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AGENDA OF THE SPECIAL COUNCIL MEETING

To be held on Wednesday 25 January 2023 at 7.15pm

This Special Council Meeting will be held virtually

This meeting will be open to the public and available for the public to watch through livestreaming via the Council's website www.darebin.vic.gov.au



ACKNOWLEDGEMENT OF TRADITIONAL OWNERS AND ABORIGINAL AND TORRES STRAIT ISLANDER COMMUNITIES IN DAREBIN

Darebin City Council acknowledges the Wurundjeri Woi-Wurrung people as the Traditional Owners and custodians of the land we now call Darebin and pays respect to their Elders, past, present and emerging.

Council pays respect to all other Aboriginal and Torres Strait Islander communities in Darebin.

Council recognises, and pays tribute to, the diverse culture, resilience and heritage of Aboriginal and Torres Strait Islander people.

We acknowledge the leadership of Aboriginal and Torres Strait Islander communities and the right to self-determination in the spirit of mutual understanding and respect.



English

These are the Minutes for the Council Meeting. For assistance with any of the items in the minutes, please telephone 8470 8888.

Arabic

هذه هي محاضر اجتماع المجلس. للحصول على المساعدة في أي من البنود في المحاضر، يرجى الاتصال بالهاتف 8470 8888.

Chinese

这些是市议会会议纪要。如需协助了解任何纪要项目，请致电8470 8888。

Greek

Αυτά είναι τα Πρακτικά της συνεδρίασης του Δημοτικού Συμβουλίου. Για βοήθεια με οποιαδήποτε θέματα στα πρακτικά, παρακαλείστε να καλέσετε το 8470 8888.

Hindi

ये काउंसिल की बैठक का सारांश है। सारांश के किसी भी आइटम में सहायता के लिए, कृपया 8470 8888 पर टेलीफोन करें।

Italian

Questo è il verbale della riunione del Comune. Per assistenza con qualsiasi punto del verbale, si prega di chiamare il numero 8470 8888.

Macedonian

Ова е Записникот од состанокот на Општинскиот одбор. За помош во врска со која и да било точка од записникот, ве молиме телефонирајте на 8470 8888.

Nepali

यी परिषद्को बैठकका माइन्युटहरू हुन्। माइन्युटका कुनै पनि वस्तुसम्बन्धी सहायताका लागि कृपया 8470 8888 मा कल गर्नुहोस्।

Punjabi

ਇਹ ਵੈੱਸਲ ਦੀ ਮੀਟਿੰਗ ਵਾਸਤੇ ਸੰਖੇਪ ਸਾਰਾਂਸ਼ ਹੈ। ਸੰਖੇਪ ਸਾਰਾਂਸ਼ ਵਿਚਲੀਆਂ ਕਿਸੇ ਵੀ ਆਈਟਮਾਂ ਸੰਬੰਧੀ ਸਹਾਇਤਾ ਵਾਸਤੇ, ਕਿਰਪਾ ਕਰਕੇ 8470 8888 ਨੂੰ ਟੈਲੀਫੋਨ ਕਰੋ।

Somali

Kuwaani waa qodobadii lagaga wada hadlay Fadhiga Golaha. Caawimada mid kasta oo ka mid ah qodobada laga wada hadlay, fadlan la xiriiir 8470 8888.

Spanish

Estas son las Actas de la Reunión del Concejo. Para recibir ayuda acerca de algún tema de las actas, llame al teléfono 8470 8888.

Urdu

یہ کاؤنسل کی میٹنگ کا ایجنڈا ہے۔ ایجنڈے کے کسی بھی حصے کے بارے میں مدد کے لیے براہ مہربانی 8470 8888 پر فون کریں۔

Vietnamese

Đây là những Biên bản Họp Hội đồng Thành phố. Muốn có người trợ giúp mình về bất kỳ mục nào trong biên bản họp, xin quý vị gọi điện thoại số 8470 8888.

