

# Glen Eira U3A Building Development Saga 2002 -2009

## Dramatis Personae

### The Organisations

U3A GE	Glen Eira University of the Third Age
CSF	Government Community Support Fund
	City of Glen Eira
	Auditor General
	Vic Track
	Victorian University of the Third Age Network
DHS	Department of Human Services
	Department of Housing
	Glen Huntley Progress Society
	Glen Huntley Trader's Association
	State Valuer General
	Government Land Monitor
	Woolworths
	Manchester Grove Developer, West Water
	Various Financial Institutions
	U3A GE Traffic Consultants
	K2 Architects
VCAT	Victorian Civil Appeals Tribunal
PRG	Progress Reference Group - Rob Hudson MP, Vic Track, DHS, Dept. of Housing, U3A GE members - Brian Joseph, Dan Phelan, Danny Miller, Ian Cathie, Martha Hills. Monthly meetings from Oct '07- Dec '09 at 1 Spring St. Melb.
PSAM	Property Services and Assest Management
K20	Contractual Architects

### Major Players

Margaret Robinson U3A GE President 1998 - 2003  
Margaret Pollet U3A GE President 2003- 2005 and 2007-2008  
Heather Welsh U3A GE President 2005- 2007  
Brian Joseph U3A GE President 2007- 2010  
Annette Clarke U3A GE Secretary 2002-2007  
Rob Hudson - Labour MLC for Bentleigh  
Helen Shardey - Liberal MLC for Caulfield

Ann Barker - Labour MLC for Oakleigh  
Stephen Fitch - VicTrack executive pre 2007  
Kim Webster - VicTrack executive post 2006

## Synopsis

In 2001, some 4 years after moving to the old Glen Huntly Lawn Bowling Club House, the U3A GE became concerned about its tenure. The Bowling Club House was located on Vic Track land, which was **leased** to the Glen Eira Council. Two of the local MLCs, Helen Shardey, Liberal and Rob Hudson, Labor were approached. The Labor Party was in power in Victoria. Both politicians were sympathetic to the U3A concerns and subsequent statements were given by both Labour and Liberal that the U3A would remain on the site.

After the Labour Government was returned to power, the Community Support Fund, CSF, was directed to assist the U3A to buy the existing site and a grant of \$850,000 was suggested. The CSF was not permitted to grant the money unless a total development of the site could be envisaged without a mortgage, preventing the public land from becoming private in the advent of a mortgage default.

On more than one occasion U3A GE was told that Vic Track only granted lease of their land to large corporate bodies, not small organisations like the U3A. The government was hoping that the Glen Eira Council would become joint partners with the U3A GE in purchasing and developing the leased Vic Track site. Although Council was sympathetic to the U3A cause it would not commit to any financial assistance.

There were two lots of Vic Track land in question, one being the club house land occupied by the U3A GE and the other, the bowling green land which abutted the existing Safeway car park to the west and the West Water Unit Development to the north. Both lots were to be sold by Vic Track by tender, but there were problems associated with access to the bowling green lot which would be land locked if not purchased by either Safeway or the developer.

Development of the U3A land had to be approved by Council but this required provision of 23 car parking spaces which, until Safeway became the prospective purchaser of the second lot, would have been a major problem. Safeway agreed to reserve the 23 parking spaces at their boundary and the U3A land, however, finance for development was still a major problem.

Various approaches were considered, including :

- partnering with a developer to put a multi-storey building on the site
- requests to philanthropic organisations

none of which seemed to provide any solutions.

These problems and more were discussed over a period of several years and many meetings occurred between the U3A GE Executive and various government and non-government bodies. It was not until **August 2007, that Vic Track agreed to grant U3A GE a 99 year lease at a peppercorn rent of \$104pa**. The parking spaces problem had still not been adequately addressed and took a further 6 months of negotiations to solve.

Plans were drawn up to match our budget and building tenders called for, however the lowest tender was several \$100,000 above budget, requiring a building redesign. By March 2009, a builder had been approved and building commenced.

