13.1 CARLISLE STREET CAR PARK AND LANEWAYS - INTENTION TO SELL

EXECUTIVE MEMBER: LACHLAN JOHNSON, GENERAL MANAGER, OPERATIONS AND INFRASTRUCTURE

PREPARED BY: VICKI TUCHTAN, ACTING MANAGER PROPERTY AND ASSETS

ANTHONY SAVENKOV, HEAD OF REAL ESTATE PORTFOLIO (DEVELOPMENT & TRANSACTIONS)

JAMES ACKROYD, PROPERTY DEVELOPMENT ASSOCIATE

1. PURPOSE

1.1 To commence the statutory procedures to prepare the land comprising the public carpark and laneways of the Carlisle Street Carpark to be sold to Coles Group Property Developments Ltd ("the Applicant") for no less than market value by private treaty to undertake a major redevelopment of the precinct.

2. EXECUTIVE SUMMARY

2.1 Council owns several land parcels and roads in the block bordered by Carlisle, Nelson, Alfred, and Camden Streets, Balaclava ('the Precinct'):

2.2 The land parcels and roads are:

2.2.1 Land parcel known as 2-8 Alfred Street, Balaclava.

2.2.2 Land parcel known as 49-53 Nelson Street, Balaclava.

2.2.3 Laneway R3743 that is part of the land which is contained in Memorial No 975 Book 539.

2.2.4 Laneway R3979 that comprises land Title Vol 8945 Fol 006 Title Plan 438679C.

2.2.5 Laneways R3977 and R4141 that comprise Title Vol 00268 Fol 542 Title Plan 923236K.

2.3 The Applicant intends to undertake a mixed-use development of significant scale in the Precinct.

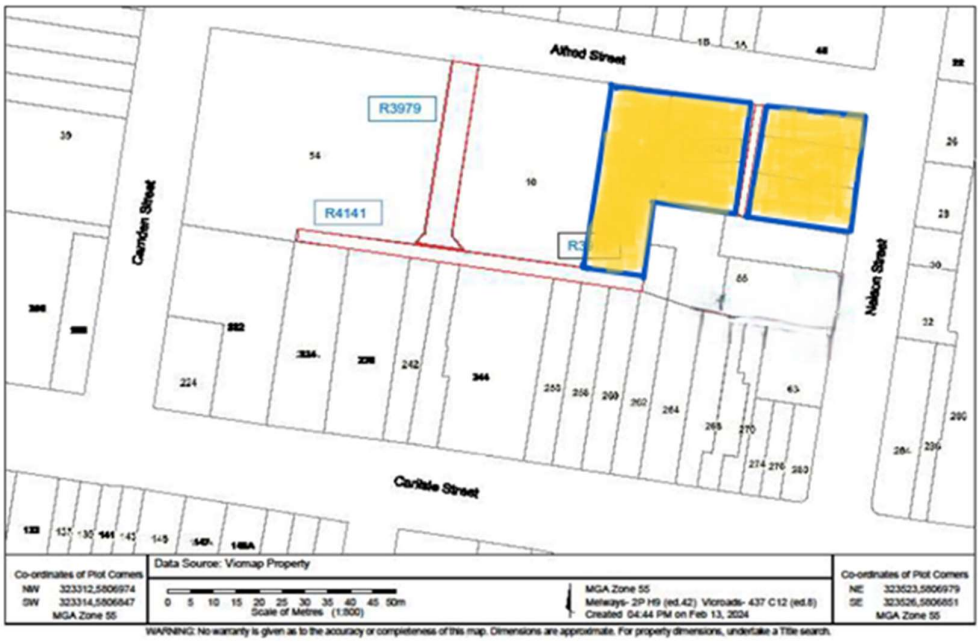
2.4 Council has been approached by the Applicant to purchase several land parcels and roads in the Precinct.

2.5 The development proposes replacing the existing neighbourhood Coles supermarket with a major "full line" supermarket, as well as supporting retail, basement car parking and including housing and public open space.

