



TOWN OF  
VICTORIA PARK

# Edward Millen Adaptive Heritage Redevelopment

MAJOR LAND TRANSACTION BUSINESS PLAN



WE'RE OPEN  
VIC PARK

## Section 3.59 of the Local Government Act 1995

This Business Plan has been prepared for the disposal by way of ground lease and redevelopment of Edward Millen Heritage Precinct.

This Business Plan has been prepared in accordance with the requirements of Section 3.59 of the Local Government Act 1995 (the Act) and Regulation 8A of the Local Government (Functions and General) Regulations 1996 (the Regulations) which apply when a local government authority intends to undertake a Major Land Transaction or Major Trading Undertaking.

The Town of Victoria Park proposes to enter into a ground lease after the agreement for lease has been satisfied with Blackoak Capital – Elizabeth Baillie Pty Ltd for the redevelopment and revitalisation of Edward Millen Heritage Precinct.

The purpose of this Business Plan is to provide members of the community with the opportunity to consider the proposal and provide commentary through a submissions process, to inform Council's decision making on the matter.

## Legislative requirements

### Content of the Business Plan

Section 3.59 of the Act prescribes a major land transaction for the acquisition, disposal or development of land as one where the total value of the consideration under the transaction (and anything done by the local government for achieving the purpose of the transaction) is more than the amount prescribed for the purposes of the definition.

Regulation 8A prescribes the threshold amount for a major land transaction for a local government authority that is not a major regional centre (below a population of 20,000) as \$2 million or 10% of operating expenditure, whichever is the lesser. Due to the significance of the site and the importance of the area to the community, the Town is treating this proposal as a major land transaction and satisfying all conditions normally required for a major land transaction.

For major land transactions, Section 3.59 of the Act requires the Town to develop a business plan that addresses the following:

- a) the proposal's expected effect on the provision of facilities and services by the local government,
- b) its expected effect on other persons providing facilities and services in the district,
- c) its expected financial effect on the local government,
- d) its expected effect on matters referred to in the local government's current plan prepared under section 5.56,
- e) the ability of the local government to manage the undertaking or the performance of the transaction, and
- f) any other matter prescribed for the purposes of this subsection.

### Public advertising

Section 3.59(4) requires the local government to give state-wide public notice of its intent to enter a Major Land Transaction, prepare a business plan for public inspection and call for submissions for a period not less than six weeks.

State-wide and local public notice of the Business Plan will be provided in the West Australian Newspaper on 23 June, posted on the notice board at the Town's Administration Office, Town library and on the Town's website as well as other social media platforms with copies of the Business Plan available for access from Customer Services at the Town's Administration Building until 7 August 2023.

Submissions will be presented to Council at an Ordinary Council Meeting as soon as practicable following closure of the submissions period and will inform Council's decision on the matter.

### Background

Since its transfer to the Town in 2006, the Town of Victoria Park has sought to identify options to realise the full potential of the heritage listed Edward Millen buildings and expansive parkland to minimise the ongoing costs to maintain the precinct and maximise community benefit of the heritage assets.

The Edward Millen Redevelopment Project has sought to identify appropriate uses for the site which would facilitate its greater use as well as achieve a balance between the potential benefits of the redevelopment with the financial cost to Council.

To attract the significant investment and expertise required, a unique tender and marketing package was created to entice the private sector and achieve the best possible outcome for the Town of Victoria Park community.

A ground lease would be used to formalise the level of ownership required to make such an investment and preserve the state heritage listed buildings given the level of financial risk and commitment represented by the site.

Reconnecting the history of the Edward Millen heritage precinct with the Town of Victoria Park and the people of Perth was a major outcome sought from the tender submissions. The Town advertised the tender for the Edward Millen Adaptive Heritage Redevelopment with tender submissions closing on 27 January 2021.

Tenderers were requested to provide a ground lease offer based on the proposed Agreement for Lease contract provided. Additionally, tenderers were requested to consider the \$4M Federal Government Community Development Grant within their submission. The purpose for which the completed project is required to be used is to restore and repurpose the Edward Millen series of heritage buildings to protect the heritage of the site, activate certain areas for new purposes, and stimulate local commerce and investment.

An evaluation of the tender submissions against the prescribed criteria was completed and Blackoak Capital Ventures (Blackoak) were selected as the preferred submission. Due to the high value of the tender, Stanton's International were appointed to provide probity independent oversight during the entire evaluation process and have subsequently issued the Town with a Probity Certificate.

