDG Developments Pty Ltd for 93 – 151 Therry St. 452 - 468 Queens St and Rear 128 – 130 Franklin St Melbourne and the proposed sale to VG Property Holdings No. 6 Pty Ltd for the reasons that follow:

- The Council's approach to this sale and lease has been steeped in secrecy rather than transparency. This is all the more concerning, given the substantial interest and financial risk that the public has in this project and the associated proposals to redevelop the Queen Victoria Market.
- The reason for bringing forward the proposed sale and lease are for the purposes of pursuing the market redevelopment. However, the plans for this are still not publicly available. Nor are the proposals widely supported in the community.
- The Planning Minister has yet to determine the outcome of Amendment C245 to the Melbourne Planning Scheme and therefore this provides an additional considerable element of risk in this sale and the associated lease. The planning authority for this site has not yet been determined because the C245 Panel argued against it being the Council.
- The Munros site as it presently stands forms an integral part of the market precinct. Some of the current businesses on the site contribute to the commercial viability of the market as a one-stop shopping destination. (eg the Minh Phat supermarket; the Soap Box) There are creative ways a low rise development on the Munro's site can preserve the heritage buildings and enhance the market business and the precinct.
- Various articles in the Age newspaper have suggested a proposed building for the Munro site that would substantially exceed the discretionary 100m height limit recommended by the C245 Panel. It is unclear what other impacts would be caused by the development as details of the works are at present unknown. In particular we note Mr Wynne's comments in CBD News 24/11 "At the moment, there is not a proposal before me," Mr Wynne said. "It's changing all the time. They're looking at different road alignments and where the car park entrances might be. Is it going to be in Queen St? Is it going to be on Therry St?"

The implications of a 5 year closure of Franklin st for the purposes of Melbourne Metro construction have not been considered in the current proposals (to the extent that the details are available). Closing BOTH Therry st and Franklin st for the same extended period will compromise access to

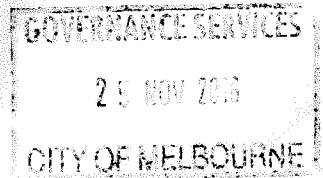
the market to the extent businesses cannot survive.

- The impact of the proposed developments implied by this sale have not been properly considered by residents or other businesses located immediately in the vicinity of these sites. It is in the public interest that this should be done BEFORE the Council enters into binding contracts of sale.

A review of the entire project that impacts on the iconic Queen Victoria Market should be undertaken that includes all stakeholders – customers, traders, politicians, management and Council - before any changes to its environment proceed.

Yours sincerely,

Mary-Lou Howie (life-long customer)



To: The Manager,  
Governance and Legal,  
Melbourne City Council,  
GPO Box 1603 Melbourne 3001

Submission by Travis McLean regarding:

- The proposed sale to VG Property Holdings No. 6 Pty Ltd and
- Proposed lease to PDG Developments Pty Ltd for 93 – 151 Therry St. 452- 468 Queens St and Rear 128 – 130 Franklin St Melbourne.

I am opposed to both the lease to PDG Developments Pty Ltd for 93 – 151 Therry St. 452 - 468 Queens St and Rear 128 – 130 Franklin St Melbourne and the proposed sale to VG Property Holdings No. 6 Pty Ltd.

There seems to have been inadequate planning done prior to the notices being placed in the Age on 27 October:

That date fell within the Council caretaker period, meaning Council have not had enough time to make any informed comment on the plans. The Council's approach to this sale and lease has not been transparent; given the substantial interest and financial risk that the public has in this project, this is not good enough. It would seem the risk assessment report for the QVM project in general and the proposed sale and lease in particular should be publicly available before the sale/ lease proceeds.

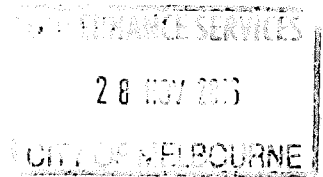
There seems to be inconsistency in the reason for bringing forward the proposed sale and lease; if it is to pursue the market redevelopment, why are the plans still not publicly available?

On a heritage and community note, the Munros site forms an integral part of the market precinct. There are creative ways a low rise development on the Munro's site can preserve the heritage buildings and enhance the market business and the precinct.

Travis McLean

Thursday, November 24, 2016.

