



ST KILDA MARINA - PROPOSED NEW LEASE AGREEMENT

EXECUTIVE MEMBER: **CHRIS CARROLL, GENERAL MANAGER, CUSTOMER, OPERATIONS AND INFRASTRUCTURE**

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1. PURPOSE

- 1.1 To seek Council's approval to complete the statutory procedures for the proposed lease of the St Kilda Marina.
- 1.2 To seek Council's approval to recommend the lease with Australian Marina Development Corporation Pty Ltd to State Government for Governor in Council approval.

2. EXECUTIVE SUMMARY

- 2.1 Council has been preparing for the procurement of a new lease for the St Kilda Marina since early 2017. In February 2018 Council approved the Project Approach, the Probity Plan and Community Stakeholder and Engagement Plan for the early stages of the project.
- 2.2 Following a comprehensive two stage evaluation process of proposals received in response to the Request for Proposals (RFP), on 15 July 2020 Council appointed Australian Marina Development Corporation Pty Ltd as the preferred tenant for a 35 year lease, with an option for a further 15 years, for the St Kilda Marina subject to Council complying with its obligations under sections 190 and 223 of the Local Government Act 1989, resolving to grant the lease, and obtaining Governor in Council approval.
- 2.3 The key terms of the lease including the redevelopment concept plans and perspectives were made public on Friday 17 July 2020. This was supported by various forms of media (an updated web-site, a video explanation by the Mayor filmed at the Marina, a press release, an article in The Herald Sun and a key summary document, St Kilda Marina Project Update - New Long Term Lease) used to explain the outcome from the procurement process and how it aligns with the Site Vision and Objectives and the St Kilda Marina Site Brief.
- 2.4 A public notice inviting submissions about the proposed new lease was issued in The Age on Saturday 18 July 2020. The notice directed the public to the St Kilda Marina Project website that contains information relevant to the proposed new lease key terms, the redevelopment proposal and how Council arrived at its decision (while maintaining commercial confidentiality where required).
- 2.5 On 30 July 2020 a new lease question and answer session was held which provided the public with an opportunity to meet the preferred tenant, view the redevelopment



proposal with information as presented by the architects, and ask questions about this or any of the key terms of the lease. The purpose of the session was to assist the public to make informed submissions.

- 2.6 Submissions closed at midnight on Saturday 15 August 2020. Council received 52 written submissions by the close date, with 40 of these (around 77%) associated with trailable yachts. Each person who made a submission received acknowledgment and was invited to speak to their submission at the 2 September council meeting.
- 2.7 In addition to the written submissions received before the close of submission period, 9 speakers were heard by Council at the Ordinary Council Meeting on 2 September 2020. An additional 5 written submissions (3 of which related to trailable yachts) were also received after the closing period but have been included in the response to submissions.
- 2.8 The key themes coming out of the submissions related to:
- Concerns over reduced catering for trailable yachts (43 Submissions)
 - Concerns over the potential provision of a bridge (24 Submissions)
 - Concerns over community engagement (13 Submissions)
 - Concerns over the proposed wet berth design (11 Submissions)
 - Concerns over varied environmental issues (12 Submissions)
 - Concerns over the proposed purpose and use of the site (10 Submissions)
 - Concerns over focus on financial returns and future marina fees (7 Submissions)
 - Concerns over the design of the dry store building (4 Submissions)
 - Concerns over the adequacy of carparking provisions (4 Submissions)
- 2.9 Council Officer comments are provided for each of the themes in the body of the report. A summary of each submission and Council Officer comments are presented in Attachment 1. Full submissions, with redactions to protect personal information, are presented in Attachment 2.
- 2.10 Most submissions were from members or supporters of the Melbourne Trailable Yacht Club. While there were a range of issues raised in submissions by members or supporters of the Melbourne Trailable Yacht Club, there were five key concerns. Refer to the summary in the body of the report for further detail, and Attachment 1 for individual submissions. Council Officer comments are provided below for the key concerns raised by members or supporters of the Melbourne Trailable Yacht Club:
- Concerns about the club being displaced and request that the club be supported through the provision of suitable infrastructure to continue to use the site for sailing and club activities – *Council Officer Comment:* the Club will be welcome to continue to utilise the site, with access to enhanced community meeting facilities for club events.
 - Concerns about the use of the public boat ramp for launching causing congestion and the need for provision of adequate space adjacent to the boat ramp for



rigging and facilities in the water to support launch and retrieval – *Council Officer Comment:* review of the specific needs of the trailable yachts will be undertaken as part of the detailed design phase by the tenant, including review of what support services might be offered for those trailer sailors who need help with rigging, and pontoon design to enable safe launching and retrieval of yachts.

- Concerns about the impact of a future bridge on ability of yachts to use the marina – *Council Officer Comment:* any future progression of the bridge concept will take into consideration the concerns raised.
- Concerns about not being appropriately consulted on the project – *Council Officer Comment:* there were many and varied opportunities provided to all parts of the community, marina users and key stakeholders to provide input into the project at key points, with significant advertising in various forms including signage on site. Members of the trailable yacht club did provide feedback via survey about retention of the hardstand. Whilst it is acknowledged that some members that requested to be kept updated were not added to the database due to a process error, members of the club, including the Commodore, were on the database to receive project updates.
- Concerns regarding the removal of hardstand storage from the peninsula and the request that 20 hardstand storage positions be retained to reflect the current number of trailable yachts stored on site – *Council Officer Comment:* It is recommended that Council support the redevelopment plan for the site proposed by Australian Marina Development Corporation, which involves removal of all hardstand storage. This will mean that the small number of the club (20 out of a membership of 140 across Melbourne) who currently store their boats on the hard stand will need to find alternative storage, either in the new dry storage facility, wet berth, or off-site as do the rest of the club. Further Officer comments are provided below regarding the hardstand removal.

- 2.11 Officers acknowledge that removal of the hardstand will have an impact on those members of the club that currently store their boats on-site and that this is a significant change for the members after so many years of having access to this storage option. However, the changes that are proposed for the site unlock significant benefits not just for current and future marina users, who will have access to modern, compliant and updated facilities, but also for the broader community.
- 2.12 The value of the land currently used for hardstand storage is considered to have high public value, which is not currently being represented by the inefficient storage of individual boats on this high value piece of public land. The benefits of the changes to the wider public are considered to outweigh the impact of the changes on the individuals who have had access to cheap and convenient private boat storage over the past number of years. There will be a transition period where those impacted boat owners will have time to work through alternative storage options, including options for using different storage on-site.
- 2.13 No changes are proposed to the key terms of the lease in response to any of the submissions received. Council Officers recommend Council complete the statutory



process begun on 18 July 2020 and appoint Australian Marina Development Corporation as the new tenant of the St Kilda Marina subject to Governor in Council approval, noting the submissions received, for the following reasons:

- Council has worked with the community to develop a clear Site Vision and Objectives for the marina and detailed design criteria with the aim of achieving an outcome for the site that supports its continued function as a working marina and that balances a range of social, cultural, environmental, economic and financial outcomes.
- The Australian Marina Development Corporation Proposal for the long-term lease of the St Kilda Marina was found to offer good value. It meets or exceeds all the mandatory criteria within the St Kilda Marina Site Brief as well as also delivering a number of discretionary criteria, and the overall redevelopment and management proposal will deliver significant benefits to marina users and the wider community.
- The cumulative effect of Australian Marina Development Corporation's financial contribution to redevelopment (approximately \$25.3M for commercial and approximately \$5.4M for public realm for stage one works), asset maintenance and renewal (approximately \$68M), rental for a 50 year lease arrangement (approximately \$60.9M including CPI increases) and a series of community benefits ranging to increased access to the site to specific opportunities to utilise/hire facilities at direct or no cost, over the lease period, is in the order of \$160M.
- There will be opportunities for the community, including members of the Melbourne Trailable Yacht Club, to engage with Australian Marina Development Corporation to hear about their vision and design of the site and provide feedback on the look and amenity of certain elements in the development of detailed design, prior to the submission of a development application.

3. RECOMMENDATION

That Council:

- 3.1 Notes that the procurement process to secure a new long-term lease for the St Kilda Marina has been completed in accordance with the St Kilda Marina Project Approach approved by Council on 7 February 2018, with a modification approved on 5 June 2019, and the Procurement Plan also approved by Council on 5 June 2019.
- 3.2 Notes that a public notice inviting submissions about the proposed new lease was issued in The Age on Saturday 18 July 2020, the key terms of the lease including the redevelopment concept plans and perspectives were made public on Friday 19 July 2020, supported by various forms of media (an updated web-site, a video explanation by the Mayor filmed at the Marina, a press release, an article in The Herald Sun and a key summary document, St Kilda Marina Project Update - New Long Term Lease) and an on-line community drop in session held with the proposed tenant and Council officers.



- 3.3 Notes that 52 submissions were received by the closing date of 15 August 2020 (detailed in Attachments 1 and 2), 5 late submissions were also received, and 9 verbal submissions were made at the Council meeting on 2 September 2020.
- 3.4 Thanks all submitters for their interest in the new long-term lease for St Kilda Marina.
- 3.5 Resolves to conclude the statutory procedures under sections 190 and 223 of the *Local Government Act 1989 (Vic)* (Act) having formally considered all written submissions, including the 5 late submissions, received pursuant to Section 223 of the Local Government Act 1989 at a Council meeting held on 2 September 2020.
- 3.6 Having considered all submissions, resolves to grant the lease for the St Kilda Marina to Australian Marina Development Corporation Pty Ltd as the tenant for a 35-year initial term, with an option for a further 15 years, subject to obtaining Governor in Council approval, on the terms set out in the public notice for the following reasons:
- 3.6.1 Council has worked with the community to develop a clear Site Vision and Objectives for the marina and detailed design criteria with the aim of achieving an outcome for the St Kilda Marina that supports its continued function as a working marina and that balances a range of social, cultural, environmental, economic and financial outcomes.
- 3.6.2 The proposal by Australian Marina Development Corporation Pty Ltd for the long-term lease of the St Kilda Marina was found to offer good value, successfully meeting or exceeding all the mandatory criteria within the St Kilda Marina Site Brief as well as also delivering a number of discretionary criteria.
- 3.6.3 The cumulative effect of Australian Marina Development Corporation's financial contribution to redevelopment (approximately \$25.3M for commercial and approximately \$5.4M for public realm for stage one works), asset maintenance and renewal (approximately \$68M), rental for a 35 year term with additional 15 year option (approximately \$60.9M including CPI increases) and a series of community benefits ranging to increased access to the site to specific opportunities to utilise/hire facilities at direct or no cost, over the lease period, is in the order of \$160M.
- 3.6.4 The overall redevelopment and management proposal will deliver significant benefits to marina users and the wider community, including:
- Community benefits:
 - Access for Council or a nominee of Council to activate or use an area or areas of open space on site for a minimum of 10 events/days at cost; 10 events/days at cost for the use by Council or a nominee of Council of the community facility (dates for both to be agreed 12months in advance); and access to the community facility for a community use (as defined by Council) for a minimum 20 days/events per annum
 - Significant investment in public infrastructure through the provision of public open space to approximately 50% of the site, well in excess of the Site Brief requirement for a minimum of 20%.



- The development of a fit for purpose facility for the Australian Volunteer Coast Guard as part of the proposal, with a tenure based on peppercorn rent.
- Provision and maintenance of a public boat ramp and trailer parking.
- A commitment to adopt the Victorian Social Procurement Framework to influence the Proponent's commercial dealings and sourcing of suppliers in the areas of design, construction and operations on site.
- A commitment to engage at least one supplier that employs Victorian Aboriginal people during each of the design, construction and operational phases.
- A commitment to engage at least one supplier that employs Victorians with a disability.
- A commitment to engage at least one supplier that employs Victorians experiencing disadvantage, and one Victorian social enterprise.
- An endeavour to engage suppliers that have implemented a family violence policy.
- A commitment to engage suppliers that have a gender equity policy and that all will attest to compliance with a code of conduct.
- The provision of a comprehensive Sustainability Plan that addresses key initiatives highlighted for the site as part of the Site Brief for design, construction and operations that aligns with Council Policy
- Commitments to undertake accreditation within the first 12 months of being awarded the lease for ISO 9001 (Quality Management) and ISO 14001 (Environmental Management System).
- A commitment to provide a CSR Plan identifying and elaborating on specific targets within 120 days of lease award; and annual reporting of performance against the CSR Plan and a forecast setting out the details of the major activities to be undertaken for the upcoming 24 months.
- Possible future amenities for the site funded by Council:
 - Conditions have been incorporated in the lease that enables the inclusion of a bridge in the future should Council elect to design and deliver it. They address future proofing the design to avoid precluding a bridge, consultation with the tenant during design, maintenance and repair requirements, insurance requirements, market rent valuation (i.e. bridge is not included) and methodology for determining compensation for impacts on the Marina business.
 - Lease provisions will enable expansion of public berthing at an agreed cost through the installation of floating pontoons on the



Eastern and Northern edge should it be desired and funded by Council.

- 3.6.5 There will be opportunities for the community, including members of the Melbourne Trailable Yacht Club, to engage with Australian Marina Development Corporation to hear about their vision and design of the site and provide feedback on the look and amenity of certain elements in the development of detailed design, prior to the submission of a development application.
- 3.7 Notes that annual reporting will be provided to Council by Australian Marina Development Corporation, beginning at the end of the first 12-month period of the lease, to include the Tenant's performance for the preceding 12 month period against the Asset Management Plan (including the Building Improvement Sinking Fund), Environmental Management Plan and Corporate Social Responsibility Plan, and a forecast for the activities for the upcoming 24 month period for each plan. A marina utilisation report providing information about the monthly use of the storage and launch facilities for the preceding 24 months should also be provided upon request by the Landlord.
- 3.8 Authorises the Chief Executive Officer or delegate to undertake the administrative procedures necessary to execute the lease.
- 3.9 Writes to all submitters to thank them for their submission and inform them of Council's decision and the reasons for council's decision.