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Agenda

1. MEMBERSHIP

Cr. Julie Williams (Mayor) (Chairperson)

Cr. Susanne Newton (Deputy Mayor)

Cr. Emily Dimitriadis

Cr. Gaetano Greco

Cr. Lina Messina

Cr. Tim Laurence

Cr. Tom Hannan

Cr. Trent McCarthy

Cr. Susan Rennie

2. APOLOGIES

3. DISCLOSURES OF CONFLICTS OF INTEREST

4. CONSIDERATION OF REPORTS

4.1 NOTIFICATION OF END OF LEASE AT 2 WINGROVE STREET, ALPHINGTON BY DAREBIN ENTERPRISE CENTRE LTD AND CONSIDERATION OF FUTURE USE OF THE PROPERTY

Author: Manager Property & Asset Strategy

Reviewed By: General Manager Governance and Engagement

EXECUTIVE SUMMARY

The lease between the Council and the Darebin Enterprise Centre Ltd at 2 Wingrove Street, Alphington is due to expire on 18 May 2023.

On 17 January 2023, the CEO of Darebin Enterprise Centre Ltd (DECL - trading as Melbourne Innovation Centre) formally notified the Council that it will not seek to renew its lease for a further term and will be vacating the site. This letter highlighted the achievements of this highly valued 25-year old partnership with Council at this property but advised that this decision was made due to a lack of capital investment from state and federal governments to improve infrastructure at the site together with a need to provide sufficient notice to its Licensees.

A Special Council meeting has been called for consideration of this matter as a number of the current Licensees have expressed interest, either directly or through DECL, to continue occupation at the site by entering into a direct agreement with Council from 19 May 2023. In light of the timeframe, this matter could not wait until consideration by Council at its ordinary meeting scheduled for 27 February.

The short to mid-term use of the site will be important to establish, in the absence of a long-term master plan for the site (other than that established by MIC). An open and transparent EOI process will be advertised for all or part of the property at 2 Wingrove St, Alphington, based on the following principles:

- a. Use aligned to zoning of the land, being *Public Use Zone 6 – Local Government*;
- b. Use of buildings and/or land that are fit for purpose for short to mid-term use, with consideration to any site remediation by Council, will be considered for interest;
- c. Use that delivers community outcomes directly by supporting start up enterprises within the Darebin community or toward Council strategies;
- d. Use that delivers community outcomes aligned to the Council Plan Strategic priorities;
- e. Use that generates indirect community outcomes to fund future planning or improvements on the property;
- f. Use that is consistent with the environmental history of the site, as a former tip, and enables appropriate monitoring to be undertaken.

Council intends to commence work to take this matter to the Property Assessment Committee for direction to seek expressions of interest for occupancy at this site. As part of this process, Council will review the zoning restrictions, environmental issue and evaluate building/site risk.

Officer Recommendation

That Council:

- (1) Note that the CEO of Darebin Enterprise Centre Ltd, trading as Melbourne Innovation Centre, formally notified Council on 17 January 2022 that the Board had resolved to not seek a renewal of their lease for 2 Wingrove Street, Alphington and intend to vacate the premises at the end of the current lease on 18 May 2023 (**Appendix A**).
- (2) Note that the Darebin Enterprise Centre Ltd (trading as Melbourne Innovation Centre) has held a lease for 2 Wingrove Street Alphington since its establishment in 1998 (check) to fulfil Council's objectives relating to an incubation site for start-up business, offering short term use for 3 years to start up enterprises and incubation support.
- (3) Note that Council made a resolution in 2015 to provide the land and contribute up to \$5.5million to fund the development of a multi storey building if external funding was secured by Darebin Enterprise Centre Ltd, however State or Federal level funding for this development had not been secured.
- (4) Note that Council does not have a master plan for the long term use of this property and, in light of the end of the lease, that work will commence to develop a Master Plan for 2 Wingrove Street Alphington to determine the long-term future of the property with consideration to the 2041 Darebin Community Vision.
- (5) Delegate authority to the CEO to determine the best short to mid-term use of 2 Wingrove St Alphington, and to advertise for expressions of interest for all or part of the property based on the following principles:
 - a. Use aligned to zoning of the land, being *Public Use Zone 6 – Local Government*;
 - b. Use of buildings and/or land that are fit for purpose for short to mid-term use, with consideration to any site remediation by Council, will be considered for interest;
 - c. Use that delivers community outcomes directly by supporting start up enterprises within the Darebin community or toward Council strategies;
 - d. Use that delivers community outcomes aligned to the Council Plan Strategic priorities;
 - e. Use that generates indirect community outcomes to fund future planning or improvements on the property;
 - f. Use that is consistent with the environmental history of the site, as a former tip, and enables appropriate monitoring to be undertaken.
- (6) Note that a further report on the progress of the short to mid-term use of 2 Wingrove St, Alphington will be provided to Council on or before May 2023 subject to the progress of the EOI process.

