



10.2 **ST KILDA TRIANGLE - LIVE MUSIC VENUE - OUTCOMES OF COMMUNITY CONSULTATION, PRELIMINARY PLANNING ASSESSMENT, COMMERCIAL ANALYSIS SUMMARY AND NEXT STEPS**

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1. PURPOSE

- 1.1 To note the outcomes of the stakeholder and community engagement program, the preliminary planning assessment and the *Confidential Commercial Feasibility Analysis & Development Options Report*, including the accompanying commercial analysis summary document that is released to the public as part of this report.
- 1.2 To present options for the next steps in the project and request authorisation to progress the project in line with one of the options.

2. EXECUTIVE SUMMARY

- 2.1 The St Kilda Triangle site is currently a large aging carpark adjacent to the recently rejuvenated Palais Theatre. As one of Melbourne's last bay side renewal sites, it presents a once-in-a-generation development opportunity to create something unique and special to Melbourne.
- 2.2 The site has a long history of being a hub of entertainment, with the Palais de Danse historically located next to the Palais Theatre until 1969 when it was destroyed by fire. The Palace Nightclub was built in its place in 1971. However, this venue closed in 2007 after it was also destroyed by fire and subsequently demolished.
- 2.3 The 2016 St Kilda Triangle Masterplan, reflecting Council and the community's agreed future vision for the development of the site at that time, is yet to be delivered. To revitalise the Triangle project, Council, on the 18 August 2021, requested Officers provide a report to Council on the costs, high level approach, staging and broad timeframes required to undertake planning and initial market sounding for the key commercial elements of the site as described in the 2016 St Kilda Triangle Masterplan.
- 2.4 A report was provided to Council on 7 September 2022 that presented three options for progressing a project. Council elected to progress with Option 2 of the Stage 1 works – Proceed with the feasibility work for the St Kilda Triangle to assess the viability of a live music led / performance venue development, inform Council decision making about investment, and support subsequent stages should Council decide to progress.
- 2.5 In early in 2023 a market sounding exercise was undertaken to investigate the demand for and viability of a live music/performance development. It confirmed a number of critical points that were used to inform subsequent works for this project.
- 2.6 The next step was the design feasibility work undertaken to produce a 'proof of concept' layout that is able to accommodate a live music/performance venue at the scale required to fill the gap in the market identified through the market sounding, and other uses as well as responding to key priorities identified in the 2016 Masterplan and other principles.



- 2.7 Various design options were developed from a detailed review of the market sounding report and from an in depth understanding of the site and the context. The key deliverable from this work, *St Kilda Triangle Design Feasibility for a Live Music and Performance Venue* set out four options for how a venue, parking, access, connections, and open space can be arranged and operate on the site, using the 2016 St Kilda Triangle Masterplan as a key reference.
- 2.8 Council, at a public meeting on 6 September 2023, was presented with the *St Kilda Triangle Design Feasibility for a Live Music and Performance Venue* and the *St Kilda Triangle Potential Live Music / Performance Venue Market Sounding Report*, seeking authorisation to commence community consultation on the indicative site layout (design option 2) presented in the design feasibility report.
- 2.9 Council endorsed consultation on Option 2 (5,000 capacity over 2 levels, 240 cars), which was the preferred proposal for the site that represented the 'proof of concept' layout.
- 2.10 The purpose of the engagement, which commenced on the day following the Council report, 7 September 2023 and concluded after six weeks on 19 October 2023, was to support Council to understand community sentiment regarding the modified direction for the site to include a live music and performance venue, and 'proof of concept' indicative site layout as demonstrated in the design feasibility report, specifically Option 2.
- 2.11 There was significant interest in the project, with 2527 visitors to the project HYS page and a total of 412 participants engaged through the various consultation activities, noting that some participants may have participated in more than one engagement activity. Please refer to the body of the report for a detailed summary or Attachment 1 for the Engagement Summary Report which presents and assesses the feedback in detail.
- 2.12 Similar to the Design Feasibility Report which pulls together the design work and analysis and demonstrates the process to arrive at an indicative site layout, the various pieces of the commercial feasibility analysis and high level development options review developed over the course of the project have been collated into a single report, *The St Kilda Triangle Commercial Feasibility Analysis & Development Options Report* (Attachment 2). Due to the commercially sensitive nature of the material, the report is provided to Council as a confidential attachment. However, a summary of the report (Attachment 3) that outlines the work undertaken, purpose and broad outcomes and proposal for next steps is provided.
- 2.13 A preliminary assessment of the design options against the existing planning controls in the Port Phillip Planning Scheme and approved Development Plan (2008) for the Triangle site has been undertaken. The body of the report summarises the four planning pathways while Attachment 4 provides the detailed assessment.
- 2.14 A summary of key findings for the project across all activities to date is provided below:
- The market sounding has provided confidence that despite Melbourne having one of the largest number of live music venues in the world, there are supply gaps, with unmet demand for a flexible 5000 standing live music and performance venue. The impact of this is inappropriate or compromised venues being booked and inconvenience to touring acts, and has the potential for Melbourne to be overlooked as a touring destination particularly given that other cities (Sydney and Brisbane) have venues that effectively cater to this market.



- There is strong industry support for a new venue to be located in St Kilda, due to its enviable amenity and bay side backdrop, central location with easy access to public transport and history as an entertainment precinct.
- The design feasibility identified a 'proof of concept' layout that proves that a venue that fills the identified gap in the market can be effectively accommodated on the St Kilda Triangle while providing a considerable level of parking (240 spaces) to support a range of users, attractive public amenity through landscaping and a variety of public realm attributes and other uses to complement the venue and enhance the wider precinct.
- The results of the community consultation showed that there is majority support in the community for a live music and performance venue. Carparking and traffic movement, the scale of the building and ongoing activation of or need for the venue were raised as concerns by those who did not support the concept. There were also mixed views regarding parking, with some respondents reporting that they think the "balance is right", some supporting increased parking, and some supporting a decrease.
- The views expressed by key stakeholders operating businesses in the immediate area surrounding the Triangle site, as well as along Acland Street and Fitzroy Street were mixed. There was strong support by representatives of the Traders Associations for both precincts, with the view that a new venue would provide great activation of the site with flow on economic benefits for restaurants, cafes and other associated businesses. There was concern expressed by destination venues immediately adjacent that reported reliance on the parking provided on the Triangle for the success of their businesses, and concern that there would be insufficient parking at peak times for all users, leading to loss of business.
- Given the preliminary nature of the design feasibility exercise, there is more work that would need to be done in subsequent stages to resolve particular issues and address community questions and concerns raised during the consultation process.
- An estimate has been developed for the likely cost of the 'proof of concept' idea that has been explored for a new live music and performance venue. The estimate is provided as a range of between \$113m-\$139m, including the venue, basement carparking and public realm. A plus or minus 10% range has been used given that it is difficult to be more precise with costings at such an early stage of design thinking.
- The cost estimate that has been developed is useful for understanding the likely cost range for this type of development. However, if this idea were to be progressed, the costs would need to be reassessed to reflect the final design and any key changes that have been incorporated, as well as the current cost of materials, trades, etc at the time of delivery.
- The commercial analysis identified that operators are likely to have capacity to include a capital contribution as part of a bid in a competitive procurement process for a new venue in future, with the quantum being directly related to the length of tenure. However, as expected for civic infrastructure projects of this type, any design option will likely require considerable public funding or other subsidy to be realised.