4. KEY POINTS/ISSUES

- 4.1 Council has been preparing for the procurement of a new lease for the St Kilda Marina since early 2017. On 15 July 2020, Council appointed Australian Marina Development Corporation Pty Ltd (AMDC) as the preferred tenant for a 35 year lease, with an option for a further 15 years, for the St Kilda Marina subject to Council complying with its obligations under sections 190 and 223 of the Local Government Act 1989, resolving to grant the lease and obtaining Governor in Council approval.
- 4.2 The key terms of the lease including the redevelopment concept plans and perspectives were made public on Friday 19 July 2020. This was supported by various forms of media (an updated web-site, a video explanation by the Mayor filmed at the Marina, a press release, an article in The Herald Sun and a key summary document, St Kilda Marina Project Update - New Long Term Lease) used to explain the outcome from the procurement process and how it aligns with the Site Vision and Objectives and the St Kilda Marina Site Brief.
- 4.3 A public notice inviting submissions about the proposed new lease was issued in The Age on Saturday 18 July 2020. The notice directed the public to the St Kilda Marina Project website that contains information relevant to the proposed new lease key terms, the redevelopment proposal and how Council arrived at its decision (while maintaining commercial confidentiality where required).
- 4.4 On 30 July 2020 a new lease question and answer session was held which provided the public with an opportunity to meet the preferred tenant, view the redevelopment proposal with information as presented by the architects, and ask questions about this



or any of the key terms of the lease. The purpose of the session was to assist the public to make informed submissions.

- 4.5 Submissions closed at midnight on Saturday 15 August 2020. Council received 52 written submissions by the closing date for submissions, 40 of these (around 77%) were associated with trailable yachts. Each person who made a submission received acknowledgment and was invited to speak to their submission.
- 4.6 In addition to the written submissions received before the close of submission period, 9 speakers were heard by Council at the Ordinary Council Meeting on 2 September 2020. An additional 5 written submissions were also received after the closing period but have been included.

Key themes

- 4.7 The main themes to come out of the submissions and Council Officer comments are provided below.

Concerns over reduced catering for trailable yachts (43 submissions):

- Submitters who participate in trailable yacht sailing or organisations who support the activity raised concerns about the club being displaced and requested that the club be supported through the provision of suitable infrastructure to continue to use the site for sailing and club activities.
- Submitters expressed concerns regarding the removal of hardstand storage from the peninsula and requested retention of 20 hardstand storage positions to reflect the current number of trailable yachts stored on site, noting that the Melbourne Trailable Yacht Club has a membership of approximately 140.
- Some submitters who currently store their yachts on the site or support those that cannot store boats at home (or elsewhere) noted that alternative storage on site such as use of the dry store building or the wet berths would be inconvenient and/or too expensive.
- In addition to the issue of storage, a considerable number of submitters (particularly those who would transport their yachts to the site) raised concerns about access to the site at the entry and the use of the public boat ramp for launching causing congestion and raised the need for provision of adequate space adjacent to the boat ramp for rigging and facilities in the water to support launch and retrieval.
- The submissions that discussed the issues with the boat ramp also raised the issue of the conflict between pedestrian and cycle path and boat ramp remaining unresolved.

Council Officer Comments:

- The redevelopment of the existing hardstand boat storage is aligned to the Site Vision and Objectives and design criteria detailed in the St Kilda Marina Site Brief and unlocks significant benefits for the broader community.
- The existing hardstand boat storage was identified as an inefficient way to store boats, with each privately-owned boat taking up significant space along the



peninsula compared to other storage options. Reorganisation of the hardstand area through consolidation of most boats currently stored on the hardstand storage into a modern boat storage facility, supports better utilisation of the whole space, both for marina operations and public open space access. Many more boats can be stored in a smaller footprint.

- Community consultation identified that it was a priority to open up the marina as a whole, but in particular the peninsula, for the general public to enjoy. This is in-line with modern marinas around the world that have a much more integrated approach to marina operations and publicly accessible and activated spaces.
- Members of the Melbourne Trailable Yacht Club will be welcome to continue to utilise the St Kilda Marina for events and will have access to improved community meeting facilities to support club activities. Concerns that have been raised about safe use of the boat ramp for trailable yachts will be further explored through detailed design of the site.
- It is acknowledged that there will be an impact on the approximately 20 Melbourne Trailable Yacht Club members that currently store their trailable yachts on-site and will need to find alternative storage, whether that is in the dry stack, wet berth or off-site. However, the majority of the club, approximately 120 members (140 members in total), who store their trailable yachts elsewhere, will not be impacted by the removal of hard stand boat storage and the benefits that this change will unlock for the wider community are significant.
- The value of the land currently used for hardstand storage is considered to have high public value, which is not currently being represented by the inefficient storage of individual boats on this high value piece of public land. The benefits of the changes to the wider public are considered to outweigh the impact of the changes on the individuals who have had access to cheap and convenient private boat storage over the past number of years. There will be a transition period where those impacted boat owners will have time to work through alternative storage options, including options for using different on-site and off-site storage.

Concerns over the potential provision of a bridge (26 – 24 objections, 2 in support):

- The majority of submissions opposing a bridge were from trailable yacht owners who either indicated that it would be detrimental to their use of the Marina due to the inability for mast boats to exit or access the harbour, or, if one was to be built, it would need to be sufficiently high.
- One of these stated concern about bridge design and the impact it would have on sight lines. Most of these submissions expressed concern about a bridge impeding the ability for the Marina to act as a 'safe harbour' in bouts of inclement weather.
- Two submissions expressed concern that boating generally would be impacted - mast up yachts and motorboats with tall fly-bridges.

Council Officer Comments:



- The St Kilda Marina Site Brief identified a bridge that connected the bay trail across the mouth of the marina as a desirable outcome for the site. For the concept of a bridge to be progressed, Council will need to undertake further planning, consultation and to prioritise funding.
- The new lease does include provisions that ensure a bridge is possible to develop at some point in the future. These provisions cover but are not limited to a design development process that will seek to effectively coordinate a bridge with the marina operations including the heights of vessels that regularly use the harbour (both yachts and sizeable motorboats), and its use as a safe harbour. The concerns raised by the trailer sailors will be given consideration should the delivery of a bridge be contemplated in future.