- (7) Note that the economic and community impact of the lease at 2 Wingrove St Alphington from 1998 to 2023 will be reported to Council in 2023, following the submission of the Annual Report to Council from Darebin Enterprise Centre Ltd (trading as Melbourne Innovation Centre).
 - (8) Note that 2 Wingrove St Alphington has been identified as a potential site for the installation of a community battery within Darebin, and provision will be made for land of approximately 40 to 60m² to be removed from the EOI for this property to support installation and community benefit should the grant funding be approved for a community battery.
-

BACKGROUND / KEY INFORMATION

As part of Darebin's commitment to economic development and employment growth, Council commissioned consultants in 1996 to conduct a feasibility study into the viability of establishing a business incubator. This study recommended that there was sufficient demand and the necessary conditions within Darebin to establish a mixed-use incubator. A number of sites were considered and the current 3.6-hectare site at 2 Wingrove Street was evaluated as the most suitable. Seed funding and support was provided by way of a Commonwealth Government grant of \$500,000 and the City of Darebin provided the site under a lease agreement.

Darebin Enterprise Centre Limited (trading as Melbourne Innovation Centre)

The Darebin Enterprise Centre Ltd (DECL) is a not for profit company established by the City of Darebin in 1997 for the purpose of business incubation. Its trading name is the Melbourne Innovation Centre (MIC).

It has been located at 2 Wingrove Street Alphington (formerly the City of Northcote depot, the Alphington Tip and a quarry) since 1998 and has occupied the site by lease with Council. Over time, MIC has established a secondary site at 61 Civic Drive, Greensborough and established a significant on line presence.

The purpose of business incubation was to provide the services and environment necessary to assist small businesses to establish and grow. The approach provided affordable rent, flexible space, mentoring, networking, services, support and advice. Its primary objective was to support and develop small, fledgling businesses as a source of sustainable economic and employment growth. This was facilitated by DECL providing short-term licence agreements to start-up businesses to occupy space within the land and buildings on this site. As a by-product of this objective, it also provided a means to revitalise an old, disused industrial site at 2 Wingrove St, Alphington.

Business incubators have historically been provided with seed funding and rental assistance by government to support their initial start-up phase to enable them to focus on growing their business and supporting their tenant or licensee businesses.

Licensee businesses were intended to remain in the incubator for about three years. A component of the incubator service was to graduate businesses out into the commercial world and then commence recruitment of new start-ups. It was always intended that some businesses might stay in the incubator while they mentored younger businesses, playing the roles of "anchor tenants".

Seed funding and support was provided by way of a Commonwealth Government grant of \$500,000 and the City of Darebin provided the site under a lease agreement. This lease stipulated that the first three years of operation would be rent free and thereafter, rent would be charged at a rate of 20% of net annual income. DECL was later provided with a further

Commonwealth Government grant of \$100,000 under the incubator enhancement fund. It is normal practice for business incubators to receive this level of support in their start-up phase so that they can develop to a level of self-sufficiency within their first few years.

A Deed of Variation dated 29 October 2008 was agreed between the parties to vary the lease by deeming the option for a second renewed term of 5 years to have been properly exercised by DECL. Included in the agreed varied terms was clause that stated; "No rent is payable by DECL to Darebin, subject to clause 21.4 of the Lease on the basis that DECL is required to maintain the Premises in lieu of paying rent.

At this time, it is not possible to report on the number of start-up businesses that have established and graduated from the incubator site at 2 Wingrove St, Alphington since the commencement of the lease in 1998. Work will be undertaken to establish this and provide a further report to Council on the economic benefit and impact of the incubator site.

The Property History – 2 Wingrove St Alphington

The property at 2 Wingrove St, Alphington was originally used as a quarry in the 1890s and then as a municipal tip from 1966 until the late 1970s. It was then used as a general Council works depot until Council amalgamations in 1994, following which time all Council depot operations were moved to Reservoir. The property was vacant until 1998 when it was leased to DECL/MIC.