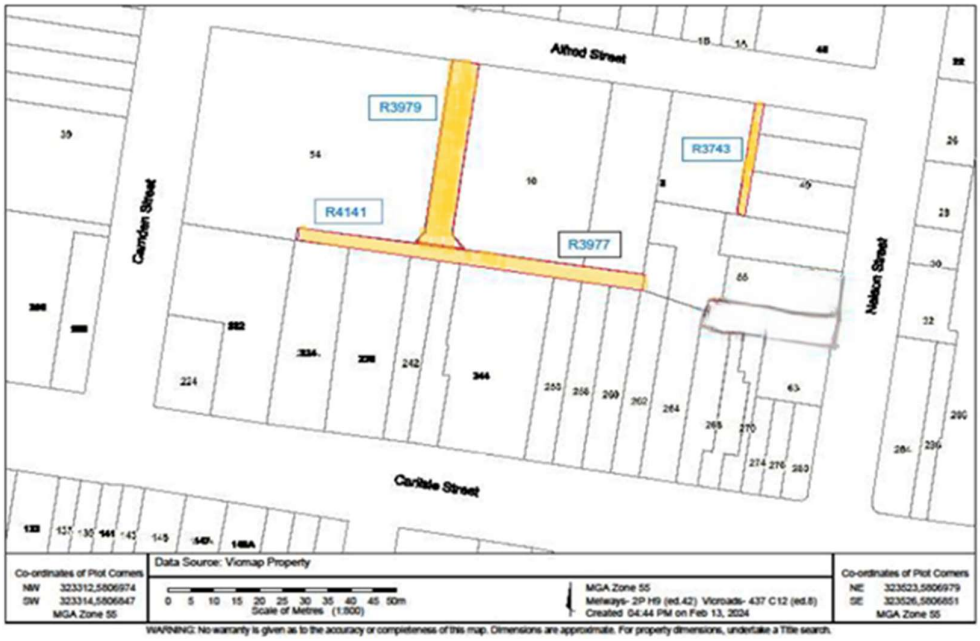
2.6 Such development would help realise the vision set out in Council's 2009 *Carlisle Street Retail Renewal Precinct Structure Plan.*

2.7 The area of land parcels and roads they are interested in is approximately 2,240m^2.

2.8 The land parcels they are interested in are shown shaded yellow in the plan below.



2.9 The roads they are interested in are shown shaded yellow in the plan below.



2.10 Officers propose that Council consider selling the Roads and Land to the Applicant for no less than market value, and with an obligation to:

i) Retain access and egress from Nelson Street to the rear of the Carlisle Street shops in the Precinct.

ii) Retain access and egress to the existing at-grade car parks until the substantial commencement of development.

iii) Undertake a major mixed-use development, including residential component, to include: a full-line supermarket, public toilet facilities, and replacement of the existing at-grade parking spaces with basement car parking.

2.11 Council is required to carry out statutory procedures where it intends to sell land or to discontinue and transfer roads, including giving public notice of the intention, and hear any submissions received in this regard, prior to a decision to discontinue any road.

2.12 Any future sale of land in discontinued roads involves Council resolving to remove the Roads from the Register, following a statutory consultation process.

2.13 The Land comprising the car parks at 2-8 Alfred Street and 49-53 Nelson Street which is proposed to be sold to the Applicant also needs to be the subject of statutory "Intention to Sell" public consultation process.

2.14 Council is requested to endorse the commencement of statutory public consultation in relation to these matters.

3. RECOMMENDATION

That Council:

In respect of Roads:

3.1 Acting under section 17(4) of the *Road Management Act 2004* (Vic), resolves that Laneways R3743, R3979, R3977, and R4141 be removed from Council's Register of Public Roads on the basis that the Roads are no longer reasonably required for general public use;

3.2 Acting under clause 3 of Schedule 10 of the *Local Government Act 1989* (Vic) ('the 1989 Act'):

3.2.1 Resolves that the statutory procedures be commenced to discontinue the Roads;

3.2.2 Directs that under sections 207A and 223 of the 1989 Act, public notice of the proposed discontinuance of the Roads be given in *The Age* newspaper;

3.2.3 Resolves that the public notice required to be given under sections 207A and 223 of the 1989 Act should state that if the Roads are discontinued, Council proposes to sell the land in the Roads to an adjoining property owner, Coles Group Property Developments Ltd ('the Applicant'), for no less than market value;

3.2.4 Authorises the Chief Executive Officer, or their delegate, to undertake the administrative procedures necessary to enable Council to carry out its functions under section 223 of the 1989 Act in relation to this matter; and

3.2.5 Resolves to hear and consider any submissions received pursuant to section 223 of the 1989 Act at a future Council meeting.

In respect of Land parcels:

3.3 Acting under S114 of the *Local Government Act 2020 (Vic)* ('the 2020 Act') resolves to commence the statutory processes required to sell land parcels known as 2-8 Alfred Street and 49-53 Nelson Street, Balaclava, by private treaty, to the Applicant, for no less than market value;

3.4 Advertises the Public Notice of Intention to Sell land parcels on Council's website in accordance with Section 114 (2) (b) of the 2020 Act;

3.5 Authorises the Chief Executive Officer, or their delegate, to enter a S173 Agreement with the Applicant that will deliver transaction objectives and transaction terms;

3.6 Authorises Officers to undertake the administrative procedures necessary to enable Council to carry out its functions under section 114 of the Act in relation to the sale proposal and in accordance with Council's *Community Engagement Policy 2021*; and

3.7 Following the consideration of any submissions, receives a further report at an Ordinary Meeting of Council.

4. KEY POINTS/ISSUES

The land location and areas

4.1 City of Port Phillip owns property within the Balaclava Retail Renewal Precinct at 2-8 Alfred Street and 49-53 Nelson Street Balaclava.

