

STRATEGY AND POLICY REVIEW COMMITTEE
7 MAY 2007

POLICY AND PLANNING

A2	INTENTION TO DECLARE A SPECIAL RATE FOR MARKETING, MANAGEMENT AND BUSINESS DEVELOPMENT OF THE SOUTH MELBOURNE ACTIVITY CENTRE
LOCATION/ADDRESS:	SOUTH MELBOURNE ACTIVITY CENTRE - CLARENDON STREET AND SURROUNDS.
RESPONSIBLE EXECUTIVE DIRECTOR:	GEOFF OULTON, EXECUTIVE DIRECTOR COMMUNITY DEVELOPMENT AND PLANNING
AUTHOR:	EVA PARKIN, BUSINESS LIAISON OFFICER
FILE NO:	90/02/05
ATTACHMENTS:	ATTACHMENT 1: PUBLIC NOTICE
	ATTACHMENT 2: LETTER FROM THE SOUTH MELBOURNE BUSINESS ASSOCIATION
	ATTACHMENT 3: INFORMATION ABOUT THE PROPOSED SPECIAL RATE FROM THE SOUTH MELBOURNE BUSINESS ASSOCIATION
	ATTACHMENT 4: PLAN DEFINING THE SPECIAL RATE AREA

1. EXECUTIVE SUMMARY

The South Melbourne Special Rate for marketing expires on 30 June 2007. This report enables council to proceed with the statutory process for the re-introduction of a new special rate which accommodates the wider South Melbourne Activity Centre.

2. BACKGROUND AND CONTEXT

The current South Melbourne Business Precinct special rate commenced on 1 July 2002 for a period of five years and is due to expire on 30 June 2007.

Council provides the proceeds of the special rate (currently totaling approximately \$84,230 annually with the recent removal of properties covering the South Melbourne Market and the Coles/Clarendon Centre site) to the South Melbourne Business Association (the "Association"). Council entered into a formal agreement with the Association that confirmed its role in expending the special rate funds in an administrative nature only and at all times under the direction of, and for Council.

AGENDA - STRATEGY AND POLICY REVIEW COMMITTEE - 7 MAY 2007

POLICY AND PLANNING

Payment of the special rate funds to the Association is conditional on entering into such as agreement.

The current special rate is for the purpose of marketing and promoting the South Melbourne Business Precinct. Some of the Association's initiatives and achievements since the inception of the special rate include:

- Annual publication of a Business and Service Directory
- Creation of the South Melbourne website, www.southmelbourne.com including over 2500 registered users.
- Publication of Good Food, Wine and Entertainment guides in 2004, 2005 and 2006.
- Annual distribution in excess of 50,000 maps and directories to local as well as tourist destinations such as Federation Square, City Circle Tram, hotels and apartments.
- Raising additional \$50,000 sponsorship in cash or services to assist in promotional activity.
- Street banners from 2003 to 2006 promoting national and international events such as Rugby World Cup, Commonwealth Games as well as local branding and identity.
- Christmas Gift guide, Christmas Late Night trading events as well as Christmas Street decorations.
- Review and consequent reduction of Footpath Trading fees.
- Many other integrated marketing campaigns including local press, direct mail, web and out door media. These include examples such as Grand Prix Road show and Vintage Car display 2004, South Melbourne Festival 2004, Coventry Street Fair 2005, 150 year Anniversary in 2005, Commonwealth Games in 2006, Shop and Win 2006 and Open Family Spring Charity event 2006.

The Association has formally requested Council to re-introduce the special rate for a further five years (commencing 1 July 2007) and to extend the boundaries of the scheme to encompass the wider South Melbourne Activity Centre. (Attachment 4) To achieve this, the Association recommends including in the scheme new non-residential properties in Clarendon Street, Cecil Street, York Street, Coventry Street, Dorcas Street, Bank Street, and Park Street. The Association also proposes compounded annual CPI increases in the special rate funds that are collected.

The new special rate scheme is designed to have a cap of \$260,000 per annum. This cap will enable special rate funds to be collected from the new rateable properties created as a result of the current redevelopment of the *Red Bears* site and the development of the *Clarendon Centre*, and to be added to the special rate funds collected from existing properties in the proposed scheme. It is estimated that the new developments totaling close to 30,000 sq m of retail and commercial uses could create up to 100 new rateable properties generating over \$50,000 of new special rate funds.