### Property information

Lot 9000 on Deposited Plan 41207 is located at 15 Hill View Terrace, East Victoria Park. It is approximately 47220m<sup>2</sup>. The Edward Millen Heritage Precinct presents a unique opportunity to discover the full potential of a series of heritage-listed buildings, set in the expansive Edward Millen parklands.

The ground lease opportunity represents a potential area of 1.4 hectares with significant heritage listed buildings available for activation with a variety of allowable uses.

Situated in the renowned Albany Highway precinct in East Victoria Park, the Edward Millen Heritage precinct is expected to experience high growth and development, with close proximity to the CBD, Curtin University, and three upcoming METRONET Stations.

In recognition of the value of this heritage asset, the Town has made a commitment to revitalising it for the community, and positive steps have been taken to progress the Edward Millen Landscape Masterplan and detail design of the parklands surrounding the heritage buildings.

The conditions of tenure allow the following land uses: community, recreational, civic, entertainment, education, cultural and creative industry, heritage and small-scale production.

## Description of the proposal

### Approach to the disposal of the property

Disposal of the property by way of ground lease of approximately 1.4ha of 15 (Lot 9000) Hill View Terrace, East Victoria Park. To be leased to Blackoak Capital – Elizabeth Baillie Pty Ltd (ABN 42 651 448 583). For a term of 20 years with further optional terms of 5 x 10 years for \$122,500 net per annum exclusive of GST and outgoings commencing in year 21 with a \$2,000,000 upfront payment in consideration of the first 20-year term.

An Agreement for Lease has been prepared and will form a binding contract establishing each party's respective rights and obligations in connection with the redevelopment, the lease, and the premises.

Pursuant to the terms and conditions of the agreement for lease, the Town will grant a licence of the premises for the developer to undertake their works to facilitate the redevelopment.

Upon the completion of the redevelopment both Parties agree to enter into a ground lease for the premises.

## Design and Civil Works

A Development Application will be required to be lodged with both the Town of Victoria Park and Department of Planning Lands and Heritage to ensure all works are acceptable for the State Heritage listing buildings and are appropriate within the heritage fabric of the asset. A Development Assessment Panel determination will also be required. Development Assessment Panels report directly to the Minister for Planning and do not form part of the Department of Planning, Lands and Heritage or the Western Australian Planning Commission.

The tenant will manage the appointment of the project manager, consultants and contractors to undertake the works at no cost to the landlord. This includes the design and delivery of the heritage restoration scope associated with the federal grant. Should the cost of these works exceed the grant value, the tenant will be responsible for the additional costs. The tenant will also be responsible for undertaking and paying for all other works required on land (and to the buildings) to deliver the overall concept proposed for the lease area site.

## Expected effect on the provision of facilities and services by the Local Government

### Strategic planning and investment

The Town has invested significantly in strategic planning for the district/region to realise community, economic, built form and environmental outcomes. The proposal aligns with related strategic planning objectives for land use and development.

The Town has been developing and implementing a strategy to realise the potential of the Edward Millen House and historical buildings. A section of the Rotunda Hospital presents well but is unfit for use. The remainder of the buildings require significant repairs or possible removal. Heritage conservation requirements need to be addressed for buildings and the grounds. Recently, the Department of Lands approved the Town's request for additional uses to be included in the tenure conditions to facilitate a variety of small-scale production and commercial uses to enhance community and cultural possibilities for the site. The Town has developed a Landscape Masterplan for the surrounding parklands of the Edward Millen Park, which utilised extensive community engagement in its creation. These significant upgrades to the parklands will complement the overall heritage redevelopment of the Edward Millen House and historical buildings. The parklands redevelopment will add to the regional draw of the precinct, attracting visitors from across the metropolitan area.

The development has significant potential, within the parameters of its allowable uses, to further realise strategic planning objectives and leverage investment for economic development, job growth and improved liveability in the Town of Victoria Park.

The Town's new Local Planning Strategy, Local Planning Scheme, and Place Plan reinforces or identifies:



The benefits associated with the Edward Millen redevelopment are significant and outweigh the capital investment required to deliver the project. The following benefits will be delivered:

- Increased social opportunities for the community,
- Improved Community Health,
- Safer Community,
- Increased Visitor Spend,
- Increased Property Values,
- Improve Attractiveness of the Town to Homebuyers and Businesses,
- Cost effective management of the heritage buildings,
- Increased community visitation and use of iconic local heritage buildings, and
- Economic Stimulus and improved local employment opportunities.

