



13.2 FITZROY STREET PLACEMAKING RENEW SCOPING STUDY

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1. PURPOSE

- 1.1 To provide Council with the outcomes of the '*Renew Fitzroy Street Scoping Study*' (the scoping report).
- 1.2 For Council to note the recommendations of the scoping report including the total cost of such an initiative being circa \$300-\$400K over a two-year period.
- 1.3 For Council to note the need to revitalise Fitzroy Street and the keen interest of the Fitzroy Street community to progress an initiative of this nature.
- 1.4 Considering the above, that Council provides a financial contribution of up to \$150,000, split over the 2019/20 and 2020/21 financial years as well as in-kind support to progress an initiative which seeks to address commercial vacancies on Fitzroy Street in an innovative way.
- 1.5 For Council to delegate to the CEO the ability to negotiate a suitable delivery and procurement arrangement with the State Government, the Fitzroy Street Business Association and other stakeholders as one part of Council's placemaking efforts to revitalise Fitzroy Street.

2. EXECUTIVE SUMMARY

- 2.1 Through its '*Art and Soul: Creative and Prosperous City*' Strategy, Council is committed to the delivery of a placemaking effort and investment in three priority areas, including Fitzroy Street.
- 2.2 A deep level of community engagement has provided a clear agenda and outline of challenges encountered in the precinct. In establishing a placemaking program in Fitzroy Street, weekly on street consultations, individual discussions, community meetings with residents, traders and property owners, and place audits were conducted between October and December 2018. During this initial consultation phase, addressing commercial vacancies and providing an active street environment were consistently highlighted as a priority through these forums.
- 2.3 In January 2019, Renew Australia (Renew) was engaged to independently meet with key stakeholders to explore the reasons for vacant properties on Fitzroy Street and to test the interest of property owners to trial a different approach to encourage activation. Note: - this engagement does not commit property owners, the community, key stakeholders or Council to progress beyond the scoping report or specifically engage Renew to deliver a project of this nature.

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- 2.4 Renew were engaged to undertake the scoping report, as they have experience in working with areas where there are large numbers of commercial vacancies across Australia. As part of preparing the scoping report, Renew spoke with commercial agents, property owners, representatives from the Fitzroy Street Business Association, and key creative organisations in the local area.
 - 2.5 The scoping report prepared by Renew indicates that trialling a different approach is viable (Attachment 1). It recommends a minimum 2-year program, funded and supported by a range of stakeholders.
 - 2.6 In light of the above, officers believe that a project which seeks to trial an alternative approach to the management of commercial properties on Fitzroy Street is viable. As a result, this Council report recommends that Council makes a total financial contribution of up to \$150,000, split across the 2019/20 and 2020/21 financial years as well as in-kind support to contribute to a project of this nature. This report also recommends that Council delegates to the CEO the ability to establish acceptable delivery and procurement arrangements with the State Government, the Fitzroy Street Business Association and other stakeholders.

3. RECOMMENDATION

That Council:

- 3.1 Receives and considers the '*Renew Fitzroy Street Scoping Study*' and its recommendations.
- 3.2 Makes provisions for a financial contribution of up to \$150,000, split across the 2019/20 and 2020/21 financial years to pursue a project of this nature.
- 3.3 Delegates to the CEO the ability to negotiate acceptable delivery and procurement arrangements with the State Government, the Fitzroy Street Business Association and other stakeholders to progress a different approach to the management of vacant commercial tenancies on Fitzroy Street.

4. KEY POINTS/ISSUES

- 4.1 Council has committed to the delivery of a concentrated placemaking effort and investment within three priority areas including Fitzroy Street.
- 4.2 Fitzroy Street's decline in economic activity is apparent through ongoing retail vacancies, lack of investment in commercial building stock, and poor perceptions of community safety and visitation. A substantial cluster of vacancies is located between Grey Street and the Upper Esplanade, where of the 62 commercial premises 21 vacancies are noted (34%).
- 4.3 Commercial retail strips experience cyclical periods of health and decline, and vacancies in the order of 3-7% would represent a typical range for a commercial retail strip. Fitzroy Street has experienced a sustained period of disinvestment with extensive vacancies being noted in 2014 (18.2%), 2015 (15.5%) and 2016 (24%). The prolonged period has led to a decline in visitation and trade and is a critical issue in addressing low level of business confidence and investment. This is further compounded by seasonal impacts, social issues, and principal emphasis on the night economy.