- 2.15 In summary, the project has investigated the feasibility of a live music and performance venue and found that it is physically possible on the site, there is demand and there is significant support for it within the community and within the music industry.
- 2.16 This project has the ingredients to unlock the potential of this prominent and important area of foreshore Crown Land for a range of local and state-wide public benefits. However, given the civic nature of the project, it is likely that significant public funding will be required to support private investment in the development to achieve an outcome that will realise the full benefits possible for the site.
- 2.17 Within this report, Council has been presented options for next steps for this project for consideration (Attachment 5). While council has considered a number of options, the nature of the site (being on Crown land), the regional benefits of the venue and the requirement for state government support including funding support means that a state government commitment is the important next step. Accordingly, the options are all based around the next step in the project being a business case undertaken by State Government to underpin any future public investment in the project.
- 2.18 The State Government, through Development Victoria, routinely undertakes business cases and it is a requirement that this step be undertaken to support state government investment in projects. While it is assumed that the State Government would prefer to undertake the business case itself, Council could consider providing support for the continuation of the project through contribution of funding towards the business case and this is included in the options for consideration.
- 2.19 The options are summarised as follows:
- **Option One** - Advocacy for State Government investment in a business case for a new live music and performance venue on the St Kilda Triangle.
 - **Option Two** – Advocacy for State Government investment in a business case for a new live music and performance venue on the St Kilda Triangle, with Council to undertake additional preparation work. This option includes two sub-options.
 - **Option Three** - Advocacy for State Government investment in a business case for a new live music and performance venue on the St Kilda Triangle, with Council to progress due diligence work required for the business case.
- 2.20 The activities suggested for each of the options have been informed by various inputs including conversations with Development Victoria (DV) who undertake business cases on behalf of State Government for projects supported by State Government, feedback from the engagement process and the commercial analysis work including the two phases of the market sounding. Refer to the body of the report for further detail. Attachment 5 details the rationale behind the options, including the benefits and risks, a broad timeline and costs, including Council’s contribution to the business case.

3. RECOMMENDATION

That Council:

- 3.1 Notes the release of several key project deliverables with the publication of this report on Council’s web-page on 1 December 2023. These include: *The St Kilda Triangle – Proposal for a Live Music and Performance Venue - Engagement Summary Report* (Attachment 1) and the *St Kilda Triangle Commercial Feasibility Analysis and*



Development Options Report Public Summary (Attachment 3) and the *St Kilda Triangle Planning Pathway Options Assessment* (Attachment 4).

- 3.2 Notes that the *St Kilda Triangle Commercial Feasibility Analysis and Development Options Report* has been provided confidentially to Council due to the commercially sensitive nature of the contents but that a summary of the report suitable for publication has been developed and is included in this report as noted above.
- 3.3 Notes that Council, at a public meeting on 6 September 2023, was presented with the *St Kilda Triangle Design Feasibility for a Live Music and Performance Venue* and the *St Kilda Triangle Potential Live Music / Performance Venue Market Sounding Report*, seeking authorisation to commence community consultation on the indicative site layout (design option 2) set out in the design feasibility report.
- 3.4 Notes that a community and stakeholder engagement program seeking feedback on the outcomes of the design feasibility report commenced immediately following the Council Meeting on 7 September 23 and concluded on 19 October 23, with the key outcomes of the engagement set out in the body of the report, with further details provided in the engagement summary report in Attachment 1.
- 3.5 Notes the outcomes of the planning pathways assessment outlined in this report and detailed in Attachment 4.
- 3.6 Considers the following key findings across the various components of work:
 - There is demand for a flexible 5000 standing live music and performance venue.
 - The 'proof of concept' layout shows that a venue can be effectively accommodated on the St Kilda Triangle with carparking, public realm and other uses.
 - There is strong industry support for a new venue to be located in St Kilda.
 - There is majority support for a live music and performance venue, including strong support by representatives of the Traders Associations for Acland Street and Fitzroy Street, though there is some local opposition to the idea.
 - There was concern expressed by destination venues immediately adjacent about a reduction in parking leading to loss of business.
 - Carparking and traffic movement, the scale of the building and ongoing activation of or need for the venue were raised as concerns by those who did not support the concept and there were mixed views regarding parking.
 - The likely cost of the 'proof of concept' idea that has been explored for a new live music and performance venue is estimated as a range between \$113m-\$139m, including the venue, basement carparking and public realm.
 - The cost estimate that has been developed is useful for understanding the type of cost for a development such as this but would need to be reassessed to reflect any key changes that have been incorporated to the final design and cost of construction at the time.
 - Operators are likely to have capacity to include a capital contribution as part of a bid in a competitive procurement process for a new venue in future, with the quantum being directly related to the length of tenure.
 - Given the regional significance and civic nature of the project, it is likely that significant public funding or other subsidy will be required to support private



investment in the development to achieve an outcome that will realise the full benefits possible for the site.

- 3.7 Notes the three options (with option 2 split into two sub-options) proposed for the Next Steps in the project in Attachment 5 as follows, and endorses: **{Insert option}**
- **Option One** - Advocacy for State Government investment in a business case for a new live music and performance venue on the St Kilda Triangle.
 - **Option Two** – Advocacy for State Government investment in a business case for a new live music and performance venue on the St Kilda Triangle, with Council to undertake additional preparation work.
 - **Option Three** - Advocacy for State Government investment in a business case for a new live music and performance venue on the St Kilda Triangle, with Council to progress due diligence work required for the business case.
- 3.8 Approves the budget for the selected option as identified in Attachment 5 and authorises the CEO or delegates to implement the Option.