The long term vision for the site has historically been led by MIC's vision for the site, albeit subject to grant funding. Prior to the notification to end the lease, Council had not undertaken any preparatory work for a master plan of the site.

The Lease – 2 Wingrove St, Alphington

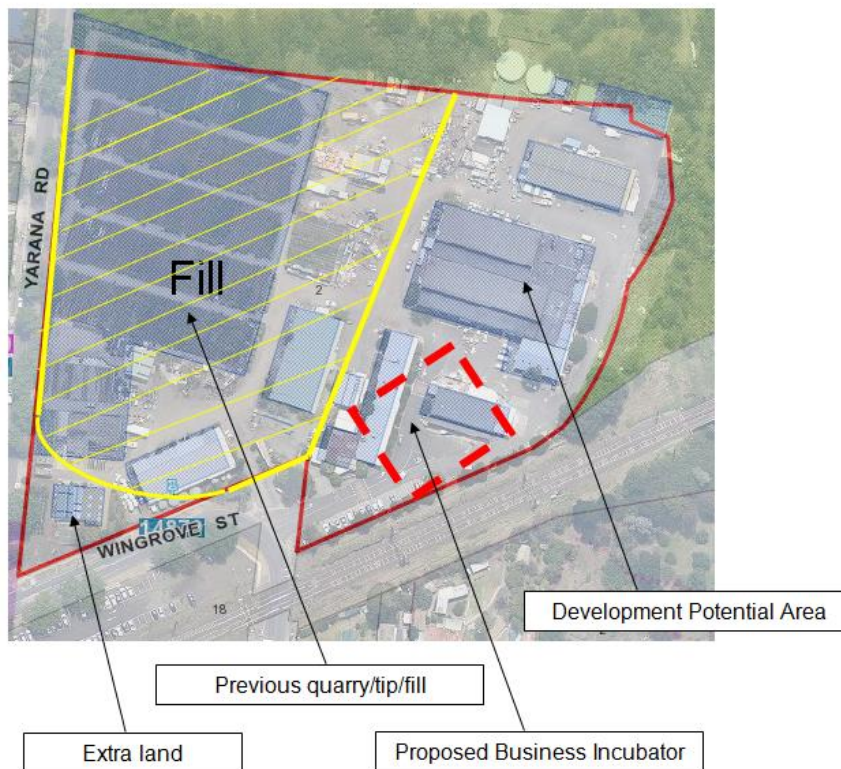
Since 1998, the Council property at 2 Wingrove Street, Alphington has been leased to Darebin Enterprise Centre Limited (DECL) trading as Melbourne Innovation Centre. The final extension of the lease will expire on 18 May 2023.

Throughout the lease, Melbourne Innovation Centre (MIC) has been a key economic development partner which has contributed significantly to the local economy through direct outcomes – employment, business incubation and fostering entrepreneurship and innovation.

In 2015, Council made a resolution to provide the land and contribute up to \$5.5million to fund the development of a multi storey building if external funding was secured by DECL. Since that time, DECL has been unsuccessful in securing either State or Federal funding for this development.

Environmental Background

Council is currently undertaking an environmental investigation of the lands previously used as the former Alphington tip. This includes a majority of the site known as 2 Wingrove Street, Alphington as seen in picture 1. This detailed information is needed to identify and better understand pollutants and risk to the environment and human health, and the condition and effectiveness of the landfill cap and treatment systems.



Picture 1

Asbestos Management

Council has monitored the presence of asbestos on the site over time. In November 2022 an independent investigation identified concerns and provided recommendation for immediate action to protect the health and safety of people utilising several buildings on site.

Monitoring and remedial works will continue as appropriate, giving consideration to any maintenance and remedial works undertaken or to have been undertaken by the tenant.

