

**Management report to Council****Agenda item 6.4****Proposed discontinuance and sale of Gough Alley Melbourne****Council****Presenter:** Roger Teale, General Manager Infrastructure and Design**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 and sale of 171 m<sup>2</sup> of land of Gough Alley (Road), adjacent to 572-574 Lonsdale Street and 248-260 King Street Melbourne (Development Land) to 572 Lonsdale Pty Ltd (the Applicant) as shown in Attachment 2.
  - 1.2. seek Council approval of management's recommendation to discontinue the Road and sell the resulting land to the Applicant, as outlined in Attachment 1 (Proposal).
2. A Ministerial Planning Permit has been issued to the Applicant for a proposed redevelopment of a multi storey development for use as retail and office accommodation. Condition 10 of the planning permit provides:

*Prior to the commencement of the development, excluding preliminary site works, demolition, any clean-up works and archaeological investigations, Gough Alley, which is to be built on must be formally discontinued, purchased and consolidated with the subject land to the satisfaction of the Melbourne City Council.*

3. A further requirement of the planning permit is to secure continuous public access (pedestrian and vehicular) over the extension of Manton Lane southward to Lonsdale Street, except at times agreed with the Melbourne City Council for emergency, maintenance or other temporary closure. The land will remain in private ownership, be privately maintained to Council approved standards, and be covered by liability insurance. This will create improved access between Lonsdale Street and Little Lonsdale Street.
4. To facilitate the development, the Applicant requested Council discontinue and sell the road to the Applicant for inclusion in the Development Land. Councillors were initially briefed on this matter in June.

**Key issues**

5. Management's preliminary assessment of the proposed discontinuance indicates the road is not reasonably required for public purposes, nor is it likely to be required in the future, as the road will form part of the Development Land and public access will no longer be required.
6. In accordance with sections 206 and 223 of the *Local Government Act 1989* and section 114 of the *Local Government Act 2020*, a public notice outlining the proposal was placed in the Age and on the City of Melbourne's website on 20 June 2022 offering the opportunity for public submissions to be made. No submissions were received by the closing date of 18 July 2022.
7. In accordance with Council's Road Discontinuance and Sale Policy, the applicant has agreed to purchase the land for \$4,200,000 plus GST.
8. Given the road will be absorbed in the Development Land and the Applicant is required to create a suitable linkage as an extension of Manton Lane, proceeding with the Proposal is considered to be a good outcome for the community.

## **Recommendation from management**

9. That Council:

- 9.1. Discontinues the road known as Gough Alley (as shown on the plan in the public notice published in The Age on 20 June 2022 and on the plan in Attachment 2 of the report from management) and sell the resulting 171 m<sup>2</sup> of land to 572 Lonsdale Pty Ltd for \$4,200,000 plus GST
- 9.2. Authorises management to take all necessary actions and execute all necessary documents to implement the discontinuance and sale referred to in paragraph 9.1 above.

### **Attachments:**

1. Supporting Attachment (Page 3 of 4)
2. Plan of Proposed Discontinuance and Sale (Page 4 of 4)

**Supporting Attachment 1**

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**Legal**

1. Pursuant to sections 206(1) and 223 and clause 3 of Schedule 10 of the *Local Government Act 1989* and section 114 *Local Government Act 2020*, Council has given public notice and carried out community consultation that it proposes to discontinue and sell the road. Whilst the Planning Permit issued by Minister for Planning requires Gough Alley to be formally discontinued, purchased and consolidated with the Development Land, the decision on whether to discontinue and sell the land rests with the Council.

**Finance**

2. The Applicant has agreed to purchase the land for \$4,200,000 plus GST in line with Council's market valuation and the Road Discontinuance and Sale Policy and will also pay all costs associated with the road discontinuance and sale of land.

**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. Statutory and community consultation in relation to the Proposal has been carried out in accordance with section 223 of the *Local Government Act 1989* and section 114 of the *Local Government Act 2020*.

**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.

Plan of the proposed discontinuance

