

**ECONOMIC AND CULTURAL DEVELOPMENT COMMITTEE
SUPPLEMENTARY REPORTS**

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** Item includes confidential papers

ECONOMIC AND CULTURAL DEVELOPMENT COMMITTEE NO. 6

14 NOVEMBER 2024

SUPPLEMENTARY REPORTS

5. ****NICHOLAS STREET PRECINCT - NOVEMBER NICHOLAS STREET PRECINCT PROJECT CONTROL GROUP**

This is a report concerning the November 2024 Nicholas Street Precinct Project Control Group meeting focussing on the status of the leasing program and associated developments for the retail component of the Nicholas Street Precinct redevelopment.

RECOMMENDATION

That the November 2024 Nicholas Street Precinct Project Control Group Report be received and the contents noted.

Doc ID No: A10882687

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: 5

SUBJECT: NICHOLAS STREET PRECINCT - NOVEMBER NICHOLAS STREET PRECINCT
PROJECT CONTROL GROUP

AUTHOR: PRECINCT GOVERNANCE MANAGER

DATE: 7 NOVEMBER 2024

EXECUTIVE SUMMARY

This is a report concerning the November 2024 Nicholas Street Precinct Project Control Group meeting 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 November 2024 Nicholas Street Precinct Project Control Group 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 Nicholas Street Precinct (NSP) Project Control Group (PCG) supports the Economic and Cultural Development Committee in providing governance and strategic direction for the planning, development and delivery of the retail and commercial assets included in the NSP redevelopment. The NSP PCG generally reports monthly to the Economic and Cultural Development Committee on the planning, development, delivery and operations of the NSP retail and commercial assets.

The NSP PCG met on 5 November 2024 and considered, amongst other matters, the status of retail and commercial leasing, progress of works on the Venue and Commonwealth Hotel buildings and the legal status across approved leasing deals. The draft NSP PCG 5 November 2024 meeting minutes are contained in Attachment 1.

The table below identifies the status of retail and commercial leasing as at 7 November 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:

- The Lease for Lower Ground Floor of 143 Brisbane Street, which has been executed by the Lessee and the Lessor (Council);
- The Lease issued for execution for Kiosk 2 and Tenancy 1 in the Venue Building, with the list of leases issued for execution now comprising:
 1. Tenancy T5/T6 in the Venue Building;
 2. Tenancy T2 in the Eats Building;
 3. Tenancy 2BK2 in Tulumur Walk;
 4. Tenancy 2B16 in Tulumur Walk;
 5. Kiosk 2 in Venue; and
 6. Tenancy 1 in Venue.
- The Lease for Tenancy MM2 in the Venue building (Mini Bounce) which has now been executed by the lessee and the Lessor (Council).

Deal Status	As at 7 November 2024	Change from 9 October 2024
Lease Documents Being Prepared	0	1
Lease Documents Issued for Execution	6	1
Leases Executed by Lessee	20	1
Leases Pending Approval by Lessor (Council)	0	1
Leases Executed by Lessor (Council)	20	2

The Commonwealth Hotel fit out works have now been completed and soft opening occurred on 30 October 2024. This marked a major milestone in the CBD redevelopment project and follows a decade long journey since Council first acquired the Commonwealth Hotel (then named Murphy’s Pub) in 2014. Works since then have involved meticulous restoration and reconstruction to rectify the significant subsidence and cracking in the building’s façade, which had rendered the building uninhabitable at that time. The re-opening of the building as the Hotel Commonwealth (a play on its original name), with a high class fit out, lavish food offer, a boutique bar, intimate function settings and live music, is testament to Council’s investment in its heritage assets and provides a landmark heritage hotel within Ipswich Central to further increase footfall and extend activation hours in the precinct.

