

**ECONOMIC AND CULTURAL DEVELOPMENT COMMITTEE
SUPPLEMENTARY REPORTS**

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** Item includes confidential papers

ECONOMIC AND CULTURAL DEVELOPMENT COMMITTEE NO. 4

3 SEPTEMBER 2024

SUPPLEMENTARY REPORTS

8. **NICHOLAS STREET PRECINCT - AUGUST RETAIL SUB PROJECT STEERING COMMITTEE REPORT**

This is a report concerning the August 2024 Retail Sub-Project Steering Committee focussing on the status of the leasing program and associated developments for the retail component of the Nicholas Street Precinct redevelopment.

RECOMMENDATION

That the August 2024 Retail Sub-Project Steering Committee Report be received and the contents noted.

Doc ID No: A10586475

This matter has been determined to be of a significant nature and approval has been given to refer this report to the Economic and Cultural Development Committee as a supplementary item.

ITEM: 8

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

AUTHOR: PRECINCT GOVERNANCE MANAGER

DATE: 29 AUGUST 2024

EXECUTIVE SUMMARY

This is a report concerning the August 2024 Retail Sub-Project Steering Committee focussing on the status of the leasing program and associated developments for the retail component of the Nicholas Street Precinct redevelopment.

RECOMMENDATION/S

That the August 2024 Retail Sub-Project Steering Committee Report be received and the contents noted.

RELATED PARTIES

Savills Australia – Program Management
Ranbury Management Group – Program Management
Colliers – Retail Leasing

IFUTURE THEME

Vibrant and Growing

PURPOSE OF REPORT/BACKGROUND

The Retail Sub-Project Steering Committee (RSPSC) supports the Economic and Cultural Development Committee in providing high level oversight of the delivery of the Nicholas Street Precinct redevelopment. The RSPSC generally reports monthly to the Economic and Cultural Development Committee on the planning, development, delivery and operations of the Nicholas Street Precinct's retail and commercial assets. This report provides an update for part of July and August 2024.

The RSPSC met on 28 August 2024 and considered, amongst other matters, the status of retail and commercial leasing, progress of redevelopment works on the Venue and

Commonwealth Hotel buildings and the legal status across approved leasing deals. The draft RSPSC 24 August 2024 meeting minutes are contained in Attachment 1.

The table below identifies the status of retail and commercial leasing as of 28 August 2024. Colliers are the Retail leasing agents and are speaking with many prospective tenants and we continue to seek active interest through existing partnerships for leasing the remaining commercial space.

The table below reflects the current status of lease documents and includes updates which relate to leases issued for execution for the following tenancies:

- Upper Ground Floor of 143 Brisbane Street;
- Tenancy T5/T6 in the Venue Building;
- Tenancy MM2 in the Venue Building;
- Tenancy T2 on Level 1 of the Venue Building;
- Tenancy T2 Eats Building;
- Tenancy 2BK2 in Tulmur Walk;

There are currently 3 leases being prepared for Tenancy K1 (kiosk) in the Venue Building, Lower Ground Floor of 143 Brisbane Street, and Tenancy 2B16 in Tulmur Walk. The lease for the T4 Eats Building has been executed by the lessee but not the Lessor (Council). The lease for the car park ancillary use has been executed by the Lessee and the Lessor (Council).

Deal Status	As at 28 August 2024	Change from 29 July 2024
Lease Documents Being Prepared	3	2
Lease Documents Issued for Execution	6	2
Leases Executed by Lessee	17	1
Leases Pending Approval by Lessor (Council)	1	1
Leases Executed by Lessor (Council)	16	1

Works are continuing with exciting milestones being achieved in the Nicholas Street Precinct Redevelopment during July and August. As reported in the previous update, the Commonwealth Hotel achieved practical completion on 11 July 2024, with handover from Council to the tenant (AusHotels) occurring on 16 July 2024. The tenant is now responsible for fit out works and any associated approvals, and it is noted that a development application was made in early August for advertising devices, which is currently under assessment. The tenant is also considering their internal fit out configuration and intends to lodge a minor change application to the existing development approval in order to remove the internal stair, citing opportunities for a better floor layout and unlocking capacity in the upstairs level for further activation and activity. This will need to follow the correct planning process and further updates will be provided as to any impacts of this process to the fit-out program and timing for opening.