The Manager, Governance and Legal,  
Melbourne City Council,  
GPO Box 1603,  
Melbourne 3001



Submission by Professor Charles Sowerwine regarding:  
Proposed sale to VG Property Holdings No. 6 Pty Ltd  
Proposed lease to PDG Developments Pty Ltd for 93 – 151 Therry St. 452- 468 Queens St  
and Rear 128 – 130 Franklin St Melbourne.

Dear sir or madam,

I write to protest the lease to PDG Developments Pty Ltd (for 93-151 Therry Street, 452-468 Queens Street and Rear 128-130 Franklin Street) and the proposed sale to VG Property Holdings No. 6 Pty Ltd.

In the first place, I protest the timing of the notices. They appeared in *The Age* on 27 October, during the caretaker period. That is if not downright illegal, at the least contrary to the spirit of caretaker tradition in Westminster democracies.

As a result of this violation of tradition, if not legality, there has not been proper opportunity for Council and, *a fortiori*, the community at large, to make informed comment on the plans and on Council's current proposal.

The only justification for the sale and lease is the market redevelopment proposal. However, the plans for this are still not publicly available. I recently met with a Council officer who was unable to answer questions of great importance regarding the proposed redevelopment. And I need hardly remind you that there is widespread community opposition to the proposal, opposition to the extent that it came close to defeating the incumbent Lord Mayor because of his close association with the proposal.

The sale has very significant investment and risk exposure to the Council, as well as impacting on the future operation of the market. The risk assessment report for the QVM project in general and the proposed sale and lease in particular should be publicly available before the sale/ lease proceeds.

The Planning Minister has yet to determine the outcome of Amendment C245 to the Melbourne Planning Scheme and therefore this provides an additional considerable element of risk in this sale and the associated lease. The planning authority for this site has not yet been determined because the C245 Panel argued against it being the Council.

The Munro's site as it presently stands forms an integral part of the market precinct. Some of the current businesses on the site contribute to the commercial viability of the market as a one-stop shopping destination, such as the Minh Phat supermarket and the Soap Box.

There are creative ways a low-rise development on the Munro's site can preserve the heritage buildings and enhance the market business and the precinct.

Articles in *The Age* have suggested a proposed building for the Munro site that would substantially exceed the discretionary 100m height limit recommended by the C245 Panel. It is unclear what other impacts would be caused by the development as details of the works are at present unknown. You should take note of Minister Wynne's comments in CBD News 24/11: "At the moment, there is not a proposal before me," Mr Wynne said. "It's changing all the time. They're looking at different road alignments and where the car park entrances might be. Is it going to be in Queen St? Is it going to be on Therry St?"

The implications of five =-year closure of Franklin Street during Melbourne Metro construction have not been considered in the current proposals. Closing both Thierry and Franklin Streets for the same extended period will compromise access to the market to the extent businesses cannot survive.

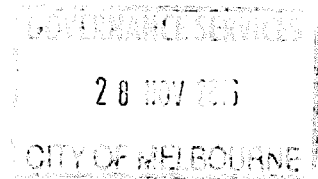
Residents or other businesses located near these sites have had no opportunity to consider the impact of the developments implied by this sale. It would be a sad breach of faith for Council to enter into binding contracts of sale without consultation.

For all these reasons, I urge you, respectfully but strenuously, to reject or at least postpone the proposed sale and leases.

Yours faithfully,

—  
(Professor) Charles Sowerwine





23rd November 2016

The Manager,  
Governance and Legal,  
Melbourne City Council,  
GPO Box 1603  
Melbourne Vic 3001

*Submission by Julie Taylor-Bartels regarding:*

- The proposed sale to VG Property Holdings No. 6 Pty Ltd and
- Proposed lease to PDG Developments Pty Ltd for 93 – 151 Therry St. 452- 468 Queens St and Rear 128 – 130 Franklin St Melbourne.

As a resident of the CBD and living within very close proximity to the Queen Victoria Market I am opposed to both the lease to PDG Developments Pty Ltd for 93 – 151 Therry St. 452 - 468 Queens St and Rear 128 – 130 Franklin St Melbourne and the proposed sale to VG Property Holdings No. 6 Pty Ltd.