Previous Council Resolution

At its meeting held on 1 June 2015, Council resolved:

'That Council':

- (1) *Commitment in principle via a memorandum of understanding from Council to provide land and contribute up to \$5.5M to fund the development cost of the building if external funding was secured to DECL. DECL will commit to paying an annual rental payment of \$500,000 per year which will see the interest cost (based on a loan interest rate of 5%) borne by DECL and that the repayment of the \$5.5 million dollar loan from City of Darebin paid in full in 16 years. Council retains ownership of the building from the beginning.*
- (2) *Commitment in-principal to provide a minimum 20 year lease to DECL.*

At its meeting held on 18 May 1998, Council resolved:

'That Council':

- (1) *Council endorse the establishment of the Darebin Business Incubator as "Darebin Enterprise Centre Limited" a company limited by guarantee*

- (2) *Council endorse the establishment of the Darebin Enterprise Centre Limited at 2 Wingrove Street Alphington*
- (3) *Council note the developments of the incubator to date as outlines in this report*
- (4) *Having advertised the lease between the City of Darebin and the Darebin Enterprise Centre Limited for 2 Wingrove Street, Alphington and having received no submission, that the lease be signed and sealed*
- (5) *Council pay in accordance with the 1997/98 Budget up to \$500,000 on production of invoices for Capital Expenditure at the Wingrove Street site as approved and submitted by the Board of Darebin Enterprise Centre Ltd.*
- (6) *Funds not expended during the 1997/98 be carried forward until the full amount of \$500,000 is paid.*

ALIGNMENT TO 2041 DAREBIN COMMUNITY VISION

Strategic Direction 1: Vibrant, Respectful and Connected

Strategic Direction 2: Prosperous, Liveable and Flourishing

Strategic Direction 3: Climate, Green and Sustainable

ALIGNMENT TO 2021-25 COUNCIL PLAN

Strategic Direction 1: Vibrant, Respectful and Connected

Strategic Direction 2: Prosperous, Liveable and Flourishing

Strategic Direction 3: Climate, Green and Sustainable

Strategic Direction 4 Responsible, Transparent and Responsive

ALIGNMENT TO COUNCIL PLAN STRATEGIC OBJECTIVES

1.2 We will help to build an inclusive and empowered community, where social cohesion and community harmony are fostered

2.10 We will leverage investment, partnerships and advocacy to drive Darebin's growth and sustainability

3.1 We will adapt to climate change and build the resilience of our community, infrastructure and the built environment, with a focus on our vulnerable communities at risk of fuel poverty, and flooding

4.2 We will ensure our assets are optimised for the benefit of our community

DISCUSSION

The lease between the Council and the Darebin Enterprise Centre Ltd at 2 Wingrove Street, Alphington is due to expire on 18 May 2023.

Council commenced discussions with MIC in June 2022 in relation to its future interest in continuing its occupation of the lease premises past the expiry of the current lease. As part of its due diligence of the site, Council noted:

- The majority of the buildings on this site are considered to be at the end of their life cycle. The construction of the brick building which houses the main office was constructed circa 1970. The main warehouses were constructed circa 1960's and contain asbestos materials.
- Asbestos reports of the buildings detail the presence of Asbestos in a majority of the buildings on the site. Building 3(A-D) has asbestos roofs and walls with the condition of the material assessed between poor and good. The presence of asbestos dust was found in various locations with these being identified as high risk. Building 2A has asbestos roofs with the condition of the material assessed being fair. The presence of asbestos dust was found in various locations with these being identified as high risk.
- A number of the buildings on the north side of the site have experienced subsidence. A risk assessment of these buildings will need to be undertaken to assess the suitability for occupation going forward.
- Both the Darebin Parklands and 2 Wingrove Avenue sit on the former Alphington Tip. Council is required to undertake an environmental investigation of both sites and surrounding land. This detailed information is needed to identify and better understand pollutants and risk to the environment and human health, and the condition and effectiveness of the landfill cap and treatment systems.

On 17 January 2023, the CEO of Darebin Enterprise Centre Ltd formally notified the Council that it will not seek to renew its lease for a further term and will be vacating the site. This letter highlighted the achievements of this highly valued 25-year old partnership with Council at this property but advised that this decision was made due to a lack of capital funding to improve infrastructure at the site and a need to provide sufficient notice to its Licensees,

In planning toward the end of the lease, officers will work with MIC to undertake an audit of the maintenance works completed in accordance with the maintenance obligations of and associated with the lease and assess the works required by MIC to reinstate the site upon the end of the lease. Work will be undertaken with MIC to understand the planning toward the handover of the site in the coming weeks.