AGENDA - STRATEGY AND POLICY REVIEW COMMITTEE - 7 MAY 2007
POLICY AND PLANNING

The marketing and promotions special rate will enable the implementation of an ongoing program to market, manage and develop the South Melbourne Activity Centre. A coordinated and collective approach to marketing, management and development of the area is aimed at maintaining and improving the centre's performance over time. This includes increasing patronage and expenditure, business attraction and investment. This is considered to be of benefit both directly and indirectly to all businesses and property owners located within the designated area and the wider community. It is considered that the value of properties included in the scheme, their desirability as a letting proposition, and the general image and stature both separately and jointly in the context of the area will be enhanced.

If the special rate is declared, it will fund initiatives relating to marketing, business development, business communication, networking, centre coordination and administration of the South Melbourne Activity Centre. In particular, it will fund the ongoing engagement of a centre marketing coordinator.

Special rates and charge schemes for marketing, management and development are considered an important strategy for traditional centres such as South Melbourne to revitalise and maintain ongoing viability. They provide a means to operate as a collective centre, coordinating activity similar to the "hard top" shopping centres under single ownership. Currently, there are more than 60 special marketing schemes operating in metropolitan Melbourne. There are three other schemes of this type currently operating in the City of Port Phillip – Acland Street St Kilda, Fitzroy Street St Kilda, and the Port Melbourne Activity Centre.

Council can declare a special rate under Section 163 of the Local Government Act 1989 ("the Act"). Council must consider that:

- The proposal relates to the performance of a function authorised by the Act.
- There will be a special benefit to the persons liable to pay the special rate.
- There is a reasonable distribution of the rate amongst those persons liable to pay the special rate.

As part of the State Government reform of the Act, there were legislative amendments in 2004 that directly impact on the process to introduce a special rate or charge. These changes have been incorporated into the process for introducing this special rate. Further amendments to the Act were enacted in mid-2004, and they specify that Council must consider:

- The total cost of the special rate including the annual amount which the Committee has budgeted to spend on various marketing and other activities as well as Council's administrative costs in relation to the special rate scheme.
- The maximum amount of the special rate that is able to be levied based on a specified formula in the Act ($R \times C = S$) where R is the total 'benefit ratio' which is the percentage of the total cost that Council determines is able to be levied, C is the total cost of the scheme and S is the maximum amount that can be levied.

3. RECOMMENDED OPTION

Recommended Special Rate amount

It is proposed that the special rate be introduced for a period of five years from 1 July 2007 to 30 June 2012 for the purpose of defraying marketing, management, business development, and other incidental expenses associated with the encouragement and development of commerce and trade in the South Melbourne Activity Centre.

It is proposed that the special rate raise a maximum of \$260,000 per annum equating to a maximum total of \$1,300,000 over the five year period.

It is estimated that the maximum annual cost of implementing the special rate is \$280,000. This includes the maximum annual amount of \$260,000 to be levied for various marketing and other activities and \$20,000 to cover Council's administrative costs in relation to the scheme. Council's administrative costs include preparation of the scheme, declaring and levying the rate, collecting the contributions and forwarding the relevant amounts to the Association, entering into an agreement with the Association to administer the scheme, and assisting the Association with some of the programs to be run in the Activity Centre.

Calculating the special rate

As noted, the maximum amount that is able to be levied on property owners is based on the formula $R \times C = S$, where R is the total 'benefit ratio' which is the percentage of the total cost that Council determines is able to be levied, C is the total cost of the scheme and S is the maximum amount that can be levied.

With regard to the 'benefit ratio', it is considered that all the properties in the proposed scheme will receive a special benefit through increased economic activity. There are no properties identified within this area which should not be levied the rate. Also, it is considered that there are no separate 'community benefits' that can be measured which might accrue from the existence of the scheme. Any benefits to people visiting the businesses in the Activity Centre will accrue to the businesses themselves.