4. KEY POINTS/ISSUES

- 4.1 The St Kilda Triangle site is currently a large aging carpark adjacent to the recently rejuvenated Palais Theatre. As one of Melbourne's last bayside renewal sites, it presents a once-in-a-generation development opportunity to create something unique and special to Melbourne.
- 4.2 The site has a long history of being a hub of entertainment, with the Palais de Danse historically located next to the Palais Theatre until 1969 when it was destroyed by fire. The Palace Nightclub was built in its place in 1971. However, this venue closed in 2007 after it was also destroyed by fire and subsequently demolished.
- 4.3 The 2016 St Kilda Triangle Masterplan, reflecting Council and the community's agreed future vision for the development of the site at that time, is yet to be delivered. A new cultural facility was at the heart of the 2016 St Kilda Triangle Masterplan. At the time, the Victorian State Government was looking for a new home for the NGV Contemporary and the St Kilda Triangle was proposed as one of the options. Unfortunately, the St Kilda Triangle was not selected as the preferred option for the NGV and an alternative cultural facility has not been found to anchor the project. This presented a key challenge for implementation of the 2016 Masterplan.
- 4.4 To revitalise the project, Council, on the 18 August 2021, requested Officers to provide a report to Council on the costs, high level approach, staging and broad timeframes required to undertake planning and initial market sounding for the key commercial elements of the site as described in the 2016 St Kilda Triangle Masterplan, including carparking, a cultural institution that could include an anchor venue such as a gallery, live music or performance space, and other elements of the masterplan, to test the level of interest in the market and inform the design of a future procurement process and a project delivery approach.
- 4.5 Following investigations by project officers and in alignment with the evolution of the Live Music Precinct Policy, a report was provided to Council on 7 September 2022 which included three options, two centred on a live music venue and the third proposed deferring any work for the Triangle site. Council elected to progress with Option 2 of the Stage 1 works – Proceed with the feasibility work for the St Kilda Triangle to assess the



viability of including a live music led / performance venue on the St Kilda Triangle and inform Council decision making about subsequent stages should Council decide to progress.

Market Sounding

- 4.6 A market sounding exercise to investigate the demand for and viability of a live music/performance development undertaken early in 2023 was a key component of the scope approved by Council.
- 4.7 A market sounding report summarising the process and presenting the findings was published as part of a report supporting a Council Meeting on 6 September 2023. In brief, the outcomes of investigations are as follows:
- The live performance market, particularly live music is a strong and sustainable industry.
 - The key gap in Melbourne is a purpose-built indoor venue of between 3,000 and 5,000 standing capacity with a 5,000 standing capacity venue noted as the 'sweet spot'.
 - St Kilda is supported by the majority of promoters surveyed as a live music location for various reasons including its central location with good access to public transport, proximity to the city, its vibrant arts and music-based culture and character and complimentary surrounding entertainment and hospitality options.
- 4.8 A phase 2 market sounding was process was undertaken following completion of the design feasibility process to test the outcomes. The process, intent and findings from this confidential process are summarised further in this report.

Design Feasibility Work

- 4.9 An architectural firm was engaged early 2023 to support officers in undertaking a Design Feasibility exercise to identify a 'proof of concept' layout that is able to accommodate a live music/performance venue at the scale required to fill the gap in the market, provide adequate carparking to support a range of users and some public realm and ancillary uses, as well as responding to key priorities identified in the 2016 Masterplan and other principles including but not limited to creating a cultural precinct, protecting key views, connections to the foreshore, concentrating built form near the Palais and integrating effectively in the wider precinct.
- 4.10 Various design options were developed from a detailed review of the market sounding report and from an in depth understanding of the site and the context.

Community and Stakeholder Engagement

- 4.11 As part of the Council report for the 6 September 2023 Council Meeting, Council published the *St Kilda Triangle Potential Live Music / Performance Venue Market Sounding Report* and the *St Kilda Triangle Design Feasibility for a Live Music and Performance Venue* and, at this meeting, Council endorsed the community engagement program to seek feedback on the findings in this report.
- 4.12 The purpose of the engagement was to support Council to understand community sentiment regarding the modified direction for the site to include a live music and performance venue, and 'proof of concept' indicative site layout as demonstrated in the design feasibility report, specifically Option 2. The report detailed options for how a



venue, parking, access, connections, and open space can be arranged and operate on the site, using the 2016 St Kilda Triangle Masterplan as a key reference.

- 4.13 The indicative site layout (Option 2), demonstrates a 'proof of concept' layout that is able to accommodate a live music/performance venue at the scale required to fill the 'sweet spot' gap in the market (as 5000 standing capacity venue including a mezzanine carrying 1000 of the total capacity), provide adequate carparking (240 spaces) to support a range of users and some public realm and complementary uses, as well as responding to key priorities identified in the 2016 Masterplan and other principles including but not limited to creating a cultural precinct, respecting key views from the Esplanade, connections to the foreshore, concentrating built form near the Palais and integrating effectively in the wider precinct.
- 4.14 The engagement program commenced on the day following the Council report, 7 September 2023 and concluded after six weeks on 19 October 2023. The purpose was to:
- Introduce the local community, visitors and other key stakeholders to Council's modified direction for the St Kilda Triangle site, including the outcomes of an industry market sounding process, and explain why Council has elected to investigate a live music venue.
 - Demonstrate the design options explored that centre on a live music venue, the rationale for the options, and the criteria used to assess the various options that consider different scales of built form, and carparking provision.
 - Propose for information and feedback the indicative site layout that provides a 'proof of concept' for a live music/performance venue, significant parking, ancillary uses and public realm.
 - Explain the alignment with and the need for evolution of aspects of the masterplan considering the changes in context since 2016 and to support inclusion of a live music/performance venue on the site.

Engagement Activities, Attendance and Demographic Information

- 4.15 The The engagement program included a range of activities to engage the broad spectrum of stakeholders as follows:
- **HYS survey** advertised through various channels and open to any stakeholder and community member for the length of the engagement program (7 September to 19 October 23).
 - Two 2-hour **drop-in sessions**, advertised through various channels, occurring in the first week on Thursday evening (14 September) and on a Sunday in the second last week of engagement (8 October). The first was held at St Kilda Town Hall and the second at the St Kilda Life Saving Club. These sessions were open to all to drop in at a time within 2 hours to hear more about the project from Council officers and some Councillors who attended and provide direct feedback.
 - **Four pop up events** were held at various locations across the municipality in the final three weeks of engagement (following school holidays) as follows:
 - Port Melbourne (Gateway ward) – Bay St activity centre



- Elwood (Canal ward) – Ormond Road activity centre
 - St Kilda (Lake) –Veg Out Farmers Market
 - St Kilda Esplanade Market – One 2-hour pop up stall at the market
 - **Focus Groups** – one targeted session was held at the St Kilda Town Hall. The session/s were by invitation only, with traders’ associations, foreshore traders, key live music industry stakeholders invited.
- 4.16 Pre-consultation briefing sessions were also held in the week prior to the official engagement program by invitation to groups who have a distinct interest in the project or would be particularly affected by a development (for example, local trader groups). The sessions involved an overview of the market sounding report outcomes and design feasibility report by the team to ensure there is a clear understanding of the purpose and contents; and an explanation of the avenues for providing feedback during the consultation process (HYS, focus groups, drop-in sessions etc). One was held in person in conjunction with the Live Music Precinct consultation on 29 August 23, and the second online on 1 September 2023, the morning prior to the release of the Council Report and the design feasibility and market sounding documentation.
- 4.17 One-on-one stakeholder meetings with Creative Victoria and Development Victoria were also held during the course of the engagement. The purpose was to provide information about the project and, in return, gather information that would assist with future stages.
- 4.18 There was significant interest in the project, with a total of 2527 visitors to the project HYS page. A total of 412 participants were engaged through the various consultation activities, noting that some participants may have participated in more than one engagement activity:
- 229 survey participants
 - 116 participants at neighbourhood pop-up conversations
 - 33 drop-in session participants
 - 13 written submissions
 - 17 Council advisory committee members
 - 4 focus group participants
- 4.19 Demographic details were not recorded for, or provided by, all participants. However, based on the considerable information provided, the following was determined and presented in summary:
- 98 or 38.6% of participants are aged 35 to 49 years. All age groups are represented with lower levels of participation by those aged under 18 years and aged 80 years and over.
 - Participation is reasonably balanced in terms of gender with more male (183 or 51.1%) than female participants (161 or 45.0%).
 - Most participants (201 or 88.9%) reside within Port Phillip, with 119 (or 52.7%) living in St Kilda.



