

The Avenue

Preferred Options to Sale – 9 May 2022

	Option	Key considerations and information requirements
	CoPP gifts the Centre to either The Avenue COM or a new charitable trust	<p>This option is subject to:</p> <ul style="list-style-type: none"> <li>- further exploration of the mechanics of any gifting process, including the legal structure that would need to be created to give effect to this option</li> <li>- further understanding of how ownership would be transferred and any caveats that may be placed on The Avenue property by CoPP that which may impact the ability to obtain a loan to complete required works</li> <li>- CoPP refunding funds paid by The Avenue to the Infrastructure fund but not spent by the CoPP to ensure that the defects and deterioration that has occurred due to CoPP inaction and unwillingness to complete works at the centre can be rectified.</li> </ul>
<p><b>3 Preferred Options</b>  <u>in no particular order</u></p>	CoPP retains ownership and either fully renovates or rehabilitates	<p>This option is subject to:</p> <ul style="list-style-type: none"> <li>- Council working in partnership with the COM and management of The Avenue to:               <ul style="list-style-type: none"> <li>o determine the works required</li> <li>o Jointly appoint an architect and builder to complete works required by regulations and other relevant legislation</li> <li>o ensure the works to be done meet the needs of The Avenue as a small not-for-profit community run service;</li> </ul> </li> <li>- Council viewing this option as an opportunity to utilise The Avenue's existing resources to effectively manage the building works; and</li> <li>- management of works to ensure The Avenue continues to function throughout any period of closure to ensure financial and operational sustainability of the service (thus ensuring that the community that is such an important element of The Avenue is not lost while works are completed).</li> </ul>

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		<p>While we are currently unaware of the nature of discussions between CoPP and the VSBA in relation to potential works at our centre, it is clear that without funding from the VSBA this option is unlikely to be viable given the apparent unwillingness of the CoPP to expend funds from the infrastructure fund to complete the required works. Prior to making any decision in relation to this option, clarity must be obtained in relation to the availability of this funding, and The Avenue management and COM should be brought into these discussions at an appropriate juncture to ensure the works for which the CoPP is seeking funding are actually required by our service and enhance the functionality of the building and extend its lifespan.</p> <p>This option should be seen as a partnership between The Avenue, CoPP and State Government, not simply the CoPP completing works on an anonymous asset without consultation and collaboration with the tenants.</p>
	CoPP relocates the Centre	<p>This option is subject to:</p> <ul style="list-style-type: none"> <li>- finding a suitable site within the local area;</li> <li>- collaborating with The Avenue COM and Management in relation to the design of the new centre; and</li> <li>- ensuring that the current building is retained and utilised by The Avenue until the new site is built and fully operational.</li> </ul>
<p><b>The Avenue is also open to these options</b></p>	Lease to own	<p>Under the proposed lease to own arrangement, The Avenue and CoPP would agree to a purchase price for the building, which would take into account:</p> <ul style="list-style-type: none"> <li>• the market value of the property;</li> <li>• payments made by The Avenue to the CoPP for infrastructure upgrades that have not been completed during an agreed period of time;</li> <li>• the increased costs of necessary upgrades due to works not having been completed in a timely manner by CoPP;</li> <li>• the ongoing value of the service The Avenue provides to the CoPP's constituents;</li> <li>• an expectation that Council is not seeking to make windfall profits out of the sale of the property; and</li> </ul>

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		<ul style="list-style-type: none"> <li>the price reflects that price paid by the CoPP for the property in 1975 and the funding provided by the Victorian Government at the time to assist with the purchase and conversion of the property to an early learning facility.</li> </ul> <p>Once a price has been agreed, The Avenue would cease paying the Maintenance and Infrastructure levies to Council. The Avenue would be responsible for maintenance at the centre and would also be responsible for necessary upgrade works.</p> <p>In return, The Avenue would make an initial payment of a negotiable percentage of the purchase price to the CoPP and then ongoing payments (in the form of rent) for a period of 15 years (or time to be determined by both parties). These payments would effectively pay off the remainder of the purchase price above the initial payment. The Avenue would continue to operate as a not-for-profit centre and take enrolments via the CoPP's childcare waitlist.</p>
	Rebuild on site	<p>This option is subject to:</p> <ul style="list-style-type: none"> <li>collaboration between the CoPP and The Avenue COM and management in relation to design of new building;</li> <li>relocation of the existing service to a suitable temporary site for the duration of the works;</li> <li>involvement of The Avenue COM and Management in the entire process of rebuild from initial concept plans through to management of building contractors to ensure that the building is completed in a timely and efficient manner.</li> </ul>
The Avenue is NOT open to these options	Sale at market price	Given the ongoing failure by the CoPP to complete works in a timely manner, and the costs that would now be incurred to complete the required works, it is not feasible for The Avenue COM to purchase the site at market value and complete the works required to ensure the building is compliant.
	Sale of building	This represents the current intention to sell option, which we are strongly against for the reasons already outlined in our submission to the CoPP, discussions with Councillors and various pieces of correspondence to the CoPP.