



12.1 **DRAFT BUSINESS PARKLET POLICY, GUIDELINES AND FEE STRUCTURE**

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1. PURPOSE

- 1.1 To seek Council endorsement to proceed to the second stage of consultation on the Draft Business Parklet Policy, Draft Business Parklet Guidelines and Draft Fee Structure.

2. EXECUTIVE SUMMARY

- 2.1 Over summer, Council conducted a trial of business parklets to support hospitality traders whose indoor capacity was restricted due to the COVID-19 pandemic.
- 2.2 The trial demonstrated many benefits to neighbourhoods and activity centres above and beyond assisting businesses with COVID recovery. It is therefore proposed to allow business parklets to be permitted seasonally and annually, similar to the way that Council currently permits footpath trading.
- 2.3 Council has carried out some initial consultation with the wider community and traders (Attachment 1). This has demonstrated that the community is largely supportive of Business Parklets and this feedback has fed into the development of a draft policy, guidelines and fee structure to implement the scheme in an ongoing way.
- 2.4 The draft Business Parklet Policy (Attachment 2) outlines Council's position on implementing business parklets. The draft Business Parklet Guidelines (Attachment 3) is a public facing document which will guide both applicants, interested members of the community and Council Officers in applying and considering applications. A draft Fee Structure (Attachment 4) is a proposed set of fees that Council would charge for the permits into the future.
- 2.5 Officers now propose a second stage of consultation with community and traders be undertaken on these documents before Council determines whether to adopt an ongoing scheme.

3. RECOMMENDATION

That Council:

- 3.1 Endorses the Draft Business Parklet Policy, Draft Business Parklet Guideline and the Draft Fee Structure for consultation with the community and businesses.
- 3.2 Authorises the CEO to make any editorial amendments required that do not materially change the intent of the documents to support the release of these for public consultation.



- 3.3 Notes the next steps associated with the Draft Business Parklet Policy and Guidelines including intentions around an expression of interest process later this year to provide confidence for businesses prior to the conclusion of the 2021 calendar year.

4. KEY POINTS/ISSUES

- 4.1 In September 2020 the Victorian Government announced under Planning Scheme Amendment VC139 that venues would be able to utilise open spaces including streets, footpaths and carparks to add to venue capacity.
- 4.2 Businesses covered by the exemption included restaurants, cafes, bars and hotels. The exemptions overrode conditions on existing planning permits, providing businesses more flexibility on how they use their own land. The exemptions applied while Victoria remained in a State of Emergency, and for 12 months after the State of Emergency had been lifted.
- 4.3 In parallel with this announcement Council allowed businesses to expand their outdoor dining via a range of outdoor activations including the creation of business parklets, typically in unpaid parking spaces.
- 4.4 Any new or expanded activations of the public realm were required to meet specific design and operations requirements including obligations related to health and safety, accessibility, equipment, insurance and indemnification.
- 4.5 The State Government continues to support outdoor dining initiatives via various funding streams. Neighbouring Councils are working towards implementing permanent policies to support outdoor dining in parklets such as the City of Melbourne. Within this environment it is appropriate for Council to continue investigating ways to support outdoor dining initiatives particularly while COVID-19 related uncertainty and lockdowns impact local businesses.
- 4.6 Council has extended the majority of (temporarily issued) Business Parklet permits until November 2021 in order to allow for an ongoing policy to be considered and implemented (October 2021 in the case of parklets located in Ormond Road, Elwood). A policy will allow Council to continue to support extended outdoor dining in Business Parklets in the coming years.
- 4.7 Council has carried out some initial consultation with the wider community and traders. (**Attachment 1**). This has demonstrated that the community is largely supportive of Business Parklets and has fed into the development of a draft policy, guidelines and fee structure to implement the scheme in an ongoing way. A second stage of consultation is now proposed to test these with the public and traders and inform their finalisation before Council determines whether to adopt an ongoing scheme.
- 4.8 The draft Business Parklet Policy (**Attachment 2**) provides a general overview of Council's position on implementing business parklets. The draft Business Parklet Guidelines (**Attachment 3**) is a public facing document which will guide both applicants and Council Officers in applying and considering applications. A draft Fee Structure (**Attachment 4**) is a proposed set of fees that Council would charge for the permits.
- 4.9 A second stage of consultation is due to begin in late July 2021 and will test the Draft Policy, Guidelines and Fee Structure with the community and traders.
- 4.10 To ensure the right balance exists between business parklets and public amenity, a maximum number of business parklets has been proposed for each major activity centre. These numbers will be tested as part of the consultation process. Ormond



Road, Elwood is the only area identified where the maximum number specified is likely to not meet demand from applicants.