4.2 City of Port Phillip also owns land which forms roads in the Renewal Precinct.

4.3 The title references for the land and roads are noted in the table below:

OWNER	PARCEL	AREA SQM
COPP	Lot 1 TP438679C "Road"	269
COPP	2-8 ALFRED ST Lot 1 TP846586J ,Lot 1 TP748963E	1053
COPP	49-53 NELSON ST, Lot 1 TP904522R, Lot 1 TP232252P, Lot 1 TP245869W, Lot 1 TP748693E	614
COPP	R3977 -"Road"	167
COPP	R3743 -"Road"	44
COPP	R4141 -"Road"	94
TOTAL		2241

4.4 On 20 November 2019, Council resolved to commence the process of negotiating and transacting its properties to foster staged renewal of the Balaclava Retail Renewal Precinct.

4.5 Officers sought public submissions under S114 of the 2020 Act, including public notices of its intention to sell or exchange the Properties, seeking submissions from the community on its intention.

4.6 Officers sought public submissions on the intended sale of a parcel at 39-47 Camden Street that was later sold to Woolworths for the future redevelopment of an expanded supermarket.

4.7 The remaining Council properties which are listed in 4.3 above, lie to the north and east in an area bounded by Carlisle, Camden, Alfred, and Nelson Streets, Balaclava.

Neighbouring land ownership and recent activity

4.8 The land adjacent to the remaining Council properties was owned until 2023 by Blue Chip Property Holdings, with Coles Supermarkets as the anchor tenant.

4.9 Discussions took place in 2021 and 2022 between Blue Chip, their development partner and manager GLG Properties, and Council officers in relation to a potential sale of the remaining Council properties, subject to Agreement.

4.10 Terms were not formally agreed.

4.11 In March 2023, Blue Chip sold its entire interest to its major tenant, Coles Group Property Developments Ltd.

4.12 Since its acquisition, Coles have appointed a consultant team comprising Rothe Lowman (Architect), Planning and Property Partners (Town Planning), and Pomeroy Pacific (Development Advisors) to commence master-planning.

4.13 Coles have presented a concept development masterplan that seeks to benefit and rejuvenate the precinct via a major mixed-use development.

4.14 A development application has not yet been made.

4.15 Following an unsolicited approach, officers requested that Coles demonstrate how via development a disposal of Council properties could meet Council's objectives.

4.16 Coles have expressed a willingness to engage with Council on the delivery of its objectives.

Strategic opportunity

4.17 The use of Council's strategic land holdings (at-grade car parks and roads) within the precinct to facilitate development in partnership with other landowners and business operators has the aspirations of:

i) Contemporary "full line" supermarket facilities.

ii) Additional speciality retail floor space at street level.

iii) Potential for additional commercial and / or community space, including public open space.

iv) Capacity for new higher density affordable housing on upper levels with a focus on dwelling diversity.

v) High level of physical integration with the Carlisle Street retail strip and re-establishment of active retail edges along Camden and Nelson Streets and laneways.

vi) Replacement of the existing at-grade car parks with basement level parking.

vii) Replacement of existing public toilet within the proposed new development.

4.18 Coles' concept and proposal seeks to unlock the higher and better use for the land and create a legacy project for the precinct.

4.19 The aspirations listed are proposed to be met as a condition of sale.

Securing the transaction objectives

4.20 Officers propose that transaction objectives are secured by enforceable conditions of sale being the inclusion of a S173 Agreement addressing the following commitments:

i) Undertake a significant development including a new Full Line Supermarket and residential component.

ii) Replacement of existing surface level public car parks with at least the same number of publicly accessible basement spaces, with equivalent time permissions, and no obligation to shop.

iii) New public toilet facilities within the development.

iv) Public open space contribution.

v) Retention of existing at-grade service access and egress to the rear of Carlisle Street shops via Nelson Street.

Unrealised value

4.21 The land's zoning suggests that it has higher value than current use.

4.22 The properties have been identified as potential development opportunities in Council's 2009 Carlisle Street Retail Renewal Precinct Structure Plan.

4.23 The Structure Plan's directions have subsequently been incorporated into the Port Phillip Planning Scheme, further entrenching the City's expectations for future development.

4.24 The 2018 Carlisle Street Carparks Strategy, part of the Carlisle Street Activity Centre Structure Plan and City of Port Phillip Planning scheme, establishes the vision and strategies that reflect how Council would like to see the area develop.

4.25 The value inherent in the development potential of the land could be realised by selling the site.

4.26 Proceeds of a sale would be allocated to the Strategic Property Reserve, to be reinvested by buying new Council property, or improving Council's existing properties.

4.27 To ensure transparency and best value, sale of Council land is ordinarily by competitive public process.

4.28 Due to the configuration of the land, and the extensive neighbouring land holdings by Coles which surround the site, it is proposed to sell the land by private treaty to the Applicant.

4.29 It is judged the synergistic value and benefits that could be realised by transacting the Council's land to a single neighbouring party who has a proven track record of large scale, mixed-use development makes the case for private treaty sale compelling.

4.30 Prior to making a final decision on whether to sell the land, it is required by section 114 of the 2020 Act to publish a notice of its intention to sell, and to engage the community on this intention.

