

Presenter: Roger Teale, General Manager Property, Infrastructure and Design

Purpose and background

1. The purpose of this report is to seek endorsement to withdraw an application for a planning permit previously submitted to the Department of Environment, Land, Water and Planning (DELWP) relating to the Bourke Street Precinct Redevelopment Scheme (Scheme).
2. At the Future Melbourne Committee meeting of 10 December 2018, Council endorsed the submission of:
 - 2.1. An application for a Planning Permit to DELWP for the Scheme; and
 - 2.2. An application for a Heritage Permit to Heritage Victoria for the upgrade and refurbishment of the former Commonwealth Bank building, as part of the Scheme.
3. Heritage Victoria granted a Heritage Permit for the Scheme in March 2019.
4. DELWP placed the Planning Permit application on hold in October 2019 at the request of the City of Melbourne.

Key issues

5. The Scheme was a Council Annual Plan (Major) Initiative in 2018/19 and sought to address the City of Melbourne's current and future office accommodation needs as well as demonstrate leadership in sustainability and urban design, revitalise the precinct and create commercial opportunities while maintaining asset ownership.
6. In December 2019 it was decided to test the market through an expression of interest (EOI) process to determine if there were viable alternatives to delivery of the Scheme by the City of Melbourne, for example, concession, sale and lease back, land swap or other innovative solution. Fourteen responses were received to the EOI, which closed in February 2020, and following evaluation, four parties were shortlisted for a second stage process.
7. The second stage of the EOI process was due to commence in mid-2020 however COVID-19 restrictions, uncertainty in the market and changing needs for City of Melbourne's post-COVID office accommodation meant that the process was postponed until mid-2021, and formally closed out without award in March 2021 due to ongoing uncertainty.
8. Other opportunities are now being considered for City of Melbourne's office accommodation needs and the City of Melbourne does not intend to proceed with delivery of the Scheme, either in its own right or under an alternative delivery method.
9. DELWP has requested that the City of Melbourne make a decision on its intentions for the Planning Permit application.

Recommendation from management

10. That the Future Melbourne Committee approves the withdrawal of the Planning Permit application to the Department of Environment, Land, Water and Planning relating the Bourke Street Precinct Redevelopment.

Attachments:

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Supporting Attachment

Legal

1. There are no direct legal implications arising from the recommendation from management.

Finance

2. There are no financial implications resulting from the recommendation set out in this report.

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. Consultation with the Department of Land, Environment, Water and Planning has been undertaken.

Relation to Council policy

6. Future office accommodation requirements will be considered in the context of the Property Portfolio Plan 2021-22.

Environmental sustainability

7. There are no environmental sustainability issues or opportunities resulting from this proposal.