- 4.4 The poor economic health of this street is also reflected through community sentiment and sense of wellbeing. Place Audits conducted by 'place users' in November 2018, indicated substantial variation in responses. With the section between Grey Street and the Upper Esplanade, user assessments of levels of activity and perceptions of safety provided substantial variance in the way people responded in other areas within the street.
- 4.5 Forming one of many initiatives being delivered through Council's Placemaking program, in January 2019, Renew were engaged to independently meet with key stakeholders to assess the viability of taking a different approach with commercial vacancies on Fitzroy Street. The report is provided in Attachment 1 – '*Renew Fitzroy Street Scoping Study*'.
- 4.6 Renew is a not-for profit organisation that activates streets by utilising empty shops and offices to provide access to properties that would otherwise be vacant. Commercial vacancies are made available on a rent-free basis for short-term use by creative and social enterprises and independent local businesses. The model is respectful of and seeks to complement the existing retail and commercial offer that is established.
- 4.7 Renew have directly engaged with commercial agents, property owners, the Fitzroy Street Business Association and key creative organisations within the precinct. Commitment to a project which trials a different approach has been provided from 12 ground floor retail spaces in areas where vacancies are concentrated. Given the number of interested parties, Renew is confident that a different approach to managing long-term vacant tenancies on Fitzroy Street would be viable. The report does however outline requirements and recommendations to ensure an impactful program.
- 4.8 Renew recommend a minimum 2-year program be provided to ensure adequate time to enable project establishment, interest, and provide sufficient time for participants to establish business.
- 4.9 Renew further recommend that the program be supported by a business start-up fund, to support start-up entrepreneurs to make the most of the program given the current environment on Fitzroy Street.
- 4.10 Renew advise that the following outcomes could be achieved for Fitzroy Street through this initiative:
- 4.10.1 Year 1: Activate the four available properties as proof of concept at the program's launch, and within the first year of the program, a minimum of 10 properties to be activated
- 4.10.2 Year 2: proposed activation of additional 10 properties.
- 4.10.3 Focus will be provided on highly visible ground floor vacancies between The Esplanade to Grey Street, with participants providing a focus on day time activation and hours. Tenancies will be curated to provide diversity for the local economy and community.



4.10.4 It is anticipated a minimum of 20 creative enterprises will be given an opportunity to trial and commercialise ideas on Fitzroy Street.

4.11 The report prepared by Renew highlights a project cost of circa \$300-\$400K (ex GST). This total figure includes a recommendation by Renew to establish a fund to support business start-ups participating in the program (circa \$50K).

5. CONSULTATION AND STAKEHOLDERS

- 5.1 Between September and December 2018 four placemaking meetings with residents, property owners and traders and four place audit sessions were attended by approximately 100 participants. Council officers also meet regularly with individuals on Fitzroy Street to discuss and receive feedback around Council's broader placemaking activities.
- 5.2 Three Place Planning Sessions were conducted between February and April 2019. At the last place planning session Renew presented the preliminary findings of their review. From these forums as well as feedback from the dedicated Fitzroy Street website, the community is keen to activate the street and the commercial vacancies.
- 5.3 As part of the scoping study Renew have engaged with 27 property managers and owners, 12 business operators, 5 community stakeholders, the Fitzroy Street Business Association and key creative organisations in the local area.
- 5.4 There is a strong desire across the community to support a return to a street in which the community can purposefully engage. Support for a project of this nature has been provided from the Fitzroy Street Business Association, and the Rotary Club of Melbourne South. Both have offered to support in a range of ways including contributing to grants, in-kind support and other direct contribution.
- 5.5 Officers have met with Creative Victoria to gauge interest and have provided a written request to the Minister for Creative Industries.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 Through this paper it is recommended that Council delegates to the CEO the ability to negotiate suitable delivery and procurement arrangements with the State Government, the Fitzroy Street Business Association and other stakeholders.

7. FINANCIAL IMPACT

- 7.1 Through the draft Council Plan process, the Council has made a notional commitment of \$75,000 for the 2019/20 financial year.

8. ENVIRONMENTAL IMPACT

- 8.1 Not as a result of this report.



9. COMMUNITY IMPACT

- 9.1 Activation of this historic street is a key community aspiration identified through placemaking forums.
- 9.2 Providing a broader experience and level of activity within the street through creative start-up businesses, arts and design tenancies, will build on and provide a much-needed opportunity to sustain Fitzroy Street's cultural heritage and build its day time economy.
- 9.3 In terms of impact, through the Renew Newcastle program, direct benefits have included increased business start-ups and employment, increased footfall and visitation, enlivened public space through reduced vacancies and increased perceptions of safety. Review of the Newcastle program by SGS Economics and Planning, noted for a capital investment of \$117,000 the total benefit achieved an economic value of \$1,265,200 representing a net benefit of \$1,148,200.
- 9.4 Annual consideration of the direct benefits will be provided through review of the changes in visitation and investment within the precinct through pedestrian counts, occupancy rates, in addition to qualitative research through annual place audits.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 10.1 Council Plan Direction 5, '*we thrive by harnessing creativity*' is supported by Council's '*Art and Soul: Creative and Prosperous City*' Strategy. Within this plan, Council has committed to the delivery of a placemaking effort and investment within priority areas including Fitzroy Street.

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

11.1.1	Confirm project funding, delivery & procurement model	June 2019
11.1.2	Establishment of advisory committee	September 2019
11.1.3	Program Launch	October 2019
11.1.4	Year 1 Program Review & Report to Council	May 2020
11.1.5	Potential Year 2 Program (Subject to funding)	July 2020

11.2 COMMUNICATION

- 11.2.1 The commencement of and ongoing communication would be provided through Council's placemaking forums, newsletters and website.



- 11.2.2 Broader inform will be supported through Council’s social media and other channels.

12. OFFICER DIRECT OR INDIRECT INTEREST

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

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ATTACHMENTS Attachment 1 – *‘Renew Fitzroy Street: Scoping Study’*