Therefore, the total maximum amount that can be levied on liable property owners is 100% of the total cost of the scheme. This means that up to \$280,000 per annum could be levied. However, it is not proposed that Council recover its administrative costs from liable properties, but see these as a contribution towards the economic development of the South Melbourne Activity Centre. Hence, the proposal is to levy only those amounts (up to \$ 260,000 per annum) required to market the centre.

The proposal relates to the performance of Council's function as listed in Section 8 of the Act which includes:

- Encouragement of employment opportunities.
- Encouragement of commerce.

Boundaries of the Special Rate

The special rate will be assessed on the basis of ownership of rateable land used or zoned for retail, commercial, entertainment or light industrial purposes located in the area indicated in the attached plan (Attachment 4):

- 171-435 (inclusive) and 148-444 (inclusive) Clarendon Street.
- 113-181 (inclusive) and 70-174 (inclusive) Cecil Street.
- 49-141 (inclusive) and 24-130 (inclusive) York Street.
- 229-317 (inclusive) and 206-326 (inclusive) Coventry Street.
- 228-254 (inclusive) Dorcas Street.
- 133-193 (inclusive) and 144-238 (inclusive) Bank Street
- 145-267 and 184-294 (Inclusive) Park Street
- 63-117 (inclusive) and 64-98 (inclusive) Market Street

The proposed area is considerably larger than the area covered by the current special rate scheme which focuses primarily on Clarendon Street, Coventry Street, and Park Street as well as very small sections of Cecil Street, Dorcas Street and Bank Street. The additional area consists of non-residential properties at the northern and southern fringes of Clarendon Street; both sides of Cecil Street between Market Street and Park Street; York, Coventry, Dorcas, Bank and Park Streets between Cecil and Moray Streets; and Market Street between Clarendon Street and Cecil Street. It is considered that commercial properties in these areas are part of the South Melbourne Activity Centre and will receive a special benefit from the proposed special rate in the same way as properties currently in the scheme.

Accommodating changes throughout the life of the Special Rate

It is expected that other properties within the special rate area will be added into the scheme as further redevelopments and revaluations occur over the next five years.

Properties will continue to be deleted from the proposed marketing scheme if they change from commercial to residential purposes. Should any property included in the proposed special rate receive a supplementary valuation which changes its Land Classification Code to residential land, that property will cease to be included in the scheme from the date the supplementary valuation is returned to Council.

Special Rate Categories

The proposed special rate has been formulated to equitably share the cost of the scheme over the different land uses within the South Melbourne Activity Centre. The proposed scheme is based to a considerable extent on the current special rate scheme for the South Melbourne Business Precinct, which has two categories of payment with a minimum annual contribution for each category. The two categories under the existing special rate are:

The Primary Area consisting of properties used for retail purposes that front Clarendon Street and Coventry Street, South Melbourne and which in the opinion of Council will receive a primary benefit. The minimum annual contribution from any rateable property is \$ 430.

AGENDA - STRATEGY AND POLICY REVIEW COMMITTEE - 7 MAY 2007
POLICY AND PLANNING

The Secondary Area consisting of non-retail properties that front Clarendon Street and Coventry Street, South Melbourne and any other commercial properties in the geographic region of the special rate, and which in the opinion of Council will receive a secondary benefit. The minimum annual contribution from any rateable property is \$ 295.

The proposed scheme is based to some extent on the two existing categories. The geographical area of the Primary Area remains the same except for an extension to include all ground floor properties covered by the redevelopment of the Red Bears site in Cecil Street. However, the Primary Area does not make any distinction between retail and non-retail properties. All are subject to the same rate in the dollar and proposed increased minimum of \$ 500 per annum in 2007-08. The Secondary Area covers ground floor properties in Park and Coventry Streets in the existing Secondary area as new properties in Cecil Street; York, Coventry, Dorcas, Bank and Park Streets between Cecil and Moray Streets; and ground floor properties on the northern and southern fringes of Clarendon Street. The minimum contribution for properties in the Secondary Area is increased to \$ 350 in 2007-08.