Concerns over community engagement (13 submissions):

- A number of submissions received by trailable yacht owners and supporters raised concerns about the engagement process and provided feedback that trailable yacht enthusiasts (as a wider group) and specifically users of the Marina had not been provided with adequate engagement opportunities and/or kept informed, and that feedback had been ignored.
- A submitter unrelated to trailable yachts expressed their view that the community panel outcomes were disregarded. Another two submissions asked about future opportunities for engagement, one querying how the Planning Panel's recommendation for community engagement was being addressed.

Council Officer Comments:

- Extensive consultation was undertaken during Stage 2 (Setting the Vision and Objectives) and Stage 3 (Setting the Parameters i.e. The St Kilda Marina Site Brief) of the project with the aim of reaching specific and diverse local and broader input.
- As part of Stage 2, Setting the Vision and Objectives, Between 30 April and 30 May 2018, feedback was sought from the community on the draft vision and objectives including any big ideas for how to make St Kilda Marina a great place. This occurred via community pop up sessions at the St Kilda Esplanade Market and the Elwood retail precinct on Ormond Road, as well as an Open Day at the Marina. The community were notified of these events via Council's project web page, letter box drops to the surrounding area (approx. 6k-7k people), social media blasts via Facebook and Twitter, and an email update to interested parties (Council's website provided information on how to be included in these email updates).
- As part of determining the design criteria for the site (Stage 3), between 18 May and 11 June 2018, Council made a public call for expressions of interest to join the Community Panel. Nominations were open to anyone interested in taking part (excluding those identified as having an economic interest in the site). An online expression of interest form was available on Council's Have Your Say St Kilda Marina project page.



- During Stage 3, a survey was issued to members of the Marina Industries Association to both create awareness of the project and work being undertaken to develop design parameters for the site, and to obtain feedback from marina industry experts, clubs and commercial marinas operators on key areas of progressive and sustainable marinas. 14 members of the Melbourne Trailable Yacht Club completed this survey.
- Also, as part of Stage 3, between 21 September and 7 October 2018, the broader community was invited to participate in the project via an online survey. The survey was promoted through a range of channels to attract Marina users including private boat owners and public boat ramp users (signage was also placed at the Marina in various locations to attract Marina users), community groups, clubs and trader associations, local businesses and social media blasts.
- Regarding the community panel concern raised, the proposed redevelopment meets all the mandatory criteria in the Site Brief and also delivers many of the desirable criteria. The St Kilda Marina Site Brief was informed by the outcomes of the community panel. For topics where there was clear alignment within the Community Panel, Council adopted the recommendations of the Panel. Where there were divided views, which was the case for such things as the extent of commercial footprint, type of potential commercial mix, inclusion of a pedestrian bridge, and height and width of the dry boat storage, Council needed to make the decision about what was best for the site, taking into consideration the feedback from both perspectives within the Panel.
- Regarding future opportunities for consultation, following approval of the lease by the Governor in Council (anticipated to be late 2020), the community will be provided with an opportunity to have their say on elements of the St Kilda Marina design. The consultation, which will involve the proposed tenant, will focus on the look and amenity of public realm elements chosen by Council in consultation with the proponent. This may include selected open space areas such as the 'Civic Heart' and parts of the carpark (when not heavily utilised outside of peak seasons).

Concerns over varied environmental issues (12 submissions):

- A range of queries and issues were raised that pertain to environmental design (including use of solar panels to power the marina and provisions for electrical charge stations for cars and boats), and protection or enhancement of the marine environment (including suggestions for use of native landscaping, projects to reinstate shellfish reefs, queries regarding pollution or degradation of connected waterways such as Elwood Canal).
- There was also some feedback on the level of detail in the design brief and Council's role in ensuring operational management obligations are met.

Council Officer Comments:

- The proposed new lease arrangement for St Kilda Marina is recognised as an opportunity to improve the contribution of the site to the municipality and region. These aspirations are reflected in the Site Vision and Objectives, which identify



broad environmental, social, cultural and economic benefits that the project is seeking to achieve to provide improved benefits for the broader community.

- The St Kilda Marina Site Brief endorsed at a Council Meeting on 15 May 2019 articulates the mandatory and discretionary criteria that have guided respondents in the request for proposal process to achieve the Site Vision and Objectives, with a key component focussing on Environmental and Coastal Resilience. The evaluation criteria used to assess the proposals were directly linked to the design criteria in the Site Brief.
- Key environmental sustainability features of the new lease include:
 - Highly accessible open space and landscaping to approximately 50% of the site (well in excess of the current extent of open space being approximately 4% and in excess of the Site Brief requirement for minimum of 20%). This includes improved access to highly valued foreshore areas of the site (particularly along the peninsula which is currently accessible) for pedestrians and cyclists.
 - Upgrades to the existing sea wall that protects from storm surge and is intended to provide natural habitats that encourage biodiversity.
 - A commitment to enhancing the Sustainability Plan for the development of the site to ensure Council's Sustainability targets are met as articulated in an AECOM report that aligns the targets to the site. The lease will include a requirement to meet Council's Act and Adapt Sustainable Environment Strategy 2018-2028. The features range from various coastal resilience measures (protection and enhancement) to environmental design initiatives that benchmark against the Design and As-Built Green Star tool (which focusses predominantly on how the built environment is constructed and operated). Initiatives include but are not limited to waste management systems, low carbon, energy and water efficient building design and operations, bicycle facilities to exceed 5 Star Green Star, and Site predominantly powered by 100% electricity with the provision of on-site renewable energy supply and solar power to a minimum of 50% roof area.
 - A commitment to provide an Environment Management Plan that addresses coastal resilience measures and various environmental design elements prior to lease commencement that will be updated every five years.
 - A commitment to achieve accreditation for ISO 14001 (Environmental Management System) within the first 12 months of the lease being awarded.
 - The proponent will further consider feedback on environmental sustainability including suggestions around landscaping and other initiatives during the detailed design process.

Concerns over the proposed wet berth design (11 submissions):



- Several submissions raised concerns associated with the proposed wet berth design reduced capacity and the proposed re-orientation to the peninsula side, with the latter raised mostly by trailable yacht owners.
- Issues related to the re-orientation included a more circuitous route for trailable and other boats towards the ramp and a confined area of water to launch into and retrieve, complicated by a right angle onto the ramp, making it more difficult to line the boat up and /or fend it off in a prevailing wind.

Council Officer Comments:

- Reorientation of the wet berths achieves several key requirements:
 - Ensures compliance with the Australian Standard 3962:2020 for Design of Marinas.
 - Focuses private marina operations on the West edge of the marina basin to liberate the north and east edges of the marina basin for public access.
 - Removes the immediate conflict between the put in point for dry stack marina operations and the channel to the publicly accessible boat ramp
 - Provides additional channel width for existing boat traffic.
- The new wet berth layout was designed, on behalf of the proposed lease holder, by International Marina Consultants, a qualified Marina Engineering firm following an operational review of the site, using the AS3962:2020.
- While the re-orientation of the wet-berths is unlikely to change, the proponent will further consider community feedback on potential enhancements during the detailed design process.