- 30 or 13.3% of participants report own a business within 2km of the St Kilda Triangle Site and 24 or 10.7% report working in the music industry.
- Around one quarter (56 or 24.9%) of participants have previously given feedback on the St Kilda Triangle.
- 196 or 86.0% of participants report they have attended a live music or live performance event in the past 12 months, and 164 or 72.2% would come to St Kilda for live music if there was an event at the venue of interest.

Engagement Outcomes

4.20 The outcomes of the stakeholder and community engagement program are presented in detail in Attachment 1, the *St Kilda Triangle – Proposal for a Live Music and Performance Venue - Engagement Summary Report*. The engagement findings draw from five main feedback sources: survey participants, pop-up conversation participants, focus groups participants, Council advisory group participants, and written submissions. An overview of the outcomes pertaining to key elements of the consultation (general sentiment or support for the venue, experience of live music/performance events, other uses for and to accompany the venue and parking) is provided below. For further details please refer to the attachment.

- 4.21 **General sentiment about or support for the venue:** Participants were asked about their level of support for the proposal for a live music and performance venue:
- 58.6% of participants indicated they *Strongly support* (45.9%) or *Support* (12.7%) having a live music and performance venue like that proposed for the St Kilda Triangle site.
 - 32.8% *strongly oppose* (24.8%) or *oppose* (8%) the venue.
 - Others either don't know or neither support or oppose.
 - Reasons for support include (in descending order):
 - It promotes St Kilda's live music scene and St Kilda's identity as the arts and live music capital of Melbourne, now and historically.
 - It is a good use of the site and activation of an iconic location.
 - It is going to generate economic benefits for local bars, cafes, restaurants, traders, hospitality venues, hotels, the wider businesses, and community.
 - Live music and performances promote shared positive experiences and wellbeing, create a community atmosphere, and bring people together.
 - It consolidates the precinct as an integrated entertainment zone and encourages music industry recovery.
 - Reasons for opposition include (in descending order):
 - The venue is unnecessary, there are enough venues and other local venues.
 - Concerns about negative impact on resident amenity and minimal benefits for residents.
 - 5,000 capacity is too large and the building being too big and too high.



- Concerns regarding on-site car parking spaces, parking, traffic congestion, safety, anti-social behaviours, financial cost of the development, environmental impact, and impact on views of the foreshore.

4.22 **Experience of Live Music/Performance Events:** The survey asked a question about attendance at live music or performance events. 196 or 86.0% of survey participants reported they had attended a live music or live performance event in the past 12 months, and 164 or 72.2% would come to St Kilda for live music if there was an event at the venue of interest.

4.23 **Other events that would be attended at the venue (in addition to live music):** Participants were asked what other events they would likely attend if they could be held at the venue and were provided with a range of options to select.

- From the responses it was found that participants are more likely to attend Exhibitions (197 or 59.3%), Community events (184 or 55.4%), or Markets (175 or 52.7%) than Sporting events (92 or 27.7%).
- Respondents were prompted to suggest other uses. These include:
 - Green space uses (10)
 - Community spaces and events (10)
 - Seminars and conferences (8)
 - Theatre productions, performances, and shows (8)
 - Arts and cultural spaces and events (7)
 - Food trucks, pop-up bars, winter night markets, community markets (4)
 - Club night, more intimate music events, nightclub, pub, or rooftop bar (4).

4.24 **Additional uses other than the main venue:**

- Most participants reported Yes (153 or 67.1%) when asked if it would be beneficial to have additional uses apart from the main venue.
- Some participants reported No (49 or 21.5%).
- When asked which of the proposed uses they would you like to see in addition to the live music venue, participants indicated support for all options provided, to varying degrees:
 - Community uses (150 of 178 or 84.3%)
 - Cafés (129 of 176 or 73.3%)
 - Bars and restaurants (106 of 174 or 60.9%)
 - Boutique Offices (77 of 167 or 46.1%)
 - Retail (53 of 168 or 31.5%).
- Participants who indicated No to any of the proposed uses (Community uses, Cafes, Bars and restaurants, Offices, and Retail) were invited to state the use and



provide an explanation. 113 survey participants responded with the most frequently reported themes in the feedback being:

- Not wanting to affect or compete with existing businesses in St Kilda (66 participants)
- Proposed uses should focus on the primary purpose, entertainment, and creative uses and not detract from this through other uses (32 participants).

4.25 Green Space and Public Realm: In terms of green and outdoor public realm spaces, participants indicated they would be encouraged to visit the site and were in favour of the following uses to varying degrees:

- Gardens and parks (247 of 263 participants or 93.9%)
- Public art (186 of 233 or 79.8%)
- Outdoor stage for performances (165 of 241 or 68.5%)
- Outdoor screen for events (163 of 242 or 67.4%)
- Events space (151 of 232 or 65.1%).

4.26 Carparking provision: Participants were advised “We want to make sure that we’ve got the balance of car parking right when considered against other uses. We also need to take into account the cost and delivery risk when building underground parking” and asked, “Do you think the proposal has the balance of parking right?”.

- A number of participants (69 or 31.2%) reported Yes, I think the balance is right.
- However, polarised views were also apparent as many participants reported No, I think there should be more parking (71 or 32.1%); and
- No, I think there should be less parking (49 or 22.2%).
- Participants who responded that there should be more parking were invited to indicate why. 69 survey participants provided a personalised response which referred to one or more topics varying from inadequacy of parking for an already busy St Kilda area (40 participants) and to cater for a new live music venue of the proposed size (36 participants); limited public transport options servicing St Kilda (18 participants) and that people choose to travel by car to St Kilda and the new live music venue (15 participants) to negative impact on resident amenity in nearby streets (10 participants) including people parking illegally (7 participants).

4.27 An assessment of the consultation data was undertaken with a focus on gender and three directly affected stakeholder groups (those residing in St Kilda, owning a business within 2km of the St Kilda Triangle, and working in the music industry) which presents some key insights for Council to consider. Some headline points are outlined below:

- Support for live music/ live performance venue: Male participants are more likely to report Strongly support (63%, Female=37%) and Support (75%, Female=25%).
- Beneficial to have additional uses apart from the main venue: Male participants are more likely to report Yes (60%, Woman/ Female=40%).