The proposed scheme introduces two new areas – a Tertiary Area and a Quaternary Area. These areas deal respectively with above ground properties in the geographical areas covered by the Primary and Secondary Areas. The minimum contribution in 2007-08 for properties in the Tertiary Area is \$ 350, and for properties in the Quaternary Area \$ 175. For the each of the four years of the scheme beyond 2007-08, the special rate amount in each area will be increased to cover the Consumer Price Index (CPI) for the previous twelve months

The proposed special rate will continue to be assessed and levied on the basis that the rate in the dollar as detailed below (which is approximately 16% higher in 2007-08 than the current rate to cover CPI increases over the last five years) is applied in 2007-08 to the net annual value (NAV) of each property included in the scheme:

- Primary Benefit – A property that is used for retail, commercial, entertainment or light industrial purposes in Clarendon Street between York Street and Park Street, Coventry Street between Ward Street and just east of Clarendon Street, and the east side of Cecil Street between York Street and just south of Coventry Street in the South Melbourne Activity Centre and which in the opinion of Council receives a Primary Benefit will be subject in 2007-08 to a rate of 0.00594 multiplied by the property's NAV. A minimum contribution of \$ 500 will apply. For the each of the subsequent four years of the scheme, the rate in the dollar and the minimum contribution will be increased to cover the Consumer Price Index (CPI) for the previous twelve months

- Secondary Benefit – A ground level property that is used for retail, commercial, entertainment or light industrial purposes at the northern and southern ends of Clarendon Street; the west side of Cecil Street between Market Street and Park Street and the east side of Cecil Street between just south of Coventry Street and Park Street; and York, Coventry, Dorcas, Bank and Park Streets between Cecil and Moray Streets; and Market Street between Clarendon Street and Cecil Street of the South Melbourne Activity Centre and which in the opinion of Council receives a Secondary Benefit will be subject in 2007-08 to a rate of 0.00316 multiplied by the property's NAV. A minimum contribution of \$350 will apply. For the each of the subsequent four years of the scheme, the special rate amount will be increased to cover the Consumer Price Index (CPI) for the previous twelve months

AGENDA - STRATEGY AND POLICY REVIEW COMMITTEE - 7 MAY 2007
POLICY AND PLANNING

- Tertiary Benefit – An above ground level property that is used for retail, commercial, entertainment or light industrial purposes in Clarendon Street between York Street and Park Street, Coventry Street between Ward Street and just east of Clarendon Street, and the east side of Cecil Street between Market Street and just south of Coventry Street in the South Melbourne Activity Centre and which in the opinion of Council receives a Tertiary Benefit will be subject in 2007-08 to a rate of 0.00316 multiplied by the property's NAV. A minimum contribution of \$ 350 will apply. For the each of the subsequent four years of the scheme, the special rate amount will be increased to cover the Consumer Price Index (CPI) for the previous twelve months

- Quaternary Benefit - An above ground property that is used for retail, commercial, entertainment or light industrial purposes at the northern and southern ends of Clarendon Street, the west side of Cecil Street between Market Street and Park Street and the east side of Cecil Street between just south of Coventry Street and Park Street, and York, Coventry, Dorcas, Bank and Park Streets between Cecil and Moray Streets; and Market Street between Clarendon Street and Cecil Street of the South Melbourne Activity Centre and which in the opinion of Council receives a Quaternary Benefit will be subject in 2007-08 to a rate of 0.00158 multiplied by the property's NAV. A minimum contribution of \$175 will apply. For the each of the subsequent four years of the scheme, the special rate amount will be increased to cover the Consumer Price Index (CPI) for the previous twelve months.

4. OPTIONS

At its ordinary meeting on 28 May 2007, Council can proceed with a decision to give public notice of its intention to declare the special rate. Submissions subsequently will be invited from property owners and occupiers about the proposed special rate. This enables Council to further gauge the opinions of property owners and occupiers affected by the proposal. Council then will decide whether to declare the special rate for the full extent of the proposed area or a part of it following the hearing and consideration of submissions received.

5. POLICY IMPLICATIONS

This proposal is supported by the Council Plan under the Economic Viability Pillar, which states Council's outcomes for "traditional local shopping strips and centres that remain prosperous and service local needs".