Construction on the Nicholas Street Venue project is progressing with the Nicholas, Brisbane and Ellenborough Street footpaths now reopened to pedestrians with awnings and clock tower works complete. The loading dock was handed over to Council on 9 August 2024 and Hutchinson Builders are now progressing with works on remaining items, namely the atrium and façade. On site Hoyts and General Public are progressing with their fit out with Hoyts ahead of schedule. Leasing progress has been excellent and as a result, tenancy coordination services are focussed on working with future tenants to establish design and services requirements prior to works starting on site. Focus also continues on the identification and planned resolution of defect items with Hutchinson Builders and on managing and coordinating the various contractors on site and any associated incidents.

Refer Attachment 2 for the August 2024 Executive Report.

Brand and marketing activity in August 2024 focussed on highlighting Nicholas Street Precinct as an inclusive hub of activities delivering regular events and a range of dining options. As part of this, a digital marketing campaign via social media platforms was completed that reached over 100,000 views from across the Ipswich and neighbouring regions. Planning is well underway to select an event and public relations agency to deliver the official opening events for the Venue project, including scheduling project meetings with relevant stakeholders and communicating with key tenants Hoyts and General Public.

Posters have been installed with messaging to promote the Precinct as a destination for dining and events as well as individual tenant businesses. Further, several major events have been promoted, including Tulum Place being an official viewing site of the 2024 Olympics and Paralympics, Queerswich, The Handmade Expo Markets, You Me and the Community, as well as the Spring School Holiday activation – Dinosaur Discovery.

LEGAL IMPLICATIONS

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

POLICY IMPLICATIONS

Nil

RISK MANAGEMENT IMPLICATIONS

Challenges continue with retail leasing including but not limited to COVID-19 impacts, the pace of the retail market rebound, the securing of anchor and other tenants and the attractiveness of the offer from the lessor (Council) in the current market conditions. These conditions include the increased cost of goods, consumer caution in relation to spend and the ability for the retail and hospitality industry to absorb this over time.

Achieving legally binding agreements for lease/sub-leases with prospective precinct tenants remains a critical outcome given the completion of the refurbishment works to the Eats and

Tulmur Walk buildings and the status of works to the Venue and the Commonwealth Hotel buildings.

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. Medium to longer term success 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

Recent leasing approvals reinforce market confidence in the Nicholas Street Precinct retail product and continue to strengthen the leasing campaign to secure tenants for the Nicholas Street Venue and the wider precinct. The progress of current works to the Venue and Commonwealth Hotel buildings positively reinforces Ipswich Central's future and Council's commitment to its success.

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.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	Draft RSPSC Meeting Minutes 28/08/2024 ↓ 
2.	Executive Report July 2024 ↓ 

Mitchell Grant
PRECINCT GOVERNANCE MANAGER

I concur with the recommendations contained in this report.

James Hepburn
PRECINCT DIRECTOR

I concur with the recommendations contained in this report.

Sonia Cooper
CHIEF EXECUTIVE OFFICER

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

Retail Sub-project Steering Committee (Meeting No.46)

MINUTES – 28.08.24 (09:00 AM – 10:30 AM)

