



City of
Ipswich

**IPSWICH
CITY
COUNCIL**

AGENDA

of the

IPSWICH CENTRAL REDEVELOPMENT COMMITTEE

**Held in the Council Chambers
8th floor – 1 Nicholas Street
IPSWICH QLD 4305**

**On Thursday, 2 September 2021
At 10 minutes after the conclusion of the Environment and Sustainability Committee**

<u>MEMBERS OF THE IPSWICH CENTRAL REDEVELOPMENT COMMITTEE</u>	
Councillor Marnie Doyle (Chairperson) Deputy Mayor Nicole Jonic (Deputy Chairperson)	Mayor Teresa Harding Councillor Kate Kunzelmann Councillor Russell Milligan

IPSWICH CENTRAL REDEVELOPMENT COMMITTEE AGENDA
10 minutes after the conclusion of the Environment and Sustainability
Committee on Thursday, 2 September 2021
Council Chambers

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** Item includes confidential papers

IPSWICH CENTRAL REDEVELOPMENT COMMITTEE NO. 8

2 SEPTEMBER 2021

AGENDA

DECLARATIONS OF INTEREST IN MATTERS ON THE AGENDA

BUSINESS OUTSTANDING

CONFIRMATION OF MINUTES

1. **CONFIRMATION OF MINUTES OF THE IPSWICH CENTRAL REDEVELOPMENT COMMITTEE NO. 2021(07) OF 5 AUGUST 2021**

RECOMMENDATION

That the Minutes of the Meeting held on 5 August 2021 be confirmed.

OFFICERS' REPORTS

2. **IPSWICH CENTRAL REVITALISATION COMMUNITY ENGAGEMENT REPORT**

This is a report summarising the community engagement undertaken for the Ipswich Central Revitalisation.

RECOMMENDATION

That the Ipswich Central Revitalisation Community Engagement report be received and the contents noted.

3. **NICHOLAS STREET PRECINCT - COMMUNICATIONS, ENGAGEMENT AND EVENTS REPORT AUGUST 2021**

This is a report concerning the communications, engagement and events activity undertaken and planned for the Nicholas Street Precinct in August 2021.

RECOMMENDATION

That the Nicholas Street Precinct Communications, Engagement and Events Monthly Report be received and the contents noted.

4. NICHOLAS ST PRECINCT - RETAIL SUB-PROJECT STEERING COMMITTEE REPORT
AUGUST 2021

This is a report concerning the August 2021 report from the Retail Sub-Project Steering Committee on the status of the leasing program and associated developments with the retail component of the Nicholas St Precinct redevelopment.

RECOMMENDATION

That the August 2021 Retail Sub-Project Steering Committee Report be received and the contents noted.

5. **NICHOLAS STREET PRECINCT - APPROVAL OF AN AGREEMENT FOR LEASE FOR
EATS TENANCY T1

This is a report concerning an agreement for lease for council's consideration associated with tenancy T1 within the Nicholas Street Precinct's Eats Building.

RECOMMENDATION

- A. That Council enter into an Agreement for Lease and Incentive Deed with the proposed lessee for Tenancy T1 in the Eats Building (impacting lots 2RP209886, 3RP212242 and 1SP300605) ("Tenancy T1") within the Nicholas Street Precinct (under the commercial terms detailed in the confidential report and attachments by the Project Manager dated 26 August 2021).
- B. That conditional upon Council satisfactorily executing the Agreement to Lease with the proposed lessee, (contained in recommendation A of this report), Council enter into a lease for Tenancy T1 with the proposed lessee (as detailed in the confidential report and attachments by the Project Manager dated 26 August 2021).
- C. That Council note, that in relation to Council's disposal of its leasehold interest in Tenancy T1 to the proposed lessee, that the Ministerial exemption under s236 (f) of the *Local Government Regulation 2012* applies to the disposal of Council's interest in Tenancy T1. (Ministerial exemption contained in Attachment 1 of this report).
- D. That pursuant to Section 257(1)(b) of the *Local Government Act 2009*, Council resolve to delegate to the Chief Executive Officer the power to take "contractual action" pursuant to section 238 of the Regulation, in order to implement Council's decision at Recommendation B.
- E. That Council be kept informed as to the progress and outcome of the execution and publication of details.

NOTICES OF MOTION

MATTERS ARISING

IPSWICH CENTRAL REDEVELOPMENT COMMITTEE NO. 2021(07)

5 AUGUST 2021

MINUTES

<u>COUNCILLORS' ATTENDANCE:</u>	Councillor Marnie Doyle (Chairperson); Mayor Teresa Harding, Councillors Kate Kunzelmann, Russell Milligan and Deputy Mayor Nicole Jonic (Deputy Chairperson)
<u>COUNCILLOR'S APOLOGIES:</u>	Nil
<u>OFFICERS' ATTENDANCE:</u>	Acting Chief Executive Officer (Sonia Cooper), Acting General Manager Infrastructure and Environment (Sean Madigan), General Manager Planning and Environment (Peter Tabulo), General Manager Community, Cultural and Economic Development (Ben Pole), Project Manager (Greg Thomas), Communications, Events and Engagement Manager (Karyn Sutton), Chair - Retail Sub-Project Sub Committee (James Hepburn), Executive Services Manager (Wade Wilson) and Theatre and Production Supervisor (Nicholas Burke)

This meeting was held virtually and streamed publicly in accordance with the COVID provisions of sections 277 B, C and D of the *Local Government Regulation 2012*.

DECLARATIONS OF INTEREST IN MATTERS ON THE AGENDA

Nil

BUSINESS OUTSTANDING

Nil

CONFIRMATION OF MINUTES

1. **CONFIRMATION OF MINUTES OF THE IPSWICH CENTRAL REDEVELOPMENT COMMITTEE NO. 2021(06) OF 8 JULY 2021**

RECOMMENDATION

Moved by Councillor Marnie Doyle:
Seconded by Mayor Teresa Harding:

That the minutes of the Ipswich Central Redevelopment Committee No. 2021(06) held on 8 July 2021 be confirmed.

AFFIRMATIVE

Councillors:

Doyle

Harding

Kunzelmann

Milligan

Jonic

NEGATIVE

Councillors:

Nil

The motion was put and carried.

OFFICERS' REPORTS

2. **NICHOLAS STREET PRECINCT - RETAIL SUB-PROJECT STEERING COMMITTEE
REPORT JULY 2021**

This is a report concerning the July 2021 report from the Retail Sub-Project Steering Committee on the status of the leasing program and associated developments with the retail component of the Nicholas Street Precinct redevelopment.

RECOMMENDATION

Moved by Councillor Marnie Doyle:

Seconded by Councillor Kate Kunzelmann:

**That the July 2021 Retail Sub-Project Steering Committee Report be received
and the contents noted.**

AFFIRMATIVE

Councillors:

Doyle

Harding

Kunzelmann

Milligan

Jonic

NEGATIVE

Councillors:

Nil

The motion was put and carried.

3. **NICHOLAS STREET PRECINCT - COMMUNICATIONS, ENGAGEMENT AND EVENTS
REPORT JULY 2021**

This is a report concerning the communications, engagement and events activity undertaken and planned for the Nicholas Street Precinct in July 2021.

RECOMMENDATION

Moved by Councillor Marnie Doyle:
Seconded by Councillor Kate Kunzelmann:

**That the Nicholas Street Precinct Communications, Engagement and Events
Monthly Report be received and the contents noted.**

AFFIRMATIVE

Councillors:

Doyle

Harding

Kunzelmann

Milligan

Jonic

NEGATIVE

Councillors:

Nil

The motion was put and carried.

NOTICES OF MOTION

Nil

MATTERS ARISING

Nil

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting commenced at 11.12 am.

The meeting closed at 11.30 am.

Doc ID No: A7470641

ITEM: 2

SUBJECT: IPSWICH CENTRAL REVITALISATION COMMUNITY ENGAGEMENT REPORT

AUTHOR: PROJECT MANAGER - IPSWICH CENTRAL

DATE: 11 AUGUST 2021

EXECUTIVE SUMMARY

This is a report summarising the community engagement undertaken for the Ipswich Central Revitalisation.

RECOMMENDATION/S

That the Ipswich Central Revitalisation Community Engagement report be received and the contents noted.

RELATED PARTIES

There was no declaration of conflicts of interest.

IFUTURE THEME

Vibrant and Growing

PURPOSE OF REPORT/BACKGROUND

During June and July 2021 community engagement was undertaken on the Ipswich Central Revitalisation project.

The summary of the community engagement can be found in Attachment 1.

The objectives of this most recent engagement were to:

- Launch the Ipswich Central Revitalisation program, build awareness and excitement
- Showcase the draft Positioning Framework principles
- Communicate key messages for the program
- Collect ideas for the Ipswich Centre Core and Top of Town Place Plans
- Create a database of participants interested in being involved and learning more about the project
- Gather expressions of interest for the Ipswich Central Partnership Groups
- Provide visibility and transparency in the process to strengthen the relationship between the community and Council.

The program consisted of a diverse range of activities including:

- 17-18 June - Door knocking of businesses in Ipswich Centre Core and Top of Town
- 22 June - Ipswich Central Business Briefing
- 16 June – 26 July - Three online engagement activities on Shape your Ipswich calling for Expressions of Interest for the SPARK Lounge and Ipswich Central Partnerships Groups
- 6 July – 25 July - Six pop-up engagements held in Ipswich Central
- 9 July 2021 - SPARK Lounge business event
- 15 July - Internal Strategic Advisory Working Group – 15 July

The interaction from the engagement program was strong and the information gathered is being used to inform both the positioning framework and the place plans. Approximately 3,500 people have been directly engaged in this series of activities:

- More than 2,600 online views on Shape your Ipswich – Ipswich Central site
 - 962 visitors visiting the site for the first time
- 159 contributions on Shape your Ipswich
- 27 applications for the Ipswich Central Partnership Groups
- 13 expression of interest to be involved in the SPARK Lounge event
- 20 local businesses contributed to the SPARK Lounge event
- Approximately 662 people participated in the in-person engagement opportunities
- 207 followers on the Shape Your Ipswich – Ipswich Central site

In addition to the engagement, on Thursday 29 July twelve community members came together for the first Ipswich Central Partnership Group. The group is made up of passionate and proud Ipswich community members who want to contribute and guide change in Ipswich Central. Their role is to contribute to the draft place plans for Ipswich Centre Core and Top of Town, be hands on, utilise their networks and help with driving change. We will continue to meet monthly and develop the Place Plans with them.