- Support for proposed uses in addition to the live music venue: Male participants are more likely to support Retail (69%, Female=31%), Bar and restaurants (64%, Female=36%), Cafes (63%, Female=37%), and Offices (61%, Female=39%).
 - Proposal has the right balance of parking: Male participants are more likely to report Yes, I think the balance is right (64%, Female=36%), and Unsure (69%, Female=31%). Female participants are more likely to report No, I think there should be more parking (58%, Male=42%).
 - St Kilda residents (119) are more likely to oppose or strongly oppose the venue (42% strongly oppose, 13% oppose vs 29% strongly support, 9% support).
 - Owners of businesses within 2km of the site (30) are also more likely to oppose or strongly oppose the venue (43% strongly oppose, 10 % oppose vs 20% strongly support, 13% support).
 - Those who work in the music industry (24) are more likely to support the venue (54% strongly support, 21% support vs 21% strongly oppose, 4% oppose).
- 4.28 This assessment is useful for understanding the cross-section of opinions within the data. Of note is the range of support by owners of businesses depending on how close they are to the Triangle and perceptions of whether they will benefit or be impacted, as well as the range of support by St Kilda residents, which also would likely depend strongly on proximity and perceptions of specific impacts on personal amenity.
- 4.29 The focussed discussions with key stakeholders were useful in further understanding the views of businesses in the area. The views expressed by key stakeholders operating businesses in the immediate area surrounding the Triangle site, as well as along Acland Street and Fitzroy Street were mixed. There seemed strong support by representatives of the Traders Associations for both precincts, with the view that a new venue would provide great activation of the site with flow on economic benefits for restaurants, cafes and other associated businesses.
- 4.30 While there was general support for the venue in terms of attracting patronage to businesses, there was also strong concern expressed by destination venues immediately adjacent. They reported their reliance on the parking provided on the Triangle for the success of their businesses and expressed concern that any reduction to existing parking numbers in combination with a new venue would mean insufficient parking at peak times for all users, leading to loss of business. Examples were provided of cancellations or no shows to bookings at times when the Triangle parking has been used for events in the past, with flow on effects to future bookings by those who had their experience impacted by challenges in accessing the venue. Concern was also raised regarding traffic flows in the precinct at peak times.
- 4.31 In summary, the results of the community consultation are mixed, with the majority of respondents in favour of the venue including significant support from the music industry and businesses in the general area. However, there was also a significant number of respondents who did not support the concept, with most of the concerns centred around carparking, traffic movement, scale of the building and the ongoing activation of the venue. The biggest concerns raised by immediately adjacent destination venues were loss of carparking and traffic movement, with views and scale/bulk of the venue being of biggest concern to adjacent residents.



- 4.32 A number of work packages have been undertaken this year as part of Stage 1 of this project which, in combination with ongoing feedback from Councillors to evolve the design work, have been instrumental in informing the current proposal for the Triangle site and options for the next stages of the project. They are summarised below:
- Market sounding outcomes for phase 1 and phase 2
 - Carpark usage analyses
 - Design principles and key moves that provide the framework within which to progress and assess design work
 - Evolving design options and cost planning for the site for the venue, carparking, public realm and ancillary uses culminating in a preferred option
 - Financial modelling to test the viability of proposals – initial models for three options and refined models, focussing on a preferred option
 - A high level review of development options
- 4.33 The various components of the commercial feasibility analysis and the high level development options review work listed above are now compiled in a confidential report, *The St Kilda Triangle Commercial Feasibility Analysis & Development Options Report* provided in Attachment 2. Essentially this report is a culmination of the various elements of the commercial work undertaken and discussed with Councillors earlier this year.
- 4.34 Due to the commercially sensitive nature of the material, the report is confidential and is presented to Council as a confidential attachment. However, a summary of the report (Attachment 3) that outlines the work undertaken, purpose and broad outcomes and proposal for next steps is being released publicly.
- 4.35 This report pulls together the following components of the strategic commercial analysis work:
- A summary of the outcomes of the Phase 1 Market Sounding process with the intent, process and details provided in a separate St Kilda Triangle Phase 1 Market Sounding Report released to the public as part of the Council Meeting on 6 September 23.
 - How this led to the development of design options as part of the design feasibility report, with a summary of the design options determined and assessed from a both a design and commercial viability perspective, leading to the preferred indicative site layout (Option 2, as discussed above).
 - A ballpark cost estimate for the indicative site layout.
 - The financial modelling undertaken including the inputs and the logic behind how the assumptions were derived, and the outputs.
 - A summary of the outcomes of the Phase 2 Market Sounding process with the intent, process and details provided in a separate confidential *St Kilda Triangle Phase 2 Market Sounding Report*.
 - A high level assessment of potential development options and operating models



- An outline of the key findings that have emerged from the various workstreams undertaken as part of the commercial analysis works, and a suggestion for the next steps.

Commercial Feasibility Analysis & Development Options Report – Development Costs, Key Findings and Next Steps

4.36 The phase 1 market sounding process revealed that:

- Overall, the live performance market is extremely strong, and the demand is sustainable.
- Despite Melbourne having one of the largest number of live music venues in the world, there are supply gaps and unmet demand.
- Promoter consensus was that a venue of 3,000 – 5,000 would be optimum, with a 5000 capacity venue being the ‘sweet spot’.
- St Kilda is overwhelmingly supported by promoters as a live music location.

4.37 From four design options that were initially developed based on the feedback from the market sounding, and subsequently refined to three options (with a 6000 capacity venue eliminated due to bulk), Council determined that Option 2 (5,000 capacity over 2 levels, 240 cars) was the preferred proposal for the site that represented a ‘proof of concept’ layout that is best able to accommodate a live music/performance venue at the scale required to fill the ‘sweet spot’ gap in the market (as 5000 standing capacity venue including a mezzanine carrying 1000 of the total capacity enabling venue flexibility), provide adequate carparking (240 spaces) to support a range of users and some public realm and complementary uses. It was presented to the community as part of the design feasibility report - Refer to Council Report on 6 September 2023 for the *St Kilda Triangle Design Feasibility for a Live Music and Performance Venue*.

4.38 The estimated total development cost for option 2 is provided as a range which is broken down in the table below. The project is at an early conceptual stage and, in the absence of crucial design details, likely construction methodologies, in ground conditions and possible staging arrangements and program, the cost estimate is best presented as a ballpark figure. The range has been determined based on best practice cost planning for this stage of design – plus or minus 10% - and it includes construction and development contingencies, again informed by best practice cost planning.