Claremont Room, Level 8, 1 Nicholas Street

No.			OFFICER	DESCRIPTION
Members:		James Hepburn (JH)(Chair), Sonia Cooper (SC), Jeff Keech (JK), Ben Pole (BP)		
Attendees:		Fiona McDougall (FM), Nicole Costanzo (NC), Louis Boneschans (LB), Melissa Annis (MA), Mitchell Grant (MG), Paul Mollenhauer (PM) (on behalf of Jeff Keech)		
Observers				
Apologies		Cr Marnie Doyle, Cr Nicole Jonic, Jeff Keech, Adrian Humphrey		
Attachments		Draft RSPSC Minutes 24.07.24 RSPSC Action Items current as at 23.08.24 NSP Performance Report		
No.		OFFICER	DESCRIPTION	
1.	JH	Attendance / Apologies		
2.	Various	Previous Minutes 24.07.24 / Actions Items		
3.	Various	<p>Matters Arising</p> <ul style="list-style-type: none"> ▪ Venue update - FM <ul style="list-style-type: none"> • Update on construction progress / milestones including expected Practical Completion date and matters to be resolved prior • Update on fitout progress for Venue tenancies ▪ Hotel Commonwealth update <ul style="list-style-type: none"> • Discussion with respect to tenant fit out works and associated approvals required, with potential timing impacts • Shared images/floor plans • ACTION: JH and FM to meet with tenant with respect to timing for application lodgement with follow up correspondence to be issued to tenant. FM to provide update prior next meeting. ▪ Leasing/Tenancy Design and Delivery update – FM/MA <ul style="list-style-type: none"> • FM shared incoming tenant design renders / layout plans to the meeting • Update on prospective franchisees and risks. MA in negotiations. • Brief update on tenant fitout/design approvals/rejections • Discussion on advertising device strategy for clock tower • ACTION: MG and MA to prepare high level costings for clock tower screen considering advertising limitations. • MA provided overall lease update progress to meeting ▪ Nicholas Street/Venue and Cinema Launch <ul style="list-style-type: none"> • Discussion on potential opening dates/arrangements. • JH provided update on tender process for PR Consultancy and briefing session attended. • Discussion with respect to desired form of opening arrangements. ▪ Governance changes - RSPSC Meeting to be replaced with NSP PCG <ul style="list-style-type: none"> • Discussion on planned agenda, registers and information to be supplied to meeting. 		
4.	JH	<p>Presentations</p> <ul style="list-style-type: none"> ▪ Feature wall images present to meeting ▪ Current fit out design changes 		

Item 8 / Attachment 1.

5.	Various	Matters for Noting: <ul style="list-style-type: none">▪ Financials<ul style="list-style-type: none">• Summary provided on financial information
6.	Various	Current and Emerging Risks <ul style="list-style-type: none">▪ Venue insulation update provided▪ Silver screen damage update provided▪ Procurement of landlord works – JH provided update on meeting with procurement and step-document currently being circulated.
7.	Various	General Business <ul style="list-style-type: none">▪ Property management update provided.
8.	JH	Next Meeting – NSP PCG Meeting - 18 September 2024 9:00 – 10:30am Claremont Room, Level 8, 1 Nicholas Street (pending endorsement of Committee recommendation)