The Internal Strategic Advisory Working Group continues to meet on a regular basis and will work on the progressing the projects outlined in the positioning framework.

Next steps

The draft positioning framework will be going out for community feedback through Shape your Ipswich in late-August/early-September.

The draft Place Plans will go out for community consultation in September.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:
Not Applicable

RISK MANAGEMENT IMPLICATIONS

There are no specific risks in relation to this activity update.

HUMAN RIGHTS IMPLICATIONS

HUMAN RIGHTS IMPACTS
RECEIVE AND NOTE REPORT
The recommendation states that the report be received and the contents noted. The decision to receive and note the report does not limit human rights. Therefore, the decision is compatible with human rights.

FINANCIAL/RESOURCE IMPLICATIONS

All activities are funded from the approved Economic Development Section budget, 2020-2021.

COMMUNITY AND OTHER CONSULTATION

Extensive community consultation has taken place to-date to inform the Positioning Framework for Ipswich Central and Place Plans for Top of Town and Ipswich Centre Core.

Community consultation will commence on the draft positioning framework in late August/early September 2021. The document will be available on Shape your Ipswich and we will be asking whether we have heard the community correctly and whether there is anything missing from this document.


The Ipswich Central Partnership Groups will continue to work on the Place Plans for both Ipswich Centre Core and Top of Town. Once drafted, they will also go out for community consultation in September 2021.

The community will continue to be kept up to date on the Shape your Ipswich – Ipswich Central site and further communication with stakeholders will occur when there are opportunities for them to get involved and provide feedback.

CONCLUSION

The Ipswich Central Revitalisation program is well underway and the engagement to date has provided ideas and insights that has informed the positioning framework and place plans for the project.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	Ipswich Central Revitalisation Engagement Summary 2021 ↓ 
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Erin Marchant

PROJECT MANAGER - IPSWICH CENTRAL

I concur with the recommendations contained in this report.

Cat Matson

MANAGER, ECONOMIC AND COMMUNITY DEVELOPMENT

I concur with the recommendations contained in this report.

Ben Pole

GENERAL MANAGER - COMMUNITY, CULTURAL AND ECONOMIC DEVELOPMENT

“Together, we proudly enhance the quality of life for our community”

Ipswich Central Revitalisation

Community Engagement Summary

August 2021

four
STUDIO fold

vee

URBANENQUIRY



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Acknowledgment of country

Fourfold Studio and our team acknowledges the Jagera, Yuggera and Ugarapu people as the Traditional Owners on which the town of Ipswich, known traditionally in the Yagera language as Tulumur, stands.

We pay our respects to their elders, past present and emerging and acknowledge the important role Aboriginal and Torres Strait Islander people play within the design, arts and placemaking community.

01

Introduction

The Ipswich community are proud of Ipswich Central. From its amazing heritage facades, to its passionate local businesses, Ipswich Central has significant community value and plays an important cultural and civic role within the wider region. Rapid growth in population has meant there has been significant investment in the region with opportunities already underway that will catalyse growth. In light of this, now is the right time to work collaboratively with the local community to create a roadmap for the future of Ipswich ensuring the creation of a place that reflects local ideas aspirations and retains the unique character of Ipswich. Achieving this will require action at all levels; from Council, to local business and the community.

In June 2021, Ipswich City Council launched the Revitalise Ipswich Central project, inviting the business sector and community to undergo a highly collaborative process to advance the ideas and insights already provided by a passionate and proud community. The key deliverables for this scope of works include the production of a Positioning Framework and two Place Plans aligned to the two areas interest; Ipswich Centre Core and Top of Town (Figure 1).

Consultation was structured around two areas of interest. Both local businesses and the community were eager to participate in engagement activities and to share ideas for projects, events and activities that will breathe new life into the two precincts.

An overview of insights collected during the aforementioned engagement activities has been captured within this engagement summary and will be used to inform the development of two Place Plans for each of the areas of interest. Each place plan will provide an action oriented framework for the revitalisation of these important precincts.



33 **The Nicholas Street Precinct is stunning and has great outdoor events. I love the regular Handmade Expo Markets, it's nice to see so many people enjoying themselves in the city**
~Life on the street

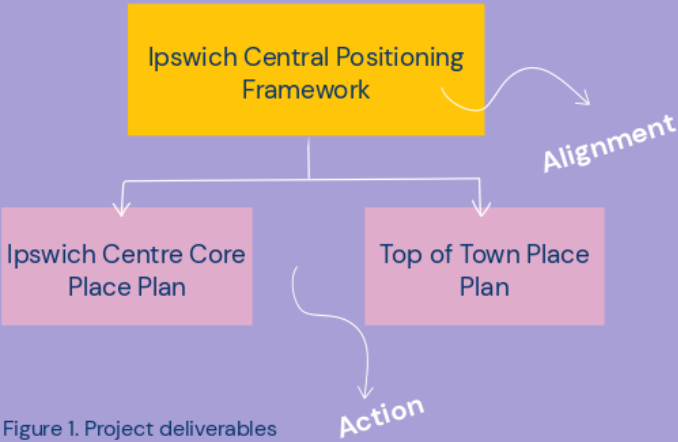


Figure 1. Project deliverables

02

Engagement objectives

The targeted engagement phase for this project took place between the 17th of June and 24th of July (Figure 2). The main objectives of the public engagement were to:

- Publicly launch the Ipswich Central Revitalisation program and build awareness and excitement.
- Showcase the draft Positioning Framework principles and communicate key messages for the program.
- Begin collecting ideas for the Ipswich Centre Core and Top of Town Place Plans.
- Create a database of participants interested in being involved and learning more about the project
- Gather expressions of interest for the Ipswich Central Partnership Group.
- Provide visibility and transparency in the process to strengthen the relationship between the community and Council.

Consultation process

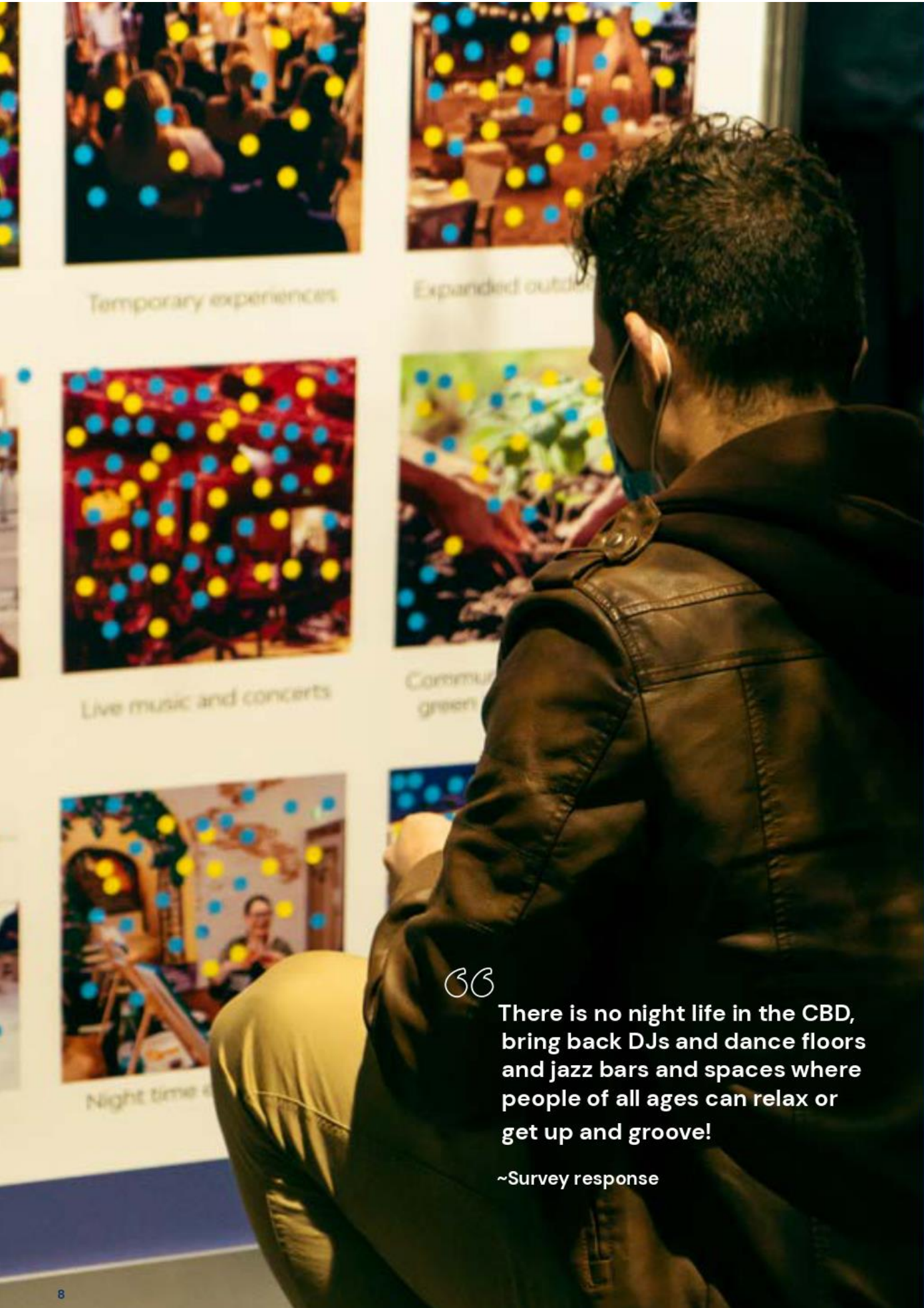
- June–July 2021**
Online engagement.
- June 2021**
Trader door-knock.
- June–July 2021**
In-person pop-up engagement.
- June 2021**
Ipswich Central Business Briefing.
- July 2021**
SPARK Lounge.
- July 2021**
Ipswich Central Partnership Workshop 1.
- August 2021**
Engagement Summary.