The building was ready for occupation late in 2009, some **10 years** after initially approaching the authorities about our future.

# The Saga

## July 1997:

Council moves U3A to Glen Huntly Bowling club house. Green fenced off.

## Sept. 2001:

### President - Margaret Robinson – AGM REPORT

Security of Tenure at Glen Huntly an issue: Although we are under a sub-lease from the City of Glen Eira, it has been impossible to obtain a written contract/sub-lease from the City of GE, probably because Glen Eira Council may not have had permission from VicTrack to sub-lease the VicTrack land to us. Assurances obtained from Vic Track that we can stay for at least another 18 months.

## March 2002 :

M. Robinson reports that Caulfield Liberal MLC, Helen Shardey, tabled in parliament, a **petition** signed by some 420 of the 700+ U3A members, voicing concerns about the lack of site tenure. The government Community Support Fund, which relies upon a cooperative partnership, requested a U3A letter be submitted to John Thaite, Deputy Labour Leader, detailing the issues outlined by Bentleigh MLC Rob Hudson, Labour, MLC. Upon receipt of the letter John Thaite's ministerial adviser contacted the U3A to inform that they were in the process of contacting the City of Glen Eira and that the Auditor General was in the process of assessing the value of the Glen Huntly site.

## April 2002:

Margaret Robinson reports that the new Minister for Seniors informs the U3A that the Glen Huntly site is to be sold, however, in a conversation with Andrew Webster of Vic Track, Margaret is told that no final decision has been made by the Minister of Transport as the land is owned by Vic Track.

Helen Shardey, when contacted, expresses a willingness to raise the situation in parliament as the issue of the petition still needs to be considered. Peter Gouge, the Glen Eira Mayor, contacted Margaret Robinson offering support and as suggested by Cr Alan Grossbard, Margaret contacted The Oakleigh MLC, Ann Barker.

## May 2002:

Margaret Robinson meets with Ann Barker who stated she would talk to Ministers about the U3A. Sheila Moore from Network sends letters to the relevant Ministers expressing support for GEU3A remaining at Glen Huntly.

## June 2002:

U3A Glen Eira considers major issues which are:

1. No funding base for site purchase.
2. Minister for Transport has constantly stated in writing the need to work with the City of Glen Eira to find alternative accommodation. This would involve considerable relocation costs.
3. If land purchased, GST, Council rates, land Tax and other business tax requirements would arise.

4. Jean Melzer from Network thought it implausible that U3A GE should consider buying the land. She recommended by-passing the Ministers and seeking a meeting with Steve Bracks.

**July 2002:**

Margaret Robinson met with Simon Crean's advisors at his Clayton office. Manager of Community Support Fund visits site. Press release from Helen Shardy that if the Victorian Liberals win the next election, they will not evict the U3A from the Glen Huntly site. Meeting arranged to speak with Premier Bracks and Ministers on August 29, 2002. U3A GE contacted by Heather Welsh, a former GE councillor and Greens Candidate, to see how she may be of assistance.

**August 2002:**

Meeting with Steve Bracks who affirmed need for Security of Tenure and acknowledgement of submission to Community Support Fund received.

**Nov 2002:**

Margaret Robinson wrote to Community Support Fund and all Councillors/CEO City of Glen Eira to ask for a joint meeting to discuss the next stage of negotiations.

**Dec 2002:**

Councillors attending the Art Show were reluctant to commit Council to contribute to site security.

**Feb 2003:**

Margaret Robinson again writes to the Community Support Fund manager to ask for some progress for the next stage of negotiation with City of GE. Market value of site set at **\$1.1 million dollars**.

Gratis plans drawn up for new building by local Architect and exhibited in the Glen Huntly Progress window. Philanthropic organisation booklet looked at for possible future funding sources. Many of these sources prohibit giving money for buildings.

Investigations started into Deductible Gift Recipient (DGR) status, Income Tax Exemption Charity Status and Tax Deductibility, authority to fund raise.