The best short to medium term use of 2 Wingrove St Alphington needs to be determined, whilst work is undertaken to establish a master plan for the site. It is recommended that the CEO establish this.

It is recommended that Council advertise for expressions of interest for all or part of the property based on the following principles:

- a. Use aligned to zoning of the land, being *Public Use Zone 6 – Local Government*;
- b. Use of buildings and/or land that are fit for purpose for short to mid-term use, with consideration to any site remediation by Council, will be considered for interest;
- c. Use that delivers community outcomes directly by supporting start up enterprises within the Darebin community or toward Council strategies;
- d. Use that delivers community outcomes aligned to the Council Plan Strategic priorities;
- e. Use that generates indirect community outcomes to fund future planning or improvements on the property;
- f. Use that is consistent with the environmental history of the site, as a former tip, and enables appropriate monitoring to be undertaken.

This work would commence through presentation to the Property Assessment Committee for direction to seek expressions of interest for occupancy at this site. As part of this process, officers will review the zoning restrictions, environmental issue and evaluate building/site risk to determine their fitness for use.

A number of the current Licensees have expressed interest to continue occupation at the site by entering into a direct agreement with Council from 19 May 2023. Any interest will be subject to an open and transparent process through the EOI process guided by the principles outlined above.

Current Zoning of the Land

Historical information sets out that the subject land was zoned *Industrial – extractive* up until 1968. Between 1969 and 1985, the land was zoned *Public Purposes 19*. The land has since been zoned *Public Use – for Local Government – Public Use Zone 6 (PUZ6)*. Land uses within this zone are subject to Clause 36.01 of the Darebin Planning Scheme.

Under this zoning, Council may enter into a future lease or licence for the land where the use is for the purpose of the zoning and complies with the provisions of the zoning or is otherwise ancillary to a use that meets that purpose.

The purpose detailed in this zoning includes:

- To recognise public land use of public utility and community services and facilities
- To provide for associated uses that are consistent with the intent of the public land reservation or purpose.

As the site has been occupied by DECL (T/A MIC), established by Council for the purposes of business incubation, there are a range of uses that have been in place under the umbrella of incubation such as ‘Industry – food production’, that are not listed in the table at clause 36.01-1 of the Darebin Planning Scheme (Public Use Zone). The Scheme states that land uses within this zone must be carried out by or on behalf of the public land manager. In these instances, the use has been considered to be carrying out by or on behalf of the public land manager, with Council having established MIC for the purpose of local economic benefit through the business incubator model.

Council is currently taking legal advice as to its ability to enter into a direct interim short-term agreement with either a community or commercial tenants in accordance with the zoning requirements.

Long Term Strategy: Master Planning and the exploration of opportunities and constraints

To understand the development potential for the site, Council will commence a process to identify constraints, opportunities and potential alternative/additional uses for this 3.6ha site. The conclusion of this process will produce a master plan for the site, clearly delineating the range of uses and extent of development for the site over the next 20+ years.

This process needs to address the following:

- Identification of the physical constraints on the site, in the existing buildings, and any constraints arising from the site’s context in the local neighbourhood.
- Consideration and exploration of alternative uses and options, in terms of Council’s strategic objectives, particularly value for money and community benefit.
- Providing several rounds of informed consultation for stakeholders, neighbours and the community.

- Provide a clear set of conditions and expectations for future lease negotiations.
- Providing sufficiently robust information to enable Councillors to navigate and make difficult decisions regarding competing uses with different benefits to the local community.

It is expected that this process will take approximately two to three years to complete this exercise with a projected resourcing and consultation cost of between \$450k to \$600k. It is further expected that council will require to undertake rezoning of the site at the completion of the Master Plan.