- The Council's approach to this sale and lease has been steeped in secrecy rather than transparency. This is all the more concerning, given the substantial interest and financial risk that the public has in this project and the associated proposals to redevelop the Queen Victoria Market.
- The plans for this are still not publicly available. Nor are the proposals widely supported in the community.
- The sale will have very significant investment and risk exposure and impact on the future operation of the market. The risk assessment report for the QVM project in general and the proposed sale and lease in particular should be publicly available before the sale/ lease proceeds.
- The Planning Minister has yet to determine the outcome of Amendment C245 to the Melbourne Planning Scheme and therefore this provides an additional considerable element of risk in this sale and the associated lease. The planning authority for this site has not yet been determined because the C245 Panel argued against it being the Council.
- The Munro site as it presently stands forms an integral part of the market precinct. Some of the current businesses on the site contribute to the commercial viability of the market as a one-stop shopping destination. There are creative ways a low rise development on the Munro's site can preserve the heritage buildings and enhance the market business and the precinct.

- Various articles in the Age newspaper have suggested a proposed building for the Munro site that would substantially exceed the discretionary 100m height limit recommended by the C245 Panel. It is unclear what other impacts would be caused by the development as details of the works are at present unknown. In particular we note Mr Wynne's comments in CBD News 24/11

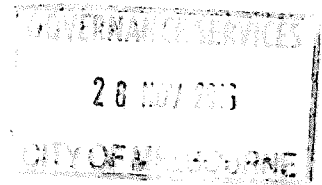
"At the moment, there is not a proposal before me," Mr Wynne said. "It's changing all the time. They're looking at different road alignments and where the car park entrances might be. Is it going to be in Queen St? Is it going to be on Therry St?" The implications of a 5 year closure of Franklin st or the purposes of Melbourne Metro construction have not been considered in the current proposals (to the extent that the details are available). Closing BOTH Therry st and Franklin st for the same extended period will compromise access to the market to the extent businesses cannot survive.

- The impact of the proposed developments implied by this sale have not been properly considered by residents or other businesses located immediately in the vicinity of these sites. It is in the public interest that this should be done BEFORE the Council enters into binding contracts of sale.

Kind Regards

Julie Taylor-Bartels

The Manager  
Governance and Legal, Melbourne City Council,  
GPO Box 1603 Melbourne 3001



**Submission by Frances Wadsworth regarding:**

- The proposed sale to VG Property Holdings No. 6 Pty Ltd and
- Proposed lease to PDG Developments Pty Ltd for 93 – 151 Therry St. 452- 468 Queens St and Rear 128 – 130 Franklin St Melbourne.

I am opposed to both the lease to PDG Developments Pty Ltd for 93 – 151 Therry St. 452 - 468 Queens St and Rear 128 – 130 Franklin St Melbourne and

the proposed sale to VG Property Holdings No. 6 Pty Ltd.

- The **Notices of proposed Sale and Lease** were placed in the Age on 27 October: that is within the Council caretaker period. Hence there has not been a proper opportunity for the Council, or indeed the community at large, to make any informed comment on the plans for the site and on the Council's current proposal for this sale and lease.
- The **Council's approach to this sale and lease** has been steeped in secrecy rather than transparency. This is all the more concerning, given the substantial interest and financial risk that the public has in this project and the associated proposals to redevelop the Queen Victoria Market.
- The reason for bringing forward the proposed sale and lease are for the purposes of pursuing the market redevelopment. However, the **plans for this are still not publicly available**. Nor are the proposals widely supported in the community.
- The sale has very **significant investment and risk exposure to the Council**, as well as impacting on the future operation of the market. The **risk assessment report for the QVM project in general and the proposed sale and lease in particular should be publicly available before the sale/ lease proceeds**.
- The **Planning Minister has yet to determine the outcome of Amendment C245** to the Melbourne Planning Scheme and therefore this provides an additional considerable element of risk in this sale and the associated lease. The planning authority for this site has not yet been determined because the C245 Panel argued against it being the Council.
- The **Munros site** as it presently stands forms an **integral part of the market precinct**. Some of the current businesses on the site contribute to the commercial viability of the market as a one-stop shopping destination. (eg the Minh Phat supermarket; the Soap Box)

There are creative ways a low rise development on the Munro's site can preserve the heritage buildings and enhance the market business and the precinct.

