

6.2 DEVELOPMENT OF THE HUB PRECINCT, GLEN WAVERLEY ACTIVITY CENTRE – LAND EXCHANGE AGREEMENT

Responsible Officer : Chief Executive Officer

RECOMMENDATION

That Council:

1. *Notes the progress of the proposal by Victorian Rail Track (VicTrack) to develop the forecourt area of the Glen Waverley Railway Station.*
2. *Agrees to enter into a Land Exchange Agreement with VicTrack to facilitate the development proposal with the essential elements of the Agreement being:*
 - a) *Council relinquishes to VicTrack its leasehold interest in the commercial and retail tenancies on VicTrack land immediately to the east of the Glen Waverley Railway Station.*
 - b) *Council gains freehold title to the central car park land currently leased by Council from VicTrack.*
 - c) *Funding on a shared basis with VicTrack and Government realignment of Kingsway to provide for the proposed development of the site at a cost to Council of \$300,000.*
 - d) *Provision of an option to VicTrack for the construction of a multi-deck car park on Council's existing at-grade car park in Euneva Street Glen Waverley to provide access to 120 car parking spaces during daytime business hours for the proposed development with VicTrack paying the full cost of the construction of the 120 spaces.*
3. *Authorises the Land Exchange Agreement and accompanying agreements to be signed and sealed.*

INTRODUCTION

The purpose of this report is to seek Council agreement to finalise the Land Exchange Agreement with Victorian Rail Track (VicTrack) to facilitate a proposal by VicTrack to develop a multi-storey, mixed use residential, commercial and retail facility on VicTrack land immediately to the east of the Glen Waverley railway station.

BACKGROUND

As its meeting of 29 January 2008, Council agreed to enter into a Heads of Agreement with VicTrack to progress the project.

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 held by Council on VicTrack land adjacent to the station in exchange for gaining freehold title to the central car park currently leased by Council from VicTrack;
- construction of a multi-deck car park on Council's existing at grade car park in Euneva Street, Glen Waverley 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; and
- 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.)

On 17 July 2008, the Minister for Planning approved Planning Scheme Amendment C76 to facilitate development of an eight storey building on the land immediately east of the Glen Waverley Railway Station and on 26 August Council approved a Planning Permit for construction of a multi-deck car park comprising 307 spaces on the Euneva Street site.

In the 2008/09 Budget, Council approved funding of \$300,000 for the realignment of Kingsway, Glen Waverley to facilitate the development and the State Government has provided a contribution of \$280,000 for these works. VicTrack has also agreed to provide funding of \$250,000 for the realignment works.

DISCUSSION

Negotiations with VicTrack have now reached a successful conclusion regarding the terms of Land Exchange Agreement as outlined in the Heads of Agreement and VicTrack are now willing to execute the Agreement. It is appropriate for Council to now also execute the Agreement.

The Agreement provides for a number of conditions/precedents being met prior to finalisation of the exchange of land and these include:

- realignment of Kingsway;
- registration of a Plan of Subdivision for the site; and
- approval of the land transfer by the Government Land Monitor and the Minister of Public Transport.

A condition of the Agreement is that Council will maintain 230 car parks on the central car park site or in the immediate vicinity for use by members of the public and that any future development of the central car park site provides appropriate pedestrian access and design nexus between the central car park site and the proposed VicTrack development.

Following execution of the agreement, VicTrack will be in a position to call expressions of interest for development of the railway site.

FINANCIAL IMPLICATIONS

As outlined in the Council report of 29 January 2008, the financial impact for Council is:

- Funding of \$300,000 for the realignment of Kingsway (already approved in the 2008/09 Budget).
- Initial funding of the construction of the multi-deck Euneva Street car park with costs recouped in full for 120 spaces from VicTrack and in part for the remaining spaces from a Development Contributions Plan (DCP) to meet the future needs of expanding commercial activity in the Glen Waverley Activity Centre. (The DCP is currently awaiting gazettal by the Minister for Planning.)
- Loss of \$130,000 per annum net rental Council currently receives for the commercial premises on the site.
- Council obtains freehold title to the central car park site.

CONCLUSION

It is recommended that Council agrees to enter into a Land Exchange Agreement with VicTrack in accordance with the provisions outlined in this report.