

## **5.4 ROSANNA LIBRARY AND TURNHAM AVENUE REDEVELOPMENT**

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### **SUMMARY**

1. Council has entered into a “Heads of Agreement” (HoA) with Woolworths to progress a partnership project which will deliver a new 1,300sqm Rosanna Library on the corner of Turnham Avenue and Douglas Street, Rosanna alongside a supermarket in Turnham Avenue. The project involves the sale of approximately 828m<sup>2</sup> of land to Woolworths, which will be subject to formal statutory processes whilst Woolworths will in turn deliver a new library in accordance with a plan to be agreed. The library and supermarket are subject to planning approval.
2. The partnership proposal with Woolworths will provide positive community, social and infrastructure outcomes for Rosanna. It will deliver a contemporary library facility by 2024, which will provide a vital community hub, easily accessible for older people, people with disability, library members and the Rosanna community generally and meet the needs of the area well into the future. The proposal is a financially sustainable and favourable way of achieving this outcome.
3. A three stage Community Engagement Plan (CEP) has been developed to inform the community and key stakeholders about the project. The aim of the engagement is initially to provide information about the redevelopment of the Library and ancillary projects within the Turnham Avenue precinct, including further improvements to the Turnham Avenue Streetscape, capital works at the Heidelberg Theatre and support for the Rosanna Traders.
4. Stage 1 of the CEP will commence in April 2021 and include a range of public information forums, individual stakeholder meetings, letters to surrounding properties and information on Councils *Shaping Banyule* website. There will also be formal opportunities for community input when the statutory processes associated with the sale of the land and planning approvals are undertaken.
5. Consideration will also be given to allocate appropriate funding for the library project as well as the ancillary projects associated with the Turnham Avenue Streetscape, Heidelberg Theatre and Rosanna Village Traders Association in future capital works budgets.

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**RECOMMENDATION**

That Council:

1. Notes that the Heads of Agreement (HoA) has been entered in to with Fabcot Pty Ltd (Woolworths) to progress the next stages of a partnership project for the delivery of a new 1300 square metre, two storey library on the corner of Turnham Avenue and Douglas Street, Rosanna alongside a supermarket in Turnham Avenue.
2. Supports a multi-stage Community Engagement Plan to:
  - a. Inform the community on the project including an explanation of the anticipated economic, social and community benefits of the proposal.
  - b. Seek feedback on the draft concept design of the new Rosanna library and ancillary projects to inform detailed design with a focus on:
    - i) The materials, finishes and landscaping of the library and surrounds;
    - ii) The internal allocation of space, fit out, functioning, community use and programming of the new library;
    - iii) An updated Turnham Avenue Streetscape Concept Plan;
    - iv) Opportunities for improvement at the Heidelberg Theatre;
    - v) Changes to car parking restrictions and management which may be necessary;
    - vi) Any other relevant issue within the scope of the project.
3. Announces the partnership with Woolworths and an outline of the proposal as well as the proposed Community Engagement Plan.
4. Writes to the Yarra Plenty Regional Library Corporation (YPRL), Rosanna Village Traders Association and the Heidelberg Theatre Company to advise of the project and Community engagement Plan.
5. Receives a further report on the outcomes of the community engagement phase in 2021 which will:
  - a. provide feedback on Stage 1 of the Community Engagement Plan.
  - b. outline the next steps and confirm Council's commitment to progress the project.
  - c. propose commencement of statutory procedures required under section 189 and 223 of the *Local Government Act* 1989 (or section 114 of the *Local Government Act* 2020 if applicable at the time) to sell Council's land by private treaty.
6. Refers the allocation of funds to future capital works budgets for:
  - a. The delivery of a new 1,300sqm two storey library at Rosanna as part of a partnership project with Woolworths with associated fit out;
  - b. Completion of the Turnham Avenue Streetscape upgrade in accordance with the final Turnham Avenue Streetscape Concept Design;
  - c. Contributions towards upgrades at the Heidelberg Theatre up to a maximum amount of \$1m;
  - d. Support for the Rosanna Traders Association including Council paying the 2021/2022 Traders contribution to the Rosanna Village Traders Association Special Charge Scheme of \$40,000.