Appointments made to meet with Sue Edwards, Office of Aged Services, and with John Sheffer, Monash Upper House.

Nigel D'Souza from Community Support Fund tells Margaret we are closer than ever to a final result. It is decided to wait until after the council elections before contacting him again.

**April 2003:**

No response to letters sent to GE Council or Community Support Fund.

No confirmation of land value, but Margaret Robinson told it is probably a lot lower than previously stated.

**May 2003:**

Rob Hudson informs Margaret Robinson that the State Government still has not sent the Valuer General's land valuation to the local council. Politicians Rob Hudson and Helen Shardey discuss the site in the press with no comments from the Committee.

Grant money from state funds will go directly to Vic Track, the land owners, and the government has asked Glen Eira City Council to contribute funds to make up the difference

between the announced grant and the Valuer General's valuation of the site.

Vic Track has included several requirements about the land and its continuing permanent use in the proposed lease between GE City Council and U3A GE. This is of concern to council.

**July 2003:**

GE Council rejects Government offer to take U3A GE on board.

Discussion paper prepared to present to Rob Hudson.

Community Support Fund and Sandra McKay (John Thaites, Advisor) contacted to express concern at length of time taken to resolve issues.

Glen Huntly Progress Society contact U3A GE about their plans for a Glen Huntly plaza.

**August 2003:**

Meeting with Stephen Fitch (Vic Track) and Rob Hudson.

Meeting set up with Adam Bratt (Lawyer) Herbert Greer and Rundle Law Firm, at 385 Bourke St for 11 Sept. Four U3A GE executive members to attend.

**Community Support Fund allocates \$850,000 for U3A GE tenure.**

**Sept 2003:**

**New President Margaret Pollet** welcomed on 18 Sept.

On 22 Sept, U3A GE executive met with U3A GE solicitor, Rob Hudson and Woolworths to discuss a proposal for the U3A on the current site.

**Dec 2003:**

U3A GE met with Rob Hudson, Paul Banks (Woolworths) and Stephen Fitch (Vic Track). Woolworths offered two options for the land development and one was agreed for further exploration.

**May 2004:**

U3A GE still waiting for advice from Vic Track on progress of tenure situation. Margaret Pollet and Annette Clarke (Secretary) have meeting with retired architect member with regards to developing a building plan that fits the site. This has been requested by Rob Hudson. Vic Track is to soil test the site.

**June 2004:**

Still awaiting memorandum of understanding from Vic Track which is thought to be with Woolworth's lawyers.

**Sept 2004:**

U3A GE Executive meets with representatives from Vic Track, Woolworths and Vic Government. Matter discussed was the Memorandum of Understanding drawn up by Vic Track and reviewed by Woolworths. Several issues were discussed and the document was considered to still be in the pipeline

**Oct 2004:**

Westpac not able to assist with loan as U3A GE not a legal entity. Our lawyer suggested a mortgage broker. Margaret told by Stephen Fitch that Memorandum of Understanding is still in

transit between Vic Track and Woolworths, but the "end of the week" is a continuing theme. U3A GE financial details faxed to mortgage broker.

**Nov 2004:**

Memorandum of Understanding between Woolworths and Vic Track sighted. The next steps are

1. Another land valuation
2. Purchase of the land
3. Knowledge of balance of money after purchase
4. Development of a business plan
5. Builder's profile of building project
6. Valuation of the project
7. Establishment of a building trust
8. Establishment of a building project committee
9. Establishment of a fund raising committee
10. Achievement of DGR status
11. A bank loan to complete the building

**Feb 2005:**

U3A GE legal firm to review pro bono relationship due to issues becoming complicated. Bank lending would be unlikely in the event of caveat on land. Caveat to be discussed with Rob Hudson and Stephen Fitch. Memorandum of Understanding discussed with Government, Vic Track and Woolworths including parking, access to U3A and Safeway, the release of the grant, how the value of the site is to be determined, GST implications and other concerns. Woolworths suggested a **minimum time span of 5 years** for contracts of sale and building permits etc. to be finalised.