Road discontinuances

4.31 As part of the road network, rights of way and laneways were developed to satisfy a historical need and were documented in early plans of subdivision.

4.32 In most cases a road is still required for access or other strategic purposes and should remain open to the public, however Council may support its discontinuance (permanent closure) of a road within its municipality if it is considered in the bests interest of the community.

4.33 Unless the subject road is on Crown land, the land vests in Council and Council can subsequently sell the land from the discontinued road or retain it for other municipal purposes.

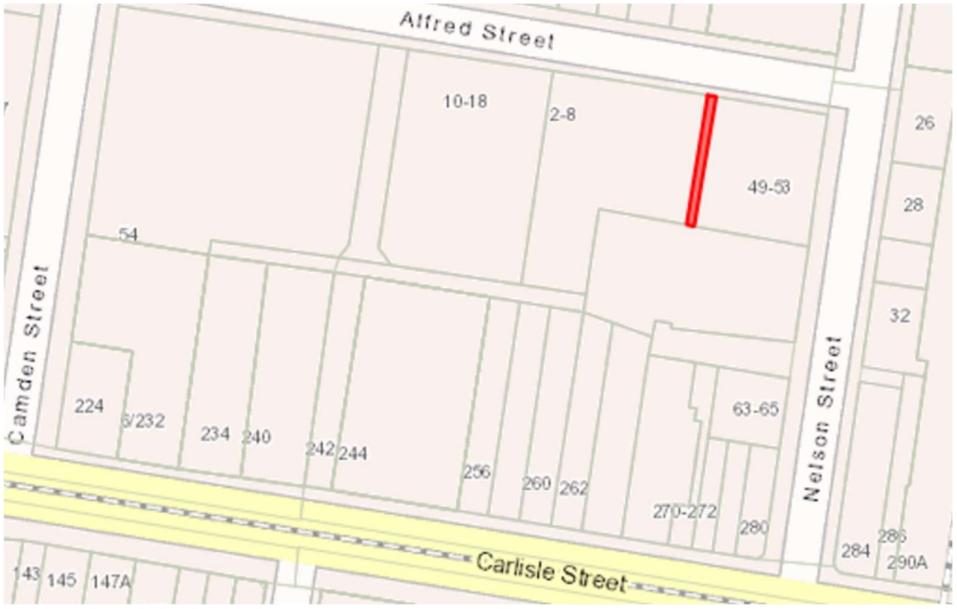
4.34 If the land is subsequently sold, it is generally sold at current market value for the land unless exceptional circumstances deem a different basis of value is appropriate.

4.35 Any discontinuance and sale of a road is to be carried out according to provisions of clause 3, Schedule 10 of the 1989 Act, and Council's *Discontinuance and Sale of Roads Policy* (Policy).

4.36 As an adjoining owner to Roads R3743, R3977, R3979 and R4141, the Applicant has requested that Council discontinues and sells the Roads to them (Proposal).

Road R3743 - North / south road off Alfred St / rear 49-53 Nelson Street, Balaclava

4.37 The Road is show below on the locality plan (highlighted red). There are three titled properties abutting this laneway namely 49-53 Nelson Street (Council owned and managed public car park), 2-8 Alfred Street Balaclava (Council owned and managed public car park) and 55-57 Nelson Street Balaclava (car park owned by the Applicant).



R3743 (above)

4.38 The Road is a non-demarcated strip within a public car park and comprises approximately 44sqm.

4.39 The land is dedicated as a “road” on title, noting the name on title is that of the Original Subdivider) and is also noted as a “road” on title of the abutting properties at part 2-8 Alfred Street and part 49-53 Nelson Street Balaclava (both Council owned). Title ref is Memorial No 975 Book 539 (Original Subdivider).

4.40 The road in not encumbered by any Easements on title.

4.41 A site inspection of the Road was conducted by James Ackroyd on 21 June 2024.

4.42 The site inspection notes that:

4.42.1 The Road is constructed as part of an asphalt car park surface.

4.42.2 The Road is used by vehicles parking within the existing at-grade car park.

4.42.3 The Road can be accessed by pedestrians and vehicles. It is too narrow for vehicles to use it as an exclusive access route to other roads.

4.42.4 The discontinuance and sale of this road in the context of consolidating other land parcels within the Precinct with requirement to retain access is proposed.