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### COUNCIL PLAN

- This report is in line with Banyule's Council Plan key direction to "Invest in and support activity centres and employment precincts".

### BACKGROUND

#### Locality Plan

- Rosanna is a middle ring suburb located 12 kilometres from the Melbourne CBD and centred around a railway station and traditional strip shopping centre located within the Salt Creek Valley. The map below (fig 1) identifies the location of a number of key establishments discussed below.



#### Existing Conditions

- There is considerable background information available on recent projects and approvals in Rosanna and the Turnham Avenue precinct which is relevant to the current partnership project. This is included in Attachment 1. In particular, the information relates to:
  - The existing Woolworths Redevelopment Permit:  
(A copy of the plans which formed the assessment of the proposal is included as Attachment 2);
  - Rosanna Urban Design Guidelines;
  - Turnham Avenue Streetscape Concept Plan;
  - Lower Plenty Road Level Crossing Removal and Rosanna Station Reconstruction;
  - Heidelberg Theatre;

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- Rosanna Village Traders Association;
- Rosanna Activity Centre Streetscape Renewal; and
- Rosanna Library.

**LEGAL CONSIDERATION**

- The sale of any Council land must comply with sections 189 and 223 of the *Local Government Act 1989*, *The Local Government Best Practice Guideline for the Sale, Exchange and Transfer of Land and Council's Community Engagement Policy in accordance with section 55 of the Local Government Act 2020*.
- From the 1 July 2021, section 114 of the *Local Government Act 2020* comes into operation and shall apply to the sale of any Council land.
- Planning Approvals are also required in accordance with the *Planning and Environment Act 1987* and provisions of the Banyule Planning Scheme.

**Private Treaty Sale**

- Legal advice has been obtained in relation to pursuing an exclusive private treaty sale with Woolworths, rather than a traditional sale process (such as auction, for sale, expression of interest or tender). Council's legal advice indicates that a private treaty arrangement can be justified where the benefits outweigh a standard process. It indicates that in this case it would be reasonable for Council to conclude that the proposal by Woolworths in respect of the Rosanna Library Site is sufficiently unique to justify a private treaty sale by Council.
- Council has considered the Local Government Best Practice Guideline for the Sale, Exchange and Transfer of Land and is of the opinion that the Proposed Development is sufficiently unique a proposal to justify Council treating privately with Fabcot Pty Ltd (Woolworths) in respect of the sale of the Land.
- Council has entered into a non-binding Heads of Agreement (HoA) with Woolworths. Prior to entering into a contract of sale with Woolworths, Council must complete statutory procedures in accordance with sections 189 and 223 of the *Local Government Act 1989* (or section 114 of the *Local Government Act 2020* if applicable at the time) and resolve whether or not to sell the subject land. Key steps to be undertaken and conditions precedent to a contract of sale are as follows:
  - Entering a Section 173 Agreement with Council specifying certain requirements to be undertaken by Woolworths relating to use and development of the land, car parking, maintenance of common areas, access, and completion of the development.
  - Building construction specification requirements, tender process and construction cost in accordance with an agreed concept design.
  - Satisfactory results from due diligence works to be completed by Woolworths.
  - Woolworths obtaining planning approval.
  - Achieving Council's stipulated ESD outcomes for design and construction.
  - Construction of the new library and associated infrastructure.

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- Registration of a plan of subdivision dividing the supermarket land from the Council owned library land.