Estimated Total Construction and Development Cost		
Element	Low Range	High Range
Venue (including all fit out required for its operation) plus the commercial areas (excluding fitout as typically completed by tenants)	\$83M	\$102M
Basement Carparking (including estimates for inground conditions)	\$23M	\$28M
Public Realm (including all components outside the venue building footprint such as landscaping, on-grade carparking, paved	\$7M	\$9M



pedestrian areas and a single storey pavilion building)		
Total Development Cost Range	\$113M	\$139M

- 4.39 It also important to highlight that these costs represent an estimate of the cost of the 'proof of concept' idea that has been tested through the feasibility work. The cost estimates are useful for understanding the likely cost range for this type of development. However, if this idea were to be progressed including site investigations and a more specific design solution, construction methodology and program, the costs would need to be reassessed to reflect this and any key changes that have been incorporated, as well as the cost of materials, trades, etc at the time of delivery.
- 4.40 When reviewing costs in line with the design iterations, various cost scenarios were tested including but not limited to raising the building and therefore increasing the height to reduce excavation and construction costs; a stripped back/ rudimentary low-cost base case option that deleted the public realm improvements, most architectural features and complementary uses which, while cost effective, did not change the commercial outcome and delivered no public benefit outside the venue; and changing certain allowances for components of the development where they may be some flexibility (e.g. design features, ESD initiatives etc). Any subsequent cost planning exercise for a detailed design will need to review in detail opportunities to value manage the development i.e., reduce costs while delivering the objectives.
- 4.41 When comparing options, Option 2 (venue with a 5,000 standing capacity (inclusive of a mezzanine carrying 1,000 capacity), 240 carparks, associated public realm) provides the best financial return to Council in terms of yield and payback period.
- 4.42 Nonetheless, and as expected for civic infrastructure projects of this type, all of the design options likely require considerable public funding or other subsidy to be realised.
- 4.43 The phase 2 market sounding process was designed to garner industry views to test the design concept, the commercial and financial structure of the possible live music / performance venue, test financial model inputs and outputs, and explore possible transaction structure arrangements, to inform and elaborate on early work done to date on procurement and delivery options for the venue. It involved interviews with nine organisations involved in the operation, investment and/or development of live music venues and revealed that:
- The preferred indicative design option is supported by potential investors and operators - there is overwhelming support from the live music industry for a 5,000 capacity standing room venue.
 - Operators are likely to include a capital contribution as part of any bid with the quantum being directly related to the length of tenure.
 - The indicative financial modelling was generally supported in terms of - there was enough indication from participants in the market sounding to indicate that the financial model represents a reasonable estimate.
 - A significant capital contribution from State / Council is likely to be required to encourage participation by private investors and operators.



- Private financing via private developer financiers is likely to be a cost prohibitive (an expensive means to fund the delivery).
- 4.44 Four options were explored at a high level for possible development and operating models for the venue:
- **Option A** - Council / State Government Develops (and funds for the most part) the Triangle site and Leases the Venue – this one would be most supported by industry and therefore will attract the highest tender field. In the longer term, this would be the more cost effective for Council (or State Government) but represents the largest upfront budget required, and all development risk carried by Council/State.
 - **Option B** - Council Leases the Triangle Site to a Developer who funds, constructs and operates the venue. This is likely to be the least attractive to the general market and investors primarily due to concerns with overall viability when funded as a whole by the private market.
 - **Option C** - Council Funds, develops and operates the venue. This would rely on Council / State hiring resources with expertise for the development and ongoing operation. It would likely be supported by smaller independent promoters as it would enhance access for all.
 - **Option D** - Council enters into a long-term Public Private Partnership (PPP) with a third party to fund, develop and operate the venue. However, the feedback from the market has been that the proposed venue is somewhat subscale for PPP style structure – it is unsuitable in terms of opportunities for return on effort and investment, or alternatively too costly for Council.
- 4.45 The feasibility process undertaken by Council has been beneficial in providing confidence that there is strong industry support for the new venue and identifying the steps towards realisation.
- 4.46 In terms of the next steps, the findings summarised above suggest the following strategic commercial work is undertaken for the subsequent stage/s of the project:
- **Determine Potential Funding Sources for the Project:** In order to support a competitive selection process (and facilitate delivery), it is important to better understand the sources of funding that may be available. To this end, Council should build on engagement with the State and possibly Federal Government to understand possibilities for contribution; while also further investigating the capacity of the industry to contribute to funding a new live music venue, and the associated requirements and impacts for any procurement process and subsequent operational phase of the proposed venue. Council should also consider what capacity it has to deploy funds to the project.
 - **Determine the Potential Economic Benefit Derived from a Live Music Venue on the Site:** assess the local and state-wide benefits derived from the project including but not limited to direct and indirect employment, tourism, and live music. This work would be a key input to any business case for potential public funding the project.



- **Determine Optimum Operating Structure and Term.** The Phase 2 market sounding resulted in a variety of views from the market as to the optimum operating structure and term of any agreement. Council should seek to fully understand the potential for public and private sector capital contributions to help inform an assessment and ultimate decision on the optimum operating structure and term that would be a key part of informing a procurement process.
- **Community support** - The support from the community for a new live music venue is paramount for both Council and any participants in an open market procurement process. This is particularly important due to the recent history of the site, and it will be important to continue to engage the community on the project at key points.
- **Determine methodologies for planning certainty.** The number of interested proponents will likely be affected by the level of clarity and certainty of a planning outcome. Accordingly, a clear pathway for statutory planning approvals should be in place that, to the extent possible, provides the market certainty that any proposed development can be delivered.
- **Procurement planning** – any plans for procurement should consider the feedback from the phase 2 market sounding as well as considerable other issues for the site. A procurement plan will need to be developed that considers issues such as site contamination and who is responsible, how will parking be dealt with in terms of management and revenue, possibilities for design input by proponents and alignment of the planning process to procurement.

Planning Assessment and Possible Planning Pathways

- 4.47 A preliminary assessment of the design options against the existing planning controls in the Port Phillip Planning Scheme and approved Development Plan (2008) for the Triangle site has been undertaken. At a general level (consistent with current level of design resolution), the assessment sets out and compares possible planning pathways that could support the delivery of a venue and associated uses on this site. Refer to attachment 4. In summary, the planning pathways assessed include the following:
- 4.48 **Pathway 1: Use the existing Planning Scheme controls AND the approved Development Plan 2008.** This is not a viable option and can be eliminated from further consideration. The approved Development Plan was prepared in 2008 under the provisions of the existing Development Plan Overlay – Schedule 1 (DPO1) and is a very prescriptive document for a substantially different development of the site. It included: 18,000m² of open space, gallery, recreation (gym, adventure playground, dance studio, bowling), cinema, night club (3000 max patrons) eating and drinking venues, up to 1130 car parking spaces in basements, hotel (approx. 70 rooms), entertainment spaces and retail. Under the DPO (Clause 43.04-2), permits granted on the site must be “generally in accordance” with the Development Plan. None of the options for the venue are “generally in accordance” with the Development Plan.
- 4.49 **Pathway 2: Use the existing Special Use Zone – Schedule 3 and Development Plan Overlay – Schedule 1 (DPO1) BUT with a new Development Plan.** It is possible for the current options to proceed under the existing statutory frame as the DPO1 is quite general in its drafting i.e., a planning scheme amendment is not necessary. Both purposes of the SUZ3 and the decision guidelines of SUZ3 and DPO1



require a consideration of the consistency of the Project with the St Kilda Foreshore Urban Design Framework (2002)) Incorporated Document, as the underpinning strategic document. While this document was created some time ago, the urban design framework sets out a series of objectives, strategies and key opportunities that still provide for an appropriate framework for the consideration of the St Kilda Triangle site and the project. This pathway requires the preparation of a new development plan by either Council or the market that seeks to:

- Ensure that the future use and development of the land occurs in an integrated manner.
- Provide certainty as to the scale and form of development of the land.
- Provide a framework to achieve the purpose set out in Special Use Zone – Schedule 3.