In the Nicholas Street Venue Building, fit out works and opening preparations have advanced significantly during the month, with the official opening ribbon cutting event to occur on 8

November 2024. Initially, Hoyts and General Public will open within the Venue Building, with other tenancies to progressively open during Q1 and Q2 of 2025 as lease deals and fit out works progress within these tenancies. The lease for Mini Bounce in Tenancy MM2 on the Ground Floor of the Venue Building (beside General Public) has now been signed by both parties and handover for fit out works is expected to occur in November.

Refer Attachment 2 for the October 2024 Executive Report.

Brand and marketing activity in October 2024 has focussed on the launch campaign and event planning arrangements and activations. As part of this campaign, a photo and video shoot has also been taken to help promote the Nicholas Street Precinct as Ipswich's emerging hub of entertainment dining.

Several major events in the Nicholas Street Precinct have been promoted and have occurred during October and early November, including:

- Ipswich Sustainable Living Festival on 19 October 2024;
- Day for Daniel on 25 October 2024;
- Halloween Spook-Tacular on 26 October 2024;
- Ipswich Plant and Lifestyle Fair, on 2 November 2024; and
- Park N Pose, also on 2 November 2024.

Hoyts and General Public openings are to occur on 8 November 2024, and activations in the Venue Building will include live music within the atrium on Fridays commencing from 8 November 2024. Weekend activities will occur throughout the opening weekend, and a series of activations and events will continue through to the commencement of Christmas festivities, including the St Nicholas Precinct Christmas Wonderland activations during December. These openings and activations are likely to significantly increase footfall within the Precinct through to the end of the year, with further tenant openings in 2025 to continue momentum.

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

A copy of the consolidated Nicholas Street Precinct project risk register is included as confidential Attachment 3.

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, Tulmur Walk and Venue 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 executions and 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 completion of works within the Venue and Commonwealth Hotel buildings and opening of anchor tenants positively reinforces Ipswich Central's future and Council's commitment to its success. With the completion of refurbishment works and following opening of anchor tenants Hoyts and General Public, the focus and attention of the NSP project team will increasingly shift to continued leasing and property management activities.

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 Nicholas Street Precinct Project Control Group Meeting Minutes 5 November 2024 ↓ 
2.	Executive Report November 2024 ↓ 
	CONFIDENTIAL
3.	NSP Project Risk Register (as at 5 November 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”

Nicholas Street Precinct Project Control Group MINUTES – 5.11.2024

Members:	Chief Executive Officer – Sonia Cooper (Project Sponsor and Chair, voting); General Manager, Community, Cultural and Economic Development – Ben Pole (Project Sponsor Delegate, voting); General Manager, Corporate Services – Matt Smith (voting); General Manager, Planning and Regulatory Services – Brett Davey (voting); Precinct Director – James Hepburn (voting); Precinct Governance Manager – Mitchell Grant (non-voting)	
Observers:	Business Support Officer - Nicole Costanzo Acting Manager, Strategy and Performance – Haiden Taylor	
Apologies:		
Attachments:	Draft Meeting Minutes – 10 October 2024 NSP Project Registers – Risk, Issues, Decisions, Actions NSP Development Update November 2024 NSP Property Management Update November 2024 NSP Leasing Update November 2024 NSP Operation and Facilities Update November 2024 NSP Brand and Marketing Update November 2024 NSP Tenure Management Update Draft Metro A Project Plan Terms of Reference (revised 10 October 2024)	
No.	OFFICER	DESCRIPTION
1.	SC	Attendance and Apologies <ul style="list-style-type: none"> Noted all in attendance
2.	SC	Confirmation of Minutes of previous meeting <ul style="list-style-type: none"> Meeting minutes from the 10.10.2024 meeting were confirmed.
3.	SC	Review of open Action Items <ul style="list-style-type: none"> JH provided update on A-001 relating to Nicholas Street Paver and Tactiles rectification. JH advised that the dates initially circulated were not sufficient and provided further dates for works to occur. New dates to be circulated to stakeholders and coordinated with events and activations. CEO provided update on A-002 relating to asset management roles and responsibilities highlighting advice received from GM AIS. Action item date to be extended by a further month to December 2024. A-003 relating to Procurement of PR Agency has been completed and was closed. A-005 for clock tower advertising device and proposal is waiting on completion of related A-012 in order to be progressed. JH provided an update in relation to A-012 and requested a further 2 weeks to provide the information. BP provided an update on A-008 relating to Brisbane St/Ellenborough St treatments. There are 3 items under development. A recommendation is to be circulated to members in approximately 2 weeks time, and the action item date required was extended for 3 weeks to facilitate and allow A-005 to be actioned. A-009 relating to Brisbane Street window treatments has been completed and was closed. MS and HT provided update on A-014 relating to Risk and Issue