6. SUSTAINABILITY IMPLICATIONS

The introduction of a marketing and management special rate is only one aspect of an overall process to revitalise and sustain the South Melbourne Activity Centre. Traditional shopping and business centres are vital to a community's economic, cultural, social and environmental structure and can act as a community barometer, reflecting their values and aspirations. Global trends point towards recognition that there needs to be a holistic approach to the revitalisation process and that economic outcomes do not occur in isolation to the social, cultural and environmental aspects. The proposed special rate will provide financial support to the Association to invest into the marketing and management of the centre. However, positive flow-on effects to the community can result in:

Social and Cultural Benefits – There is an opportunity to reinforce the Activity Centre as an important local community centre and 'gathering place' for South Melbourne and nearby residents, thereby further developing social connectiveness and cohesion (e.g., 'a sense of belonging'). The development of the community's 'cultural capital' reinforces community values around the sense of place and meaning to the community particularly through the area's history and stories (e.g., festivals and celebrations). The positive interaction of community members can further lead to the development of a healthy community where there is trust, pride, and loyalty that enhances local lifestyle and has economic benefits.

Economic Benefits – Positive business development through maintaining and improving the attraction of businesses and customers to the Activity Centre will create a multiplier effect contributing to business performance and development, investment, employment and increases in property values and rate revenues. The positive development of the environmental, social and cultural aspects can create a more self-reliant Activity Centre that is less affected by external economic factors.

Environmental Benefits – There is an opportunity to work with the area as a collective to examine ways to 'green' the Activity Centre with particular relevance to waste minimisation, energy usage, sustainable design and greater use of transport other than motor vehicles. Additional opportunity exists to encourage local businesses and residents to seek local employment as well as local goods and services, thereby minimising the need for extended travel by car.

7. RESOURCE IMPLICATIONS

Legal and administrative costs will be incurred in the establishment of the special rate.

If the special rate is successfully introduced, it is intended that Council will provide the special rate proceeds to the Association for expenditure on the marketing, management and development of the Activity Centre. A further formal agreement will be entered into between Council and the Association confirming that:

The role of the Association in expending the monies raised by the special rate on behalf of Council is of an administrative nature only and at all times under the direction of, and for Council.

Council reserves to itself all discretions to the application of the proceeds of the special rate.

AGENDA - STRATEGY AND POLICY REVIEW COMMITTEE - 7 MAY 2007
POLICY AND PLANNING

Council will not forward any proceeds of the special rate to the Association until such an agreement is entered into.

The Association will continue to be required to prepare a Business and Marketing Plan and an annual budget for the centre outlining how the special rate proceeds will be spent. A new Business Plan will be required given that there is a considerable expansion of the special rate area including different types of businesses than are included in the existing scheme. The new Plan needs to address the needs of those businesses. A copy of the plan, calendar of annual activities and budget must be provided to Council's Economic Development and Tourism Unit for approval.

Following approval of the new Business and Marketing Plan for the wider South Melbourne Activity Centre, annual budget and compliance with other conditions specified in the payment agreement, Council will provide the Association with the special rate proceeds in two installments. A key aspect of this agreement is that the Association continues to be an incorporated entity and acts in accordance with the Associations Incorporation Act 1981.

8. INTERNAL CONSULTATION

Internal consultation has included discussions about the proposal with:

Executive Director of Community Development and Planning in relation to the timing and process for introducing the special rate.

Rates and Revenue Manager in relation to reviewing the properties to be included in the special rate and their associated NAV valuation.

9. EXTERNAL CONSULTATION

The external consultation process included the distribution of an information package from the South Melbourne Business Association to every business in the centre affected by the special rate. A copy of the information package is included in Attachment 3.

The package explained the details of the proposal as well as an outline of the Association's recent achievements. The information package was accompanied by a form for businesses to indicate their support for the proposed special rate.

Members of the Association's Committee have followed up recently with affected businesses in the Activity Centre, to ascertain their attitude to the proposed special rate. At the time of writing this report, there is a reasonable level of support for the proposed special rate. Many businesses are still considering the proposal.

It is considered that there is sufficient support and limited opposition to justify the introduction of the special rate scheme.

10. IMPLEMENTATION

At the ordinary meeting of 28 May 2007, Council resolves to give public notice of its intention to declare the special rate at its ordinary meeting of 23 July 2007.

Public Notice of Council's intention to declare the special rate to be advertised in the Port Phillip Leader after 28 May 2007 and individual notices to be sent within three days of this notice to all property owners and property occupiers who will be made liable for the special rate.