03

Outcomes at a glance

Engagement activities undertaken for the Ipswich Central Revitalisation Project ensured a wide audience was reached. An overview of engagement outcomes has been summarised below:





CC

There is no night life in the CBD, bring back DJs and dance floors and jazz bars and spaces where people of all ages can relax or get up and groove!

~Survey response

04 Sharing Your Ideas

A series of engagement activities were undertaken to allow the community and stakeholders to share their ideas for future projects, events and activities for Top of Town and Ipswich Core. An overview of the engagement activities is included below and on the following pages.

1

Project Brand and Promotion

A project postcard was created providing an overview of the project and QR code linking to the online platform. The postcard was handed out at all engagement activities including the trader door-knock, business briefing, the SPARK Lounge event and pop-up engagement events.

A media release was also sent out via Ipswich City Council channels announcing the project. This was further supported by EDMs sent to Ipswich Central project followers on Shape Your Ipswich, relevant stakeholders on Ipswich Central, Creators of Ipswich and Business Ipswich Databases as well as through the Ipswich region Chamber of Commerce.

Approx **400**
Postcards distributed to
local businesses

CC

I'd like to see the Top of Town streetscape changed with a focus on trees / greenery and no through traffic. Focus on pedestrians and a more attractive place for people to shop/browse/eat at cafe's outside."

660 
Email recipients
57%
Open rates



Help revitalise
Ipswich Central

2

Online Engagement

Council's Shape Your Ipswich platform formed the main destination to collect ideas. The page was highly interactive and included frequently asked questions, a project timeline and invitations and applications to contribute to the SPARK Lounge and Ipswich Central Partnerships. Online feedback and community insights were collected via three different activities including a survey, asking people to share what their relationship is with Ipswich Central; an activity to share ideas on what projects people would like to see, hear and interact with; and an activity to understand what values align to the unique features within Ipswich Central.



3

Trader Door-Knock

Across two days representatives of the project team door-knocked local businesses in the Centre Core and Top of Town precincts to notify them of the project and ways to get involved. Postcards promoting the project along with a letter to all businesses were handed out during conversations with traders. This provided an opportunity to promote the Business Briefing event and SPARK Lounge local trader event as well as to gather expressions of interest for individuals to apply for the Ipswich Central Partnership.



4

Business Briefing Night

On the 22nd June Ipswich City Council hosted their monthly business briefing meeting attended by 43 local business owners, stakeholders and land owners. Representatives from the project team presented on the Revitalise Ipswich Central project. Interactive engagement activities were facilitated during the session to gather initial insights from the group and ideas and aspirations for the future of Ipswich Central.




5

SPARK Lounge Engagement Event

The SPARK Lounge was a collaborative pop-up event undertaken on Friday 9 July 2021. It was delivered by locals for locals and generated ideas for the future of Ipswich Central. The event transformed part of the Bradfield Bridge and Nicholas Street Precinct car park into a showcase of local Ipswich businesses and fun interactive engagement activities.

 **150**
Approx
attendees

 **20**
Local businesses
contributed

 **434**
Dots added to the
dotmocracy activity



6

Pop-up Engagements

To promote the project and to ensure a broad engagement reach, 6 pop-ups were hosted at different locations throughout Ipswich Central.

6 
Pop-ups

- Ipswich Art Gallery
- Workshops Rail Museum
- Queens Park Nature Centre
- Ipswich Showplace Markets
- Ipswich Coles
- Ipswich Jets

Over
423 
Engaged with a pop-up

 'What are your
project ideas?'
34 
Unique responses
received





03

I would love to see unique homewares and furniture shops plus unique clothing shops and more quirky cafes plus maybe some random live open air music.

~ Centre Core idea via Your Say

05

Engagement outcomes

The engagement results indicate that the Ipswich community are passionate and the majority of participants have an positive outlook on the future of Ipswich Central. There is a strong urge from participants for both precincts to collaborate on a range of projects to support social activity and local businesses. However, this needs to be balanced with a focus on retaining the unique character of each precinct and addressing the needs identified in the areas.

03

Farmers market help on Sundays every week in the Nicholas St Precinct "mall" area...Holding markets has the potential to create a rich connection within the community and further connect the community to their health, well-being and culture.

~ Idea submitted via Your Say





Precinct identity

When asked to describe Top of Town and Ipswich Centre Core in three words, the following were used to describe each precinct.

Ipswich Centre Core Responses



Top of Town Responses

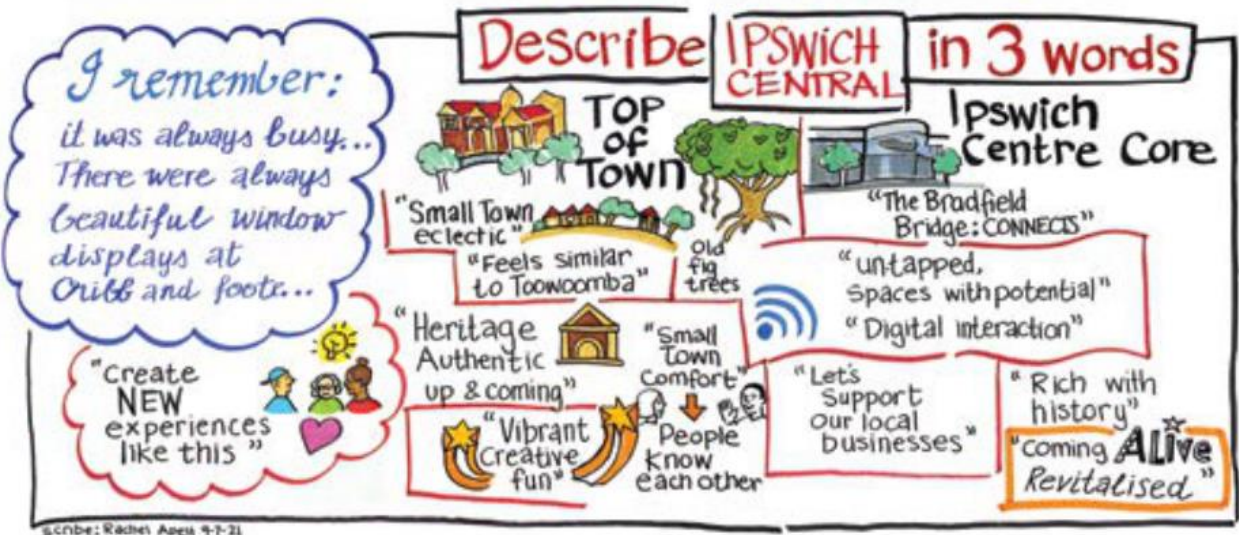


Figure 3. SPARK Lounge live illustration results

Precinct needs

When asked what are the needs you see and hear about in the community? The top 5 identified needs in the community were...

Top 5 identified needs for Ipswich Central

- 1 Heritage preservation
- 2 Opportunities for people to gather, meet and connect
- 2 Greater support for local traders and aesthetic improvements including art
- 4 Family friendly activities and authentic identity
- 5 Improved neighborhood pride

The priority areas of focus for each of the two precincts are:

Ipswich Centre Core	Top of Town
1 Better transport connections	Heritage preservation
2 More open outdoor space and heritage preservation	Improved safety
3 Family friendly activities	Improved neighbourhood pride
4 More greenery / greater sense of belonging	Family friendly activities
5 Improved safety / opportunities for people to gather, meet and connect / improved neighbourhood pride	More open outdoor space

Precinct values

When asked to align the draft values with features that were uniquely Ipswich, 19 features were suggested.

66

The antique centre is one of my favourite antique shops. It's shops like this that help differentiate the centre from Riverlink and give it character. Beautiful building, great antique collection and quite reasonably priced.

~ Traditional Heart value

66

The view from Denmark Hill is stunning. You can see just how green the city is from up here. It's be great if the water tower was opened up again so that people could enjoy even better views. The conversation park is a pleasant walk, you forget you're in the city.

~ Cool & Green

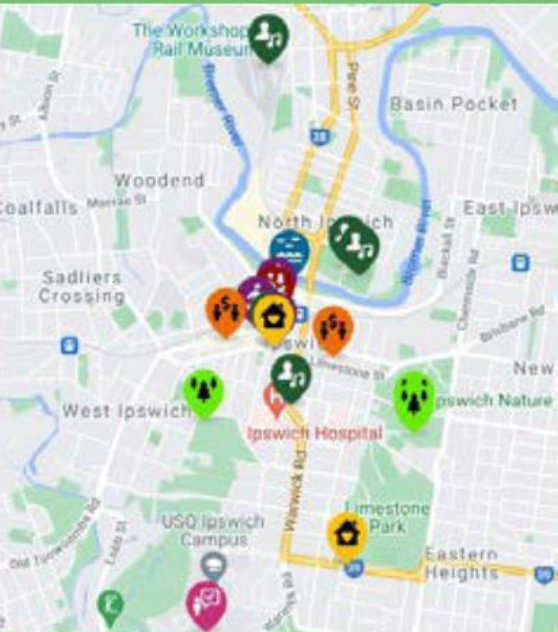


Figure 4. Outcomes from the Your Say activity

During each pop-up engagement and event, participants were asked to vote for the community-led projects and activities that most appealed to them for Ipswich Centre Core and Top of Town. The overall outcomes have been collated and the top 10 ideas from 18 options are provided below.

Ipswich Centre Core	Top of Town
Top 10 results from 18 options	Top 10 results from 18 options
1 Light Installations	1 Community markets and food stalls
2 Annual events and celebrations	2 Light installations
2 Community markets and food stalls	3 Live music and concerts
4 Expanded outdoor dining	3 Expanded outdoor dining
5 Live music and concerts	5 Children's play activities
6 Children's play activities	6 Riverfront and water activities
7 Riverfront and water activities	7 Annual events and celebrations
8 Community gardens and green thumb activities	7 Art installations and murals
9 Active transport	9 Community gardens and green thumb activities
10 Green streets and sustainable places	10 Green streets and sustainable places

When asked to share ideas for projects participants would like to see, do and interact with in Ipswich Centre Core and Top of Town, 129 project ideas with common themes emerged across both online and in-person activities. The most popular project suggestions related to the following overarching categories:

- Activities and events with food and beverage offerings
- Facade and streetscape upgrades
- A vast range of bespoke or unique retail and service offerings
- Projects to support the locals
- Family activities

A full list of project ideas were be provided to the Ipswich Central Partnership for consideration within the Place Plans.