Nicholas Street Precinct Project Control Group MINUTES – 5.11.2024

		<p>tolerances for project registers. Other project tables were reviewed and are not considered suitable. MS and HT to develop project specific risk and issue tolerances table based on corporate table. Date required to be extended by a month.</p> <ul style="list-style-type: none"> • A-016 relating to document controls has commenced. MG provided status update and advised of workshop set with IMT 18 November 2024. Due date for action item extended to 23 January 2025. • A-017, A-018, A-019, A-020 relating to the Venue Building Contract Review recommendations have been completed and were closed. • A-021 relating to roles and accountabilities across the project is nearing completion. Date required for this action item was extended to 12 December 2024. • A-022 relating to the approach to contract management for the Venue Building contract has been completed noting Practical Completion of the Venue Building and was closed. • A-023 relating to retention of the contract manager for the Venue Building contract has been completed and was closed. • A-024 relating to the appointment of a Strategic Advisor was extended to December 2024. • A-025 relating to lessons learned was discussed, including a discussion on the ways in which the learnings from the project have been implemented across Council. MS and HT are to produce an artifact setting out the ways in which the learnings and lessons from the Venue Building contract review have been incorporated into other significant infrastructure projects undertaken by ICC and circulate this document to PCG members by December 2024. • A-026 was raised for the Superintendent for the HB Venue Contract to provide a final report on the closure of the HB Venue Contract.
4.	SC	<p>Review of Decision Register</p> <ul style="list-style-type: none"> • Decision register reviewed and CEO provided members an opportunity to seek further information with respect to items on the decision register. No items raised.
5.	SC	<p>Items for decision</p> <ul style="list-style-type: none"> • Confirmation of revised Terms of Reference (10 October 2024 version) <ul style="list-style-type: none"> ○ Revised Terms of Reference endorsed by members (D-038) • Draft Metro A Project Management Plan <ul style="list-style-type: none"> ○ CEO introduced the Draft Metro A Project Plan and the intent to seek feedback/discussion on the Project Management Plan. ○ JH and MG provided succinct summary of project. ○ Members endorsed the draft Metro A Project Management Plan noting the next steps were to seek wider internal stakeholder engagement, refine the Project Management Plan as necessary, and report back to the next NSP PCG.
6.	All	<p>Forward agenda items for the Economic and Cultural Development Committee:</p> <ul style="list-style-type: none"> • Nicholas Street Precinct – November Nicholas Street Precinct Project Control Group Report

