

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

Council

Presenter: Joanne Wandel, Acting General Manager Capital Projects and Infrastructure

25 August 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 financial year ending 30 June 2020.

Key issues

2. As at 30 June 2020, the total QVMPR Program expenditure since 2013 is \$39.6 million and the total expenditure for financial year 2019-20 is \$16.2 million. Please refer to Attachment 2 for a breakdown of program expenditure.
3. Since the last report to Council there has been continued momentum in the delivery of the QVMPR Program, despite the COVID-19 pandemic. Key project elements delivered by the QVMPR Program for the period of April to June include:
 - 3.1. **Heritage shed restoration** – A key project of the 2015 Master Plan and supported by the 2018 People's Panel, the heritage shed restoration project started in the upper market (sheds J to M) in late May. Due to COVID-19 trading restrictions on specialty merchandise, Stage 1 of the project was accelerated to encompass a larger area of the market. Subject to the impacts of Stage 4 restrictions, this stage of works is scheduled to be complete by December 2020. Please refer to Attachment 3 for project highlights.
 - 3.2. **Market Infrastructure** - Development applications for the two purpose-built trader, customer and market facilities – Trader Shed and Northern Shed – are awaiting determination from Heritage Victoria (HV). These facilities will support fresh produce traders to run their businesses in a safer and more efficient way, help the market and traders meet food, health and safety responsibilities and enhance the market experience for shoppers. HV has requested further information on aspects of both facilities and the Major Capital Works team is preparing responses including proposed design revisions. Subject to HV's determination of the heritage applications, Council will consider the planning applications at a future FMC meeting.
 - 3.3. **Market Square** - The Market Square Charter was unanimously adopted by Council at its meeting in June. The Charter provides a high-level framework and six guiding principles to direct decision making on the activities, uses and management of the future Market Square, which will replace the current customer carpark. Council also endorsed the development of an Aboriginal place name for the space in consultation with Traditional Owner groups. Management is progressing the development of the design brief for Market Square.
 - 3.4. **Munro Site** - Construction of the city's largest new community hub, including affordable housing and 500 car parks for market customers, continues to progress under strict COVID-19 restrictions. Floor slabs to basement levels of the community hub have been laid, with delivery of the car park anticipated in early 2021 and operational mid-year, subject to further COVID-19 restrictions. Six affordable housing units at the site are proposed to be sold to the Transport Accident Commission's Residential Independence Pty Ltd with public notice given in accordance Sections 189 and 223 of the *Local Government Act 1989*.
 - 3.5. **State Government Agreement** - A new agreement with the State Government, outlining updated obligations and timing commitments, was executed in late April. This followed variations to some of the components to be delivered as a result of the 2018 People's Panel deliberative engagement process. The new agreement reflects changes to market infrastructure delivery, the staged conversion of the current at grade QVM carpark to public open space, commencing with the completion of 500 carparks at the Munro site in 2021, and bringing forward the transfer of a new freehold title for land to the south of the market, enabling opportunities for a mixed-use development. Proceeds secured through the development of this land contribute to the funding model for the delivery of the QVMPR Program. The new agreement is publicly accessible on the [City of Melbourne website](#).
 - 3.6. **Southern Site** – Following Council's unanimous endorsement in December 2019 to proceed with the road discontinuance of parts of Franklin Street and Queen Street, the the road discontinuance was gazetted on 2 July 2020. Alongside the State Government's approval to surrender the Crown land earlier this year, a freehold title can be formed for the Southern Site which is anticipated in September 2020. An Expression of Interest process seeking suitably qualified and interested parties to develop the site is scheduled to be released in 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 \$39.6 million as at 30 June 2020.

Attachments:

1. Supporting Attachment (Page 3 of 6)
2. Queen Victoria Market Precinct Renewal (QVMPR) Program Expenditure Summary (Page 4 of 6)
3. Project highlights (Page 5 of 6)

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 30 June 2020

Work packages	Budget (\$m) Business Case 2017*	Expenditure (\$m)	
		Program Total	FY2019/20
Transitional trader accommodation and precinct improvements	6.801	1.711	0.039
QUARTER 1 (Market Infrastructure, Meat, Fish and Dairy Halls, Food Court and Terraces)	43.528	3.065	3.008
QUARTER 2 (Shed restoration, Trader format improvements)	107.913	6.378	3.086
QUARTER 3 (String Bean Alley, future public open spaces and Southern Site)	83.669	1.957	1.355
QUARTER 4 (including Munro Site)	39.750	7.677	6.391
Utilities and contaminated soil removal	6.393	0.877	0.009
Program delivery	20.710	17.937	2.328
GROSS TOTAL	308.764	39.601	16.217

*Note: Updated Business Case to be submitted for Council's consideration later this year.

Queen Victoria Market Precinct Renewal Project highlights

1. Heritage shed restoration

In late May 2020, the \$30 million project to restore the market's heritage sheds commenced. The works are authorised under Heritage Victoria Permit Number P318866. Stage one covers Sheds J to M and includes:

- repair and strengthening of metal elements such as trusses
- repair of timber elements including posts
- repair of verandahs
- painting
- new insulated roofing to improve temperature under the sheds (including removal of the old roof)
- upgrade of services including power, lighting and solar



Image: Roof replacement works in rear of K and L sheds

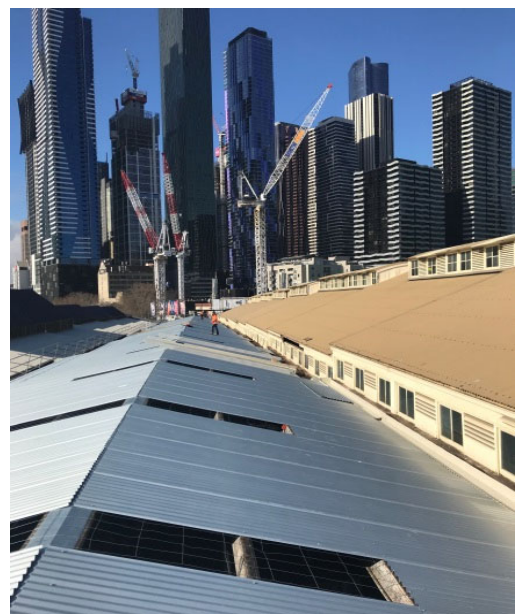


Image: New insulated roof panels being installed on K Shed



Image: Roof replacement works in L Shed



Image: Structural repairs

2. Munro

Construction of the city's largest new community hub and market car parking is continuing under strict COVID-19 measures to ensure the safety of workers and the public. The images below show the progression of works onsite between 5 April and 28 June 2020 which have been focused on construction of the basement and ground level concrete floors. A third crane for construction of the hotel and build to rent apartments was installed onsite.



Image: Sunday 28 June 2020



Image: Sunday 5 April 2020