Figure 5. Ideas captured during the SPARK Lounge event

“We have a unique opportunity to make this area like the old town it was when I grew up. Lovely little shops, friendly staff, bakeries. A place you just popped to when you wanted something special but something classy.”

“More shaded areas in Nicholas Street for families to sit.

“The area would be ideal as a restaurant district, with gastronomic delights from around the world, catering for omnivores, vegetarians and vegans. This would help Ipswich CBD become the booming hub it deserves to be.

“Music and other events like Fringe Festival, to celebrate cultures and local and future artists.

“More shaded areas in Nicholas Street for families to sit.

“It would be great to see the city centre become an arts and culture hub and be an attraction to showcase our local talent. It would become a sought after tourist destination.

Project Ideas Top of Town

- “ Youth music events that showcase emerging young talent
- “ Have a clearer online calendar for what's on Ipswich wide.
- “ Bring back what was; hotels with cafes that spill out onto the streets.
- “ I would like to see the top of town street scape changed with a focus on trees, greenery and no through traffic.
- “ I would love to have an inner city tram – old, cute, fun.
- “ Close some streets for a day and run a food and wine festival in town amongst the backdrop of historical buildings with live music scattered throughout.

Business Briefing insights

Participants at the Business Briefing event on the 22 June, 2021 were asked who their target audience is. The following responses were received:

- Home owners
- Values-aligned community groups
- Families
- Young couples
- Investors
- Young people
- All types
- CBD workers
- People of all walks of life
- Outdoor dining patrons

When asked what things would extend their audiences visit to Ipswich Central, 23 suggestions were made. A selection is provided opposite and the full list of suggestions will be provided to the Ipswich Central Partnership Groups for consideration within the Place Plans.



An overwhelmingly positive response, 83% of local businesses and stakeholders in the room felt the Ipswich Central Revitalisation project would benefit their business.

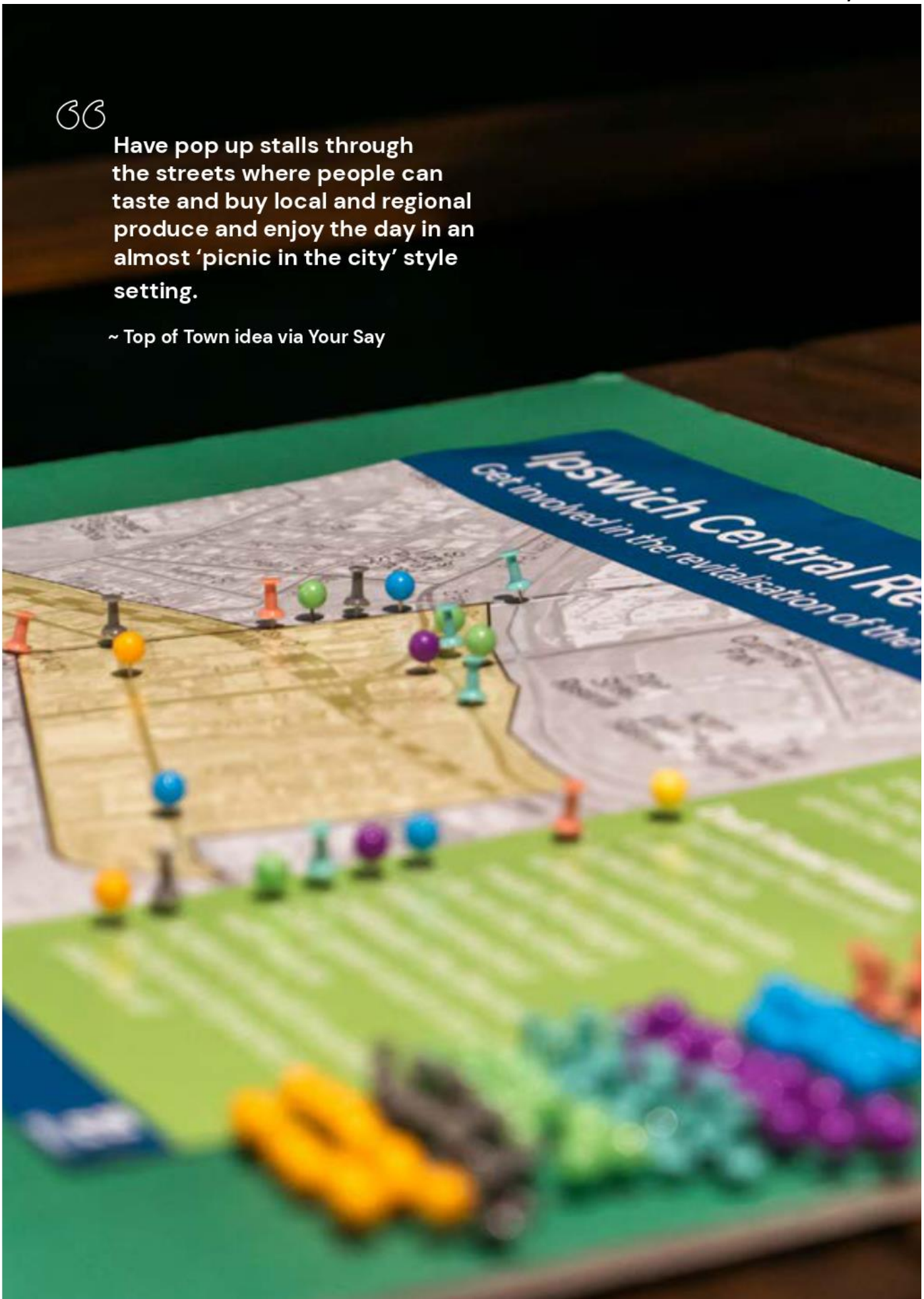
“Adventure mapping- linking multiple things to do while you’re in town. Business’ could collaborate better to achieve this.

“Night time economy!

“A variety of shops. More eating areas. Weekday activities and weekend activities.

“Have pop up stalls through the streets where people can taste and buy local and regional produce and enjoy the day in an almost ‘picnic in the city’ style setting.

~ Top of Town idea via Your Say



06

Next steps!

The engagement process undertaken for the Ipswich Central Revitalisation has provided valuable insights for future project ideas and aspirations for Ipswich Central. The ideas gathered will inform the two place plans for Ipswich Core and Top of Town.

Following the development of the draft Place Plans, Ipswich City Council in partnership with the consultant team will undertake further engagement with community and traders to refine ideas.

The newly established Ipswich Central Partnership Groups will collaborate on developing and refining actions for the Place Plans and will be responsible for championing their implementation. This will include multiple touch points and discussions with community and businesses.

Having all stakeholders working together for a united vision will ensure the revitalisation of Ipswich Central and the creation of a prosperous place for all.



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URBANENQUIRY

TRIANGLE HOUSE



Doc ID No: A7483038

ITEM: 3

SUBJECT: NICHOLAS STREET PRECINCT - COMMUNICATIONS, ENGAGEMENT AND EVENTS
REPORT AUGUST 2021

AUTHOR: COMMUNICATIONS, EVENTS AND ENGAGEMENT MANAGER

DATE: 16 AUGUST 2021

EXECUTIVE SUMMARY

This is a report concerning the communications, engagement and events activity undertaken and planned for the Nicholas Street Precinct in August 2021.

RECOMMENDATION/S

**That the Nicholas Street Precinct Communications, Engagement and Events
Monthly Report be received and the contents noted.**

RELATED PARTIES

The Acting General Manager of Infrastructure and Environment has declared a conflict of interest in relation to the Handmade Expo Markets operation. The conflict of interest has been declared to the CEO and the Acting General Manager and has not been involved in relation to this aspect of the program.

IFUTURE THEME

Safe, Inclusive and Creative

The purpose of this report is to provide an overview of activity held in the month of August 2021 and inform of activity upcoming.

Calendar of Events

The Nicholas Street Precinct calendar of events for August included daily food trucks and the commencement of the 2020 Tokyo Olympics Live site.

Although the full two-week program of events was cut short by the QLD lockdown, the Olympics Live Site event featured visits from Olympians, food trucks, children's craft, sport and daily screening of the games.

Local daycare groups and children from St Mary's Primary joined for Q&A sessions with the Olympians, and local sporting groups and businesses including Ipswich PCYC, Ipswich BMX Club, Ipswich Hockey and 99 Bikes provided demonstrations and performances.

Upcoming events

The former Future Flavours Market is returning with a new name and new night. The 'Ipswich Twilight Markets' will now feature every Friday night in Tulmur Place from 3pm to 8pm with the first event commencing on Friday, 3 September. The event features food trucks, markets, live music and activities for children.

Bikes, Beards and BBQ as part of Galvanised will take place on Sunday, 5 September celebrating the 50th Anniversary of the Historical Motorcycle Club of Queensland. The event will include a procession of motorbikes down Nicholas St where the bikes will then remain in Tulmur Place for viewing and opportunity to chat with the owners. Live music, licenced bar, market stalls and a beard contest will form part of the day's event.

The September school holiday activities are confirmed with the first week playing host to Marvel stage shows and meet and greet sessions with Iron Man and Spiderman from 10am to 1pm. The second week will feature a Nerf Battle Zone, whereby groups of 10 at a time will enter the battle zone. These events are complimentary to the community.

A Spooktacular Halloween movie night will take place on Saturday, 30 October featuring Hotel Transylvania 3. Guests will be invited to dress up in Halloween costume, and the event will feature popcorn, jumping castle and treats for the children.

Christmas holiday planning is also underway in partnership with the city events team with stage shows, movie nights and festive activities in discussion.

