

## Management report to Council

Agenda item 6.2

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

Council

Presenter: Roger Teale, General Manager Infrastructure and Design

31 August 2021

#### Purpose and background

1. The purpose of this report is to:
  - 1.1. update Council on the outcome of the statutory public notification process for the proposed discontinuance of a 130m<sup>2</sup> portion of Riverside Quay road reserve (the Road) adjacent to 12 Riverside Quay, Southbank (Esso House) and the transfer of the Road and a 166m<sup>2</sup> portion of the Riverside Quay Reserve (the Adjoining Land) to Nice Future International Investment Pty Ltd (the Applicant)
  - 1.2. seek Council approval of management's recommendation to transfer the Road and the Adjoining Land to the Applicant, as outlined in Attachment 2 (Proposal).
2. As noted in the report presented to the February 2021 Council Meeting, the Applicant had expressed an interest to acquire the Road and the Adjoining Land as a part of its development of Esso House, which was recently approved by the Minister of Planning. As a part of this approval, approximately 1,000m<sup>2</sup> 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

3. Management's assessment of the proposed discontinuance indicated the Road was 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.
4. A public notice outlining the proposal was placed in the Age and on the City of Melbourne's website on 24 March 2021 offering the opportunity for public submissions to be made prior to 22 April 2021 in accordance with 189, 206(1) and 223 of the *Local Government Act 1989* (Act). No submissions were received during this period.
5. A valuation of the Road and the Adjoining Land has been undertaken providing a combined and indicative land value of \$2.06m. Likewise a valuation was undertaken for the portion of Esso House to be transferred to Council which has an indicative value of \$3.75m. This represents a good value proposition to Council, noting that the park will be also be constructed at the Applicant's expense, providing Council with a new open space fronting Southbank Promenade.
6. Management notes the presence of Inge King's Shearwater sculpture at Esso House, gifted to Melbourne Art Trust in 2018. To ensure this sculpture is retained through the redevelopment of Esso House, there is a condition in the Incorporated Document requiring the design of the proposed new park to be submitted to Council for approval. As a part of this process, the design brief will include the requirement for the sculpture to be retained on the site and incorporated in the park design.

**Recommendation from management**

7. That Council:
  - 7.1. discontinues 130m<sup>2</sup> of Riverside Quay (Road) and approves the sale of the Road and 166m<sup>2</sup> portion of the Riverside Quay Reserve as proposed on the plan in the public notice published in The Age of 24 March 2021 and on the plan attached in Attachment 2, to Nice Furniture International Investments Pty Ltd in exchange for a new 1,000m<sup>2</sup> open space fronting Southbank Promenade
  - 7.2. authorises management to take all necessary actions and execute all necessary documents to implement the discontinuance, sale and exchange referred to in paragraph 7.1 above.

**Attachments:**

1. Supporting Attachment (Page 3 of 5)
2. Proposal (Page 4 of 5)
3. New Open Space (Page 5 of 5)

**Supporting Attachment**

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**Legal**

1. The report accurately identifies the legal issues.

**Finance**

2. The 1,000m<sup>2</sup> area of land to be vested in Council by the Applicant has a value significantly greater than the Road and Adjoining Land value, and the proposed open space is considered to provide a better community outcome. 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**

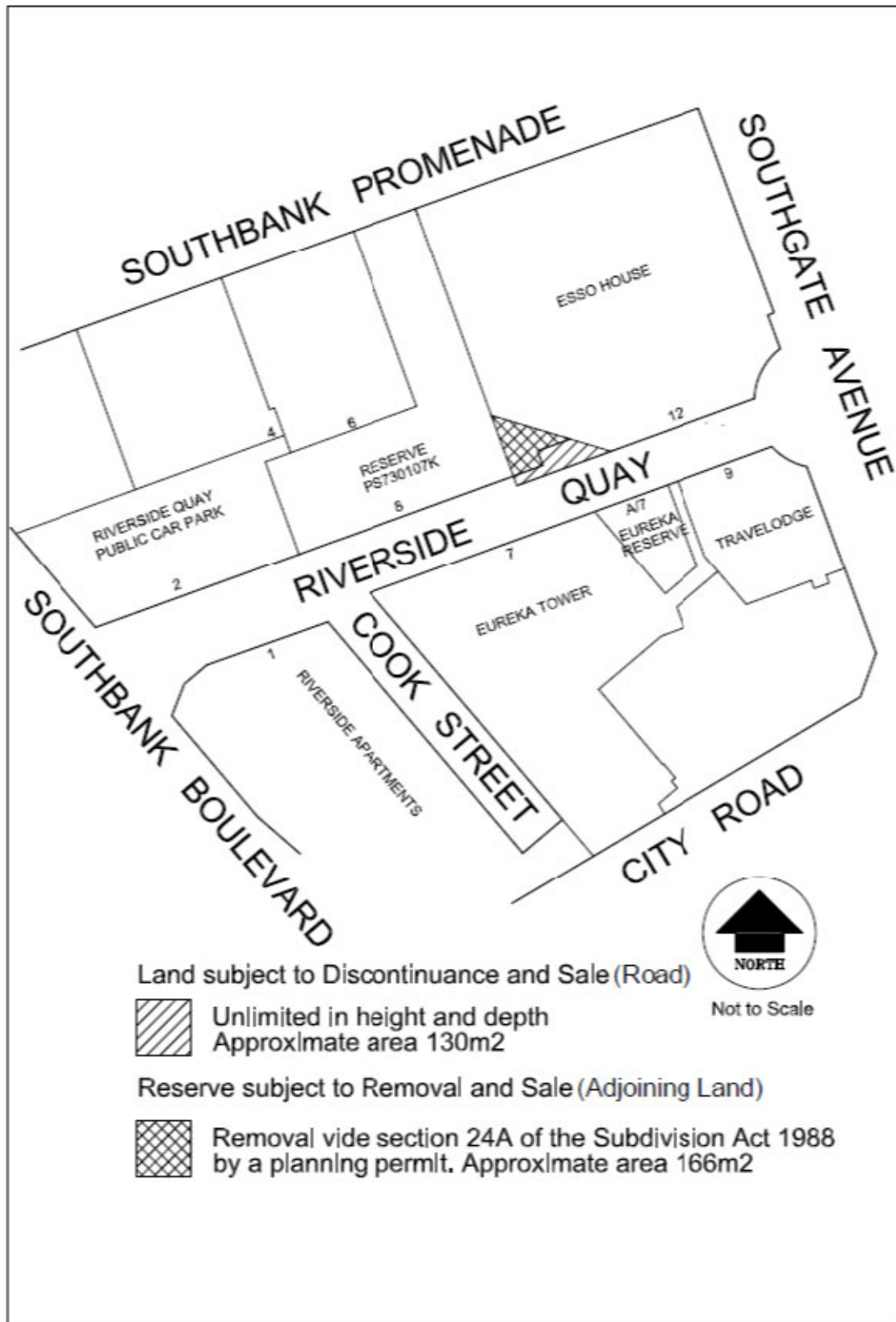
5. Public consultation in relation to the Proposal has been carried out pursuant to section 223 of the Act.