Concerns over the proposed purpose and use of the site (10 submissions):

- A number of submissions raised concerns and queries around the shift in the originally intended purpose of the site as a Marina to wider non-marina uses with views expressed that the redevelopment will diminish the Marina's contribution to the recreational boating in Victoria, referencing a reduced wet berth storage capacity as evidence of the shift, and suggesting that it is the responsibility of the Marina to cater for the wider boating community.
- Some raised a view that the foreshore open space and walking paths were in abundance across the municipality and the provision of these at the St Kilda Marina should not come at the expense of facilities for boating (including particularly hard stand storage).
- Of these submitters, a few argued that the shift in focus from purely a boating facility to other uses is not preserving the heritage of the Marina, and the impediments to yachts is threatening the SKM's history of sailing dating back over 150 years.
- A few submissions raised concerns that the redevelopment is supporting an exclusive and elite precinct without the provision of affordable boating accommodation.



Council Officer Comments:

- The St Kilda Land Act 1965 (the legislation governing the site) reserves the site for public recreation. The Act states the purpose is for a Marina which includes facilities for recreation comfort and convenience of member of the public as well as those who own or use boats or motor vehicles.
- To reflect changes to community perceptions and priorities over the last 50 years since the Marina was established, Council set out to achieve a more balanced outcome for this significant foreshore site. This is in line with global trends in Marina development which seldom deliver only the marina function. The Site Vision and Objectives for the site were developed in consultation with the community, including input from the local community and local and regional marina users.
- Activation of the site is seen as an essential element of delivering the Site Vision and Objectives and elevating the site to a modern, vibrant Marina precinct, drawing the public in and transforming the site for boat users and the general public (including tourists). The proposed tenant has committed to operating a thriving commercially viable Marina which includes use of existing opportunities to create a dynamic and engaging marina.
- All areas of the municipality's foreshore need to work hard to serve more than one section of the community. Principles established early in the project included that the site should provide greater access, achieve improved economic and environmental outcomes and be more welcoming. These were captured in the overarching vision that that the site be *"A special place on the foreshore for everyone that welcomes a diversity of sustainable uses anchored by a working marina"*.

Concerns over focus on financial returns and future marina fees (7 submissions):

- Submissions from boat owners including trailable yacht owners queried the future fee structure for the leasing of boat storage, expressing concern that the fees would significantly increase with options limited to wet berth and the dry store building, and the modernised facility.
- A few submissions raised concerns that the redevelopment's sole focus is on the financial side and increasing rental (given the type and number of facilities for storing boats) and the significantly increased rent.

Council Officer Comments:

- While the financial offer effectively triples the current income, this does not represent a commercial focus for the site. A market rent valuation for the site as it currently stands under the existing lease estimated the market rent as approximately \$850,000. The rent currently received is well under market value (a hangover from the lease developed in 50 years ago).
- It should also be noted that as part of the evaluation process for the proposals for the site the evaluation criteria included financial and non-financial elements. The financial was weighted at 30% while the non-financial elements (design,



experience and capability, Corporate Social Responsibility and operations, transition and asset management) were weighted at 70%.

- Regarding future fees, the proposed operator/tenant has advised that the costs of leasing a dry berth or a wet berth at the Marina are expected to be competitive with similar facilities around Port Phillip. The setting of prices by the marina operator will be subject to further assessments as transition to the redeveloped marina occurs, noting that the proposed new lease is scheduled to commence in May 2022.

Concerns over the design of the dry store building (4 submissions):

- A few submissions raised concerns that the dry store is too large and imposing particularly with the proposed future expansion (Stage 2) and will impact sight lines.
- One submitter raised concern that the proposed dry store is not consistent with the high/short dry store option, which was preferred by the panel, noting that the adjacent Riva Building and Chandlery add to the footprint and building mass.

Council Officer Comments:

- This site was originally reclaimed for the purpose of creating a harbour for a marina. A core objective underpinning the recently developed Site Vision and Objectives for the site, is to retain the working marina. This means that the marina needs to be upgraded to a contemporary standard and meet the needs of the current and future market.
- The consultation and Site Brief set out to create a better balance of uses on the site between public access and use, and boat storage. It is important to note that even with the enlarged shed, buildings will still occupy only a small percentage of site. Moving more boats into a consolidated boat storage facility (approximately 165 more than the current capacity) will mean more of the site is available for other uses including recreation and an enhanced natural environment.
- There was much discussion and debate by the Community Panel about the appropriate height and size of the shed, with a significant divide in opinion and slightly more support for a higher and shorter format. Given the divided views of the panel, Council ultimately needed to make the decision about the best approach, with the decision being to support a higher and shorter shed, which had slightly more support from panel members, and which would have a smaller footprint and allow more views through the site.
- Key views through and to the site have been protected. Important views were debated and defined by the Community Panel and Council. This resulted in defined key views to be protected, which in turn shaped the building envelopes (areas within which building can be placed). A wider lower shed would have blocked more of the views through the site than a taller shed. The height of buildings has limited impact on views through the site when viewed from ground level.



- A number of design features have been included to create interest and appeal. These include but are not limited to a combination of high quality façade materials including transparent surfaces at ground level and key points on the façade to reveal the workings of the marina, create activated frontage and articulation in the cladding surface to provide relief from the one surface including a zig zag pattern as a reference to the Heritage of the site and the current dry store building design.

Concerns over the adequacy of carparking provisions (4 submissions):

- Two submissions raised issues with the multi-use/flexible approach to carparking creating unpredictability in terms of availability for trailer parking and the detrimental impact it will have on boating when demand for its use increases for activities unrelated to boating.
- Two submissions queried the adequacy of parking for both the car and trailer parks and the parking to support the growth in the dry store building (possible stage 2).

Council Officer Comments:

- The same amount of trailer parking will be provided as is currently available. Other parking is designed to comply with planning requirements for parking provision.
- The flexible approach to the use of the car and trailer carpark is intended to be implemented outside peak boating periods. The St Kilda Marina Site Brief includes a mandatory criterion that on grade carpark infrastructure is to be design for temporary activation off-season and incorporate soft landscaping. The intent is not to impact boating and the multi-use of the carparking areas will be monitored to ensure it does not.
- All areas of the municipality's foreshore need to work hard to serve more than one section of the community. Principles established early in the project included that the site should provide greater access, achieve improved economic and environmental outcomes and be more welcoming. These were captured in the overarching vision that that the site be "*A special place on the foreshore for everyone that welcomes a diversity of sustainable uses anchored by a working marina*".

Other Queries or Concerns Raised

4.8 There were other queries or concerns raised in individual submissions or in limited numbers. These included such things as:

- Concerns about complementary uses where one submission suggested that the extent of commercial space exceeds the Site Brief requirements while another queried the viability of the commercial space given the reduced capacity of the Marina.
- Concerns from two submitters about the open space behind the dry store and associated buildings on the peninsula encouraging rough sleepers and campers.