The Edward Millen Reserve Redevelopment Project is in alignment with a number of Federal, State and Local Government strategies and policies. These include:

- The Australian ICOMOS 2013, The Burra Charter
- The Smart Cities Plan (2016)
- WA State Planning Strategy – 2050
- Heritage Council of WA – Strategic Plan 2019-2023
- A Western Australia for Everyone: State Disability Strategy 2030-2030
- Town of Victoria Park Strategic Community Plan 2017-2032
- Town of Victoria Park Social Infrastructure Plan (SIP) 2017/4 Draft
- Town of Victoria Park Public Open Spaces Strategy
- Town of Victoria Park Local Planning Strategy 2020 (Draft)

### Planning processes

The developer will be required to apply for planning approval under the Town's planning framework. As landowner the Town is a required signatory on the application. The administration will seek Council approval for the lodgement of this planning application. For a development that exceeds \$10 million, an application will be referred by the Town to the Development Assessment Panel (DAP) for determination. DAPs are established under the Planning and Development Act 2005 and Planning and Development (Development Assessment Panels) Regulations 2011, and are administered by the Department of Planning, Lands and Heritage.

Prior to lodgement of the development approval the design will be reviewed by the Town's Design Review Panel. This comprises a panel of experts across urban design, landscape architecture, architecture, civil engineering and/or hydrology and sustainability, who provide expert design and technical advice to Town officers. This will inform design development and the Town's eventual development application recommendations.

The Town will publicly advertise the application for a period of 21 days as well as progressing referrals to relevant internal and external departments and agencies. Due to the heritage listing of the buildings, a referral will be made to the Heritage Council for assessment and advice. The Town will prepare a Responsible Authority Report for the DAPs consideration which will include the

outcomes of the public advertising, internal and external referrals, and heritage council advice. The panel will then make a determination on the request for planning approval.

## Expected effect on persons providing facilities and services in the district

### Town patronage

The Town is committed to delivering 'people first' urban design outcomes, involving a careful and considered design approach to public spaces including parks, streets, laneways and future urban spaces. Improved urban design outcomes can be comprehensive and complex or simple and community driven. The Town has the potential to increase employment, entertainment and educational opportunities, and the identification of key areas for activation is a critical component of future planning initiatives.

Redevelopment of the Edward Millen heritage buildings and parkland will activate the eastern end of Albany Highway, which is not currently as active as other parts of the Albany Highway strip. The redevelopment will also provide local amenity to the nearby St James community and contribute to the development of a town centre in St James.

Blackoak propose to deliver the following key outcomes with consideration to the permitted uses by complimenting the parkland, providing services to the community and preserving the heritage fabric of the site. These outcomes include:

- Deliver a world class destination that attracts visitors from the greater community, through an innovative and creative mix of uses operating in an environmentally sustainable way.
- Create a hub with real community purpose by providing for both for-profit and not-for-profit services, delivering community access to the arts, craft, theatre and music, and creating public green spaces accessible to all.
- Preserve the history of the Edward Millen buildings, by the full refurbishment of the heritage buildings, sympathetic design, and incorporating a museum space in the project.

The Adaptive Heritage Redevelopment Project aims to deliver a broad mix of uses that will activate the precinct through day and night, weekdays and weekends, and will completely reposition the iconic site. The proposed uses including hospitality uses, market stalls, arts and craft, small scale production, market grounds, childcare, museum and community uses, are designed to complement each other and the surrounding area.

The Town is also concurrently progressing the Edward Millen Park Master Plan for the expansive parklands abutting the Edward Millen site. This design process will help in the role of the reserve in the revitalisation and co-dependence of the reserve and the heritage buildings to create a precinct-wide vision for a vibrant future for the Edward Millen site.

The proposal will act as an attractor for day-trippers to visit The Town of Victoria Park, adding to the attraction as an overall destination for day tourists from outside the area. The proposal will do more than fill a gap in the main street of East Victoria Park, adding to its overall offering to local residents and tourists. The facility will become an iconic tourism destination, adding to the overall

attraction of the Town of Victoria Park. The development has the potential to attract enterprises around it to capitalise on the concentration of people. This might include other food and beverage, retail outlets, entertainment and other services.

