

MEETING OF THE PORT PHILLIP CITY COUNCIL 3 FEBRUARY 2021



14.2 INTENTION TO LEASE: (PART) 69 WHITE STREET, SOUTH MELBOURNE

EXECUTIVE MEMBER: CHRIS CARROLL, GENERAL MANAGER, CUSTOMER, OPERATIONS AND INFRASTRUCTURE

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1. PURPOSE

- 1.1 This report seeks approval to carry out the statutory processes relating to Council's intention to lease part of 69 White Street, South Melbourne, including to hear and consider public submissions.



2. EXECUTIVE SUMMARY

- 2.1 69 White Street, South Melbourne is a base for Council's civil infrastructure maintenance operations – including part which is used by a contractor to deliver those services on behalf of Council.
- 2.2 The current service contract is expiring soon. City of Port Phillip plans to invite offers to provide that service, together with the opportunity to lease part of the Council depot during the term of the new contract to provide the service.
- 2.3 Council is required under the *Local Government Act 1989* (the "Act") (and s.115 of the *Local Government Act 2020*) to give public notice of its intention to enter into a lease of the site, and to consider any submissions received. It must do so prior to determining whether to enter into a lease.

3. RECOMMENDATION

That Council:

- 3.1 Resolves to commence the statutory processes under section 190 of the *Local Government Act 1989* (s115 of the *Local Government Act 2020*) ("the Act") advising of its intention to lease part of the Council owned property 69 White Street, South Melbourne, for market rent, and for a term aligning with the associated service agreement (anticipated to be seven years).



- 3.2 Authorises relevant members of Council staff to undertake the administrative procedures necessary to enable Council to carry out its functions under section 223 of the Act.
- 3.3 Notes that a further report will be presented to Council, to enable consideration of submissions received pursuant to Section 223 of the Act, following publication of the Public Notice.

4. KEY POINTS/ISSUES

- 4.1 A core service of Council is maintaining the municipality's civil infrastructure.
- 4.2 Delivery of much of this service is from Council's operational centre at 69 White Street, South Melbourne.
- 4.3 Based on the site are:
 - Council staff, for administration; and
 - the equipment and staff of a third party contractor, to carry out the maintenance.
- 4.4 Together, they work to keep the City's roads, paths, drains, and street furniture (bins, bollards, signs, benches, bike hoops, drinking fountains) in appropriate condition.
- 4.5 The agreement between City of Port Phillip and the contractor for the provision of civil infrastructure maintenance services expires on 30 June 2020.
- 4.6 A public tender for a new service agreement is planned.
- 4.7 Under that tender, bidders may elect to use part of the subject site to provide the maintenance services – under a commercial lease, at market rent.
- 4.8 If it is to proceed, the lease will complement and be linked to the maintenance service agreement.
- 4.9 Prior to determining to enter (or not enter) a lease for the Site, Council must comply with the statutory provisions of section 189 of the Act, providing any person a right to make a submission under section 223 of the Act on a proposed lease, and have that submission considered.
- 4.10 Officers therefore propose to initiate and undertake this process.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 The Notice of Intention to Lease is intended to be published on Council's website and in a major newspaper.
- 5.2 Any person can make a submission responding to that Notice.
- 5.3 The tender for the service contract is an associated but separate process, with its own advertising.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 The recommendation directly supports Council in meeting its obligation under the *Local Government Act 1989 (& 2020)* to consult ratepayers and residents on proposals to sell lease Council land where the intended lease meets the prescribed requirements.
- 6.2 The recommendation indirectly supports Council in meeting its obligation under the *Road Management Act 2004*, to inspect, maintain and repair public road and drainage assets.



7. FINANCIAL IMPACT

7.1 The rent proposed is market rent.

8. ENVIRONMENTAL IMPACT

8.1 This report is not considered to have a material environmental impact.

9. COMMUNITY IMPACT

9.1 This initiative promotes transparent governance and an actively engaged community.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

10.1 This report directly supports Council Plan Direction 6: *Our commitment to you.*

11. IMPLEMENTATION STRATEGY

TIMELINE

11.1 A Notice of Intention to Lease is scheduled to be published in February 2021, subject to Council's adoption of the recommendation.

11.2 Any submission received will be reported to a future meeting of Council.

COMMUNICATION

11.3 Council actively manages its property portfolio, including leasing out property assets to support its service delivery.

11.4 When doing it so it observes the relevant statutory obligations.

12. OFFICER DIRECT OR INDIRECT INTEREST

12.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.

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ATTACHMENTS Nil