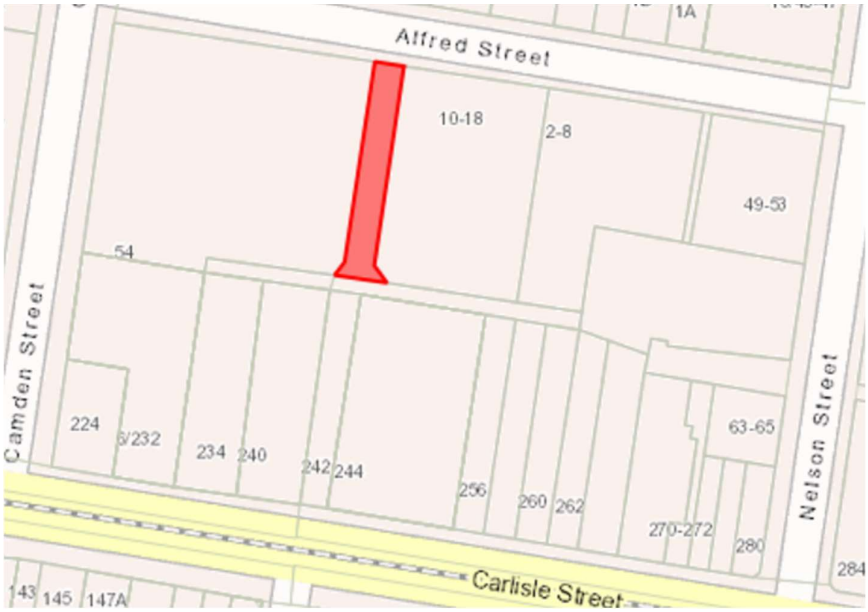
4.43 Council is the registered proprietor of the adjoining properties at 2-8 Alfred Street and 49-53 Nelson Street Balaclava.

4.44 The only other directly adjoining owner is the Applicant who owns property used as a car park, immediately to the South, at 55-57 Nelson Street Balaclava.

4.45 Feedback has been sought from various Council teams who are supportive of its discontinuance and consolidation as this will facilitate the car parks’ strategic redevelopment in this important central activity centre location.

Road R3979 - North / south road Rear 54 Camden St & 10-18 Alfred St, Balaclava

4.46 The Road is show below on the locality plan (highlighted red). There are several titled properties abutting this Road namely 54 Camden Street, a Coles supermarket, and 10-18 Alfred Street, a car park, and Roads R3977 and R4141 to the immediate south.



R3979 (above)

4.47 The Road comprises a concrete pavement of approximately 269sqm.

4.48 The Road is not dedicated as a “road” on title and is not noted as a “road” on title to the abutting properties. Rather it is a freehold parcel of land owned by Council.

4.49 The name on title is City of Port Phillip, Title Plan No TP438679C.

4.50 There are two titled properties abutting this road namely 54 Camden Street, a Coles Supermarket to the west and 10-18 Alfred Street, a car park, to the east, both owned by the Applicant.

4.51 To the south are Roads R3979 and R4141.

4.52 The Road is available for pedestrians and vehicles accessing Council owned and managed car parks in the Precinct and circulation of traffic in the Precinct.

4.53 The Road is considered to be a public highway for the purposes of common law, under the RMA.

4.54 The road in not encumbered by any Easements on title.

4.55 A site inspection of the Roads was conducted by James Ackroyd on 21 June 2024.

4.56 The site inspection notes that:

4.56.1 The Road is constructed as part of an asphalt car park roadway.

4.56.2 The Road can be accessed by pedestrians and vehicles.

4.56.3 The Road is used by vehicles to access the neighbouring at-grade car park.

4.56.4 The Road facilitates access to abutting properties and Road R3977.

4.56.5 The discontinuance and sale of this road in the context of consolidating other land parcels within the Precinct with requirement to retain access is proposed.

4.57 The Applicant is the registered proprietor of the adjoining properties at 10-18 Alfred Street, which is used as a car park, and 54 Camden Street, which is used as a supermarket.

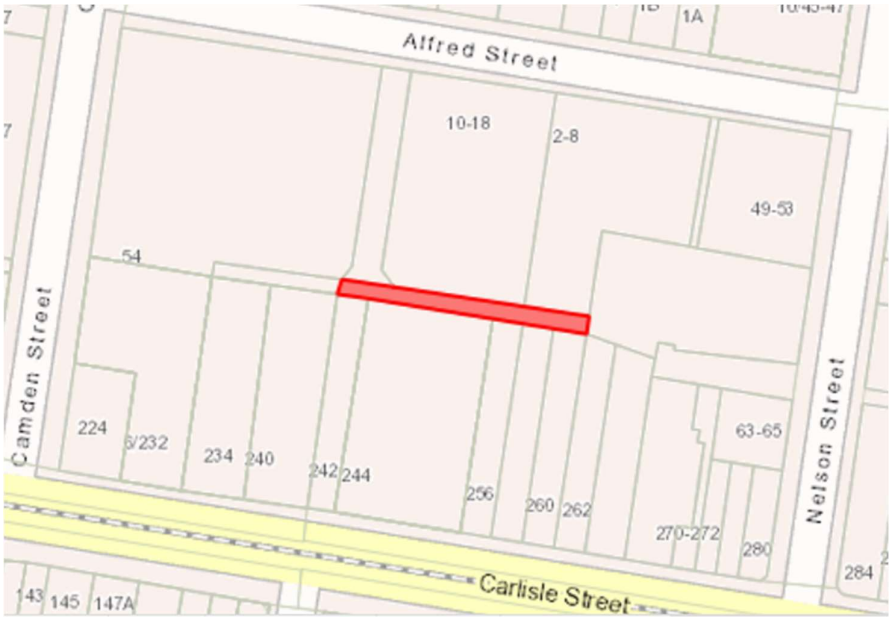
4.58 Feedback has been sought from various Council teams who are supportive of its discontinuance and consolidation as this will facilitate the car parks' strategic redevelopment in this important central activity centre location.