### Community engagement

The Town has worked with key stakeholders and the community to develop an overarching vision for the site. Through the preparation of a formative study and feasibility study it was determined that the overall vision for the future of the Edward Millen Site was:

*"The Edward Millen Site shall be a forward thinking, active, vivacious, and community driven facility that combines commercial uses to ensure economic viability."*

The priority voting and idea sharing was made available during the open house event of which nearly 600 people attended from the community in November and December 2017. In addition, a survey and idea sharing tool was available for completion online via the Town's Your Thoughts page. The report provides a summary of the results of the Town of Victoria Park's community engagement on the long term vision for the precinct.

Key findings include:

- 100% of respondents supported to "activate and/or restore" the Edward Millen site.
- Small scale production, cultural & creative industry and community were the three most supported themes.
- 31% of ideas shared were hospitality, markets & business, with café & restaurant being the most popular.
- 2% of responses wanted "no alcohol" land use.
- Entertainment & recreation had the highest proportion of mentions from voters.
- Civic use had the lowest proportion of responses (10%).

### Community uses

A museum space that encapsulates the significant history and heritage of the site will be created within the heritage buildings and will include items associated with the site and information explaining the significance of the items or the stories that connect them to the hospital.

The new precinct will add to community services, providing opportunities for the arts, craft, theatre and music, and spaces for local community and arts organisations, charity launches and fundraisers, and networking and club events. Additionally, there may be opportunities for childcare and early education.

### Social impact

Social impact relates to the effect of an activity on the social fabric of the community, along with the wellbeing of individuals, families and communities as a whole. It is the act of creating positive change for the benefit of the community, particularly for those at a disadvantage as a result of complex, long-term system and societal issues. As the tier of government closest the community, it is imperative for the Town to work in collaboration with the local community on social impact



initiatives, including advocacy. We are committed to proactively influencing public policy and seeking support for key resources and services, to improve quality of life.

### Sustainability

The Town is committed to contributing to and promoting sustainable outcomes that support more liveable, healthy places, whether that be around energy efficiency, reducing consumption, promoting sustainable products and programs, exploring diverse design and development options, or environmental initiatives. The Town supports reducing pressure on its urban environment with responsible waste management and conservation projects, urban forestry initiatives to increase vegetation and tree canopy, and encouraging behaviour change in our community.

### Expected financial effect on the Local Government

Blackoak's proposal intends to preserve the rich history of the Edward Millen buildings, by the full refurbishment of the heritage buildings, sympathetic design of the balance of the precinct, and incorporating a museum space into the project and integrating key themes, messages and stories into other parts of the design.

The parkland and precinct upgrade designs are a comprehensive and significant redevelopment of a State Heritage listed asset that authentically corresponds to the history and significance of the site.

Investment into the Edward Millen Reserve to compliment the investment proposed by Blackoak will allow the upgrade, protection, and acknowledgement of this significant asset for future generations. It will also provide multiple attractors to the site and each element will aid the activation of the others.

### Valuation

A current valuation of the building portion of the site was conducted on 12 May 2023 by McGees Property. Given the heritage constraints and the extent of works needed, the rental valuation of the building component of the site has been set at approximately \$122,500 net per annum ex GST and outgoings. The valuer has noted however that this figure is highly subjective given the heritage constraints applicable to the site and the scarcity of comparable sales evidence.

### Costs

Edward Millen Heritage Precinct has cost the Town over \$3.23m since the transfer back in 2006. The Town have been granted a \$4m Federal Government Community Development Grant to use on the restoration of the property which has been considered within the proposal. Blackoak will be investing over \$12m into the redevelopment and will be responsible for the upkeep of the property during the lease period meaning the Town will have no expenditure on the ongoing maintenance of the building.

### Income

For a term of 20 years with further optional terms of 5 x 10 years for \$122,500 net per annum exclusive of GST and outgoings commencing in year 21 with a \$2,000,000 upfront payment in consideration of the first 20-year term.

The upfront financial investment of \$2million will go towards the redevelopment of the surrounding Edward Millen Park Redevelopment.

The Town will realise considerable rates return from the development which will support Town capital and operational works.

### Impacts if delayed or not delivered

If the project is delayed or not delivered, further degradation of the historic buildings will occur along with associated reduction of heritage and cultural value to the community. Any further degradation of the buildings will increase the difficulty of restoration. This is particularly applicable to the Mildred Creak Building and the outbuildings.

