

Queen Victoria Market Precinct Renewal (QVMPR) Program - Quarterly Report

Council

Presenter: Chris Lamont, General Manager Capital Projects and Infrastructure

26 May 2020

Purpose and background

1. The purpose of this report is to provide Council with a progress update and expenditure breakdown of the Queen Victoria Market Precinct Renewal (QVMPR) Program for the period ending 31 March 2020.

Key issues

2. As at 31 March 2020, the total QVMPR Program expenditure since 2013 is \$29.21 million and the total expenditure for financial year 2019/20 is \$5.83 million. Please refer to Attachment 2 for a breakdown of program expenditure.
3. The key project elements delivered by the QVMPR Program for the period of January to March include:
 - 3.1. Shed restoration works – a key project identified in the 2015 QVMPR Master Plan and 2018 People's Panel Report – is on track to commence in the upper market from mid-May. COVID-19 restrictions present a rare opportunity for the project team to accelerate onsite works in larger sections of the upper market while trading is limited and there continues to be ongoing restrictions on international and domestic travel.
 - 3.2. Development applications for the Trader Shed and Northern Shed are awaiting determinations from Heritage Victoria (HV) and Council's Planning team. The heritage and planning applications were submitted in early February, followed by a public advertising period which ended in early April. The Major Capital Works team is coordinating timely responses to address the submissions received by HV during the public advertising period. Council will only consider the planning applications after HV's determination of the heritage applications. These two purpose-built structures respond to the recommendation of upgrading market infrastructure following the 2018 People's Panel deliberative engagement process.
 - 3.3. The Market Square Charter provides a high-level framework and six guiding principles to direct decision making on the activities, uses and management of Market Square (which will replace the current customer carpark) and will inform both the future design and the operational arrangements at the square. The delivery of Market Square will be carried out in two stages, with the first stage to commence in mid-2021 when 500 carparks will be available at the Munro site.
 - 3.4. Construction of the Munro Community Hub and the 500 car parks for Queen Victoria Market (QVM) continue to progress whilst COVID-19 restrictions are observed. Floor slabs to basement levels of the Community Hub have now been laid, and the delivery of customer car parks for QVM remain on schedule to be complete by mid-2021. Six affordable housing units at the Munro Site are proposed to be sold to Residential Independence Pty Ltd, a company related to the Transport Accident Commission with public notice given in accordance Sections 189 and 223 of the *Local Government Act 1989*.
 - 3.5. The State Government has now approved the surrender of the Crown land which will form the freehold title for the Southern Site. Similar to the Munro Site, freehold land will provide opportunity for a mixed use development, including the provision of up to 500 car parks for QVM. This is another milestone achieved following Council's unanimous endorsement in December 2019 to proceed with the road discontinuance of parts of Franklin Street and Queen Street. Preliminary geotechnical and environmental investigation works are now complete as part of the planning activities for the future Southern Site and Queen's Corner Building.
 - 3.6. Heritage applications are under active development for the weather protection project, which includes the replacement of existing blinds and awnings, and the construction of a glazed canopy at the laneway between Sheds E and F. A pre-application meeting has been held with HV, outlining the design development of the canopy prototype and the investigation outcomes of sourcing suitable blinds and awnings. Subject to development approval and the availability of local materials given the COVID-19 impacts, the installation of the canopy prototype is targeted to commence later this year.
 - 3.7. An updated QVMPR Business Case and Delivery Plan will be presented for Council's consideration in September 2020. At the request of Council in September 2019, these foundation documents have been updated to reflect the new Market Infrastructure designs, costs and programme. Due to the impact of COVID-19, approval of these two documents has been deferred to September 2020.

Recommendation from management

4. That Council accepts the Queen Victoria Market Precinct Renewal Program quarterly report which confirms a total Program expenditure of \$29.21 million as at 31 March 2020.

Attachments:

1. Supporting Attachment
2. Queen Victoria Market Precinct Renewal (QVMPR) Program Expenditure Summary

Supporting Attachment

Legal

1. Whilst no direct legal issues arise from the recommendation from management, legal advice has and will continue to be provided on all aspects of the QVMPR Program.

Finance

2. Financial implications applicable to the QVMPR Program are contained in the body of this report.

Conflict of interest

3. The Council's General Manager City Design and the General Manager Finance and Corporate are Board directors of Queen Victoria Market Pty Ltd. No other member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

Health and Safety

4. In developing this report, no Occupational Health and Safety issues or opportunities have been identified.

Stakeholder consultation

5. Internal consultation with relevant branches of Council has been undertaken in the preparation of this report.

Environmental sustainability

6. Delivery of the QVMPR Program will allow for the development of a sustainable QVM which is guided by a Precinct Sustainability Plan, rated through the use of the Green Star – Communities tool and which delivers on the six sustainability principles detailed in the QVMPR Master Plan.

Queen Victoria Market Precinct Renewal (QVMPR) Program Expenditure at 31 March 2020

Area	Business Case 2017 Budget (\$m)*	Program Total Expenditure (\$m)	FY 19/20 YTD Expenditure (\$m)
Transitional trader accommodation and precinct improvements	6.801	1.901	0.039
QUARTER 1 (Market Infrastructure, Meat, Fish and Dairy Halls, Food Court and Terraces)	43.528	1.562	1.506
QUARTER 2 (Shed restoration, Trader format improvements)	107.913	5.001	1.771
QUARTER 3 (String Bean Alley, future public open spaces and Southern Site)	83.669	1.465	0.856
QUARTER 4 (including Munro Site)	39.750	0.539	0.025
Utilities and contaminated soil removal	6.393	0.661	0.009
Program delivery	20.710	18.083	1.622
GROSS TOTAL	308.764	29.211	5.827
Estimate of revenue from future asset sales	(70.000)	-	-
NET TOTAL	238.764	29.211	5.827

*Note: Updated Business Case to be submitted for Council's consideration in September 2020