### **Planning Approval Process**

- The Banyule Planning Scheme regulates the use, development, protection and conservation of land in Banyule through planning provisions and established objectives and policies. The library site is zoned Public Use Zone 6 (PUZ6) while the site owned by Woolworths is zoned Commercial 1 Zone (C1Z) and Mixed Use Zone (MUZ).
- A Planning Scheme Amendment will ultimately be required to rezone the parcel of Council land to be acquired by Woolworths from Public Use Zone 6 (PUZ6) to Commercial 1 Zone (C1Z).
- Woolworths is required to obtain planning approval for the proposed supermarket and library development. Woolworths will therefore need to undertake a planning process that provides them with planning approval for the combined supermarket/library redevelopment. Woolworths will be the proponent and applicant in this process whilst Council will be the responsible planning authority. Nothing in the Contract of Sale will fetter the power or discretion of Council in the exercise of its statutory duties or powers under the *Planning and Environment Act 1987*, *Local Government Act 1989* or the *Local Government Act 2020*. As the responsible authority, Council may make or impose requirements or conditions on the development of the site or granting of any planning approval.

### **HUMAN RIGHTS CHARTER**

- In developing this report to Council, the subject matter has been considered in accordance with the requirements of the *Charter of Human Rights and Responsibilities Act 2006*.
- It is considered that the subject matter does not raise any human rights issues.

### **CURRENT SITUATION**

- Woolworths approached Council in January 2019 expressing interest in a joint venture development proposal with Council, whereby Woolworths would acquire part of the existing Rosanna Library site in exchange for the delivery of a new multi-level Council library to a 'warm shell'. This will deliver a new significantly larger Library on Council land at the corner of Turnham Avenue and Douglas Street and also enable Woolworths to achieve a slightly larger footprint than is currently approved as part of a new supermarket on the former Council Service Centre site.
- During late 2019 and 2020, Council and Woolworths undertook confidential discussions to explore a range of development options for a new Rosanna Library, developing a project proposal involving the library development and land acquisition and negotiating a "Heads of Agreement" (HoA) to enable the project planning to take place. The Yarra Plenty Regional Library (YPRL) has been consulted regarding preliminary scoping for the new Rosanna Library. These were provided to Woolworths to prepare some broad-based options.
- The preferred development option, which forms the basis of the HoA, includes a two-level library (i.e. ground & mezzanine) with a landscaped green entry at the corner of Turnham Avenue and Douglas Street. The agreed library floorspace of 1300sqm is more than double the existing library and will accommodate the

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growing needs of the YPRL service. It provides Woolworths with a new supermarket development area of 2,824m<sup>2</sup> which will necessitate Woolworths acquiring an area of Council land of approximately 828m<sup>2</sup>. The land to be sold to Woolworths is shown in Figure 2.



**Figure 2: Land to be sold to Woolworths (828m<sup>2</sup>) shown shaded in blue**

- The HoA with Woolworths establishes a framework and timeline for the progress of the project and finalisation of documentation such as the contract of sale of the land and detailed requirements for the construction of the new library. In particular, the offer from Woolworths and the HoA includes:
  - Fabcot Pty Ltd (Woolworths) to purchase 828m<sup>2</sup> of Council land and construct a new library 'warm shell' (completed library building ready for library fit-out) to agreed specifications on land to be retained by Council for an agreed sum which will be offset by the purchase price. A 'warm shell' includes lifts, staircase, balustrades, air conditioning, internal lining of external walls, carpet, ceiling tiles, timber decking, fire and electrical services.
  - Woolworths will develop the site to provide both the library and supermarket incorporating a basement carpark. The basement carpark will be constructed at Woolworth's cost and will be a shared use car park for the supermarket and library customers.
  - Construction cost of the proposed development must be acceptable to both parties once tendered prices have been submitted.
  - A car park management agreement will be entered into by both parties that allows for the carpark to be used for library patrons and Woolworths shoppers and staff and that Council assume a parking enforcement role.
  - Woolworths is to undertake a due diligence program, to establish that the property is acceptable for the purposes of the proposed development.