The team actively continues to secure a farmers market with positive conversations progressing with two operators, and work continues on the development of the precinct booking process and subsequent fees and charges applicable for external users.

Wayfinding

Following a RFQ process, Strategic Spaces have been selected to deliver a cohesive wayfinding and signage program. This will support the design and delivery of the precinct, carpark and key surrounding entry point areas with work anticipated to be complete by Q1 2022.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:
Local Government Act 2009

RISK MANAGEMENT IMPLICATIONS

Comprehensive COVID-19 plans are in place for all events utilising the dedicated QLD Check-in app to support contact tracing. In addition, the enforcement of the issues and crisis plan, emergency plan and engagement of 1800-medics to support as appropriate.

Licencing remains an ongoing discussion in regard to permits and licencing for events and general use of the precinct to ensure compliance and long-term framework.

HUMAN RIGHTS IMPLICATIONS

RECEIVE AND NOTE REPORT
The recommendation states that the report be received and the contents noted. The decision to receive and note the report does not limit human rights. Therefore, the decision is compatible with human rights.

FINANCIAL/RESOURCE IMPLICATIONS

A budget for 2021-2022 for the delivery of the communications, engagement and activation program has been approved by Council.

COMMUNITY AND OTHER CONSULTATION

Internal and external consultation during August included key precinct stakeholders (landlords and business owners), West Moreton Health, project partners and contractors (Ranbury, Hutchinsons, event organisers, etc).

CONCLUSION

This report features a summary of the communications, engagement and event activity undertaken throughout August in support of the Nicholas Street Precinct with the goal of creating awareness, enlivening the space and encouraging the community to 'come and explore'.

Karyn Sutton

COMMUNICATIONS, EVENTS AND ENGAGEMENT MANAGER

I concur with the recommendations contained in this report.

Sean Madigan

ACTING GENERAL MANAGER - INFRASTRUCTURE AND ENVIRONMENT

"Together, we proudly enhance the quality of life for our community"

Doc ID No: A7465524

ITEM: 4

SUBJECT: NICHOLAS ST PRECINCT - RETAIL SUB-PROJECT STEERING COMMITTEE REPORT
AUGUST 2021

AUTHOR: PROJECT MANAGER

DATE: 9 AUGUST 2021

EXECUTIVE SUMMARY

This is a report concerning the August 2021 report from the Retail Sub-Project Steering Committee on the status of the leasing program and associated developments with the retail component of the Nicholas St Precinct redevelopment.

RECOMMENDATION/S

That the August 2021 Retail Sub-Project Steering Committee Report be received and the contents noted.

RELATED PARTIES

Ranbury Management Group - Program Management Partner
Ranbury Property Services - Retail Leasing Agent
Councillor Fechner may have a potential conflict of interest in relation to this matter.
Councillor Madsen may have a potential conflict of interest in relation to this matter.

IFUTURE THEME

Vibrant and Growing

PURPOSE OF REPORT/BACKGROUND

The Retail Sub-Project Steering Committee (RSPSC) supports the Ipswich Central Redevelopment Committee (ICRC) in delivering the Nicholas St Precinct redevelopment. The RSPSC reports monthly to the ICRC on the planning, development, delivery and operations of the Nicholas St Precinct's retail and commercial assets.

The August 2021 meeting of the RSPSC focussed on retail leasing, progress of the refurbishment of the Eats and Metro B assets and the status of the cinema tender process. Refer Attachment 1 for the draft RSPSC August 2021 minutes.

The table below identifies the status of tenancy negotiations as at 20 August 2021. No further Heads of Agreements were submitted for Council's consideration during the past month, however positive discussions continued with a number of prospective tenants for tenancies in both Eats and Metro B tenancies.

Deal Status	August 2021	Change from July 2021
HOA Signed (non-legally binding) #	15	+2
Pending Approval by Council	0	-2
Lease Documents Issued	10	+2
Lease Documents Being Prepared	5	-
Leases Executed by Lessee	1	-
Leases Executed by Lessor (Council)	-	-

Excludes 3 HOA's not likely to be progressed.

In January 2021, Council resolved to undertake an Expression of Interest (EOI)/tender process for the management and operations of the precinct's cinema complex. Following a successful EOI component, the tender process closed on 4 August 2021 with submissions from each of the market participants who had responded to the EOI. It is still anticipated that the resulting lease or management agreement will be finalised and executed in late October 2021.

Refurbishment of the Eats and Metro B buildings together with the Metro A façade and adjoining streetscape works continued during the month. Eats remains forecast to open in October 2021. Works to Metro B and adjacent streetscape works are forecast for completion in late 2021, this will allow for tenant fit-out for the planned opening in Easter 2022.

All five (5) separable portions of the Civic Project are completed and in the Defect Liability Period (DLP) which ends in March 2022.

The focus on the Commonwealth Hotel is now on delivering the council endorsed extension, subject to an executed AFL. The associated development application is currently being prepared, with lodgement expected later this month. Preparations for the procurement of a contractor to deliver the design and construct contract are underway.

Due to the proximity of the Ipswich Central Redevelopment Committee's meeting to the end of the reporting month, the August 2021 Executive Report will be provided as part of the September 2021 committee report.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:
Local Government Act 2009
Local Government Regulation 2012

RISK MANAGEMENT IMPLICATIONS

The retail leasing program continues to face challenges including but not limited to COVID-19 impacts and the pace of the retail market rebound, the ongoing lockdown in New South

Wales and Victoria causing a number of prospective tenants to lose focus on new space due to site closures and relating operational issues, the securing of anchor and other tenants and the attractiveness of the offer from the lessor (council) in the current market conditions.

With refurbishment works underway on both the Eats and Metro B buildings, the conversion of endorsed HOA's into legally binding Agreements for Lease (AFL) remains a critical outcome. A process is being finalised for the future execution of AFLs/leases.

An executed Agreement for Lease (AFL) or management agreement for the cinema remains the trigger for the approval of funding for the Venue building's refurbishment.

Council's investment in both the extension to the Commonwealth Hotel and the refurbishment of the Venue building is contingent on the execution of AFL (or management agreement in the Venue's case) for the anchor tenants.

HUMAN RIGHTS IMPLICATIONS

RECEIVE AND NOTE REPORT
<p>The recommendation states that the report be received and the contents noted. The decision to receive and note the report does not limit human rights. Therefore, the decision is compatible with human rights.</p>

FINANCIAL/RESOURCE IMPLICATIONS

The retail precinct's short-term commercial success remains dependent on identifying, attracting and securing a commercially viable tenancy mix through executed AFL's. Commercial success in the medium to longer term will require a comprehensive and ongoing activation and management strategy to support tenants and deliver a revitalised and activated precinct.



COMMUNITY AND OTHER CONSULTATION

The contents of this report did not require any community consultation.

CONCLUSION

Retail leasing continues to progress with the conversion of HOA's into AFL's a key priority particularly given the current refurbishment of both the Eats and Metro B buildings, the proposed extension to the Commonwealth Hotel and the proposed refurbishment of the Venue building.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

- | | |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | RSPSC Draft Minutes 18 August 2021   |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Greg Thomas
PROJECT MANAGER

I concur with the recommendations contained in this report.

Sean Madigan

ACTING GENERAL MANAGER - INFRASTRUCTURE AND ENVIRONMENT

“Together, we proudly enhance the quality of life for our community”



IPSWICH CITY COUNCIL

MINUTES - RETAIL SUB-PROJECT STEERING COMMITTEE

Meeting: Retail Sub-Project Steering Committee – No 14
Venue: Level 7, 1 Nicholas Street
Date: 18 August 2021 (11:00AM – 12:00PM)

Members:	James Hepburn (Chair) (JH); Sean Madigan (GM C&P) (SM); Greg Thomas (Project Manager) (GT)	
Observers:	Councillor Nicole Jonic, Karyn Sutton (KS), Brent McKay (BM), Nicole Denman (ND),	
Apologies:	Councillor Marnie Doyle	
Chair / Minutes:	Chair – JH Minutes – ND	
No.	OFFICER	DESCRIPTION
1	JH	Attendance / Apologies
2	JH	Previous Minutes & Actions Arising
3	JH	Workshops <ul style="list-style-type: none"> Councillor Workshops (QTC)
4	JH	Retail Leasing <ul style="list-style-type: none"> Retail PCG meeting outcomes 10.8.21 Leasing <ul style="list-style-type: none"> AFL status <ul style="list-style-type: none"> JH spoke to leasing schedule for Eats, Metro B, Commonwealth Hotel Additional legal provider acquired to support legal program Cr Doyle to be provided with Brain & Poulter report – JH ACTION JH spoke to Tulumur Place tenancy opportunities WMH – leasing/relocation options under investigated Cinema EOI/RFT <ul style="list-style-type: none"> JH provided a status update Venue Building value-oriented design options discussed
5	GT	Retail Redevelopment <ul style="list-style-type: none"> Metro B/Eats refurbishment status, Metro B ramp from Bell Street (certifier sign-off on existing ramp structure) <ul style="list-style-type: none"> GT spoke to Metro B ramp options and related schematics in relation to DDA access Committee members preference was the construction of a lift on the r/h side of the existing entrance ramp from Bell Street Cr Doyle requested a briefing note on related ramp issues and options – GT ACTION GT spoke to Nicholas St footpath issues adjacent to the entrance to Metro B and the proposed remedial actions Commonwealth Hotel – status Contingency reporting moving forward
6	KS	Precinct Activation and Events <ul style="list-style-type: none"> 2021 activation/event calendar – success of Olympic events
7	JH/KS	Precinct Management <ul style="list-style-type: none"> Precinct management Marketing, social media and website

Item 4 / Attachment 1.