- Concerns about the service station where one submission supports its ongoing retention and one objects to its retention for 10 years.
- Two queries about the provisions for dealing with contamination and who will pay.
- A query about who the current tenant is and where the funding is coming from.
- A query about council's contribution to new/upgraded infrastructure and end of lease provisions.
- A query about the performance criteria for the tenant over the duration of the lease and monitoring of performance.
- Queries from one submitter related to purchase of the existing wet berths.
- A query about how representative the concept plans are of how the Marina will look at the end of the lease.
- A query regarding the monitoring and use of rental currently received (including from parking)
- A query about Council's annual costs arising from the operation of the Marina including taxes, cleaning, administration, supervision etc, compared with the net annual revenue from the marina.
- A concern that Council is considering entering into a lease agreement while the Planning Scheme Amendment is not yet finalised.
- A concern about limited public transport to the area with a suggestion that a beachfront bus should be considered.
- A concern with the impact on property pricing in the area, and suggestions for encouraging tourism through short-term and affordable accommodation options in the area.
- A concern regarding safety of the area and suggestions for increasing policing and surveillance of the area due to anticipated increase in use.
- A suggestion that the BOM Weather Station provide full details about the weather rather than wind speed and direction.
- A query about procurement and what evaluation criteria was used.

4.9 Council Officer comments have been provided for these in Attachment 1.

Officer Recommendation

4.10 No changes are proposed to the key terms of the lease in response to any of the submissions received. Council Officers recommend Council complete the statutory process begun on 18 July 2020 and resolve to grant the lease for the St Kilda Marina to the Australian Marina Development Corporation Pty Ltd as the tenant of the St Kilda Marina, for a 35-year initial term, with an option for a further 15 years, subject to obtaining Governor in Council approval, on the terms set out in the public notice for the following reasons:



- 4.10.1 Council has worked with the community to develop a clear Site Vision and Objectives for the marina and detailed design criteria with the aim of achieving an outcome for the St Kilda Marina that supports its continued function as a working marina and that balances a range of social, cultural, environmental, economic and financial outcomes.
- 4.10.2 The proposal by Australian Marina Development Corporation Pty Ltd for the long-term lease of the St Kilda Marina was found to offer good value, successfully meeting or exceeding all the mandatory criteria within the St Kilda Marina Site Brief as well as also delivering a number of discretionary criteria.
- 4.10.3 The cumulative effect of Australian Marina Development Corporation's financial contribution to redevelopment (approximately \$25.3M for commercial and approximately \$5.4M for public realm for stage one works), asset maintenance and renewal (approximately \$68M), rental for a 35 year term with additional 15 year option (approximately \$60.9M including CPI increases) and a series of community benefits ranging to increased access to the site to specific opportunities to utilise/hire facilities at direct or no cost, over the lease period, is in the order of \$160M.
- 4.10.4 The overall redevelopment and management proposal will deliver significant benefits to marina users and the wider community, including:
- Community benefits:
 - Access for Council or a nominee of Council to activate or use an area or areas of open space on site for a minimum of 10 events/days at cost; 10 events/days at cost for the use by Council or a nominee of Council of the community facility (dates for both to be agreed 12 months in advance); and access to the community facility for a community use (as defined by Council) for a minimum 20 days/events per annum
 - Significant investment in public infrastructure through the provision of public open space to approximately 50% of the site, well in excess of the Site Brief requirement for a minimum of 20%.
 - The development of a fit for purpose facility for the Australian Volunteer Coast Guard as part of the proposal, with a tenure based on peppercorn rent.
 - Provision and maintenance of a public boat ramp and trailer parking.
 - A commitment to adopt the Victorian Social Procurement Framework to influence the Proponent's commercial dealings and sourcing of suppliers in the areas of design, construction and operations on site.
 - A commitment to engage at least one supplier that employs Victorian Aboriginal people during each of the design, construction and operational phases.



- A commitment to engage at least one supplier that employs Victorians with a disability.
- A commitment to engage at least one supplier that employs Victorians experiencing disadvantage, and one Victorian social enterprise.
- An endeavour to engage suppliers that have implemented a family violence policy.
- A commitment to engage suppliers that have a gender equity policy and that all will attest to compliance with a code of conduct.
- The provision of a comprehensive Sustainability Plan that addresses key initiatives highlighted for the site as part of the Site Brief for design, construction and operations that aligns with Council Policy
- Commitments to undertake accreditation within the first 12 months of being awarded the lease for ISO 9001 (Quality Management) and ISO 14001 (Environmental Management System).
- A commitment to provide a CSR Plan identifying and elaborating on specific targets within 120 days of lease award; and annual reporting of performance against the CSR Plan and a forecast setting out the details of the major activities to be undertaken for the upcoming 24 months.
- Possible future amenities for the site funded by Council:
 - Conditions have been incorporated in the lease that enables the inclusion of a bridge in the future should Council elect to design and deliver it. They address future proofing the design to avoid precluding a bridge, consultation with the tenant during design, maintenance and repair requirements, insurance requirements, market rent valuation (i.e. bridge is not included) and methodology for determining compensation for impacts on the Marina business.
 - Lease provisions will enable expansion of public berthing at an agreed cost through the installation of floating pontoons on the Eastern and Northern edge should it be desired and funded by Council.

4.10.5 There will be opportunities for the community, including members of the Melbourne Trailable Yacht Club, to engage with Australian Marina Development Corporation to hear about their vision and design of the site and provide feedback on the look and amenity of certain elements in the development of detailed design, prior to the submission of a development application.

5. CONSULTATION AND STAKEHOLDERS

5.1 The Section 190 process is a standard leasing notification process undertaken by Council as a requirement under the Local Government Act 1989. The process is not



technically required here as the lease will be approved under the St Kilda Land Act 1965. However, Council has elected to undertake this notification process for consistency and maximum transparency.