Nicholas Street, Ipswich Central Executive Report No.62 To 31 July 2024



NICHOLASST

IPSWICH CENTRAL

DOCUMENT INFORMATION

Title: Nicholas Street, Ipswich Central
Subtitle: Executive Report

VERSION	DATE	PREPARED BY
1	10 August 2024	CBD Redevelopment Project Team

Distribution

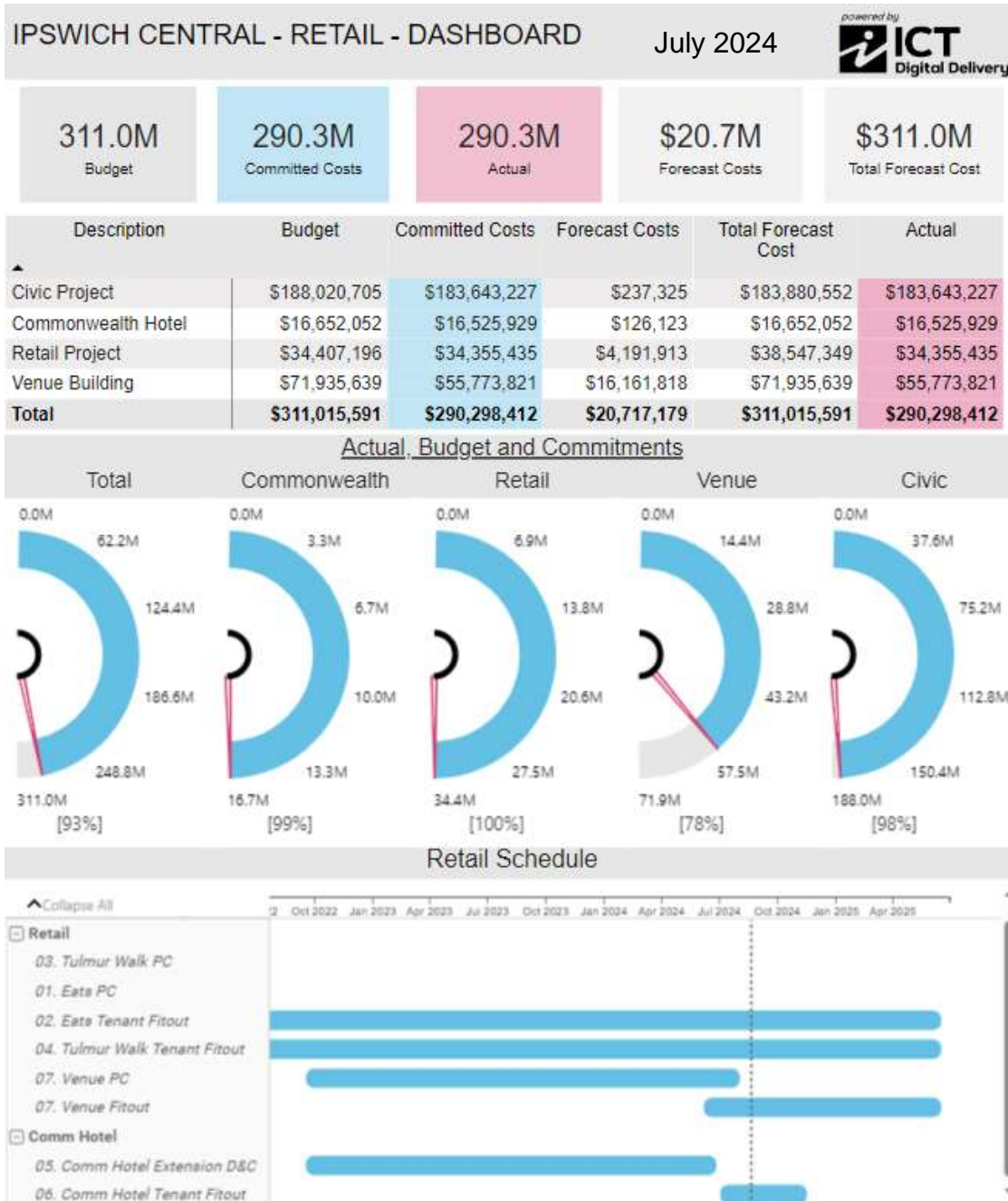
Ipswich City Council

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1. Financial

1.1 DASHBOARD



1.2 SUMMARY

The table below summarises the current budget and forecast final cost. Final forecast costs are within the budget.