No.	OFFICER	DESCRIPTION
8	GT	Procurement (current/proposed) <ul style="list-style-type: none"> Commercial leasing agency, Commonwealth Hotel extension D&C contract, Cinema operator
9	JH	Financials <ul style="list-style-type: none"> 2021/22 operational budget update
10	GT	September 2021 ICRC Reports re NSP <ul style="list-style-type: none"> August 2021 - RSPSC and Communications, Engagement and Events Reports
11	GT	Retail Ministerial Exemption <ul style="list-style-type: none"> Conditioned process discussed for AFL/lease review by Council prior to execution Proposed process to be updated based on committee discussion with subsequent consultation with DLG – GT/SM ACTION
12	JH	General Business <ul style="list-style-type: none"> NSP State leased assets – discussion on long-term lease holding versus ownership, committee support for the commencement of dialogue with QR – GT ACTION Ellenborough Street QR Land – the committee supported the continuation of investigations into an extension of future options for volumetric title over QR owned land - GT ACTION Resourcing – separate discussion on requirements for additional support for CBD Team to be progressed post the meeting – GT/JH ACTION Trades Hall – update provided on recent consultation with representatives on impacts associated with the proposed extension of neighbouring Commonwealth Hotel and wider precinct developments – consultation to be ongoing (as developments require) Cr Doyle requested investigation of additional sun protection options in Tulumur Place in the lead up to summer – KS ACTION
13	JH	Next Meeting – 15 September 2021

Doc ID No: A7511653

ITEM: 5

SUBJECT: NICHOLAS STREET PRECINCT - APPROVAL OF AN AGREEMENT FOR LEASE FOR EATS TENANCY T1

AUTHOR: PROJECT MANAGER

DATE: 25 AUGUST 2021

EXECUTIVE SUMMARY

This is a report concerning an agreement for lease for council's consideration associated with tenancy T1 within the Nicholas Street Precinct's Eats Building.

RECOMMENDATIONS

- A. That Council enter into an Agreement for Lease and Incentive Deed with the proposed lessee for Tenancy T1 in the Eats Building (impacting lots 2RP209886, 3RP212242 and 1SP300605) ("Tenancy T1") within the Nicholas Street Precinct (under the commercial terms detailed in the confidential report and attachments by the Project Manager dated 26 August 2021).
- B. That conditional upon Council satisfactorily executing the Agreement to Lease with the proposed lessee, (contained in recommendation A of this report), Council enter into a lease for Tenancy T1 with the proposed lessee (as detailed in the confidential report and attachments by the Project Manager dated 26 August 2021).
- C. That Council note, that in relation to Council's disposal of its leasehold interest in Tenancy T1 to the proposed lessee, that the Ministerial exemption under s236 (f) of the *Local Government Regulation 2012* applies to the disposal of Council's interest in Tenancy T1. (Ministerial exemption contained in Attachment 1 of this report).
- D. That pursuant to Section 257(1)(b) of the *Local Government Act 2009*, Council resolve to delegate to the Chief Executive Officer the power to take "contractual action" pursuant to section 238 of the Regulation, in order to implement Council's decision at Recommendation B.
- E. That Council be kept informed as to the progress and outcome of the execution and publication of details.

RELATED PARTIES

Ranbury Property Services - Retail Leasing Agent
Knight Frank Valuation & Advisory Queensland – Independent Market Appraisal

Councillor Fechner may have a potential conflict of interest in relation to this matter
Councillor Madsen may have a potential conflict of interest in relation to this matter

IFUTURE THEME

Vibrant and Growing

PURPOSE OF REPORT/BACKGROUND

In 2019 council was granted a ministerial exemption under section 236 (1)(f) of the *Local Government Regulation 2012* (Regulation) for the disposal of valuable non-current assets (leases and sub-leases) associated with the Nicholas Street Precinct redevelopment. To ensure council had sufficient time to fully implement its retail strategy, council sought and was granted an exemption until 30 June 2023. The goal of the exemption was to allow council to efficiently and effectively implement its retail strategy through the disposal of leases and State sub-leases (held by council) by more appropriate, market accepted, transactional means other than by a tender or auction process mandated under section 227 of the Regulation.

This exemption was sought as retail leasing is generally not undertaken through a tender or auction process. It is a specialised process undertaken by experienced retail leasing firms with relationships with the types of tenants targeted for a project. These relationships allow conversations to explain a project and the opportunities tailored to each prospective tenant. The retail leasing agent, appointed by council, has and continues to actively market the subject tenancies to prospective tenants.

Further, industry advice confirmed it would be highly likely that any tender or auction process for the retail tenancies would receive very limited responses and that any response would not contain the commercial terms sought by council. In addition, these processes would be inherently incapable of creating the desired mix and style of lessee council is seeking for its food and beverage and entertainment/leisure tenancies.

As part of the exemption approval process, council committed to adhere to the sound contracting principles detailed in section 104(3) of the *Local Government Act 2009*, specifically through a number of proposed safeguards to ensure openness and transparency with regard to the related transactions. Correspondence from the then Minister of Local Government dated 24 September 2019 (refer Attachment 1) confirmed approval of the exemption (for both council's retail and commercial tenancies). Further, this approval conditioned the exemption on compliance with the activities proposed by council to address the sound contracting principles as outlined in council's letter to the then Department of Local Government, Racing and Multicultural Affairs dated 10 September 2019 (refer Attachment 2). Specifically, this requires the following condition be met "each lease/sublease to be approved by the Economic Development Committee and then full council prior to its execution (agendas, papers and minutes all publicly accessible)". This process will be utilised for each individual retail (and future commercial) lease arrangement.

This paper is seeking council's approval to enter into the first agreement for lease for a food and beverage tenancy associated with the Nicholas Street Precinct redevelopment utilising the process detailed above. The agreement for lease relates to a sub-lease for one of the four ground floor tenancies in the Eats building which fronts Nicholas Street being T1 (78

m²). Council holds the leasehold interest from Queensland Rail (Lease No. 601907098) over the Eats Building with the long-term lease expiring on 31 August 2086. The Eats Building impacts three lots: 2RP209886, 3RP212242 (over the rail line) and 1SP300605.

A lease is a contract by which one party conveys land, property, services, etc. to another for a specified term, and in this instance in return for a periodic payment. The lease agreement outlines all of the aspects of the lease arrangement so that each party understands their rights and obligations under the lease. An agreement for lease is necessary when the party owning the land is investing significant capital into refurbishing or building new space for the potential lessee. The agreement for lease pre-empts and contractually links to the final lease document whilst committing both parties to enter into a lease on occupation and/or opening of the space. Essentially an agreement for lease de-risks the landlord's capital expenditure with a contracted outcome.

The Nicholas Street Precinct team will be negotiating up to 40 retail, food and beverage and leisure deals over the next few years. During this process and with the desire to drive the best financial outcome for council and its constituents, the precinct team need to protect this outcome by maintaining a competitive advantage during the negotiations, which can only happen with an element of confidentiality. The lessees will also seek and in most cases secure contractual obligations on both parties to maintain a level of confidentiality around commercially sensitive material. This is likely to be around keys terms like rent, term, options to extend, landlord's incentives, sales data access and general operational costs of the tenancy.

The brand names associated with each executed agreement for lease will be released prior to the tenant's opening with the precinct team's desire being to drive marketing reach across relating real estate and retail industry media channels to best serve the leasing uptake. In doing this, the precinct team's aim is to publicly release the first batch of brands within the Eats tenancy in late October/early November 2021, the timing of which aligns with their openings later this year. Announcements relating to Metro B lessees are planned to be released again in batches in the new year with reference to the securing of the anchor cinema operator within the Venue building. As a result, the lessee's details and agreed commercial terms to be reflected in the lease documentation are Commercial in Confidence. A memorandum of advice detailing the Commercial in Confidence nature of the content of this report is attached (refer confidential Attachment 3). Specific details on the lessee, the commercial terms and proposed tenure length are contained in confidential Attachments 4 - 6).

Council engaged Knight Frank Valuation & Advisory Queensland to provide an independent market appraisal of each proposed lease arrangement's commercial terms as detailed in a Heads of Agreement (a precursor to an agreement for lease/Lease detailing agreed commercial terms between the parties). This advice is considered by council prior to the Chief Executive Officer endorsing any Heads of Agreement progressing to the preparation of related legal documentation including agreements for lease, leases incentive deeds. Knight Frank's review of Eats tenancy T1 is attached (refer confidential Attachment 5). Also attached is the Lease Deal Approval Report for Eats tenancy T1 which details any material changes with commercial terms from the Knight Frank reviews to the preparation of the agreements for lease (refer confidential Attachments 6).

This paper seeks approval for council to enter into the first agreement for lease for a food and beverage tenancy associated with the Nicholas Street Precinct redevelopment. The delegation to the Chief Executive Officer will enable council's execution of the agreement for lease, the lease and the incentive deed for the Eats T1 tenancy and ensure the lessee can commence their fit-out works and opening as soon as possible.

Post the execution of the lease documentation for each tenancy, council will be provided with a subsequent report detailing lessee specifics and their offering.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:

Local Government Act 2009

Local Government Regulation 2012

RISK MANAGEMENT IMPLICATIONS

The medium to long-term success and viability of both the retail precinct and the overall Ipswich Central Redevelopment CBD is heavily dependent on the retail leasing program delivering a tenancy mix comprising high-quality, commercially successful tenants. The approval and subsequent execution of the first agreements for lease will send a positive signal to the retail leasing market around the precinct's future success.

HUMAN RIGHTS IMPLICATIONS

HUMAN RIGHTS IMPACTS	
OTHER DECISION	
(a) What is the Act/Decision being made?	<p>Recommendation A relates to Council entering into an agreement for lease and an incentive deed for Eats T1 tenancy.</p> <p>Recommendation B relates to Council entering into a lease for Eats T1 tenancy.</p> <p>Recommendation C outlines how Council will apply a ministerial exemption to the disposal of a leasehold interest in the Eats Building.</p> <p>Recommendation D delegates to the CEO the power to execute related lease documentation.</p> <p>Recommendation E relates to the provision of an update to council.</p>
(b) What human rights are affected?	No human rights are affected by this decision. This is because the prospective

	lessee is a company (only individuals have human rights).
(c) How are the human rights limited?	Not applicable.
(d) Is there a good reason for limiting the relevant rights? Is the limitation fair and reasonable?	Not applicable.
(e) Conclusion	The decision is consistent with human rights.