Council Plan alignment

Through its business incubator, MIC has assisted Council in achieving the following Council Plan actions:

- Big Action 6 - Continued focus on economic recovery
 - Providing opportunity for start-up and home-based enterprises to increase their turnover and employment.
 - Assisting small enterprises develop sustainable business practices through the delivery of impactful programs and ensure businesses are held accountable for their goals and targets.
- 2 – 58: Build partnerships across all levels of government and the private sector, to attract new industries and investment into Darebin, to support its future growth
- 2 – 61: Implement measures to increase digital capability for our businesses, including local, regional and global connectivity
- 2 – 62: Deliver programs and services to build skills and resilience across a range of industries
- 2 – 64: Attract and support innovation businesses, entrepreneurship, creative industries, and the tech start up ecosystem

CONSIDERATION OF LOCAL GOVERNMENT ACT (2020) PRINCIPLES

Financial Management

The decision by DECL/MIC to end the lease at the end of its current term has no direct financial consequences for Council. The lease was designed for an incubator site with no lease fee payable under the lease period ending May 2022, instead providing affordable opportunity for start-up enterprises on the basis of a three year licence model, following which businesses would graduate and be self-sufficient, except in exceptional circumstances.

Community Engagement

Community consultation will form an important part of the development of the Master Plan for the property at 2 Wingrove St, Alphington.

The opportunity to express interest in all or part of the site for short to mid-term use, will be publicly advertised and considered against an objective set of principles endorsed by Council.

Other Principles for consideration**• Overarching Governance Principles and Supporting Principles**

(a) Council decisions are to be made and actions taken in accordance with the relevant law;

Public Transparency Principles

(a) Council decision making processes must be transparent except when the Council is dealing with information that is confidential by virtue of this Act or any other Act;

Strategic Planning Principles

(b) strategic planning must address the Community Vision;

Service Performance Principles

(a) services should be provided in an equitable manner and be responsive to the diverse needs of the municipal community;

COUNCIL POLICY CONSIDERATIONS**Environmental Sustainability Considerations (including Climate Emergency)**

A large component of the property was originally used as a quarry in the 1890s and then as a municipal tip from 1966 until the late 1970s. It was then used as a general Council depot until Council amalgamations in 1994. At that time all council depot operations were moved to Reservoir. The property was then leased to DECL in 1998.

The depth of the landfill is estimated at 20–30 metres with 600mm of capping. The landfill was capped when its use as a tip ceased back in the 1970s, however the current land condition requires reassessment.

It should also be noted that some of the buildings contain asbestos and have been subject to review with a strong focus on health and safety by both Council and DECL/MIC.

DECL/MIC had established a number of licenses as Council's tenant, to fulfil the intent of the business incubator model. It is understood that a number of the licensees may not only fulfil the intent of the DECL lease as start-up enterprises with less than 3 years established but may also have additional alignment to Council strategies such as the Climate Emergency Action Plan, Waste and Recycling Strategy.

It is the intention to deliver on its commitment to environmental sustainability by proposing to install a Neighbourhood Battery installation on the site and considering expressions of interest for use of the property that aligns to these objectives.

Equity, Inclusion, Wellbeing and Human Rights Considerations:

None at this time

Economic Development and Cultural Considerations

The Darebin Enterprise Centre Ltd (DECL) is a not for profit company established by the City of Darebin in 1997 for the purpose of business incubation. Its trading name is the Melbourne Innovation Centre (MIC). It has occupied 2 Wingrove Street Alphington under lease since 1998. Over time, MIC has established a secondary site at 61 Civic Drive, Greensborough and established a significant on line presence.

The purpose of business incubation was to provide the services and environment necessary to assist small businesses to establish and grow. The approach provided affordable rent, flexible space, mentoring, networking, services, support and advice. Its primary objective was to support and develop small, fledgling businesses as a source of sustainable economic and employment growth. As a by-product of this objective, it also provided a means to revitalise an old, disused industrial site at 2 Wingrove St, Alphington.

DECL established licenses for start-up enterprises intended to remain in the incubator for about three years. A component of the incubator service was to graduate businesses out into the commercial world and then commence recruitment of new start-ups. It was always intended that some businesses might stay in the incubator while they mentored younger businesses, playing the roles of “anchor tenants”.

It is not clear at this time, the impact of DECL/MIC’s relocation from this property will have on the economic development on the Darebin business community.

A further report will be provided to Council in 2023 regarding the economic and community impact of the lease at 2 Wingrove St Alphington from 1998 to 2023, following the submission of the Annual Report to Council from Darebin Enterprise Centre Ltd (trading as Melbourne Innovation Centre).