The delay or failure to deliver this redevelopment in partnership with Blackoak will place the full cost of restoration and the ongoing maintenance on the Town. This will reduce the ability for the Town to deliver other projects and services within its annual budget.

In addition, there is an opportunity cost if the project is delayed or not delivered and a risk of missing the chance to deliver the community developed vision for the precinct and realise the broader economic and social benefits to the area.

### Expected effect on matters referred to in the Local Government's current plan prepared under section 5.56

Section 5.56 requires that a local government 'plan for the future of the district' and ensure that those plans 'are in accordance with any regulations made about planning for the future of the district'.

### Strategic Community Plan and Corporate Business Plan

In the Town's Corporate Business Plan 2022-2027, the key components that are in keeping with the proposal and the Town's plans for the future of the Town are outlined below:

- The Town will deliver many actions to realise outcomes contained within the Strategic Community Plan. Aligned with the community priorities and Town objectives, each action helps the Town progress.
- The purpose of the Town includes serving the community. These services satisfy public needs and enable community wellbeing.
- The Town will utilise 26 groupings to deliver the priorities within the Strategic Community Plan. Each area works together to deliver actions that work to achieve the community's vision and services aligned to the shared purpose.

- The Town has several partnerships that help with achieving community priorities and Town objectives. These are listed along with their intended purpose.

State Government planning can have a significant impact on how local governments plan and operate. These strategies and plans need to be considered when planning for the future of the Town.

The Edward Millen Adaptive Heritage and Landscape Redevelopment Project aims to realise the full potential of the heritage-listed buildings, minimise the ongoing cost to maintain the precinct and maximise the benefit to the community of the amazing heritage assets in line with The Strategic Community Plan 2022-2027 as outlined below.

Facilitating a strong local economy:

- Promote the Town as a destination to visit.
- Promote the Town as a great place for investment.
- Ensure businesses feel supported and engaged.
- Encourage a diversity of businesses.
- Enable the local economy to be prosperous and resilient.
- Deliver infrastructure and planning frameworks that support the local economy.

Attracting businesses and people to local activity centres through place planning and activation:

- Increase activity in our local centres through place activation and place investment.
- Encourage a community that is invested in improving the places that they live.
- Help businesses to activate the public realm.
- Create attractive public places.
- Deliver a planning framework that enables population growth in our centres.

Providing facilities that are well built and well maintained:

- Provide facilities that are fit-for-purpose and cater for community needs and the services desired.
- Provide facilities that are accessible, inclusive and cater for everyone.
- Ensure the Town's facilities are presented in a clean, hygienic manner.
- Ensure the Town's facilities are inspected regularly and remain in acceptable condition.
- Increase the number of facilities that meet environmental sustainability design outcomes. Reduce emissions for facilities and assets.

## The ability of the Local Government to manage the undertaking or the performance of the transaction

The Town has requisite experience in managing finances, projects, place planning, precinct development and connectivity, that extends beyond the proposal's size and complexity.

The Town's Infrastructure Project and/or Town Planning and Development units have managed development proposals for major residential and commercial development, high value site masterplans and assessed complex and significant development applications.

Blackoak will be accountable for ensuring the development is undertaken in accordance with the regional DAP approval and ensure development timeframes are met.

Legal services have been utilised in the drafting and advice to create the legal documents required to formalise the relationship and the facilitate the development. This approach ensures any legal or financial risks to the Town are mitigated.

## Comments on the Business Plan

This Business Plan will be open for public submissions for a period of six weeks under Section 3.59 of the Local Government Act 1995.

As noted, a copy of the Business Plan can be accessed through the Town of Victoria Park website at [www.victoriapark.wa.gov.au](http://www.victoriapark.wa.gov.au) with hard copies available at the Town of Victoria Park Administration Office.

Interested members of the community are invited to make a submission to the Town. Written submissions in respect of the proposal may be lodged with the Town on or before 7 August 2023. Submissions should be marked as "Business Plan – Edward Millen Heritage Precinct" and addressed to: Chief Executive Officer, Town of Victoria Park, Locked Bag No. 437, Victoria Park 6979 or made online at [www.yourthoughts.victoriapark.wa.gov.au](http://www.yourthoughts.victoriapark.wa.gov.au)

## Attachments

[Blackoak Capital Ventures Tender Proposal – Edward Millen Heritage Redevelopment](#)