

6.1 DEVELOPMENT OF HUB PRECINCT, GLEN WAVERLEY ACTIVITY CENTRE

(File)

Responsible Officer: Chief Executive Officer

RECOMMENDATION

That Council:

1. *Agrees to continue to progress the proposal by VicTrack Access to develop the forecourt area of the Glen Waverley Railway Station;*
2. *Notes the current status of the development proposal; and*
3. *Authorises the Chief Executive Officer to enter into a non-binding Heads of Agreement with VicTrack Access which outlines each party's obligations and intentions to give effect to the project.*

INTRODUCTION

The purpose of this report is to:

- provide Council with a status report on the project being proposed by VicTrack for the redevelopment of the VicTrack land immediately east of the Glen Waverley Railway Station; and
- to seek authority for the CEO to enter into a non-binding Heads of Agreement with VicTrack which outlines each party's obligations to give effect to the project.

BACKGROUND

At its meeting on 31 January 2006, Council agreed in principle to the redevelopment of the Hub Precinct - Glen Waverley Activity Centre, and authorised the Chief Executive Officer to negotiate with VicTrack Access for the development of a multi storey building for business and residential use, located in the forecourt area of the Glen Waverley Railway Station on the following basis :

- (a) Council relinquishes to VicTrack Access its leasehold interest in the commercial and retail tenancies immediately to the east of the railway station, and
- (b) Council gains freehold title to the Central Car Park land currently leased from VicTrack Access.

At its meeting on 12 December 2007, Council agreed that Amendment C-76 to the Monash Planning Scheme be forwarded to the Minister for Planning requesting authorisation for the Council to place the Amendment on public exhibition. This Amendment introduces a Development Plan Overlay into the Monash Planning

Scheme to provide for the development of an eight storey mixed use development on the VicTrack site, together with off-site car parking of up to 120 spaces.

CURRENT STATUS

The Minister for Planning has since authorised Council to place the Planning Scheme Amendment C-76 on public exhibition and this will take place in February 2008.

The VicTrack Access Board has agreed to VicTrack Access progressing the project, subject to a development proposal being received which is acceptable in terms of planning and use requirements and provides an appropriate financial return. The Board has authorised VicTrack Access to enter into a non-binding Heads Of Agreement with Council in order to progress the project.

VicTrack Access intends to call expressions of interest for development of the site in February 2008 in accordance with a design brief prepared by VicTrack Access and Council consistent with the proposed Planning Scheme Amendment.

HEADS OF AGREEMENT

It is intended that VicTrack Access and Council enter into a non-binding Heads of Agreement to progress the project. The purpose of the Heads of Agreement is to clearly outline each party's obligations and understandings of the project should the development proceed. In essence, the HOA requires each party to use its best endeavours to progress the project along the agreed lines.

It is important to note that this Heads of Agreement does not pre-empt or commit Council in any way in undertaking its functions as a Statutory Planning Authority in dealing with Planning Scheme Amendment C-76 or any subsequent Development Application received for the site.

Council's major commitments to the project which are reflected in the Heads of Agreement are:

- relinquishing its leasehold interest in the commercial and retail tenancies adjacent to the station in exchange for gaining freehold title to the central car park currently leased from VicTrack;
- construction of a multi-deck car park on Council's existing at grade car park in Euneva Street and to provide access under licence to 120 spaces on the top levels of the car park during daytime business hours for the proposed Hub developer with the developer paying the full cost of the 120 spaces;
- funding on a shared basis with VicTrack and Government the realignment of Kingsway to provide for the proposed development site. (The estimated cost to Council for these works is \$300,000 and includes signalisation of the Kingsway/Coleman Parade intersection.);

- participation with VicTrack in the evaluation panel to assess expressions of interest and tenders received for the development.

FINANCIAL IMPLICATIONS

It is proposed that Council's commitment of some \$300,000 for the realignment of Kingsway would be funded within the existing Base Capital Works program. It should be noted that the Government has agreed to provide \$290,000 towards these works.

It is also proposed that the construction of the multi-deck Euneva Street car park would be funded by the developer of the VicTrack site meeting the full cost of construction of up to 120 spaces associated with the subject development and the remaining spaces being subject to a Developer Contribution Plan (DCP) to meet the future needs of expanding commercial activity in the Glen Waverley Activity Centre. This proposed DCP would be subject to full analysis and consultation through a formal Planning Scheme amendment process.

Also, Council would forgo the current \$130,000 per annum net rental for the commercial premises it leases on the site.

CONCLUSION

It is recommended that Council agrees to continue to work with VicTrack Access to develop the Hub precinct site in the Glen Waverley Activity Centre and enters into a non-binding Heads of Agreement with VicTrack Access as a basis to progress the project.