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- At this stage it is expected that Council will be responsible for the fitout of the library which includes signage, artwork, lighting, AV equipment, furniture and security systems. However, an option can be considered where Woolworths delivers the fitout on behalf of Council.

### **FUNDING IMPLICATIONS**

- There are funds available within existing budgets to enable the project to be progressed through the consultation and planning phase. Additional funds will need to be allocated within the future capital works plan to enable the library project to be delivered and the fit out undertaken. Funding will also need to be allocated for the Turnham Avenue Streetscape works, any capital upgrades at the Heidelberg Theatre and support for the Rosanna Traders Association.

### **CONSULTATION**

- Early project investigation and consultation to date has mainly focused around the YPRL and identifying their needs to help inform the preliminary library design and fit-out. The redevelopment of the Rosanna library is identified in the YPRL Infrastructure development plan (2019). The plan has been informed by community and library members feedback and identifies that the current library size and service offering does not meet current and future population needs.
- Going forward this project will be supported by a consultation program that is open and transparent and aims to answer as many questions about what is happening, when it is happening and why.
- A Community Engagement Plan (CEP) has been developed to inform the community and key stakeholders about the project and to gain key stakeholder and community input to inform the redevelopment of the Library and ancillary projects within the Turnham Avenue precinct.
- The CEP is staged and essentially involves two key engagement processes.
  1. **Strategic community** engagement around the library and ancillary projects.
  2. **Statutory** engagement and processes around the sale of the land and the planning scheme amendment.
- Council's *Shaping Banyule* platform will be go live following the Council meeting as the central portal for key project information and communication of engagement opportunities. This will be supported by a range of public information forums, on site pop ins, individual stakeholder meetings, postcards, letterbox drops and project updates which will be implemented throughout the two stages below. More detail on the Community Engagement Plan is contained in Attachment 3.

### **DISCUSSION**

#### **Rosanna Library Redevelopment**

- The Rosanna Library is an important community building conveniently located within the Rosanna Neighbourhood Activity Centre and close to public transport. The building is starting to age and does not fully meet the current and future needs of the library service. Although a formal capital works project to replace or upgrade the library has not yet been allocated in Council's future budgets, planning of the library at Rosanna has been contemplated since the

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Yarra Plenty Regional Library Service identified their future needs in the in their 2019 Infrastructure Development Plan.

- Funding was allocated in the 2020-2021 capital works plan to develop concept plans for the Rosanna Library. This enabled a number of options to be considered. Three key options were contemplated for the redevelopment of the Rosanna Library:
  - **Option 1** – Partnership redevelopment with Woolworths to deliver a new library;
  - **Option 2** – Stand Alone redevelopment of a new library;
  - **Option 3** – Stand Alone refurbishment and extension of the existing library.
- Option 3 has been deemed unfeasible due to various site constraints, difficulties to deliver on the needs of the Yarra Plenty Regional Library Service and the likely future short to medium term need to demolish the existing library and build a new library which would make refurbishment of the existing library a futile exercise.
- The two feasible options are a joint venture project or stand alone option. A table summarising some of the key components of each option is included as Attachment 4.
- The joint venture project with Woolworths is the preferred option being pursued due to the following key factors:
  - The optimal size and design configuration of the library (1300sqm over two levels);
  - Operational functionality of the library;
  - Feasibility to efficiently deliver the project in a reasonable timeframe (delivery by June 2024);
  - Cost effectiveness;
  - Woolworths taking responsibility for the project management and contract management risk;
  - The Woolworths Supermarket will be delivered and provide economic benefit to the Rosanna Activity Centre as well as short term construction and ongoing employment;
  - The integrated building approach and upgrade to Turnham Avenue will have an overall positive impact on the streetscape.
- The joint venture project with Woolworths is favourable to Council and will result in significant social benefit by delivering a contemporary library and new supermarket in the Rosanna activity centre to meet current and future community needs. A proposal for a mid-size Woolworths supermarket will significantly strengthen the centre's neighbourhood retail role. It may also grow the Rosanna Activity Centre retail catchment to the north into the suburbs of Viewbank and Yallambie where there is an absence of major supermarkets.
- Turnham Avenue is a strong focal point for the local community. The proposed supermarket development will increase activity in the precinct and may strengthen the role of the remaining community facilities.
- A copy of the proposed combined partnership development is shown in Attachment 5.