- 4.11 Ormond Road, Elwood is an area of concern due to the divergence of views existing between hospitality traders who want business parklets and non-hospitality traders who are concerned at the lack of parking spaces. Special attention will be given to these traders as part of the consultation process.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 The engagement includes two rounds of community engagement: stage one consultation to inform policy development (May 2021) and stage two consultation to gather feedback on the draft policy and associated documents (late July 2021).

Stage one consultation

- 5.2 Stage one of the engagement program sought to understand what our community thinks about the current business parklet program and what they want to see included in a policy supporting a longer-term parklet program. It ran from 30 April to 30 May 2021.
- 5.3 The primary feedback tool was a survey, hosted online and available in hard copy. One hundred and sixty-seven survey responses were received. Additionally, 93 people participated in an engagement activity through a series of Neighbourhood Conversation sessions and 95 post-it note contributions were received in response to developing the policy and suggesting locations for future business parklets.
- 5.4 The consultation was promoted via Council's communications channels, including Divercity Online, social media and e-newsletters. As part of Council's Neighbourhood Conversation sessions, Council Officers also visited local activity centres to promote the consultation and encourage people to participate in the consultation online.
- 5.5 The consultation outcomes are contained in the Engagement report (**Attachment 1**). Key findings from the first round of consultation are outlined below.

Business parklet visitation

- The majority of survey respondents (146; 87.43%) indicated they had visited a business parklet in Port Phillip.

Community benefits

- In response to being asked which of the following benefits business parklets provide to community, support for local businesses (137; 82.04%), more outdoor seating (136; 81.44%) and better atmosphere/vibe (115; 68.86%) were the most selected responses.
- Those who indicated there were no community benefits (13; 7.78%) shared concerns about the reduction of carparking spaces and the impact of this on other traders, as well as resident amenity and access to public space.

Timing / Frequency

- Over half the survey respondents (104; 63%) indicated they would like to see business parklets happening all year round. Thirty-four respondents (20.61%) indicated only during the warmer months. Fourteen respondents (8.48%) indicated at no times and thirteen respondents (7.88%) suggested other times.



Overall support for business parklets

- The majority of survey respondents (135; 81.33%) were supportive overall of business parklets, with 71 per cent indicating they were fully supportive.
- The majority of participants who took part in the Neighbourhood Conversations pop-up session engagement activity (82; 88.20%) indicated they were supportive overall of business parklets, with seventy-one respondents (76%) indicating they were fully supportive.

Locations

- When asked which locations would be good for parklets, the most frequently mentioned neighbourhood locations were Balaclava, Elwood and St Kilda. Within these neighbourhoods, Carlisle street, Ormond Road and Fitzroy Street were the most mentioned locations.
- Elwood and St Kilda were also the most mentioned locations in response to the open text question asking participants which locations they thought were not good locations for business parklets.

Policy considerations

- The majority of responses indicated parking, parklet design and infrastructure, equity among traders and resident amenity needed to be considered in developing the draft business parklet policy.

Stage two consultation

- 5.6 Stage two of the consultation seeks to gather feedback on the draft policy and associated documents and will commence in late July 2021.
- 5.7 Separate surveys for traders and community members have been drafted to target these groups specific concerns.
- 5.8 The trader survey will seek feedback on parts of the draft guidelines and the respondent's location, business type and whether they have previously applied for a business parklet. Council Officers will visit traders in Ormond Road, Elwood personally to ensure their voices are included in the consultation. This is due to previous concerns expressed by these traders that prioritisation is being given to hospitality traders over non-hospitality traders.
- 5.9 The community survey will seek feedback parts of the draft guidelines that are broadly relevant to the community.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 Undertaking a second round of consultation will manage potential risk associated with rolling out any ongoing scheme.
- 6.2 Any ongoing scheme, including a Policy, Guideline, Procedures (to outline Council responsibilities and processes) and Fee structure, would ultimately be required to be approved by Council. The entire scheme would take affect under Council's Local Laws.