Operational Impacts

To be determined

Legal and Risk Implications

Legal and risk considerations include:

- Failure of DECL to remove all their equipment, stock, refuse, and not fully reinstate the site to a condition as at the commencement date of their Lease.
- Failure of DECL’s licensees to remove all their fixtures, fittings and equipment at their end of their licence agreements.
- Failure of DECL to have not undertaken and fulfilled all of their obligations under their lease.
- Maintaining security of the site once it is vacated.
- Ensuring that any new Lease to a third party complies with the permitted zoning use and aligns to delivery of Council objectives.
- Ensuring that incoming lessees are not impacted by environmental contamination.

IMPLEMENTATION ACTIONS

- Commence discussions with interested parties to lease/licence parts of the property – January 2023
- Seek legal advice on the permitted uses for the site – January 2023

- Take this matter to the Property Assessment Committee to seek approval to proceed to an Expression of Interest for Leases/Licenses at this site. – February 2023
- Liaise with DECL in relation to its exit plan of the site, including reinstatement – February 2023
- To commence risk assessments on the buildings that are on the site – Commencing February 2023
- Report to Council on the progress of the short to mid-term use of 2 Wingrove St, Alphington - May 2023 subject to the progress of the Expression of Interest process.
- Commence work on the Master Plan for the site - July 2023
- Report to Council on the economic and community impact of the lease at 2 Wingrove St Alphington from 1998 to 2003 will be reported to Council in 2023 – September 2023

RELATED DOCUMENTS

- 2008 Lease to DECL undated
- Deed of Variation of Lease to DECL dated 29 October 2008
- Lease Renewal to DECL dated 21 October 2009
- Lease to DECL dated 7 October 2010
- Deed of Variation of Lease signed 18 September 2017

ATTACHMENTS

- DECL Letter to Council - 17 Jan 2023 - Re Lease Expiry (**Appendix A**)

DISCLOSURE OF INTEREST

Section 130 of the *Local Government Act 2020* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any conflicts of interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

**MELBOURNE
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Jan 17, 2023

Mr Peter Smith
CEO, Darebin City Council
274 Gower Street
Preston VIC 3072

Via email: peter.smith@darebin.vic.gov.au

Dear Peter,

RE: Lease for 2 Wingrove Street Alphington

It is with regret that I am writing to inform you that the MIC Board has resolved to no longer seek a new lease from Darebin City Council for 2 Wingrove Street Alphington, and to vacate the premises at end of current lease 18 May 2023.

This decision has not been taken lightly and is based on the absence of an in-principle commitment from Council regarding a new lease despite ongoing discussions since June 2022, a lack of capital to improve infrastructure and the critical need to provide sufficient notice to MIC licensees.

MIC has been unable to secure the required capital funding (despite several submissions 2010-2022 to Victorian and Commonwealth Governments) to redevelop, improve overall amenity and establish fit-for-purpose infrastructure at the property.

MIC has highly valued the partnership with Council of 25 years which has resulted in the graduation of over 450 businesses across multiple MIC sites, including the creation of more than 2,000 new ongoing jobs in this period. MIC has also been recognised at a national and international level, winning multiple Incubator of the Year awards for its work with local client businesses and the launch of more than 108 First Nations owned and controlled enterprises through *Indigenous Business Incubation* program.

These achievements would not have been possible without the ongoing relationship and support provided by Council, including the more recent collaboration on several projects including the delivery of the *Darebin PitchIT!* and *FoodINC* initiatives. Council has always had

two nominated positions on the MIC Board, with six of the current Council with Cr. Tim Laurence, Cr. Julie Williams, Cr. Gaetano Greco, Cr. Trent McCarthy, Cr. Lina Messina and Cr. Susanne Newton having served on the Board for various periods.

We hope the relationship will continue into the future as MIC works with Council to deliver programming to local SMEs throughout the City, with MIC supporting an additional 232 Darebin based businesses outside of our incubator sites since 2018 with business advisory and mentoring services.

Current MIC Licensees have been provided with 90 days notice to vacate the site and will be provided with a range of supports throughout this transition.

MIC will be in contact with Council's Property and Assets Team to manage our exit from the site.

Sincerely,



David Williamson
CEO, Melbourne Innovation Centre
david.williamson@melbourneinnovation.com.au

5. CONSIDERATION OF REPORTS CONSIDERED CONFIDENTIAL


6. CLOSE OF MEETING

**CITY OF
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