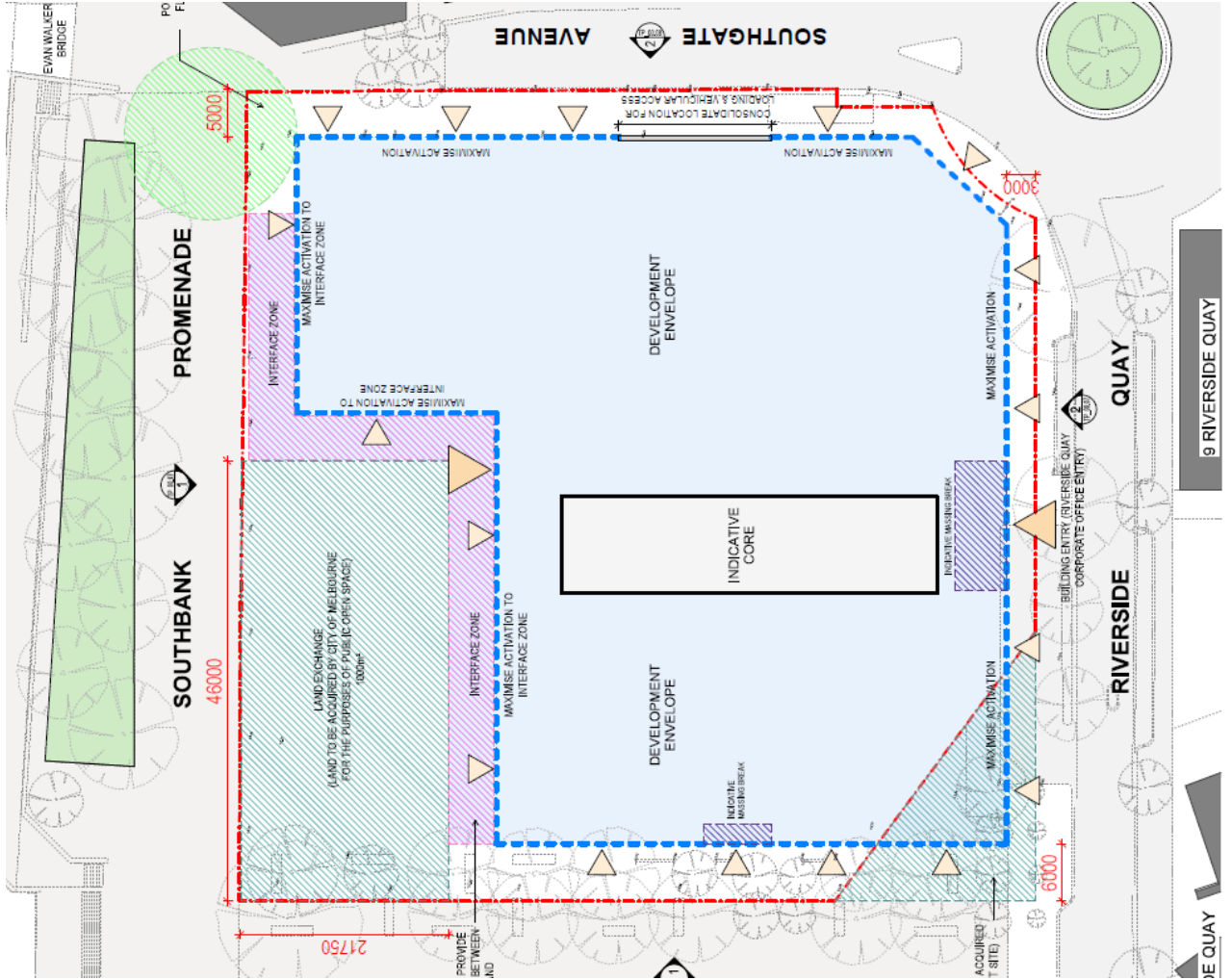
**Relation to Council policy**

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





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Drawing No: 10000000000000000000  
Revision: 1  
Drawn By: [Name]  
Checked By: [Name]  
Author: [Name]  
Scale: 1:1000  
Date: [Date]  
Title: [Title]