Nicholas Street Precinct Project Control Group MINUTES – 5.11.2024

		<ul style="list-style-type: none"> ○ Noted this was the only NSP report to progress to the November Committee as a late item with approval to be sought from the Economic and Cultural Development Committee Chair.
7.	All	<p>Monthly status updates</p> <p>NSP Development Update November 2024</p> <p>NSP Property Management Update November 2024</p> <p>NSP Leasing Update November 2024</p> <p>NSP Operation and Facilities Update November 2024</p> <p>NSP Brand and Marketing Update November 2024</p> <p>Tenure Management Update</p> <ul style="list-style-type: none"> • CEO advised that the status update reports were provided and taken as read, and provided an opportunity for members to seek any further information on the information in the reports. No items raised. • JH provided a brief update on potential lease deals relating to Level 2 Administration Building and several tenancies in Tulumur Walk. • MG advised that an updated Property Management Report was available with updated sales and visitation information following end of month. MG to circulate supplementary Property Management Report to members with the draft meeting Minutes. • MG Noted the NSP Financial Update for November 2024 was not provided as financial information was not yet available for the month. MG advised this report will be circulated out of session in the week commencing 11 November 2024.
8.	All	<p>Review of Risk and issues register</p> <ul style="list-style-type: none"> • Review of Risk and Issues register undertaken. MG provided brief update on notable changes to items on risk and issues register since the last meeting. Highlighted potential weekend and out of hours incident responses and resourcing. A-031 was raised for the NSP Operations team to create a condensed Operations Manual to assist with out of hours incident response.
9.	All	<p>General Business</p> <ul style="list-style-type: none"> • JH initiated a discussion with respect to 143 Brisbane Street, noting this building is now fully leased. A-O27 was raised for NSP team to provide an investment strategy for this asset. • CEO raised a discussion with respect to current asset values across the precinct. A-028 was raised for JH supported by Finance to provide an updated valuation of the Precinct Assets to the January PCG meeting. A-029 was raised for MS and HT to add an Agenda item to the February 2025 Annual Plan and Budget Workshop relating to the NSP Assets. • JH raised the current NABERS Rating in the Council Administration Building and noted that to increase this rating there would likely be comfort level impacts. PCG members agreed that the current rating was satisfactory. • HT raised the NSP Story on the Transparency and Integrity Hub which is to be updated with financial data up to and including 23/24. JH noted that the delays were associated with a desire to be certain that commercial in confidence financial data could not be identified. PCG endorsed release of information once commercial in confidence transaction descriptions were appropriately addressed.

Nicholas Street Precinct Project Control Group MINUTES – 5.11.2024

10.	SC	<p>Next Meeting – 23 January 2025</p> <ul style="list-style-type: none">• SC noted there was no meeting scheduled for December. NC advised that this was owing to difficulties scheduling a meeting with existing leave and meeting commitments across NSP PCG members in December.• Action Item A-030 raised to set up a provisional time for an abbreviated NSP PCG meeting on 3 December 2024 at 3.30pm, in case it is required.
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Nicholas Street, Ipswich Central Executive Report No.65 To 31 October 2024