Roads R3977 and R4141 - East / west road rear 234 to 260 Carlisle St, Balaclava

4.59 The Roads are shown below on the locality plan (highlighted red). There are several titled properties abutting these Roads namely (rear of) properties between 234 and 260 Carlisle Street, Council properties comprising car parks at 2-8 Alfred Street, a property at 54 Camden Street occupied by the existing Coles Supermarket, and a Council owned Road R3979 which runs north to Alfred Street.



R4141 (above)



R3977 (above)

4.60 R4141 is constructed in bluestone paving. R3977 is asphalt pavement. The Roads have a combined area of around 260sqm.

4.61 The Roads are dedicated as “road” on title and noted as a “road” on title to the abutting properties.

4.62 The name on title is that of the Original Subdivider. Title ref is Vol. 00268 Fol 542.

4.63 The roads abut the rear of 234 to 260 Carlisle Street Balaclava. The Roads form part of the Precinct.

4.64 Both Roads are available for pedestrians and vehicles.

4.65 Road R4141 connects with Road R3977 to the east and is a dead end to the west terminating at the rear of 54 Camden Street.

4.66 Road R3977 connects with Roads R4141 to the west and R3979 to the north. On title, the eastern end terminates at the boundary of land in the ownership of the Applicant which forms part of the Council managed car park. Physically, the road connects with the east-west thoroughfare within the council managed car park across the Applicant’s land, leading to and from Nelson Street.

4.67 The Roads are considered to be a public highway for the purposes of common law, under the RMA.

4.68 The roads are not encumbered by any Easements on title.

4.69 A site inspection of the Roads was conducted by James Ackroyd on 21 June 2024.

4.70 The site inspection notes that:

4.70.1 The Roads are constructed as part of an asphalt car park roadway.

4.70.2 The Roads can be accessed by pedestrians and vehicles.

4.70.3 The Roads are used by vehicles to access the existing at-grade car park.

4.70.4 The Roads facilitate access over the Applicant's land to entry and egress Nelson Street.

4.70.5 The discontinuance and sale of this road in the context of consolidating other land parcels within the Precinct with requirement to retain access is proposed.

4.71 Council is the registered proprietor of the adjoining property at 2-8 Alfred Street, which is used as a car park. It also owns neighbouring Road R3979 which is used as an entry point for vehicles accessing the at-grade car parks in the Precinct.

4.72 The Applicant owns various adjoining properties, primarily 54 Nelson Street (Coles Supermarket) and several retail shops in Carlisle Street. It also owns land at 55-57 Nelson Street Balaclava, and 10-18 Alfred Street, both of which are used as car parks.

4.73 Feedback has been sought from various Council teams who are supportive of its discontinuance and consolidation as this will facilitate the car parks' strategic redevelopment in this important central activity centre location.

Application

4.74 The Applicant has agreed to pay Council's costs and disbursements associated with the proposed discontinuances, together with the synergistic value, being no less than market value, for the transfer of the discontinued Roads to the Applicant.

4.75 If the Roads are discontinued and sold to the Applicant, Council will require the Applicant to consolidate the title to the discontinued Roads within the Title to the Applicant's Property within 12 months of the date of transfer of the Roads to the Applicant, at the Applicant's expense.

4.76 Conditions of any sale of discontinued roads to the Applicant will include:

4.76.1 That Roads continue to be open and available for use and access to the existing at-grade car parking until such time as substantial commencement development of replacement basement parking commences.

4.76.2 That vehicle access for retail shops to the rear of Carlisle Street from Nelson Street will be retained.

Analysis

4.77 It is considered that the Roads may be discontinued because:

4.77.1 Discontinuance would facilitate the enablement of a wider community benefit by facilitating future redevelopment of the adjoining land and Precinct and associated regeneration.

4.77.2 The proposed discontinuances of the roads would form part of a wider sale of land in the Precinct to the Applicant that would facilitate the neighbouring car park site's strategic redevelopment and regeneration.

4.77.3 They can be consolidated within the neighbouring Council owned car park titles without impeding access for current car park users.

4.78 The Proposal has been referred internally within Council and no objections have been received. This the Roads have been deemed to have no strategic purpose for Council other than in context of a sale.

4.79 Council is now able to consider whether to:

4.79.1 Commence the statutory procedure to discontinue and sell the Roads.

4.79.2 Consider removal of the Roads from Council's Register of Public Roads.

4.80 Officers propose that Council commence the statutory procedures to discontinue the Roads. Should the Roads be subsequently approved for discontinuance, Council will need to remove the Roads from Council's Register of Public Roads for the reasons set out above.