The existing DPO1 requires notification of any new Development Plan for 28 days prior to any decision by the Responsible Authority. However, there are no third-party review rights to planning permit applications prepared in accordance with a Development Plan.

4.50 Pathway 3: Prepare a Planning Scheme Amendment (PSA) to introduce more tailored controls that better accommodate the preferred development option for the site. Under this pathway, there are a number of planning control options however, the preferred option would be guided by consideration of a more detailed concept design for the land, the preferred delivery arrangement and a level of certainty for the outcome and timing. Two options have been explored under this pathway:

- A) a refresh of the drafting of the existing DPO1, SUZ3 and local planning policy, or
- B) a new Specific Control Overlay (SCO) and an associated incorporated document that provides detailed guidance to facilitate use and development. The purpose of a Special Control Overlay is to apply specific controls to achieve a particular land use and development outcome in extraordinary circumstances. It allows for land to be used or developed in accordance with a specific control contained in an incorporated document. The incorporated document could include detailed plans and conditions that would negate the need for a separate planning permit application process. This option also does not allow for notice requirements and third-party review rights.

Both options would require further strategic work to guide preparation of the amended and new planning controls and a consideration of the intent for the overall development of the site so as to identify a concept masterplan and/or design guidelines. A planning scheme amendment requires community consultation through the formal exhibition period. It also allows for independent review via either the standard planning panel process or potentially via the standing advisory committee for major projects. This option does not allow for notice requirements and third-party review rights.

4.51 Pathway 4. Application made under Clause 53.22 – Significant Economic Development. This new clause in the Planning Scheme allows for an expedited pathway for applications for development that meet one of the categories for 'significant economic development' as set out within the clause. A planning scheme amendment is not required. Applications are made to the Minister for Planning and are assessed



against the requirements under the clause which have the effect of overriding other requirements of the planning scheme. Notice of an application is not required, nor is there an avenue for review. This avenue provides lesser certainty to Council and the community over the outcome. Council would be involved in the assessment process as the proponent. However, because this pathway is similar to a planning permit application, the detail of the proposal would need to be fully resolved before proceeding to make an application.

- 4.52 Attachment 4 details the benefits and challenges of each pathway. In summary, Pathways 2, 3 and 4 remain viable at this stage, option 1 is not. Pathway 2 (existing planning scheme controls and new development plan) provides for community notification while accommodating shorter approval timeframes. Pathway 3 (planning scheme amendment) provides more certainty for Council and the community through more fit-for-purpose controls that development proposals would be assessed against. However, as the amendment process includes significant strategic work to be undertaken to develop controls and formal exhibition involving community and stakeholder engagement, this process can take significant time (around 18 months once strategic work is complete). Approval of a Development Plan under Pathway 2 only requires Council approval, unlike an amendment which requires approval from the Minister for Planning. Option 4 is a new clause in the planning scheme that provides a faster process for approval, but the development must meet one of the categories for 'significant economic development'. Applications are made to the Minister (where Council would be involved as a proponent) and will need to be fully resolved. It provides minimal certainty to Council and the community over the outcome.
- 4.53 Due to the very early stage of the project with conceptual design feasibility work completed only high level strategic commercial analysis undertaken, it is recommended that Pathways 2, 3 and 4 (and any other potential pathways that may be more suitable) are explored in detail in possible future stages as the design, development and procurement works evolve.

Key Findings from the Overall Stage 1 Feasibility Works

- 4.54 A summary of key findings for the project across all activities undertaken as part of the Stage 1 Feasibility work is provided below:
- The market sounding has provided confidence that despite Melbourne having one of the largest number of live music venues in the world, there are supply gaps, with unmet demand for a flexible 5000 standing live music and performance venue. The impact of this is inappropriate or compromised venues being booked and inconvenience to touring acts, and has the potential for Melbourne to be overlooked as a touring destination particularly given that other cities (Sydney and Brisbane) have venues that effectively cater to this market.
 - There is strong industry support for a new venue to be located in St Kilda, due to its enviable amenity and bay side backdrop, central location with easy access to public transport and history as an entertainment precinct.
 - The design feasibility identified a 'proof of concept' layout that proves that a venue that fills the identified gap in the market can be effectively accommodated on the St Kilda Triangle while providing a considerable level of parking (240 spaces) to support a range of users, attractive public amenity through landscaping and a variety of public realm attributes and other uses to complement to the venue and enhance the wider precinct.



- The results of the community consultation showed that there is majority support in the community for a live music and performance venue. Carparking and traffic movement, the scale of the building and ongoing activation of or need for the venue were raised as concerns by those who did not support the concept. There were also mixed views regarding parking, with some respondents reporting that they think the “balance is right”, some supporting increased parking, and some supporting a decrease.
- The views expressed by key stakeholders operating businesses in the immediate area surrounding the Triangle site, as well as along Acland Street and Fitzroy Street were mixed. There was strong support by representatives of the Traders Associations for both precincts, with the view that a new venue would provide great activation of the site with flow on economic benefits for restaurants, cafes and other associated businesses. There was concern expressed by destination venues immediately adjacent about a reduction in parking leading to loss of business.
- Given the preliminary nature of the design feasibility exercise, there is more work that would need to be done in subsequent stages to resolve particular issues and address community questions and concerns raised during the consultation process.
- An estimate has been developed for the likely cost of the ‘proof of concept’ idea that has been explored for a new live music and performance venue. The estimate is provided as a range of between \$113m-\$139m, including the venue, basement carparking and public realm. A plus or minus 10% range has been used given that it is difficult to be more precise with costings at such an early stage of design thinking.
- The cost estimate that has been developed is useful for understanding the likely cost range for this type of development. However, if this idea were to be progressed, the costs would need to be reassessed to reflect the final design and any key changes that have been incorporated, as well as the current cost of materials, trades, etc at the time of delivery.
- The commercial analysis identified that operators are likely to have capacity to include a capital contribution as part of a bid in a competitive procurement process for a new venue in future, with the quantum being directly related to the length of tenure.
- This project has the ingredients to unlock the potential of this prominent and important area of foreshore Crown Land for a range of local and state-wide public benefits. However, given the civic nature of the project, it is likely that significant public funding or other subsidy will be required to support private investment in the development to achieve an outcome that will realise the full benefits possible for the site.