**March 2005:** Margaret Pollet met briefly with John Thaites and outlined tenure problems.

**May 2005:** Margaret Pollet resigns from presidency due to ill health.

**Sept 2005:**

Heather Welsh elected President. Victorian Government hands matter of purchase to Vic Track. Heather Welsh and Annette Clarke attend a briefing session with Stephen Fitch, General Manager, Property, Vic Track with the following notes.

1. No prospect of Vic Track land gifting to U3A GE.
2. Vic Track only leases its land to larger corporations such as councils.
3. City of Glen Eira not interested in purchasing land in question.
4. At the moment the City of Glen Eira is the land lessee
5. Two lots of land are in question.
  - a) U3A, Lot 50 which was the old bowling club house
  - b) the bowling green lot 52 which is to be sold to a commercial purchaser.
6. The purchaser of lot 52 is to provide \$200,000 to the U3A GE with no conditions on its use by the U3A.
7. U3A GE land cannot be sold or otherwise dealt with by any encumbrance such as a mortgage to help with building costs.
8. Two potential purchasers of lot 52 - a) Woolworths and b) Manchester Grove Developer. Lot 52 is land locked if not acquired by either of the above two bodies.

9. Lot 52 to be sold by tender to both Woolworths and the developer. Woolworths have expressed interest in providing required car spaces for the U3A and assisting with the required permits.
10. If the tender sale does not eventuate, then public sale of lot 52 will occur with a required carriageway through lot 50. Not a good outcome.
11. Approximately 15-18 months will be required for the above to be finalized.

As the mortgage avenue is now closed, other forms of fund raising for building development need to be investigated.

#### **Oct 2005:**

Glen Eira Council estimates 23 car parking spaces are required. Suggested that these will be on the successful lot 52 tenderer's site, alongside the boundary between lot 50 and lot 52, however a professional traffic management plan would be required from traffic consultants. U3A committee beginning to have serious concerns about cost escalation, since the allocation of the \$850,000 grant.

#### **Jan 2006:**

\$48000 granted by Community Support Fund Planning Grant for U3A to hire consultants.

Survey of members' traffic movements in relation to attending classes at U3A to be included in application for Glen Eira Planning Permit.

Council requires report into expected operations of future building.

Financial matters needed to be investigated include whether the purchase attracts Land Tax, Stamp Duty or even GST. Why the U3A does not have Donor Grant Status for donations.

#### **March 2006:**

Meeting with Rob Hudson, Community Support and Vic Track and U3A Committee. Committee told that \$48,000 Planning Grant requires

1. car parking plans;
2. scoped redevelopment costs;
3. listing any other potential partners or income.
4. existing contract offered by Vic Track to be reviewed to clarify the mortgage position as to whether the minister could add a clause to perhaps allow for a mortgage.

Meeting with City of Glen Eira Planners attended by U3A Planning Consultants, U3A Traffic Consultants, Vic Track and U3A committee. Outcomes include :

- Council needs an indication from Vic Track as to the future use of lot 52 to enable it to decide on U3A's use, access and parking requirements
  - Vic track will have to enter into an agreement with the buyer of lot 52 guaranteeing U3A's use of car spaces which must be ready for use before U3A's use of the redeveloped site can start.
  - Discussions about requirements related to a one storey and multi storey development.
- Community Support Fund releases the following guidelines.
1. Ordinarily CSF does not 100% fund purchases but is open to the Minister increasing the grant.
  2. U3A GE needs to include financial and planning issues in our feasibility study.
  3. CSF needs to know that Vic Track will sell Lot 50 to the U3A.
  4. Suggested revamp of the financials so CSF was seen as fully funding the purchase.

Enquiries made with financial institutions about their possible assistance to U3A GE if purchase without full government assistance. Funding partners were offered to be found by the U3A Planning Consultants and meetings were planned with Safeway and Monash University. Woolworths and Safeway were growing impatient with the speed of events.