FINANCIAL/RESOURCE IMPLICATIONS

The retail precinct's short-term commercial success remains dependent on identifying, attracting and securing a commercially viable tenancy mix through executed leases and sub-leases. Funding for the retail leasing agent's payments and any associated tenant incentives are incorporated into the project's budget.

COMMUNITY AND OTHER CONSULTATION

The contents of this report did not require any community consultation.

Detailed consultation has occurred with the Department of State Development, Infrastructure, Local Government and Planning on the both the conditioned process and the content of associated documentation to council for AFL/lease approvals.





Council's Legal Services team have been consulted on the form and contents of this report and its attachments.

CONCLUSION

The flexibility provided by the ministerial exemption over the Regulation's tender and auction provisions allows council to optimise the tenancy mix, the commercial outcomes and the long-term success for each tenancy and the project overall.

As a priority, the focus is to progress the conversion of endorsed Heads of Agreement into agreement for leases particularly given the current refurbishment of both the Eats and Metro B buildings. Approval of the first agreement for lease within the Nicholas Street Precinct will send a positive message to the Ipswich community and the market that the redevelopment is moving forward.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	Ministerial Exemption Approval 24.9.19  
2.	Ministerial Exemption ICC Clarifications 10.9.19  
	CONFIDENTIAL
3.	NSP Retail Leases - Legal Advice
4.	Confidential Report - Eats T1
5.	Knight Frank Assessment - Eats T1

6.	Lease Deal Approval Report - Eats T1
7.	Nicholas Street F&B Strategy Update

Greg Thomas
PROJECT MANAGER

I concur with the recommendations contained in this report.

Sean Madigan
ACTING GENERAL MANAGER - INFRASTRUCTURE AND ENVIRONMENT

“Together, we proudly enhance the quality of life for our community”



Minister for Local Government,
Minister for Racing and
Minister for Multicultural Affairs

Our ref: MC19/4387

24 SEP 2019

Mr Greg Chemello
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ABN 65 959 415 148

Dear Greg

Thank you for your letter of 12 August 2019, seeking an exemption from compliance with the tender or auction requirements in section 227 of the Local Government Regulation 2012 (the Regulation) for the disposal of the Ipswich City Council's interest in land within the Ipswich Central Business District precinct.

I am advised that officers of the Department of Local Government, Racing and Multicultural Affairs subsequently met with Council officers to discuss the scope of the application and additional information necessary to assess the Council's application. Following this meeting, the Council provided the Department with a letter dated 10 September 2019, reducing the scope of its application to solely the leasing and sub-leasing component of the Council's original request, and providing the additional information requested by the Department.

Following an assessment of the Council's request, I have approved an exemption under section 236(1)(f) of the Regulation from compliance with section 227 of the Regulation for the leasing and sub-leasing of the Council's interest in land within the Ipswich Central Business District precinct, subject to the following conditions:

- The exemption relates to the properties identified in Attachment 1 to the Council's letter to the Department dated 10 September 2019, which provided additional information regarding the Council's application.
- The exemption is for a period up to 30 June 2023.
- The Council must comply with the activities proposed by the Council to address the sound contracting principles in section 104(3) of the *Local Government Act 2009*, as outlined in the Council's letter to the Department dated 10 September 2019.
- For the period of the exemption, the Council must provide a quarterly report to me detailing the exercise of this exemption. The report must include details of the status of all lease arrangements, an independent market appraisal of the lease, reasons for any lease being under market value and details of any conflicts of interest (COI) or material personal interest (MPI) held by the Interim Administrator, members of the Interim Management Committee, Councillor or employee of the Council in relation to each lease and how the COI or MPI was managed.

- For the period of the exemption, the Council must provide a six-monthly report to me on the CBD redevelopment project's overall implementation and achievements and its impacts on the wider Ipswich economy.

I have asked for Ms Rebecca McAnalen, Principal Regional Advisor (South), Local Government Division in the Department to assist you with any further queries. You may wish to contact Ms McAnalen on 3452 6738 or by email at rebecca.mcanalen@dlgrma.qld.gov.au.

Yours sincerely



STIRLING HINCHLIFFE MP
Minister for Local Government,
Minister for Racing and
Minister for Multicultural Affairs

Greg Thomas
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Kent Wain
Manager Southern Region
Department of Local Government, Racing and Multicultural Affairs
Level 3, 12 First Avenue
Maroochydore QLD 4558

10 September 2019

Dear Mr Wain

Re: Additional information re Ipswich City Council's request for exemption under section 236 (1)(f) of the *Local Government Regulation 2012* - Nicholas Street - Ipswich Central (CBD Redevelopment)

With reference to departmental correspondence dated 26 August 2019 and the 28 August 2019 meeting between council, its consultants and officers of the Department of Local Government, Racing and Multicultural Affairs (DLGRMA), this correspondence provides the requested executive summary outlining (at a high-level) reasoning for pursuing the above ministerial exemption (exemption) together with responses to other clarifications sought by DLGRMA.

At the 28 August 2019 meeting, discussions occurred on both the scope and complexity of council's application dated 12 August 2019. As a result, council has modified its request for an exemption to solely the leasing and sub-leasing component of the original application. Council proposes that any future divestments within the precinct will be the subject of separate site-specific exemption applications. Given this, a number of the clarifications sought by your department specifically relating to the disposal of freehold or leasehold land are not dealt with in this correspondence (refer Attachment 8).

Executive Summary

Council is seeking a ministerial exemption under section 236 (1)(f) of the *Local Government Regulation 2012* (Regulation) for the disposal of valuable non-current assets (leases/sub-leases) associated with its Nicholas Street - Ipswich Central CBD redevelopment (the project). The exemption will allow council to efficiently and effectively implement its retail strategy through the disposal of related non-current assets (leases/sub-leases) by more appropriate, market accepted,

transactional means other than by a tender or auction process as required under section 228 of the Regulation.

Background

Since 2009 Council's subsidiary, Ipswich City Properties Pty Ltd (ICP), has purchased the majority of the Nicholas Street assets (freehold and leasehold) with the vision of leading the redevelopment of the Ipswich CBD. Due to a number of factors, significant delays were experienced in progressing the redevelopment. As a result, the CBD is currently underutilised and the ongoing delays have contributed to its decline, significantly impacting commercial activity and community perception of the precinct.

Council's overarching goal for the project is to revitalise the precinct into a vibrant, mixed-use development ultimately incorporating civic functions, retail, commercial, entertainment and public spaces. The project's success is critical to allow council to regain the local community's trust and rebuild the positive sentiment which has been eroded by recent political events. Council's strategic objectives for the CBD's renewal also include the creation of an enduring and activated civic heart, the relocation of council's administration centre and a civic space capable of delivering cultural and entertainment activities (refer schematic Attachment 6).

Council's ultimate redevelopment of the Nicholas Street/Union Place precinct will include up to 46 retail and four commercial tenancies with up to 13 floors of commercial office space (refer Attachments 3 to 5 for the latest schematics of the retail tenancies).

Application Driver

To progress the delayed redevelopment and as part of the process to deregister ICP due to prior governance concerns and poor public perception, all of ICP's land holdings and interests in the CBD precinct transferred to council on 27 June 2019. Due to the Regulation's requirements, the change in ownership of these non-current assets (refer Attachments 1 and 2) has impeded council's ability to implement ICP's leasing and divestment strategy (refer pp 18-21 of Business Case - Attachment 3). This strategy was underpinned by ICP's ability to successfully lease the retail and commercial tenancies to a predetermined mix and at a future date, divest itself of what are essentially non-core local government assets. Attachment 2 identifies the leasing or sub-leasing proposal for each precinct asset.

Under section 228 of the Regulation, disposal of non-current assets must be through a tender or auction process unless an exemption is granted under section 236 (1)(f). Under ICP's strategy now adopted by council, the proposed disposal of non-current assets specifically relates to the leasing and future sale of freehold land and the sub-leasing or future sale of State leases. Following the meeting with DLGRMA on 28 August 2019, council has modified its request for an exemption to the solely the leasing and sub-leasing component of the original application dated 12 August 2019. It is council's position sub-optimal outcomes for both the project and the Ipswich community will result if disposal of the leases and sub-leases occurs through either a tender or auction process.

Industry Practice

Retail and commercial leasing is generally not undertaken through a tender or auction process. It is a specialised process best undertaken by experienced retail leasing executives who have relationships with the types of tenants targeted for a project. Given these relationships, the retail leasing executives are able to conduct trusted conversations to adequately explain a project and its

opportunities tailored to that particular tenant and as a result, gather an understanding of their tenancy requirements.

Traditional industry practice (especially for a development of this size) is that an independent assessment of likely market rents is first prepared with a schedule of asking rents determined. Properties are then marketed and advertised widely. ICP had until 27 June 2019 undertaken this approach and appointed a leasing agent (secured after a competitive process). This agent, now directly appointed by council, has and is continuing to actively market the subject properties to prospective retail tenants with a number confirming strong interest. Further a number of parties have submitted signed lease offers to both ICP/council with a majority of the offers received meeting or exceeding council's target rental levels.

Why an Exemption?

Industry advice confirms that it would be highly likely that any tender or auction process for the retail or commercial tenancies would receive very limited responses and that those that were received would not contain the commercial terms sought by council. In addition, these processes are inherently incapable of creating the desired mix and style of lessee council is seeking for its food and beverage and entertainment areas. Council's reasons for pursuing the exemption option are clarified below.

Why wouldn't a tender or auction process deliver optimal outcomes or the commercial terms desired by Council? Advice from council's retail leasing team is that the retail leasing market would not adequately respond to a tender or auction process for retail or commercial tenancy opportunities. Traditionally this market operates and responds to experienced retail leasing executives who have developed relationships and trust with retailers to individually and specifically introduce such opportunities directly to them.

A tender or auction process does not spread the 'net' wide enough to capture all parties that would or could be interested in the precinct or identified for targeting by council. Prospective tenants sought would simply not engage in such processes given opportunities are generally historically introduced to them on a specific and individual basis. In short, generally these entities do not need to engage in a tender or auction process to secure space to expand their businesses.