Next Steps in the Project

4.55 Attachment 5 provides options for the next steps in the project and a summary is provided below. The activities proposed in subsequent stages have been informed by various inputs including conversations with Development Victoria (DV) who undertake business cases on behalf of State Government for projects supported by State Government, feedback from the engagement process and the commercial analysis



work including the financial modelling and particularly the phase 2 market sounding feedback.

- 4.56 It is the intention that this document) informs Council decision-making at this Council Meeting on the work beyond this stage of the project.
- 4.57 **Option One - Advocacy for State Government investment in a business case for a new live music and performance venue on the St Kilda Triangle.** This involves presenting the outcomes of the St Kilda Triangle live music and performance venue market sounding and feasibility study to the Victorian Government to support a request that they provide funding and resources to undertake a business case, with Council to contribute up to \$400,000. Advocacy has commenced and would be ongoing, with the aspiration that State Government may be able to undertake a business case from mid 2024.
- 4.58 **Option Two – Advocacy for State Government investment in a business case for a new live music and performance venue on the St Kilda Triangle, with Council to undertake additional preparation work.** This involves advocacy work as described in the above option and proposes additional work to prepare for a business case and support progression of the project. This option includes two sub-options as follows:
- **Option 2a** - Undertake additional work to the value of \$170k to prepare for a business case and progress the project, limited to a Cultural Heritage Management Plan and values assessment (useful for any projects on the site) and additional commercial analysis to inform future procurement planning.
 - **Option 2b** - As above, minus Cultural Heritage Management Plan and values assessment– Cost reduces to \$110k.

In this case, Council's financial contribution would equate to \$400k through direct funding and value of the proposed due diligence work.

- 4.59 **Option Three - Advocacy for State Government investment in a business case for a new live music and performance venue on the St Kilda Triangle, with Council to progress due diligence work required for the business case.** This involves advocacy work as described in the above options and proposes detailed preparation work required for a business case up to the value of \$400,000. The scope of this work is set out in Attachment 5 and includes but is not limited to parking and traffic movement studies, views analysis, in ground assessment, detailed planning control reviews and additional commercial analysis to inform future procurement planning.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 Extensive community and stakeholder engagement informed the development of the St Kilda Triangle Masterplan 2016. There has also been significant community consultation over the years for pieces of work that preceded the 2016 Masterplan. As such there is likely to be significant interest and scrutiny of the project by the community, government, stakeholders and the market.
- 5.2 The live music and performance industry was consulted in terms of demand for a venue in the proposed location via a market sounding process and subsequently consulted upon completion of the design feasibility work.
- 5.3 Community engagement was authorised at a Council Meeting on 6 September 23 to understand the sentiment and feedback about the outcomes of the design feasibility



work and new direction for the site. This report is providing the findings of that engagement program.

5.4 It is intended that the feedback informs subsequent stages of the project.

6. LEGAL AND RISK IMPLICATIONS

6.1 Procuring appropriate legal and probity advice and input to a procurement and planning process will be key to the success of the project.

6.2 Partnering as appropriate with State Government bodies throughout any future stages of the project will be important to ensure suitable legislative processes are undertaken and risks related to State Government requirements are managed.

7. FINANCIAL IMPACT

7.1 The work to deliver the Council elected Option Two of the Stage 1 works was estimated and approved at \$378,000. At a council meeting on 19 April an additional \$60,000 was endorsed to cover additional industry and strategic commercial input, the carparking usage intercept surveys and cost analysis works.

7.2 An additional \$80,000 was endorsed at a 6 September 23 Council Meeting to cover additional scope identified as required to complete the commercial analysis work which includes additional market sounding and consultancy support, resources to support the community engagement program which was not originally included in the scope of the project, and additional design consultancy to review and consider community feedback and its implications on the design feasibility work. This estimate includes: Inhouse resourcing for communications and design (\$20,000), community engagement collateral, advertising, and reporting (\$20,000), additional market sounding (\$30,000), design work (\$10,000).

7.3 The options for the next steps presented in Attachment 5 for Council consideration include broad cost allowances for works proposed.

7.4 These costs do not factor in the cost of existing officer time, including project management, property, urban design, transport, sustainability, planning and commercial expertise, that are being utilised to support the project.

8. ENVIRONMENTAL IMPACT

8.1 A range of environmental considerations are incorporated in the design related planning for the site at a high level and will be considered in more detail should further stages progress.

9. COMMUNITY IMPACT

9.1 The feasibility study is assessing civic infrastructure options for the redevelopment of the high-profile St Kilda Triangle site, currently an aging carpark, and proposes a possible solution that responds directly to a gap in the live music industry market. It unlocks considerable local and broader community benefits attached to this prominent foreshore site, including access to significantly improved amenity and activation of the site and supports the work of Council in delivering Victoria's first live music precinct.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

10.1 While the St Kilda Triangle project has been specifically identified to align with **Liveable Port Phillip**, the work and intended outcomes align with all five strategic directions in the Council Plan:



- **Inclusive Port Phillip** – A City that is a place for all members of our community where people feel supported and comfortable being themselves and expressing their identities.
- **Liveable Port Phillip** – A City that is a great place to live, where our community has access to high quality public spaces, development and growth are well-managed, and it is safer and easy to connect and travel within.
- **Sustainable Port Phillip** – A City that has a sustainable future, where our environmentally aware and active community benefits from living in a bayside city that is greener, cooler, cleaner and climate resilient.
- **Vibrant** - A City that has a flourishing economy, where our community and local businesses thrive, and we maintain and enhance our reputation as one of Melbourne’s cultural and creative hubs.
- **Well-Governed Port Phillip** – A city that is leading local government authority, where our community and our organisation are in a better place as a result of our collective efforts.

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

- 11.1.1 The options for the next steps presented in Attachment 5 for Council consideration include broad timelines for works proposed.

11.2 COMMUNICATION

- 11.2.1 The Council website will be updated with Council's decision, approach and next steps.

- 11.2.2 The Triangle Project database of interested community members, key stakeholders and other interested parties is being used to provide updates at key points of the project such as when key reports are released or when the final recommendations regarding options for the St Kilda Triangle are to be considered by Council. This database will continue to be updated as people indicate their interest in the project.

- 11.2.3 The State Government Advocacy approach will continue to be implemented.

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. SKT Live Music Venue Engagement Summary Report [↓](#)
2. *Confidential* SKT Live Music Venue Commercial Analysis Final Report Nov 23 [↓](#)
3. SKT Live Music Venue Commercial Analysis Report - Public Summary Nov 23 [↓](#)
4. SKT Live Music Venue Planning Pathways Assessment [↓](#)
5. SKT Live Music Venue Options for Next Steps [↓](#)