AGENDA - STRATEGY AND POLICY REVIEW COMMITTEE - 7 MAY 2007
POLICY AND PLANNING

A person affected by the special rate may make a written submission (which may include in it a request to be heard) to the Council within 28 days of the publication of this notice. This will be considered in accordance with Section 223 of the Local Government Act.

Council hears and considers submissions at its Strategy and Policy Review Committee meeting on 2 July 2007.

Council proceeds to adopt, modify or abandon the scheme at its meeting on 23 July 2007.

If the special rate is adopted in a full or modified form, notice of the special rate is sent to the businesses and property owners after this date. Property owners and businesses have 30 days to appeal to the Victorian Civil and Administrative Tribunal (VCAT) from the date of the notice.

If there are no valid appeals or any appeals are dismissed by VCAT, Council will commence collection of the special rate in the forthcoming financial year.

11. CONCLUSION

The special rate forms part of the Economic Viability Pillar to promote sustainable economic development that achieves the Council's social, cultural and environmental goals. It is intended that this strategy will maintain and improve the viability of the Activity Centre over time, which is beneficial to businesses, property owners and the community generally. The special rate will enable the Association's Committee to take greater ownership and contribute positively and in partnership with Council to the future development of the South Melbourne Activity Centre.

12. RECOMMENDATION

- 12.1. In accordance with Section 163(1A) and 163B(3) of the Local Government Act 1989 (the Act), Council resolves to give public notice of its intention to declare a special rate at its ordinary meeting on 23 July 2007 for the purpose of defraying marketing, management, business development and other incidental expenses associated with the encouragement and development of commerce, trade and associated employment in the South Melbourne Activity Centre.
- 12.2. Council adopts the proposed declaration of the South Melbourne Activity Centre Special Rate, as specified in the public notice in attachment 1.
- 12.3. In accordance with Section 163(1A) and 163 B(3) of the Act, a public notice of the proposed declaration (including the rights of a person to make a submission) is to be given in the Port Phillip Leader. Separate copies of the public notice are to be sent to all property owners and occupiers who are to be made liable for the special rate. A person affected by the special rate may make a written submission to the Council within 28 days of the publication of the public notice. Submissions must be directed to the Coordinator Economic Development. Council will consider submissions in accordance with Sections 163A, 163B and 223 of the Local Government Act 1989 and hear persons who wish to be heard in support of their submission.
- 12.4. If the special rate is declared, the Association must enter into a formal agreement with Council prior to the special rate or any part of it being paid to the Association. Amongst other matters, the agreement acknowledges and confirms that:
- The role of the Association in expending the monies raised by the special rate on behalf of Council is of an administrative nature only and at all times under the direction of and for Council; and
 - Council reserves to itself all discretions relevant to the application of the proceeds of the special rate.

AGENDA - STRATEGY AND POLICY REVIEW COMMITTEE - 7 MAY 2007
POLICY AND PLANNING

ATTACHMENT 1 - PUBLIC NOTICE

**PUBLIC NOTICE OF INTENTION TO DECLARE A SPECIAL RATE SOUTH MELBOURNE
ACTIVITY CENTRE**

In accordance with Section 163(1A) and 163B(3) of the Local Government Act 1989 (the "Act"), Port Phillip City Council gives public notice of its intention to declare a special rate at its ordinary meeting on 23 July 2007.

The special rate is for the purpose of defraying marketing, management, business development and other incidental expenses associated with the encouragement and development of commerce, trade and associated employment in the South Melbourne Activity Centre.

In proposing the declaration of the special rate, Council is performing functions and exercising powers relating to the peace, order and good government of the municipal district of the City of Port Phillip, in particular, the encouragement of employment opportunities and commerce.

The maximum annual cost of the performance of the functions is \$280,000 (\$260,000 for marketing and managing the Activity Centre plus Council's administrative costs of \$20,000).

The maximum amount of the special rate to be levied is \$1,300,000 over a period of 5 years. This equates to a maximum of \$260,000 per annum.

The proposed special rate will commence 1 July 2007 and conclude on 30 June 2012.