- 5.2 The public notice period officially commenced with an advertisement in The Age on Saturday 18 July 2020, providing the local community and other interested parties with an opportunity to make a written submission on the key terms of the proposed lease.
- 5.3 The submissions period closed on 15 August 2020 and submissions were formally received by Council on 2 September, where verbal submissions were also heard.
- 5.4 To ensure the full potential of the site is realised as part of a new lease arrangement, Council committed to a multi-stage community engagement program, working closely with the community at key stages of the project to understand and consider the community's values and aspirations for the local area and specifically for the site. The first stage of engagement incorporated input from 425 community members in various in person and online forums to establish the Site Vision and Objectives.
- 5.5 The next stage of engagement involved the establishment of a 23-member community panel and a team of specialist consultants in 2018 to inform the development of the St Kilda Marina Site Brief. The role of the community panel was to bring a focussed community voice with broad perspectives to the development of solutions for the future of the marina site. This process also engaged the wider community through a Have Your Say survey – 368 people participated.
- 5.6 The Site Brief, endorsed by Council on 15 May 2019, is a key document that sets out the design criteria for the site and in doing so explains the future intent for the site. The design criteria, made up of a series of mandatory and discretionary items, provides a framework for the future redevelopment of the St Kilda Marina site. They include guidance on the site's future form and function, the height, scale, location and massing of the new buildings and requirements for the location and quality of publicly accessible open space and connections.
- 5.7 Each of the design criteria has a role in delivering the place identity, social and cultural, economic, environmental and financial objectives for the site which, when combined, realise the Vision for the site.
- 5.8 A Community and Stakeholder Engagement Plan that outlines the engagement process to accompany the project procurement and planning pathway, as well as delivery of the lease, was endorsed in a Council Meeting on 5 June 2019 and is a public document.
- 5.9 The Victorian Government is a key stakeholder. Not only is the site crown land but it has regional significance. Council officers have met regularly with Victorian Government representatives from DELWP to discuss project progress and specific issues that arise. Representatives from DELWP and Parks Vic were consulted on the development of Site Brief. DELWP informed the development of Request for Proposal document, the Draft lease and the final lease.
- 5.10 Due to confidentiality requirements associated with the procurement process, detailed information about the procurement process and outcomes could only be made public following Council's endorsement of the preferred proposal and tenant on 15 July 2020.



The project [web-page](#) details the extent of information that was made public following a confidential procurement process, from the particulars of the successful proposal to the process, criteria and weightings undertaken to evaluate submissions. Certain information (specific details about proposals) continues to remain confidential to maintain the integrity of the process and commercial in confidence requirements.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 Under the Local Government Act 1989, councils must use resources efficiently and effectively and provide services in accordance with best-value principles to meet the needs of the local community and improve the quality of life in the local community. The project approach was designed to achieve value for money, promote competition, manage risk, achieve high standards of probity and maintain competitive tension while enabling as much transparency as possible.
- 6.2 To ensure that effective probity practice (and principles of integrity, impartiality and confidentiality) underpins the procurement process, a Probity Plan was developed and endorsed by Council in February 2019. A Probity Advisor was involved in the project from late 2017 to assist the project to develop various tools to ensure probity is effectively managed.
- 6.3 A risk register has been reviewed and updated as required, supporting a risk-based approach to the management of this project, including risks associated with the procurement process. The key lease terms and broader lease document seek to appropriately mitigate risks to Council.
- 6.4 As this is a long-term lease (in excess of 15 years) the Retail Leases Act (2003) does not apply.
- 6.5 The lease will require Victoria Government approval as it is Crown Land. St Kilda Marina is governed by the St Kilda Land Act 1965 which stipulates that approval is required to be granted by Governor in Council.

7. FINANCIAL IMPACT

- 7.1 The cumulative effect of the financial contribution by the proponent for the term of the lease is in the order of \$160M.
- 7.2 The proposal for the lease is a base rent of \$750,000pa, subject to yearly indexation at the rate of the Consumer Price Index (CPI) and market rent reviews every 5 years (following the initial 10-year period). A rental discount applies to the first four years to facilitate accelerated development of stages 1a and 1b of the site, being the new dry store building, the new wet berths re-oriented to the peninsula side, refurbishment of the RIVA building, Marine Parade works, peninsula works, landscaping across the site, the Bay Trail and carparking upgrades. The rent payable for the first four years is proposed at \$134,000.
- 7.3 This compares to the current rent received of \$134,000 per annum plus 7% of gross receipts associated with car parking, boat launching, rental of boat pens, parking of cars with trailers and dry storage rentals which currently equates to revenue in the order of \$110,000. In summary, for the first four years of the new lease commencing in 2022 Council will receive in the order of \$110,000 less rent compared with existing



while the main redevelopment works takes place. However, from the fifth year onwards Council will receive approximately \$500,000 more rent (plus a redeveloped site).

- 7.4 In terms of the costs of development and the benefit provided by means other than the rent, the proposal includes capital expenditure totalling approximately \$30.7M which includes all construction and professional costs and contingencies related to the commercial operations, public realm works (estimated as approximately \$5.4M), the Australian Volunteer Coast Guard facility and the sea wall rectification.
- 7.5 The RFP process required Council Officer time; probity, legal, commercial and strategic procurement advice; and design and engineering consultancy services. \$460,000 was budgeted for in the 2019/20 budget, with a further \$75,000 budgeted for 2020/21 to complete the project including completion of statutory approvals, lease execution and community engagement on identified appearance and amenity elements of the design.

8. ENVIRONMENTAL IMPACT

- 8.1 St Kilda Marina is a key foreshore site valued by not only the Port Phillip community but also the wider community, particularly boat owners and marine and foreshore enthusiasts.
- 8.2 The proposed new lease arrangement for St Kilda Marina is recognised as an opportunity to improve the contribution of the site to the municipality and region. These aspirations are reflected in the Site Vision and Objectives, which identify broad environmental, social, cultural and economic benefits that the project is seeking to achieve to provide improved benefits for the broader community.
- 8.3 The St Kilda Marina Site Brief endorsed at a Council Meeting on 15 May 2019 articulates the mandatory and discretionary criteria that have guided respondents in the request for proposal process to achieve the Site Vision and Objectives, with a key component focussing on Environmental and Coastal Resilience. The evaluation criteria used to assess the proposals were directly linked to the design criteria in the Site Brief.
- 8.4 Key environmental sustainability features of the new lease include:
 - Highly accessible open space and landscaping to approximately 50% of the site (well in excess of the current extent of open space being approximately 4% and in excess of the Site Brief requirement for minimum of 20%). This includes improved access to highly valued foreshore areas of the site (particularly along the peninsula which is currently accessible) for pedestrians and cyclists.
 - Upgrades to the existing sea wall that protects from storm surge and is intended to provide natural habitats that encourage biodiversity.
 - A commitment to enhancing the Sustainability Plan for the development of the site to ensure Council's Sustainability targets are met as articulated in an AECOM report that aligns the targets to the site. The lease will include a requirement to meet Council's Act and Adapt Sustainable Environment Strategy 2018-2028. The features range from various coastal resilience measures (protection and enhancement) to environmental design initiatives that benchmark against the Design and As-Built Green Star tool (which focusses predominantly on how the built environment is constructed and operated). Initiatives include but are not limited to waste management systems, low carbon, energy and water



efficient building design and operations, bicycle facilities to exceed 5 Star Green Star, and Site predominantly powered by 100% electricity with the provision of on-site renewable energy supply and solar power to a minimum of 50% roof area.