7. FINANCIAL IMPACT

- 7.1 The costs of undertaking the second stage of consultation will be limited as online surveys will be the principal consultation tool. The chief impact will be on staff



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resources, with staff from multiple teams involved in the project, however the use of the online survey will limit impacts on staff time.

- 7.2 Should the scheme be adopted, it is anticipated that allowing parklets to be implemented seasonally and annually will create a new revenue stream of approximately \$280,000 from permit fees (the proposed fee structure is at **Attachment 4**).

8. ENVIRONMENTAL IMPACT

- 8.1 Undertaking the second stage of consultation is not anticipated to have any environmental impacts.
- 8.2 Should the scheme be adopted, it is anticipated that there could be some environmental impacts from individual businesses building temporary structures to house their parklets. To reduce and manage these impacts, the draft Guidelines include requirements and guidance for sustainable design including:
- consideration of recycled and recyclable materials
 - minimising emissions and water use
 - use of sustainably and locally sourced materials
 - avoidance of materials and chemicals known to pose serious risks to human health and the environment.

9. COMMUNITY IMPACT

- 9.1 Undertaking the second stage of consultation is not anticipated to have any significant community impacts. Participating in the survey will be the choice of the community and traders.
- 9.2 Should the scheme be adopted, the impacts to the community are anticipated to be minimal in light of the following:
- There would be some localised reduction in car parking due to Business Parklet's occupation of street parking. However, the Policy will guide decision making on the distribution and number of parklets to balance car parking impacts against other outcomes. The Expression of Interest process proposed would also provide the opportunity for Council Officers to ensure that specific areas are not unreasonably affected by loss of car parking.
 - The impacts of outdoor dining noise in parklets is not anticipated to be any greater than currently caused by outdoor dining areas. The Guidelines recommend that all parklets be closed by 11pm to minimise impacts on any nearby residents.
 - Encouraging outdoor dining should make our streets safer and discourage antisocial behaviours.
 - Promoting outdoor dining will reduce the impacts of the pandemic and balance out any vacancies or downturns in activity within activity centres by creating active frontages and encouraging people to spend time in these places.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 10.1 The Business Parklet Policy and Guidelines aligns with the following Strategic Direction:



- **Vibrant Port Phillip** - with a flourishing economy, where our community and local business thrive, and we maintain and enhance our reputation as one of Melbourne's cultural and creative hubs.

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

- 11.1.1 The stage two consultation is scheduled to being in late July and will run for approximately 30 days.
- 11.1.2 The outcomes of the stage two consultation will be used to guide the finalisation of the draft Policy, Guidelines and Fee Structure.
- 11.1.3 The final scheme and documents will be presented to Council for endorsement and adoption in late October 2021.
- 11.1.4 Should Council adopt the scheme, an Expression of Interest period would commence wherein businesses could apply for a Business Parklet permit. All permitted Business Parklets would be in operation by the end of the 2021 calendar year.
- 11.1.5 An Expression of Interest period for Ormond Road, Elwood only would commence in August 2021 due to this location being the only one identified where existing permit holders may lose their permits in favour for other applicants (and thus impact summer trade). This means Officers would be able to make a preliminary assessment of applications and finalise their recommendations immediately after the endorsement of a policy.

11.2 COMMUNICATION

- 11.2.1 The second stage of consultation will be advertised online on Council's Have Your Say webpage. Officers will follow-up with traders in person as needed.
- 11.2.2 Current permit holders would be advised of the Policy's progress and notified that an EOI process will open in early November or earlier in the case of Ormond Road, Elwood.

12. OFFICER DIRECT OR INDIRECT INTEREST

- 12.1 No officers involved in the preparation of this report have any material or general interest in the matter.

ATTACHMENTS

1. Attachment 1 - Phase 1 Engagement Summary Report
2. Attachment 2 - Draft Business Parklets
3. Attachment 3 - Draft Business Parklet Guidelines
4. Attachment 4 - Proposed 10 - Tier Business Parklet Fee Structure