NICHOLASST

IPSWICH CENTRAL

DOCUMENT INFORMATION

Title: Nicholas Street, Ipswich Central
Subtitle: Executive Report

VERSION	DATE	PREPARED BY
1	7 November 2024	CBD Redevelopment Project Team

Distribution

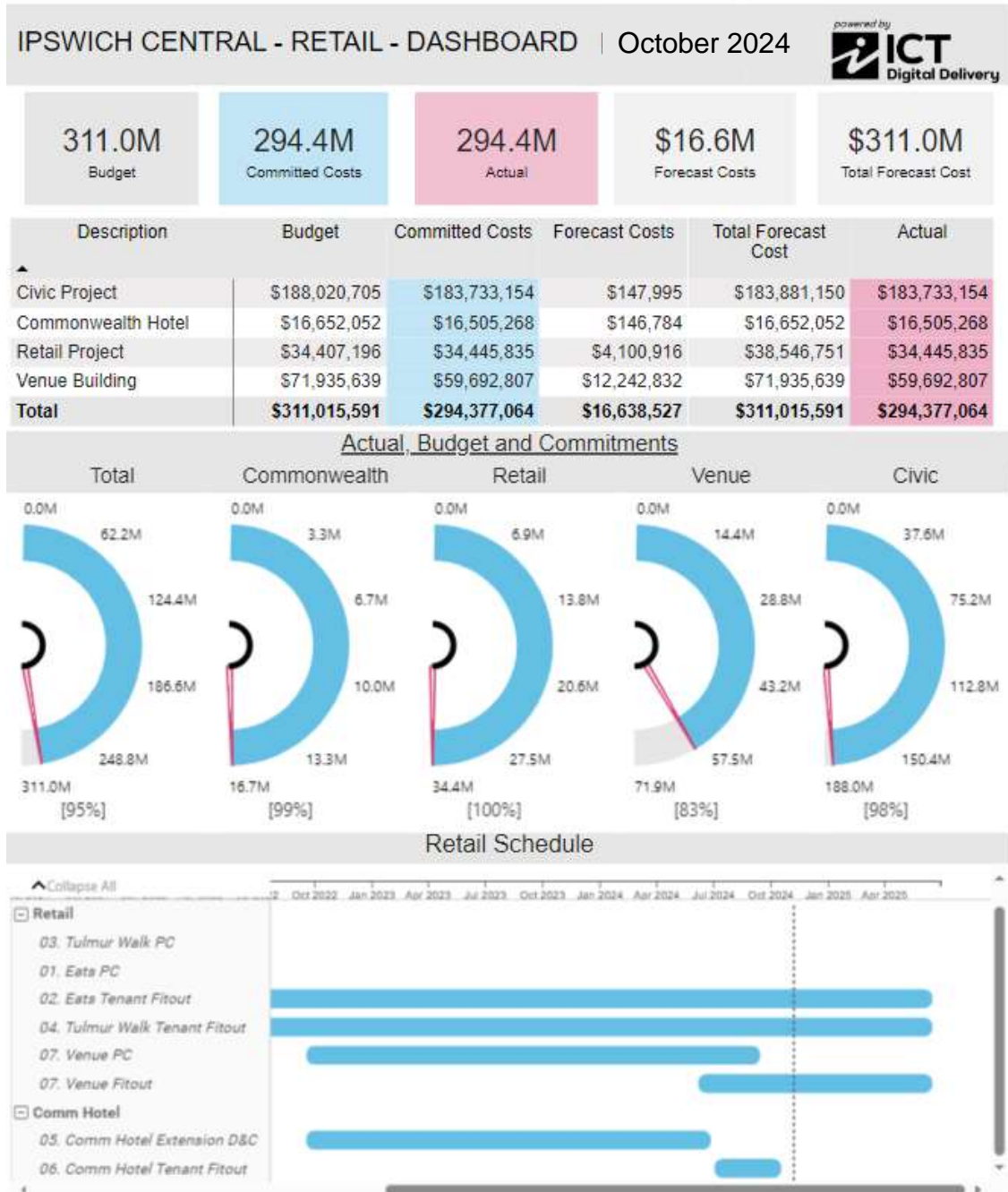
Ipswich City Council

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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.

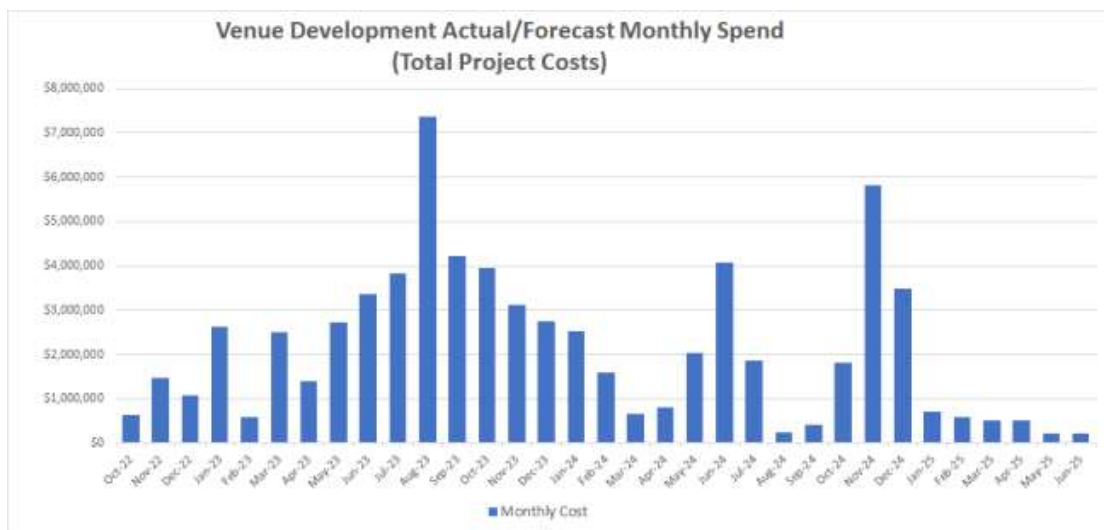
	Project	Current Budget	Committed Contracts and Variations	Forecast Contracts and Variations	Forecast Final Cost
1	Civic Project	\$188,020,704	\$183,733,154	\$147,995	\$183,881,150
2	Commonwealth Hotel	\$16,652,052	\$16,505,268	\$146,784	\$16,652,052
3	Retail Project	\$34,407,196	\$34,445,835	\$4,100,916	\$38,546,751
4	Venue Project	\$71,935,639	\$59,692,807	\$12,242,832	\$71,935,639
	TOTAL	\$311,015,591	\$294,377,064	\$16,638,527	\$311,015,591