- Various articles in the Age newspaper have suggested a **proposed building for the Munro** site that would **substantially exceed the discretionary 100m height limit** recommended by the C245 Panel. It is unclear what other impacts would be caused by the development as details of the works are at present unknown. In particular we note Mr Wynne's comments in CBDNews24/11

"At the moment, there is not a proposal before me," Mr Wynne said. "It's changing all the time. They're looking at different road alignments and where the car park entrances might be. Is it going to be in Queen St? Is it going to be on Therry St?" The implications of a 5 year closure of Franklin st for the purposes of Melbourne Metro construction have not been considered in the current proposals (to the extent that the details are available). Closing BOTH Therry st and Franklin st for the same extended period will compromise access to the market to the extent businesses cannot survive.

- **The impact of the proposed developments implied by this sale have not been properly** considered by residents or other businesses located immediately in the vicinity of these sites. It is in the public interest that this should be done BEFORE the Council enters into binding contracts of sale.

Frances Wadsworth

**Detailed background, key issues and submissions committee resolution (proposed Lease)****Detailed Background**

1. The Council owned properties known as the 'Munro site' are located at the corner of Queen and Therry streets adjacent to the Queen Victoria Market and comprises; 93 – 151 Therry Street, 452-468 Queen Street and Rear 128-130 Franklin Street, Melbourne.
2. Council at its meeting of 30 August 2016 authorised the acting Chief Executive Officer to execute the Development Deed with PDG Corporation to redevelop the Council owned Munro site for a mixed-use development including a car park and important community infrastructure. Council noted that entry into the Lease (and Contract of Sale) is subject to public notice and submissions process pursuant to sections 189 and 190 of the Local Government Act 1989 (the Act).

**Detailed Key Issues**

3. Eight written submissions were received opposing the proposed Lease (and Sale) from; Friends of Queen Victoria Market Inc., Julie Taylor-Bartels (address withheld), Mary-Lou Howie (11 Hume Street, Kew), Travis McLean (15 Princes Street South, Ballarat East), Ann Brady (18 Capel Street, West Melbourne), Prof Charles Sowerwine (5 Wordsworth Street, Moonee Ponds), Frances Wadsworth (8 Kulnine Avenue, Mitcham) and Jane Good (Brand Lawyers 4 Bank Place, Melbourne). Submitters did not attend the meeting of Submission (Section 223) Committee to speak to their objections.
4. All submissions oppose Council entering into a Lease and object to the publishing notices during 2016 Council 'caretaker' period, however, the caretaker provisions ended prior to the publication of the public notices.
5. Objections are made that the public notices do not conform to the relevant provisions of the Act and 'lack probity, public accountability and transparency'. Other objections related to planning, built form and access impacts concerning the redevelopment itself and the sequencing of statutory approvals. All submissions were considered by the Submissions (Section 223) Committee and reasons for its decision are included in the recommendation below.

**Submissions Committee recommendation**

6. *That the Submissions (Section 223) Committee recommend that Council:*
  - 6.1. *Having considered the written submissions in relation to the proposal and all persons wishing to be heard in support of their submissions having been given an opportunity to be heard, enter into a lease with PDG Developments Pty Ltd of the land at 93-151 Therry Street, 452-468 Queen Street and rear 128-130 Franklin Street, Melbourne on the terms contained in the public notice dated 27 October 2016 for the reasons that the lease will enable the development of and activation of the site including the construction of:*
    - 6.1.1. *A car park which will contribute to meeting the Council's obligations under an agreement with the State in respect to the redevelopment of the Queen Victoria Market precinct.*
    - 6.1.2. *Important community infrastructure.*
    - 6.1.3. *Retail areas.*
  - 6.2. *Notes that in respect to the submissions received:*
    - 6.2.1. *The proposal has been carried out in accordance with the requirements in the Local Government Act 1989.*
    - 6.2.2. *Public notice of the proposed lease was given on 27 October 2016 which was after the Council's caretaker period had ended.*
    - 6.2.3. *The development deed in respect to the development of the site entered into with PDG Developments Pty Ltd was expressed to be conditional on the statutory public notice process and the outcome of the process and there has been no prejudgment in respect to the proposal.*
  - 6.3. *Notify in writing every person who has lodged a spate submission of the decision and reasons for the decision.*