#### **April 2006:**

Discussions with ATO re GST payments. Ongoing discussions with various financial bodies re obtaining a mortgage - if allowable by CSF funding requirements.

U3A GE Traffic Consultants request Vic Track for information on the use of Lot 52.

Fund raising from members being considered.

#### **May 2006:**

Single storey development now being accepted with major stumbling block being the number of parking places Council required. Provision of car spaces on bowling green land development by Woolworths cannot be considered by U3A planning consultants as Vic Track cannot guarantee that Woolworths will be the successful tenderer of the land.

Completion of first set of drawings for the planning application is close, but the initial application will be on the basis of a stand alone - in isolation position reliant on entry to the car spaces on both lot 50 and lot 52 through U3A's land.

The Government Land Monitor has determined that Vic Track may not deal directly with Woolworths but must still offer a closed tender. Accordingly, U3A cannot show use of any land other than what it is purchasing, otherwise it looks like Woolworths is a preferred tenderer and that the tender decision is pre-empted. Should Woolworth be the successful tenderer then U3A will negotiate with them over car parking and planning issues. It is then anticipated that Woolworths and U3A will lodge planning applications together. U3A GE's application at this stage will be a variation or amendment to its planning permit.

#### **July 2006:**

Application for a Planning and Development Permit lodged with the City of Glen Eira. Members advised to lobby the council re how important U3A GE is to them and how convenient the existing site is re public transport.

#### **Aug 2006:**

Meeting with Government members and Labor candidates relevant to U3A location to present a briefing of the activity undertaken to achieve the submission of the development application.

Price to be paid for the site, lot 50, has been set by Vic Track and approved by Government Land Monitor. With the help of Minister Thwaites and MP Hudson, Vic Track has agreed to include in its contract of sale by tender of lot 52, provision of car spaces for U3A. The exact number of spaces yet to be determined by the Council Planning Permit.

Unfortunately, the release of the CFS Grant money is contingent on U3A submitting plans for how the site is to be fully developed financially which as yet is ill defined, The Glen Huntly Traders Association, or to be more precise, **some** members of the association, have objected to the development of the U3A site. Their concerns include that

- only a single storey development is being considered for what in the future should be

a major shopping development.

The City of Glen Eira have long disagreed with the State Government considering Glen Huntly a major activity centre as opposed to a neighbourhood centre.

**Sept 2006:**

Application for planning permit to go to Council on Oct 18. Council's decision being available Nov 8. Vic Track will be at Council Oct 18, to answer what is the upper limit on car spaces to be included in the lot 52 tender. For legal reasons, Vic track has to include in its Contract of Sale the exact number of car spaces required by the city of Glen Eira.

Concerns still abound as to how the U3A will finance the development of the site as annual accounts show an annual income surplus of about \$7000. Various fund raising options are being considered, but the \$850000 grant still has the "No Mortgage" clause in its conditions of support.

**Nov 2006:**

Planning permit granted but objectors can appeal up until Dec 14. The permit includes work required on the laneway access to lot 50 and across lot 50 to lot 52, the responsibility for which has not been determined. The laneway extension removes 4 car spaces which affects the number of people the U3A can have on site under the Glen Eira Planning Scheme formula. The need for this laneway extension to be discussed at a meeting with Vic Track and MPs on Dec 14.

**Feb 2007:**

Objectors to U3A development have appealed to VCAT. Appeal to be heard March 9. Building plans still in a state of flux due to financial concerns and arrangements with possible developers still being considered to build a multi storey building.

**March 2007:**

Permit granted by VCAT. Fresh plans being drawn to include conditions required by Council. There is approximately \$300,000 shortfall on cost of purchasing the site. Rob Hudson and CSF have contacted Vic Track to see if a long term lease could be secured, so that the entirety of the CSF monies could be directed towards redevelopment.

CSF will not resile from its position. It will not fund any part of the purchase unless there is a package deal of U3A being in a position to proceed with the development. Various fund raising activities being considered including meetings with prospective philanthropists, but they would require the U3A to have DGR status which appears difficult to obtain from the Taxation Department.