- A commitment to provide an Environment Management Plan that addresses coastal resilience measures and various environmental design elements prior to lease commencement that will be updated every five years.
 - A commitment to achieve accreditation for ISO 14001 (Environmental Management System) within the first 12 months of the lease being awarded.
- 8.5 These include but are not limited to significantly increasing and improving public realm and open space, year-round activation through the provision of facilities for the broader community, improving movement throughout the site, and improving marina functionality.
- 8.6 The evaluation criteria used to assess the proposals are directly linked to the design criteria in the Site Brief. In addition, the RFP requested proponents to respond to a series of questions in a schedule to demonstrate their commitment to Corporate Social Responsibility. This schedule was developed using the Victorian Social Procurement Framework.
- 8.7 Key community benefits of the new lease include:
- Significant investment in public infrastructure through the provision of public new landscaped open space to approximately 50% of the site, in excess of the Site Brief requirement for a minimum of 20%, and well in excess of the current extent of open accessible space (4%).
 - Access for Council or a nominee of Council to activate or use an area or areas of open space on site for a minimum of 10 events/days at cost; 10 events/days at cost for the use by Council or a nominee of Council of the community facility (dates for both to be agreed 12 months in advance); and access to the community facility for a community use (as defined by Council) for a minimum 20 days/events per annum
 - The development of a fit for purpose facility for the Australian Volunteer Coast Guard as part of the proposal, with a tenure based on peppercorn rent.
 - Provision and maintenance of a public boat ramp and trailer parking.
 - The possibility for the inclusion of a bridge from Marine Reserve to the Peninsula at a future date funded by others.
 - A commitment to adopt the Victorian Social Procurement Framework to influence the Proponent's commercial dealings and sourcing of suppliers in the areas of design, construction and operations on site.
 - A commitment to engage at least one supplier that employs Victorian Aboriginal people during each of the design, construction and operational phases.
 - A commitment to engage at least one supplier that employs Victorians with a disability.



- A commitment to engage at least one supplier that employs Victorians experiencing disadvantage, and one Victorian social enterprise.
- An endeavour to engage suppliers that have implemented a family violence policy.
- A commitment to engage suppliers that have a gender equity policy and that all will attest to compliance with a code of conduct.
- The provision of a comprehensive Sustainability Plan that addresses key initiatives highlighted for the site as part of the Site Brief.
- Commitments to undertake accreditation within the first 12 months of being awarded the lease for ISO 9001 (Quality Management) and ISO 14001 (Environmental Management System).
- A commitment to provide a CSR Plan identifying and elaborating on specific targets within 120 days of lease award; and annual reporting of performance against the CSR Plan and a forecast setting out the details of the major activities to be undertaken for the upcoming 24 months

9. COMMUNITY IMPACT

- 9.1 St Kilda Marina is a key foreshore site valued by not only the Port Phillip community but also the wider community, particularly boat owners and marine and foreshore enthusiasts.
- 9.2 The proposed new lease arrangement for St Kilda Marina is recognised as an opportunity to improve the contribution of the site to the municipality and region. These aspirations are reflected in the Site Vision and Objectives, which identify broad environmental, social, cultural and economic benefits that the project is seeking to achieve to provide improved benefits for the broader community.
- 9.3 The St Kilda Marina Site Brief endorsed at a Council Meeting on 15 May 2019 articulates the mandatory and discretionary criteria that have guided respondents in the request for proposal process to achieve the Site Vision and Objectives which aims to achieve considerably improved benefits for the community.
- 9.4 Community benefits include, but are not limited to, significantly increasing and improving public realm and open space, year-round activation through the provision of facilities for the broader community, improving movement throughout the site, and improving marina functionality.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 10.1 The RFP process for the St Kilda Marina new long-term lease aligns with Strategic Direction 4, “We are growing and keeping our character”. It supports the delivery of the specifically identified Council Plan key outcome, “a city of diverse and distinctive neighbourhoods and places”. The St Kilda Marina Lease is a specific priority in the Council Plan.
- 10.2 It also aligns with Strategic Directions 3 (We have smart solutions for a sustainable future) and 6 (Our commitment to you) by supporting delivery of the following outcomes:



- A financially sustainable, high-performing and well-governed organisation that puts the community first.
- A city that is adapting and resilient to client change.
- A water sensitive city.

10.3 St Kilda Marina is a key strategic site within Council's property portfolio and presents a significant opportunity in terms of social, environmental, economic and cultural possibilities for the St Kilda foreshore, the municipality and the State.

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

- 17 September 2020 – Submit the lease to the Victorian Government Approval process for approval via Governor in Council as required by the St Kilda Land Act 1965.

11.2 COMMUNICATION

Communication Activities

- A public notice was issued in The Age on 18 July 2020 inviting interested parties to make a submission. This and the key terms were communicated publicly via various forms of media including an updated web-site, a video explanation by the Mayor filmed at the Marina, a press release, an article in The Herald Sun, and a key summary document, St Kilda Marina Project Update - New Long Term Lease
- On 30 July 2020 a new lease question and answer session was held which provided the public with an opportunity to meet the preferred tenant, view the redevelopment proposal with information as presented by the architects, and ask questions about this or any of the key terms of the lease. The purpose of the session was to assist the public to make informed submissions.
- Interested parties were able to make a verbal submission at the Council Meeting on 2 September where Council formally received written submissions.
- Each individual or group who made a formal submission will receive a written response thanking them for their submission and advising them of Council's decision and the reasons for the decision.
- The outcome of this meeting will be communicated via various public forums including social media, the project website and the interested parties' database.

Key Messages

- Council has worked with the community to develop a clear Site Vision and Objectives for the marina and detailed design criteria with the aim of achieving an outcome for the St Kilda Marina that supports its continued function as a working marina and that balances a range of social, cultural, environmental, economic and financial outcomes.
- The proposal by Australian Marina Development Corporation Pty Ltd for the long-term lease of the St Kilda Marina was found to offer good value, successfully



meeting or exceeding all the mandatory criteria within the St Kilda Marina Site Brief as well as also delivering a number of discretionary criteria.

- The cumulative effect of Australian Marina Development Corporation's financial contribution to redevelopment (approximately \$25.3M for commercial and approximately \$5.4M for public realm for stage one works), asset maintenance and renewal (approximately \$68M), rental for a 35 year term with additional 15 year option (approximately \$60.9M including CPI increases) and a series of community benefits ranging to increased access to the site to specific opportunities to utilise/hire facilities at direct or no cost, over the lease period, is in the order of \$160M.
- The overall redevelopment and management proposal will deliver significant social, cultural, environmental, economic and financial benefits to marina users and the wider community.
- There will be opportunities for the community, including members of the Melbourne Trailable Yacht Club, to engage with Australian Marina Development Corporation to hear about their vision and design of the site and provide feedback on the look and amenity of certain elements in the development of detailed design, prior to the submission of a development application.

11.3 OFFICER DIRECT OR INDIRECT INTEREST

- No officers involved in the preparation of this report have any direct or indirect interest in the matter.

TRIM FILE NO: 20/15/63

ATTACHMENTS

1. SKM New Lease Summary of Submissions Plus Council Officer Comments Final
2. SKM New Lease Individual Submissions - Combined - Redacted