

Management report to Council

Agenda item 6.7

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

Council

Presenter: Joanne Wandel, Acting General Manager Infrastructure and Design**24 November 2020****Purpose and background**

1. The purpose of this report is to provide Council with a progress update and expenditure breakdown of the Queen Victoria Market Precinct Renewal (QVMPR) program for the financial year ending 30 September 2020.

Key issues

2. As at 30 September 2020, the total QVMPR Program expenditure since 2013 is \$44.04 million and the total expenditure for financial year 2020-21 is \$4.44 million. Please refer to Attachment 2 for a breakdown of program expenditure.
3. Since the last report to Council in August, key project elements delivered by the QVMPR program for the period of July to September include:
 - 3.1. **Heritage shed restoration** – A key project within the 2015 Master Plan, and supported by the 2018 People's Panel, stage 1 of the heritage shed restoration project across Sheds J to M continued with reduced workforce due to Stage 4 restrictions. Installation of roof insulation panels (Attachment 3) provide structural stability and improve thermal comfort, along with repairs, painting, electrical and plumbing upgrades. This stage of the project will be progressively returned to the market, commencing with J Shed and String Bean Alley prior to Christmas and full completion anticipated by early February 2021. Stage 2 (Sheds C and D) will commence immediately following the completion of Stage 1.
 - 3.2. **Market Infrastructure** - Development applications for the two purpose-built trader, customer and market facilities – Trader Shed and Northern Shed – are awaiting determination from Heritage Victoria (HV). In response to a request for further information, revised designs to amend the applications were submitted in mid-September. A decision on the heritage permit applications is expected in December 2020. Subject to HV's determination, Council will consider the planning applications at a Future Melbourne Committee meeting next year.
 - 3.3. **Munro Site** - Construction of the city's largest new community hub, including affordable housing and 500 car parks for market customers, progressed with a reduced workforce under COVID-19 restrictions. Despite the restrictions, the project reached a milestone with the ground floor slab completed in early August. Subject to the impact of the pandemic, delivery of the car park is anticipated in early 2021 and operational mid-year. The proposed sale of six affordable housing units to the Transport Accident Commission's Residential Independence Pty Ltd continues to progress.
 - 3.4. **Market Square** – The plans for the design and staged delivery of new 1.75 hectare public open space in the heart of the city is currently in development and will be presented to Council for consideration in 2021. The future Market Square, replacing the Queen Victoria Market's current customer car park, will be delivered in two phases, commencing when parts of the car park is made available following the opening of the 500 car spaces to the Munro Site in the second half of 2021.
 - 3.5. **Southern Site** – An Expression of Interest process seeking suitably qualified and interested parties to develop the site to the south of the market carpark is scheduled to be released in early 2021. The Southern Site is the largest undeveloped site in the CBD, offering a combined area of 14,233m². Funds secured through the development of this land will be reinvested into the renewal program. In July 2020, the discontinuance of parts of Franklin Street and Queen Street was gazetted. The gazettal follows Council's unanimous endorsement in December 2019 to proceed with the road discontinuance to enable the future development.
 - 3.6. **Market buildings restoration and enhancement** – Site investigations and audit reports have been developed for the heritage listed Meat and Fish Hall, Dairy Produce Hall, Elizabeth Street and Victoria Street shops. Schematic design workshops were held in September with QVM Management Pty Ltd and the consultant team. Once the design is finalised, applications will be submitted for the required approvals.
 - 3.7. **Weather protection**– The provision of weather protection for traders and customers under the open-air sheds is a key initiative identified in the 2015 Master Plan. There are two components to this project – a proposed glazed canopy at the laneway between sheds E and F, and upgrading the existing awnings and blinds. A canopy prototype is anticipated to be delivered in early 2021 as a trial, subject to heritage approval.

Recommendation from management

4. That Council accepts the Queen Victoria Market Precinct Renewal Program quarterly report which confirms a total program expenditure of \$44.04 million as at 30 September 2020.

Attachments:

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

Supporting Attachment

Legal

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

Finance

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

Conflict of interest

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

Health and Safety

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

Stakeholder consultation

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

Environmental sustainability

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

Queen Victoria Market Precinct Renewal (QVMPR) Program Expenditure as at 30 September 2020

Work packages	Budget (\$m) as at 2020*	Expenditure (\$m)	
		Program Total	FY2020/21
Transitional trader accommodation and precinct improvements	1.70	1.71	-
QUARTER 1 (Market Infrastructure, Meat, Fish and Dairy Halls, Food Court and Terraces)	67.87	4.46	0.10
QUARTER 2 (Shed restoration, Trader format improvements)	55.42	8.79	3.71
QUARTER 3 (String Bean Alley, future public open spaces and Southern Site)	76.33	2.08	0.12
QUARTER 4 (Munro Site)	32.70	7.69	0.01
Utilities and contaminated soil removal	2.91	0.87	-
Program delivery	30.46	18.43	0.49
GROSS TOTAL	267.39	44.04	4.44

*Note: Following targeted savings from expenditure identified as part of the 2020/21 Annual Plan, the overall Queen Victoria Market Precinct Renewal budget was revised from \$308 million gross to not more than \$268 million gross. Costs savings have been made across the overall program to ensure delivery of the renewal against the 2015 Master Plan. An updated Business Case reflecting the revised budget will be presented for Council's consideration in 2021.

Queen Victoria Market Precinct Renewal (QVMPR) Project highlights

1. Heritage shed restoration



Figure 1



Figure 2

Figure 1 and 2 - Newly installed roof panels will provide insulation and improve comfort under the sheds in both hot and cold weather.

2. Munro Site



Figure 1 - Street view from the corner Queen and Therry Street to the Munro site showing community hub progression.



Figure 2 – Street view from Queen Street to the Munro site, showing the entrance to the QVM customer car park. Inset - Ramp between levels of QVM customer car park.