The following land is specified as the land to be covered by the special rate:

- 171-435 (inclusive) and 148-444 (inclusive) Clarendon Street.
- 113-181 (inclusive) and **78**-174 (inclusive) Cecil Street.
- 49-141 (inclusive) and 24-**164** (inclusive) York Street.
- 229-317 (inclusive) and 206-326 (inclusive) Coventry Street.
- 228-254 (inclusive) Dorcas Street.
- 133-193 (inclusive) and 144-238 (inclusive) Bank Street
- **151**-267 and 184-294 (inclusive) Park Street
- 63-**87** (inclusive) and 64-98 (inclusive) Market Street
- **1 and 4 (inclusive) John Street**
- **2-14 (inclusive) Charles Street**
- **4-14 (inclusive) and 5-23 (inclusive) Union Street**
- **1-13 and 2-18 (inclusive) Hotham Street**

The criteria which forms the basis of the proposed special rate is the ownership of rateable land used for retail, commercial, entertainment or light industrial purposes within the geographic area in which the properties described above are included.

AGENDA - STRATEGY AND POLICY REVIEW COMMITTEE - 7 MAY 2007

POLICY AND PLANNING

The proposed special rate is assessed and levied on the basis that the rate in the dollar as detailed below for 2007-08 is applied to the net annual value (NAV) of the property as indicated:

- Primary Benefit – A ground level property that is used for retail, commercial, entertainment or light industrial purposes in Clarendon Street between York Street and Park Street, Coventry Street between Ward Street and just east of Clarendon Street, and the east side of Cecil Street between Market Street and just south of Coventry Street in the South Melbourne Activity Centre and which in the opinion of Council receives a Primary Benefit will be subject in 2007-08 to a rate of 0.00594 multiplied by the property's NAV. A minimum contribution of \$ 500 will apply. For the each of the subsequent four years of the scheme, the special rate amount will be increased to cover the Consumer Price Index (CPI) for the previous twelve months.
- Secondary Benefit – A ground level property that is used for retail, commercial, entertainment or light industrial purposes at the northern and southern ends of Clarendon Street; the west side of Cecil Street between Market Street and Park Street and the east side of Cecil Street between just south of Coventry Street and Park Street; and York, Coventry, Dorcas, Bank and Park Streets between Cecil and Moray Streets; Market Street between Clarendon Street and Cecil Street; **and John, Charles, Union and Hotham Streets** of the South Melbourne Activity Centre and which in the opinion of Council receives a Secondary Benefit will be subject in 2007-08 to a rate of 0.00316 multiplied by the property's NAV. A minimum contribution of \$ 350 will apply. For the each of the subsequent four years of the scheme, the special rate amount will be increased to cover the Consumer Price Index (CPI) for the previous twelve months.
- Tertiary Benefit – An above ground level property that is used for retail, commercial, entertainment or light industrial purposes in Clarendon Street between York Street and Park Street, Coventry Street between Ward Street and just east of Clarendon Street, and the east side of Cecil Street between Market Street and just south of Coventry Street in the South Melbourne Activity Centre and which in the opinion of Council receives a Tertiary Benefit will be subject in 2007-08 to a rate of 0.00316 multiplied by the property's NAV. A minimum contribution of \$ 350 will apply. For the each of the subsequent four years of the scheme, the special rate amount will be increased to cover the Consumer Price Index (CPI) for the previous twelve months.
- Quaternary Benefit - An above ground property that is used for retail, commercial, entertainment or light industrial purposes at the northern and southern ends of Clarendon Street, the west side of Cecil Street between Market Street and Park Street and the east side of Cecil Street between just south of Coventry Street and Park Street, and York, Coventry, Dorcas, Bank and Park Streets between Cecil and Moray Streets; Market Street between Clarendon Street and Cecil Street; **and John, Charles, Union and Hotham Streets** of the South Melbourne Activity Centre and which in the opinion of Council receives a Quaternary Benefit will be subject in 2007-08 to a rate of 0.00158 multiplied by the property's NAV. A minimum contribution of \$ 175 will apply. For the each of the subsequent four years of the scheme, the special rate amount will be increased to cover the Consumer Price Index (CPI) for the previous twelve months.

Council considers there will be a special benefit to persons liable or required to pay the proposed special rate because the viability of the South Melbourne Activity Centre will be improved as a commercial area through increased economic activity and the value of the properties and the businesses included in the scheme will be maintained or enhanced.