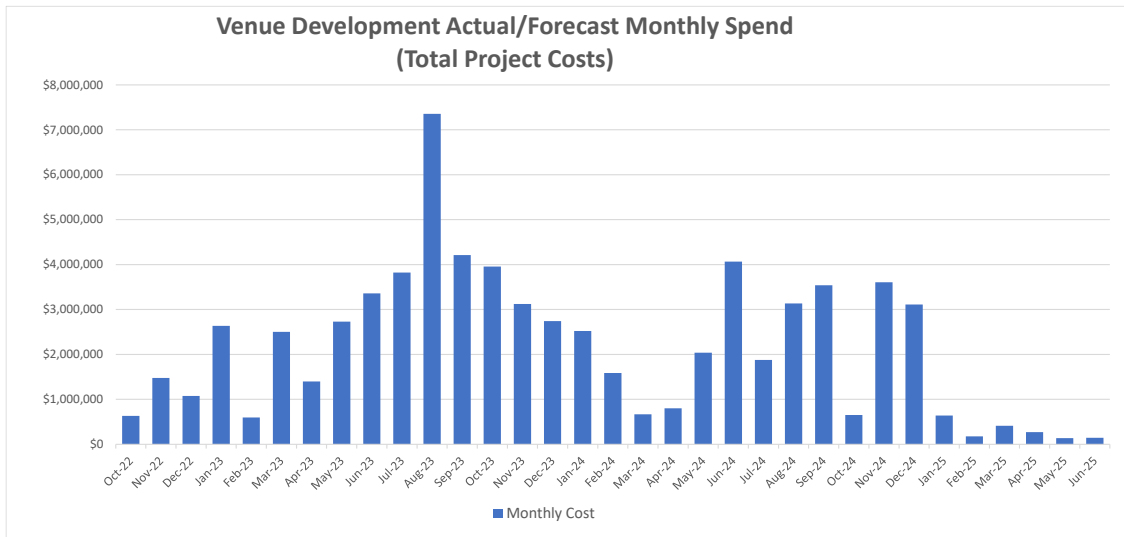
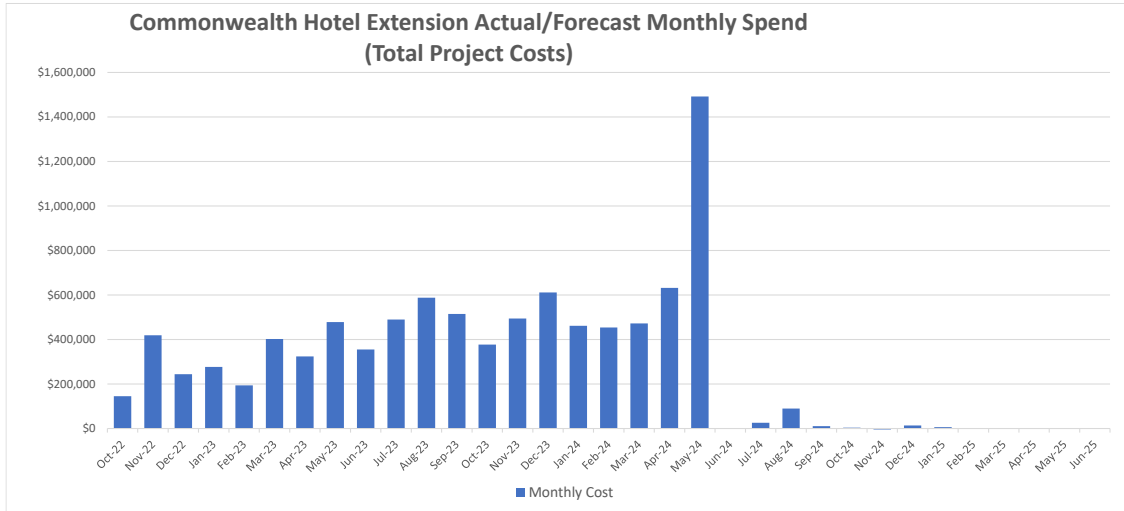
	Project	Current Budget	Committed Contracts and Variations	Forecast Contracts and Variations	Forecast Final Cost
1	Civic Project	\$188,020,705	\$183,643,227	\$237,325	\$183,859,398
2	Commonwealth Hotel	\$16,652,052	\$16,525,929	\$126,123	\$16,738,123
3	Retail Project	\$34,407,196	\$34,355,435	\$4,191,913	\$38,482,432
4	Venue Project	\$71,935,639	\$55,773,821	\$16,161,818	\$71,935,639
	TOTAL	\$311,015,592	\$290,298,412	\$20,717,179	\$311,015,592

1.3 CASH FLOW – LAST FOUR MONTHS

The Civic and Retail cashflow for recent months is captured below.