**May 2007:** One of the philanthropists has expressed an interest in assistance provided we build with sufficient construction to later add a second floor. This would require an application to the council for amendment to the permit, but it appears that this would be dealt with "in house" and would not need to go to Council.

**August 2007:**

**Vic Track gives U3A GE a 99 year lease at the pepper corn rent of \$104**

**p.a.** This is the turning point in planning as now, all the CSF and Woolworths monies are available for the site development.

**Sept 2007:** Margaret Pollet elected President.

**Oct 2007 :**

The new lease will commence once the building has been built.  
Preparations for the calling of architectural quotes and costings are now in progress.  
Monthly meetings of the Progress Reference Group (PRG) at 1 Spring St Melbourne are occurring with Rob Hudson, chairman, Vic track, Department of Housing, Department of Human Services and U3A GE.

**Nov 2007:**

Selection of architect, K20 Architects, finalised by Department of Housing.

**Jan 2008:**

Parking spaces still a problem. Vic Track still of the opinion that access to parking spaces to be via an extension of the existing lane way along the eastern boundary of the U3A land. The PRG was of the opinion that a gentleman's agreement between U3A GE and Safeway for access via their parking lot was not good enough. The current Glen Eira Planning Permit of April 2007, was granted when lot 52 could have been purchased by Safeway or West Water and as access to our 19 car spaces on lot 52 had to be via the laneway extension. Now that Safeway is the purchaser of lot 52, laneway access may not be required, but is yet to be . Currently being attended to by CFS and Vic Track.

\$200,000 from Safeway is dependent on them receiving planning approval for their parking extension from the council. CFS estimators believe the architect's plans are within budget but do not include any laneway alterations. The PRG believe that construction will commence early 2009 and therefore U3A should be planning for alternative accommodation.

The portable is to be retained but its site position is still to be finalised.

**Sept 2008:**

Brian Joseph elected President. Construction licence executed. Grant Agreement and DIS Service Level Agreement signed.

Cash flow for construction payments to be worked out once successful tenderer appointed.

The \$200,000 from Woolworths to be banked by U3A GE to enable some interest to be earned.

Soil report indicates all soil can be retained on site.

DHS reports that project online and tracking, according to schedule, with review of \$809,000 (excluding fees and contingencies).

Pending PRG approval, Architects finalising documentation ready for tender on Oct 6.

Approval needed to temporarily move portable onto Vic Track land.

DHS to provide U3A with a summary of invoices and breakdown of payments that U3A are signing for.

U3A GE agrees that part of the old bowling club honour board be preserved for the new building.

**Nov 2008:**

Tenderers requested to submit a figure for the prefabricated construction as well a separate figure for in-situ construction. The lowest tenderer was for \$1,239,339.00 for the in-situ construction and \$1,346,265.00 for the prefab construction.

This was significantly more than the project budget. Property Services and Assest

Management (PSAM) entered into negotiations with the lowest tenderer for the in situ construction as approved by the PRG. During subsequent meetings with the lowest tenderer and the consultant Architect, cost saving measures were identified, scoped and re-designed to bring the construction costs back in line with the approved budget.

The revised documentation/changes were issued to the lowest tenderer for a revised costing. The construction cost was \$860,500.00.

All changes were presented to the U3A GE and explained in detail including cost savings. This was endorsed by the U3A delegate and DCPD.

Approval was given to accept the tender base on a construction figure of \$860,500.

**March 2009:**

The tender acceptance was finalised and the tender was let for \$860500 ( inc GST) to JA & JW Williams, Builders.

**April 2009:**

Builder has taken possession of site and contractual works expected to be completed by Sept 2009.

**Sept 2009:**

New building will not be ready, partly due to problems connecting to existing sewerage and storm water.

November Enrolments for 2010 to be done at President Brian Joseph's house.

**Dec 2009:** New building ready for occupation.