The special rate will be levied by sending notices to the persons liable to pay the special rate. Payments are to be made according to the dates fixed by the Minister of Local Government under Section 167 of the Act as being the date for payment of general rates, either by four installments or a lump sum.

AGENDA - STRATEGY AND POLICY REVIEW COMMITTEE - 7 MAY 2007
POLICY AND PLANNING

The properties included in the special rate scheme will be subject to general re-valuations and supplementary valuations on the same cycle as the City of Port Phillip general rates and charges. Council is currently undergoing a revaluation process.

Copies of the proposed declaration are available for inspection at the Port Phillip Council Offices, cnr Carlisle Street and Brighton Road, St Kilda 3182 for 28 days after the publication of this notice. A person affected by the special rate, being a property owner or occupier or other person required to pay the special rate, may make a written submission or objection about the proposed declaration to Council. A person or persons acting on their behalf can be heard in support of a submission or objection, however must request to be heard in their written submission.

Consideration of submissions and the hearing of submissions will occur in accordance with sections 163A, 163B and 223 of the Act. Submissions must be received by Council within 28 days of the publication of this notice and should be addressed to the Coordinator Economic Development, City of Port Phillip, Private Bag No 3, PO Box St Kilda, Victoria 3182. Persons requesting to be heard will be advised in writing of the date, time and place for the hearing of submissions and objections. All written submission lodged with Council will become public documents and will be available for public inspection.

DAVID SPOKES
CHIEF EXECUTIVE OFFICER

ATTACHMENT 2 - LETTER FROM SOUTH MELBOURNE BUSINESS ASSOCIATION.

18 April 2007

Ms Alison Fitzgerald
Coordinator Economic Development
City of Port Phillip
Private Bag 3
ST KILDA 3182

Dear Alison

South Melbourne Activity Centre Special Rate

I am writing to request that Council proposes to re-introduce the special rate for marketing and management of the South Melbourne Business Precinct for a further five years commencing 1st July 2007.

It is proposed that the new special rate area be larger than the current area which focuses primarily on Clarendon Street, Coventry Street, and Park Street. The new area is proposed to include non-residential properties at the northern and southern fringes of Clarendon Street; Cecil Street between Market Street and Park Street; York, Coventry, Dorcas, Bank and Park Streets between Cecil and Moray Streets; and Market Street between Clarendon Street and Cecil Street.

The overall special rate and the minimum contributions are proposed to be increased over the current rate by approximately 16% in 2007-08. This is to reflect CPI increases over the past five years. In subsequent years, the special rate and minimum contributions are proposed to be increased annually to reflect CPI changes.

The Association wants to continue with our long-term promotional campaign, and considers that the re-introduction of the special rate in this wider area and with a limited increase in the rate amount is an equitable and key way to achieve this.

We have consulted with our contributing members as well as potential new members about our desire to re-introduce the special rate, on the basis outlined above. An information package (enclosed) has been distributed to every business in the activity centre, explaining the details of the proposal. Members of the SMBA's Committee have undertaken follow-up visits in different parts of the centre to gauge business support for the proposal.

At this stage, there is reasonable support with many businesses still considering the proposal. With the level of support and limited opposition, I recommend that Council commence the statutory processes for declaring the special rate as soon as possible.

Yours sincerely

Andrew Scawen
President South Melbourne Business Association
c/o 306-308 Clarendon Street South Melbourne VIC 3205

**ATTACHMENT 3 - INFORMATION PACKAGE ABOUT THE PROPOSED SPECIAL RATE
FROM THE SOUTH MELBOURNE BUSINESS ASSOCIATION**



**South Melbourne Advertising Campaign 2007
TRAM SKYBREAKERS -
Routes 1, 112 & 96**




**IN TRAM POSTERS -
Routes 1, 112 & 96**



**LOCAL PRESS -
Emerald Hill Weekly**



Creation and management of the South Melbourne brand.




**Launching the brand
South Melbourne Uncovered with the Tara Moss mini magazine**



Tourism Marketing



Over \$50,000 sponsorship raised annually in cash and in kind to support and implement the marketing plan.

**Sponsorship
Welcome to Victoria 2008**