4.81 If the Roads are subsequently discontinued, it is proposed the land in the Roads be sold to the Applicant based on its synergistic value, to a wider development of the Precinct, being no less than market value.

4.82 A valuation will be obtained prior to disposing of the land.

5. CONSULTATION AND STAKEHOLDERS

5.1 The following statutory authorities will be consulted on the proposed discontinuance of the Roads and will be asked to respond to the question of whether they have any existing assets in the Road, which should be saved under section 207C of the 1989 Act:

5.1.1 Port Phillip City Council.

5.1.2 South East Water.

5.1.3 CitiPower.

5.1.4 Multinet Gas.

5.1.5 Telstra.

5.1.6 Optus.

5.2 Council's Asset Management Team has advised that Council has no assets in or above Road R3743 and R3979. Council assets in Roads R4141 and R3979 comprise public lighting, drainage services and signage.

5.3 Specific details of affected assets owned by other public service authorities and requirements for any easements are to be confirmed as part of the relevant statutory authority enquiries. Preliminary enquiries have ascertained there are water, electricity, telecoms, and gas assets in the vicinity of the Roads and Land.

5.4 Should Council adopt the recommendation of this report, Officers will seek community feedback concerning the sale of the subject land.

5.5 Before proceeding with the discontinuances, Council must give public notice of the Proposal in accordance with S223 of the 1989 Act. The 1989 Act provides that a person may, within 28 days of the date of publishing the public notice, lodge a written submission regarding the Proposal.

5.6 Where a person has made a written submission to Council requesting to be heard in support of the written submission, Council must permit that person to be heard before a meeting of Council or the Committee which has delegated authority to hear those submissions, giving reasonable notice of the day, time, and place of the meeting.

5.7 After hearing any submissions made, Council must determine whether the Road is not reasonably required as a road for public use, to decide whether the Road should be discontinued.

5.8 In relation to the Sale of Land parcels, the objective of the engagement is to present the community with the outline terms of the proposed sale, the reasons for the sale, and to receive written submission from any person concerning that sale.

5.9 The fundamental question of the engagement is: “Are there any reasons why a sale should or should not proceed?”.

5.10 The engagement activities Officers propose to undertake are:

- Publishing a notice on Council’s website for four weeks.
- Publishing a notice in *The Age* newspaper.
- Writing to adjoining owners and residents, attaching a copy of the notice, to support awareness of the proposed sale and highlighting the opportunity to make comment.
- Carrying out an online *Have Your Say* survey, to enable members of the community to register comments concerning the proposed sale for Council’s consideration prior to a decision.

5.11 Any written submissions received by the closing date will be considered in a further report which will be presented to Council to enable the consideration of such submissions, prior to making a final decision to sell the land.

6. LEGAL AND RISK IMPLICATIONS

6.1 Under S114 of the 2020 Act, Council is required to give public notice of its intention to sell the subject land, inviting submissions from the community.

6.2 Under clause 3 of Schedule 10 of the 1989 Act, Council has the power to discontinue roads located within its municipality and sell the land from that road or retain the land for itself. Council must first give notices in accordance with sections 207A and 223 of that 1989 Act.

6.3 Council Policy enables roads to be discontinued and sold to adjoining owners. It ensures that roads which are reasonably required for public access remain open to the public.

6.4 As noted, if the Roads are discontinued and sold, Council will require as a condition of sale upon Coles Group Property Development Ltd granting a legal right of carriageway over its land to the East, to enable continued access to and from Nelson Street in favour of the properties at 256,258 and 260 Carlisle Street.

6.5 As noted, if the Roads are discontinued and sold, Council will require as a condition of sale upon Coles Group Property Developments Ltd to continue to permit access over

the land formerly comprising the Roads until such time as substantial commencement of development of replacement basement car parks.

6.6 It will also be a requirement that public access to the at-grade car parks will continue until substantial commencement of the development to replace the car parks with basement facilities.

7. FINANCIAL IMPACT

7.1 The Applicant has agreed to acquire the Land based on synergistic value (plus GST), or no less than market value. If Council proposes to transfer the Land, to comply with its statutory obligations Council will need to obtain a valuation of the land. This is in accordance with Council's Policy.

7.2 The Applicant has agreed to pay Council's costs and disbursements associated with the proposed discontinuance of the Roads, together with the synergistic value, or no less than market value, for the transfer of the discontinued Roads to the Applicant. A valuation will need to be obtained.

7.3 In accordance with the Policy and previous sales of roads, the value attributed to the land in the Road is based on the following assumptions:

7.3.1 Full value of the land is applicable to the Roads as though it is consolidated with the Applicant's property.

7.3.2 No discount is applicable to the full land value due to the limited purchasing market for the Roads.

7.3.3 Reflecting the strategic redevelopment potential enabled by the sale, considering the Applicant's other land holdings in the Precinct.

7.4 Sale of the property is anticipated to release community funds. It will also avoid ongoing maintenance costs.

7.5 The car parks are currently time restricted (2 hours). There is no paid parking. It is not anticipated there would be revenue lost through their redevelopment except from infringements during the period of development /replacement of the car parks during construction.