Month	Monthly Expenditure	Project Cumulative Total
April 2024	Retail: -\$104,628 Civic: \$4,677 Commonwealth Hotel: \$631,811 Venue: \$800,722	\$1,332,582
May 2024	Retail: \$55,541 Civic: \$21,843 Commonwealth Hotel: \$1,491,379 Venue: \$2,040,394	\$3,609,158
June 2024	Retail: -\$40,729 Civic: \$12,935 Commonwealth Hotel: -\$11,017 Venue: \$4,068,251	\$4,029,440
July 2024	Retail: \$49,339 Civic: \$7,860 Commonwealth Hotel: \$25,801 Venue: \$1,876,810	\$1,959,810

1.4 CASH FLOW – PHASING



2. Design & Construction

2.1 PROGRAM

Ref	Project	Current Status	Target Completion
SP6	Eats Façade & Streetscape	Completed	Q4 2020
	Eats Landlord Works	Completed	Q2 2022
	Eats Tenant Fit-out <i>* First tenant opened June-2022</i>	In Design / Construction	From Q2 2022
SP7	Metro A Façade & Streetscape	Completed	Q2 2022
	Metro A Landlord Works	On Hold	TBD
	Metro A Tenant Fit-out	On Hold	TBD
SP8 / 9	Metro B (& Streetscape)	Completed	Q2 2022
	Metro B Landlord Works	Completed	Q2 2022
	Metro B Tenant Fit-out <i>* First tenant opened June-2022</i>	In Design / Construction	From Q2 2022
SP10	AV Digital Projections Design & Construction	Completed	Q2 2023
N/A	Venue Redevelopment	In Construction	Q3 2024
	Venue Landlord Works	In Construction	Q4 2024
	Venue Tenant Fit-out	In Construction	Q4 2024
SP11	Commonwealth Hotel Façade & Streetscape	Completed	Q2 2021
	Commonwealth Hotel Extension	Completed	Q3 2024
	Commonwealth Hotel Tenant Fit-out	In Construction	Q4 2024

2.2 CIVIC PROJECT

This project has now been closed out.

2.3 COMMONWEALTH HOTEL

The Commonwealth Hotel achieved practical completion on 11 July 2024, with handover from Council to the tenant (AusHotels) occurring on 16 July 2024. The tenant is now responsible for fit out works and any associated approvals, including for advertising devices associated with the hotel. AusHotels have engaged SHAPE to complete their fit-out works over an approximate 16-week period. The focus for July is on resolving defects.

2.4 RETAIL (EATS & TULMUR WALK)

Practical Completion of the Eats Building, Metro A façade, Tulumur Walk, and Nicholas Street/Union Place streetscapes was issued on 20 June 2022. The restoration work on the Bell Street Awning is now complete.

Leasing progress has been excellent with 3 leases awaiting execution and tenancy coordination resources working closely with tenants on their design and fit out targeting opening by Christmas.

Wayfinding and Signage has been installed within the precinct. Totems are due to be installed over the coming months following updates from stakeholder consultation.

2.5 VENUE

Construction on the Venue project is progressing well, with substantial completion of the main building structure achieved. Practical completion was achieved for the MM1 space and handed over to the tenant on 15th July. Whilst Hutchinson's pushed to achieved practical completion of the remaining works under construction by the end of July, they fell short predominantly in the atrium space and Nicholas Street façade. The team is working closely through certification requirements and collating a preliminary defects list following several inspections with the team and certifier.

Key areas of focus for the month include:

- **Finalizing the atrium and Nicholas Street façade:** This involves completing cladding, lighting, glazing, and other architectural elements to achieve the desired aesthetic and functionality.
- **Resolving defects and quality issues:** A collaborative process with Hutchinson Builders is underway to identify and rectify defects, ensuring high-quality workmanship throughout the building.
- **Completing Hoyts cinema fit-out:** Works are progressing ahead of schedule, Hoyts to advise delivery of the direct supply items and opening activities.
- **Managing financial performance:** The project remains within budget, with careful monitoring of variations and cost control measures in place.
- **General Public:** Onsite and fitting out, the coordination of services works and design changes are slowing progress.
- **Leasing:** Excellent progress has been made with several new leases in negotiation and tenants commencing their designs. Procurement of lessor works for tenants in negotiation remains a priority within ICC to ensure handover dates are met.

Overall, the project remains on track for completion in Q4 with a focus on delivering a quality product for the community and retailers.