1.3 CASH FLOW – LAST FOUR MONTHS

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

Month	Monthly Expenditure	Project Cumulative Total
July 2024	Retail: \$7,860 Civic: \$49,339 Commonwealth Hotel: \$25,801 Venue: \$1,876,810	\$1,959,810
August 2024	Retail: \$777 Civic: \$24,050 Commonwealth Hotel: -\$37,242 Venue: \$254,332	\$241,916
September 2024	Retail: \$13,554 Civic: \$7,108 Commonwealth Hotel: \$4,115 Venue: \$406,159	\$430,936
October 2024	Retail: \$76,068 Civic: \$58,770 Commonwealth Hotel: \$12,466 Venue: \$1,806,246	\$1,953,550

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	Completed	Q3 2024
	Venue Landlord Works	In Construction	Q4 2024
	Venue Tenant Fit-out	In Construction	From Q3 2024
SP11	Commonwealth Hotel Façade & Streetscape	Completed	Q2 2021
	Commonwealth Hotel Extension	Completed	Q3 2024
	Commonwealth Hotel Tenant Fit-out	Completed	Q4 2024

2.2 CIVIC PROJECT

This project has now been closed out.

2.3 COMMONWEALTH HOTEL

The Commonwealth Hotel fit out works have now been completed and soft opening occurred on 30 October 2024, marking a major milestone in the CBD redevelopment project. This follows a decade long journey since Council first acquired the Commonwealth Hotel (then named Murphy's Pub) in 2014. Works since then have involved meticulous restoration and reconstruction to rectify the significant subsidence and cracking in the building's façade, which had rendered the building uninhabitable at that time. The re-opening of the building as the Commonwealth Hotel (its original name), with a high class fit out, lavish food, a boutique bar, intimate function settings and live music, is testament to Council's investment in its heritage assets and provides a landmark heritage hotel within Ipswich Central to further increase footfall and extend activation hours in the precinct.

2.4 RETAIL (EATS & TULMUR WALK)

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

Fit out works in Tenancy T4 in the Eats building by Kickin Inn have continued during October, with this tenancy expected to open by the end of the year.

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

Nicholas Street paver rectification works are underway and should be completed by Christmas with all potential trip hazards preferably removed before the Cinema opening.

Furniture and plants have been installed within Tulmur walk during the month as part of a strategy to activate Tulmur Walk and increase the dwell time of pedestrian traffic. An ATM and Bubble Tea machine are likely to be installed within the coming month.

2.5 VENUE

In the Nicholas Street Venue Building, fit out works and opening preparations have advanced significantly during the month, with the official opening ribbon cutting event to occur on 8 November 2024. Initially, Hoyts and General Public will open within the Venue Building, with other tenancies to progressively open during Q1 and Q2 of 2025 as lease deals and fit out works progress within these tenancies. A series of events and activations are planned for the lead into Christmas and further tenancies are likely to open early in 2025.