7.6 Council's approach is to place the proceeds of such sales into the Strategic Property Reserve for use in the acquisition or upgrade of Council property.

7.7 If Councillors endorse selling the land, Officers will obtain a valuation from a certified practising value to assess the market value of the parcels, considering the highest and best use of the property, the synergistic (and no less than market) value of the parcels in the context of the concept development, and any obligations pertaining to the proposed transaction. This will form a reference point to finalise negotiations.

8. ENVIRONMENTAL IMPACT

8.1 The recommendation of this report has no identified environmental implications.

8.2 Dealing with Coles on an exclusive basis would be more likely to deliver Council's objectives consistent with the Carlisle Street Activity Centre Structure Plan 2009.

8.3 The disposal of the Roads and Land will assist in facilitating the objectives of Council, which is for a future owner to provide car parking for the additional development on the site that generally meets future demand, considering sustainable car parking and traffic objectives.

9. COMMUNITY IMPACT

9.1 Council will facilitate the discontinuance and sale of roads where appropriate consultation has occurred, legislative requirements have been met and it is considered that road discontinuance and sale is in the best interest of the wider community.

9.2 The proposed discontinuance and sale of the Roads and land will enable the land to be repurposed.

9.3 The recommendation, if adopted, provides the community a formal opportunity to consider and provide feedback on the proposal to sell the land, including community impact.

9.4 The recommendation, if adopted, also provides the opportunity for the community to consider and provide feedback on the proposal to discontinue and sell the Roads, including community impact.

9.5 The discontinuance and sale of Council Roads poses a potential risk in relation to continued access for retailers in Carlisle Street who currently service their properties. It also poses a risk for the public who currently use the Roads to transit the existing at-grade car parks.

9.6 It is proposed to deal with Carlisle Street retailers' access risk by ensuring that as a condition of sale, access and egress is maintained from Nelson Street for them through a (permanent) covenant over the adjacent land.

9.7 It is proposed to deal with the risk for the public who currently use the Roads to transit the existing at-grade car parks through a condition of sale which requires them to be maintained for access following discontinuance, until such time as substantial development of new, replacement, basement car parking facilities commences.

9.8 This report supports transparent governance and an actively engaged community, and thereby direction 5 "Well Governed Port Phillip".

9.9 A transaction of Council land to facilitate development aligns with direction 2: "Liveable Port Phillip".

9.10 If Council resolves to discontinue and sell the Roads, proceeds from the sale will go into Council's Strategic Property Reserves used to support the acquisition and development of the property portfolio.

10. SOCIAL IMPACT

10.1 The subject land is considered to have social importance as a catalyst for unlocking social value in the precinct.

10.2 Council disposal of the land will enable a significant redevelopment to be delivered with opportunities to capture social benefit to local stakeholders.

10.3 Disposal of the land will enable upgrades and contributions to public realm, improved pedestrian links within the site and high-quality design outcomes.

10.4 A large scale, mixed-use development as anticipated by the Applicant will support the concentration and diversity of retail activity in the Centre and maintain core retailing at the street frontage including redevelopment of the existing supermarket anchor.

11. ECONOMIC IMPACT

11.1 The Intention to Sell process does not have any immediate economic impact but future development enabled by a sale is expected to facilitate economic benefits.

11.2 Disposal of the land increases the prospect of increased residential density on the site by consolidating land holdings.

11.3 Increased future employment opportunities.

11.4 Increased capture of the overall retail expenditure pool in the surrounding catchment.

12. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

12.1 The recommendation of this report supports transparent governance and an actively engaged community.

12.2 The recommendation thereby aligns with Council Plan strategic direction Well Governed in the “Council Plan 2021-31: A City that is a leading government authority, where our community and our organisation are in a better place as a result of our collective efforts”.

13. IMPLEMENTATION STRATEGY

13.1 TIMELINE

13.1.1 For the discontinuances, before proceeding with the Proposal, Council must give public notice of the Proposal and invite submissions from interested persons allowing at least 28 days to make a submission. The notice will be published online, and in *The Age* newspaper.

13.1.2 Any submissions may be heard and considered at a future Council meeting.

13.1.3 After hearing any submissions made, Council must determine whether the Roads are not reasonably required for public use, to decide whether the Roads should be discontinued.

13.1.4 The consultation activities outlined in section 5 of this report are anticipated to commence in November and December 2024, with the outcomes reported to Council in February 2025.

13.1.5 For the sale of land, recommence the statutory processes under section 114 of the 2020 Act, including providing public notices of its Intention to Sell or exchange the properties for a market price, by way of private negotiation, and seek submissions from the community on this intention.

13.1.6 Once we have received public feedback from the Intention to Sell process, we will report this feedback to a future Council meeting.

13.1.7 Once the feedback has been considered, a recommendation will be made on whether to proceed with the transaction.

14. OFFICER MATERIAL OR GENERAL INTEREST

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

TRIM FILE NO:

ATTACHMENTS **Nil**