

## Councillor Question Time

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### Question from Councillor Pearl:

Can officers provide Councillors with an update on the Carlisle Street activation pop-up program that was announced in October 2022. The \$200,000 commitment for pop up shops along on Carlisle Street?

### Response:

The Carlisle Street Vacant Shopfront Program has been operating since December 2022.

Over this period, The Place Agency (TPA) have contacted **218 business operators** through our EOI communication which resulted in an **82% open rate on the email**.

This activity resulted in **34 business operators** applying to be a part of the program.

The breakdown category of all applicants was.

**48%** General Retail, including F&B

- **30%** Gallery/Performance/Craft and
- **12%** Social Enterprise/Charity/Other

Of the **34 applicants**, we have reviewed their applications and assessed suitability, which was determined through an internal process which identified the operator's business potential. Key criteria assessed and scored was:

Product Quality

- Brand/Reach
- Presentation
- Marketing Opportunity
- Financial Sustainability
- Foot Traffic
- X- Factor

Regarding the applicant operator/business ability or willingness to financially contribute to weekly rent:

44% were not prepared to pay any rent at all,

- 55% were prepared to pay \$300 – 400 per week.
- The outlier was one applicant being a support service organisation, which was prepared to pay \$500 - \$700 per week.

Of the **34 applications**, we have selected **21 as successful applicant operators**, and have individually contacted each to offer congratulations, seek clarification they are still interested, talk specifically around their shop requirements, and generally clarify they are ready to commit subject to a suitable property match being available.

We now have **11 committed business operators** involved in ongoing discussions, who are ready to view shops as they are available and are willing to move forward and commit. (Subject to availability of an appropriate shop)

Of those that decided not to proceed, there are varying reasons including other priorities, including:

Timeframe window not aligned,

- General business environment
- Reassessment of their priorities
- Determined Carlisle St was not suitable – (similar businesses to theirs have closed recently).

Of the **11 operators**, we have conducted **8 individual operator onsite visits** to specific available properties.

This has resulted in **4 “Licence To Occupy”** documents currently under review/consideration. These agreements are aligned to both the agent and operator verbal discussions that we have facilitated and negotiated on behalf of the operator and owner/agent for the respective property.

### **What Can Assist the Program.**

We have more operators than we need – We need more suitable properties.

There are currently 14 advertised vacant retail properties on Carlisle St between Chapel Street and Orange Grove. Not all are available or suitable for the program.

To date, we have had 5 properties to work with, 2 of which have now been retracted due to long term commercial lease contracts being in the final stage of our negotiations to secure for operators. This is great for Carlisle St and ultimately is the desired strategic outcome. We certainly feel as the additional interest in properties has assisted agents to leverage this activity to close long term leases that were stagnant.

From our research, 4 of the most prominent vacant properties are owned by a fund management/development company and we have had preliminary discussions and seeking meetings with the fund Director on how these prominent shops could be released to the program.

One of these properties is very visually prominent and in poor general condition externally. This is a very large and somewhat complex property to convert to short term. If we were to secure it as an option for our operators, it may need additional focus from TPA and Council, as well as additional funding to meaningfully activate.

In discussions with landlords, some owners simply do not want to participate and have advised us accordingly.

There are other properties that simply are too expensive (\$1000m2 per year rent plus outgoings) . Others are simply not suitable for the program as they require too much work to allow for short term occupancy. This can include no current electrical certification, power wiring/points, unsafe floors and so forth. These properties require significant capital works (typically over \$20k) just to meet OH&S and commercial use standards, before store usage fit out.

We have the operators and can get additional operators. What we need is access to useable vacant spaces.

*\*Please note: answers to any questions in Public Question Time and Councillor Question Time which were answered at the meeting are included in the minutes of that meeting.*