Interstate operators would not receive or be aware of local or state-based public tender processes. In contrast, the direct contact leasing approach to date has introduced the project and its specifically targeted opportunity to approximately 300 retailers. A previous EOI campaign conducted by ICP in relation to the entertainment venue and a component of the food and beverage offer only received limited responses.

Generally speaking retail space is never auctioned. While multiple offers might be entertained for an individual site, there is no bidding process to drive an improved commercial outcome. Also with retail, the highest bidder for a particular tenancy may not be provide the lessor with the best result for the development overall. The quality of offer, fit-out, covenant, brand and overall experience a customer can expect are far more important drivers for the appropriate commercial decision and long-term viability of the both the tenancy and the overall retail development. This is especially so in the case of this project where the strategy is to create an enduring point of difference over both Riverlink Shopping Centre and other food and beverage and entertainment providers in the Ipswich area.

Why wouldn't an appropriately drafted tender process deliver the desired tenancy mix for the CBD?

The tenancy mix for a project is a carefully considered strategic approach, followed by strategic targeting of tenants who are deemed most appropriate for that mix, with direct contact established to introduce and articulate the project opportunity. It is common industry practice that this is the process by which tenants receive their tenancy opportunities for consideration.

The tenancy mix is critical as in reality it is tailoring the targeted tenants to suit the environment and precincts that are being created together with ensuring longevity of the lease. Rather than taking an ad-hoc approach to the market and inviting anyone to tender, the general industry approach is to take a more precise approach. By leveraging retailer relationships, better engagement and interest is achieved. In this project's case, irrespective of how well defined a tender process may have been designed, it is considered highly unlikely that some of the extremely interested prospective tenants (who have already submitted offers) would be regularly reviewing the LG Tender Box or local papers or the internet to identify potential tenders to participate in.

Why wouldn't a tender or auction process achieve commercially sound bids due to the CBD redevelopment project's chequered history? As discussed above, prospective tenants generally do not participate in tender or auction processes. This is certainly the case for projects that have had significant challenges and/or history such as in the case with the Ipswich CBD redevelopment. The personalised approach with prospective tenants including open communication with interested or targeted parties has and will enable the leasing team to address and clear up any pre-existing and or ill-conceived perceptions of council or Ipswich due to recent events and reinforce the opportunity. A degree of 'sales' prowess is required for this project which is why a personalised approach will always yield superior results.

How will council deal with the sub-leases that it has with State agencies and are there any restrictions within these sub-leases which would impact tender or auction options? As with any other leases, council will abide by the terms and the conditions of any existing sub-leases with State agencies for the duration of that sub-lease. Council has the following existing arrangements in the CBD precinct:

- Queensland Health – Two sub leases on ground and lower ground of 2 Bell Street respectively, both expiring 30 November 2019, post this date only the lower ground tenancy will remain but on a licence arrangement for three years;
- West Moreton Health – Licence on Level 1 of 2 Bell Street has expired, currently operating on a month by month basis; and
- Seqwater – lease for 200 car park spaces in Civic Square (not relevant to this application).

A review of the sub-leases did not identify any restrictive clauses with regard to a tender or auction process taking place. It did identify a requirement for a standard advance notification to the tenant where a sale or a change in ownership is to occur.

Council will need to consult and obtain the written approval of Queensland Rail as the Lessor to enter into any new lease or sub-lease arrangement for the existing registered leases located at 25 Ipswich City Mall and 2 Bell Street.

Is there a possibility of staging an exemption approval for parts of the project, that is delaying leasing certain properties or the divestment strategy? As discussed above, council has modified its request for an exemption to solely the leasing and sub-leasing component of the original application dated 12 August 2019 with any future sale within the precinct to be a site-specific exemption application.

While a number of permutations exist for the staging the delivery of the retail portfolio including realigning the timing for some food and beverage offerings with the administration centre opening around July 2021, council's position is that the exemption should cover all of the retail and commercial tenancies for the following reasons:

- Council's staging delivery is yet to be finalised and as such, a restricted exemption approval at this time based on a reduced number of tenancies may be premature and cause subsequent delays to the project;
- Flexibility is crucial in retail leasing to accommodate specific tenants needs as negotiations are advanced in the leasing process, the mix and tenant requirements are constantly reviewed and revised as interest is firmed up through the process; and
- The exemption term sought (see below) is to 30 June 2023 – if granted this will allow council sufficient time to either fully implement its retail strategy or if required modify its delivery program to stage parts of the retail and commercial development.

Exemption Term

To ensure council has a sufficient period to fully implement its retail strategy and maximise the leasing take-up on the numerous retail and commercial leases within the precinct, council is seeking the exemption be granted until 30 June 2023. The success of the precinct is predicated on commercial arrangements for the majority of the tenancies (food and beverage and entertainment) being in place to allow them to commence operation from the middle to the end of 2021. Based on the projected success of the development and the requested exemption timeline to 30 June 2023, council anticipates it will have significantly achieved its leasing strategy by this time.

Depending on the success of any future divestment strategy, if the leasing outcome sought is not likely to be achieved by 30 June 2023, council will in the period leading up to the expiration date lodge a further exemption application.

Transparency and Safeguards

Should council's application for an exemption for the project's leasing and sub-leasing be approved, council understands that associated conditions will apply for the term of the exemption. In anticipation, council commits to adhering to the sound contracting principles detailed in section 104(3) of the *Local Government Act 2009*. Council will ensure openness and transparency with regard to the related transactions through, but not be limited to:

S 104(3) Principle	Proposed Activity
a) value for money	<ul style="list-style-type: none"> • Appointment of an independent, external reviewer to assess the commercials and probity of each tenancy deal to ensure lease terms proposed are market aligned • Each lease/sublease to be approved by the Economic Development Committee and then full council prior to its execution – agendas, papers and minutes all publically accessible • Regular reporting to DLGRMA of the application of the exemption including: <ul style="list-style-type: none"> • changes in project strategy/scope/deliverables

S 104(3) Principle	Proposed Activity
	<ul style="list-style-type: none"> • lease arrangements/lessee • market appraisal v actual lease terms • reasons why a lease may not achieve market value
b) open and effective competition	<ul style="list-style-type: none"> • Promotion of the Nicholas St website, encouragement of leasing enquiries through an on-line form and associated contact details • Continued public presentations and other communications outlining the project and promotion of its opportunities to prospective tenants • Publically available monthly reports to council on status of the leasing strategies including confirmation of signed leases (less confidential information) • Regular reporting to DLGRMA on the status of the leasing strategy including confirmation of signed leases etc.
c) development of competitive local business and industry	<ul style="list-style-type: none"> • Promotion of the Nicholas St website, encouragement of leasing enquiries through an on-line form and associated contact details • For the exemption's duration, six monthly high-level reporting to DLGRMA on the project's overall implementation and achievements and its impacts of the surrounding and wider Ipswich economy
d) environmental protection	<ul style="list-style-type: none"> • Council will balance the development needs with environment needs and ensure all leases and sub-leases meet regulated environmental requirements
e) ethical behaviour and fair dealing	<ul style="list-style-type: none"> • Release of regular updates (press releases) to the media regarding key tenants secured (once leases are binding and the tenant agrees) • Appointment of an independent, external reviewer to assess the commercials and probity of each tenancy deal • Monthly reports to council on status of the leasing strategies including details of any conflicts of interest of the Interim Administrator, Interim Management Committee, councillors, council employees or project consultants • Regular reporting to DLGRMA to include: <ul style="list-style-type: none"> • report on process probity by independent, external reviewer • reasons for any lease being under market value • details of any conflicts of interest

Summary

The granting of an exemption will enable council to both counter-sign the existing lease offers achieved under ICP and continue the active marketing and acceptance of lease offers for the remaining tenancies. The success of the redevelopment is largely based on council's ability to identify and lock-in a high-quality, diverse tenancy mix that will on an ongoing basis draw the community into the precinct. In terms of momentum, communicating to prospective tenants, the quantum and type of leases already locked in to the development will greatly assist council in promoting the attractiveness of the opportunity. This is now at a critical point in time for the project, where further delay could have adverse impacts to ongoing leasing success.

Should council not be provided with the exemption, it is highly likely that sub-optimal commercial outcomes will result together with an inability to obtain the desired mix of retail and commercial leases and the ongoing devaluation of the council's assets. Further leasing momentum has been built through recent activities with approximately 300 prospective tenants communicated with to date and a number of lease offers received or under negotiation. Should the exemption not be granted, the project runs the risk of confidence being eroded once again if there are further delays with prospective tenants likely 'going cold' on the opportunity.

In line with a divestment strategy underpinned by the belief that it should not be the long-term owner of significant CBD holdings, it is council's medium to long-term intention to dispose of the leased/subleased assets to the private sector. Site specific ministerial exemptions will be sought at that time, likely once all or the majority of leases are in place and the precinct fully established and activated, strengthening each property's valuation and subsequent return to council upon sale.

This correspondence includes a number of attachments that provide additional supporting information and schematics to previously provided documentation. Attachment 7 contains a guide of detailed references in the correspondence and the business case dated 12 August which support the discussion above.

In summary, approval of a section 236 exemption for the disposal of non-current assets (via leases or sub-leases) for the Nicholas Street – Ipswich Central project will allow council to utilise traditional retail industry practices to significantly or fully lease/sub-lease the subject assets, assist council achieve its retail strategy goals and ultimately fully realise the value of each property and maximise the financial returns for the Ipswich community. The period of the ministerial exemption sought is to 30 June 2023.

Should you require further discussion or information on this matter, please contact me at greg.thomas@ipswich.qld.gov.au or on (07) 3810 7080 or 0447200008.

Yours sincerely

Greg Thomas
PROJECT MANAGER

ATTACHMENTS:

Attachment	Title
Attachment 1	Subject Precinct Properties – Retail/Commercial Tenancy Yield
Attachment 2	Schematic – Retail Leasing – Impacted Freehold/Leasehold Properties
Attachment 3-5	Retail and Commercial Tenancies - Architectural Drawings 26.8.19
Attachment 6	Precinct Site Plan – Completion Dates – Civic Space/Council Building/Library
Attachment 7	References - Letter and Business Case
Attachment 8	26 August 2019 DLGRMA Sale Related Clarifications