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### Turnham Avenue Streetscape

- The first stage of an upgraded Turnham Avenue streetscape was implemented as part of the level crossing removal project and included new bus stops, shared user path and the pedestrian crossings. However, the streetscape upgrade has not been fully implemented as it is awaiting confirmation of redevelopment of the Woolworths supermarket proposal. Now that there is a partnership with Woolworths to deliver a new supermarket and library as well as consideration of upgrades at the Heidelberg Theatre, now is an opportune time to prepare an updated streetscape plan and program the delivery of the upgrade.
- An updated streetscape concept plan has been prepared which incorporates the current “as built” conditions in the street and proposes a potential stage 2 upgrade reflecting the new development proposals (Attachment 6). This plan will form part of the Community Engagement package for consultation with the community.

### Heidelberg Theatre

- The Heidelberg Theatre has been seeking an upgrade to facilities including much needed additional storage. Concepts for a potential upgrade are currently being explored with the Theatre Company although at this stage there has been no commitment to fund the proposal in the future. Given the proposed partnership development it is an appropriate time to concurrently consider funding improvements at the Theatre in future capital works budgets.

### Rosanna Traders

- There is a recognition that the Rosanna Traders have been significantly impacted over recent years. Whilst there will be benefits to the activity centre brought about by the partnership project it is important that the Traders are supported in the shorter term. One opportunity to provide support could be for Council to pay the 2021/2022 Rosanna Traders Association contribution to the Rosanna Village Traders Association Special Charge Scheme of \$40,000.

## TIMELINES

Table 1 - Indicative Timeframes:

Actions	Dates
Community Engagement Plan – Stage 1	April - May 2021
Council Report to advise on CEP outcomes and seek Council authority to commence sale of land process.	June 2021
Commence sale of land statutory process	July 2021 – August 2021
Report to Council to decide on the sale of land proposal.	September 2021
Potential Contract of Sale with Woolworths incorporating conditions precedent.	September - November 2021
Undertake planning approval process	December 2021– September 2022
Commence library and supermarket building project works.	February/March 2023
Project completion (building) (fit-out)	February/March 2024 April - June 2024

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### OFFICER DECLARATION OF CONFLICT OF INTEREST

- The *Local Government Act 2020* (Act) requires members of Council staff, and persons engaged under contract to provide advice to Council, to disclose any direct or indirect interest in a matter to which the advice relates.
- Council officers involved in the preparation of this report have no conflict of interest in this matter.

### CONCLUSION

- The partnership proposal with Woolworths will provide positive community, social and infrastructure outcomes for Rosanna and is a financially sustainable opportunity for Council. The project will provide significant social and economic benefit for the Rosanna community with the provision of a contemporary library facility and supermarket by 2024, meeting learning, cultural and retail needs of the Rosanna community well into the future.
- It is recommended that Council proceed with the Community Engagement Plan to progress the project and consider appropriate funding for the partnership project and ancillary projects in future capital works budgets.

### ATTACHMENTS

N	Title	Page
•	.	
1	Rosanna and Turnham Avenue Precinct Background Information <a href="#">↗</a>	
2	Rosanna Woolworths existing permit application plans <a href="#">↗</a>	
3	Community Engagement Plan <a href="#">↗</a>	
4	Rosanna Library Options Evaluation Summary <a href="#">↗</a>	
5	Rosanna Library Concepts <a href="#">↗</a>	
6	Turnham Avenue Streetscape Plan (Draft for Consultation) <a href="#">↗</a>	