



Moreland City Council

Council Resolution Action Memo

Meeting Date: 8/07/2020

Report Heading / Item No. DEP6/20 REDEVELOPMENT OF COUNCIL PROPERTY AT 33 SAXON STREET, BRUNSWICK - REVISED CONCEPT (D20/242978)

Confidential Status: Public

Department: Director Engagement and Partnerships

Further Report Required: No

Notes

DEP6/20 REDEVELOPMENT OF COUNCIL PROPERTY AT 33 SAXON STREET, BRUNSWICK - REVISED CONCEPT (D20/242978)

This report describes progress towards redevelopment of Council's property at 33 Saxon Street, Brunswick (the Site). It is recommended that a revised model for the Site redevelopment is endorsed for detailed design development.

The Site, in the heart of Brunswick's civic and cultural precinct, was purchased by Council in 2010. In 2016, the site opened as 'Siteworks', a 'low-cost and low tech' community and creative facility. Blak Dot Gallery, an independent first nations gallery, has also been established on site since 2016. The site is hosted by skilled operators who are contracted to Council on a cost recovery model. Since 2016, Siteworks and Blak Dot Gallery have been integral in transforming the old school site at 33 Saxon Street into a vibrant creative and community hub. Their activation of the site has provided the blueprint for how Council and the community envision its future.

In 2017, Council endorsed a Strategic Framework for redevelopment of the site. This document describes a vision, strategic objectives and the uses to be included in site redevelopment. Based on the Strategic Framework, Council undertook extensive community engagement and engaged architects to develop Concept Plan options. In late 2018, Council endorsed an Option C for redevelopment which was costed at \$24 million. One notable feature of the Option C was the large amount of commercial floorspace proposed (approximately 2,500 square metres), which was included to cross subsidise community and creative uses and to help repay redevelopment costs.

Council endorsed undertaking the most recent stage of work in June 2019 (DEP5/19). Property advisory consultants were engaged in August 2019 to review the endorsed Concept Plan – Option C featuring two buildings with a view to make it more efficient and viable.

Extensive market sounding, and financial modelling of the refined Option C design concluded that the proposed \$24 million project was only likely to be viable for a prospective ethical investor, developer or operator via a part or full sale arrangement, supported by Council via an approximate \$10.5 million upfront capital injection and supplemented by a further rental payment of around \$150,000 per annum. In addition, market soundings identified that development of this amount of commercial floorspace in Brunswick was considered high risk.

As such an additional concept Option D has been developed for test fitting and costing purposes. Option D imagines a less intensive and disruptive redevelopment, including a single building (rather than two) to house all the previously proposed community, creative uses and cultural groups / organisations and increased public open space. The cost of Option D is estimated at between \$13 and 13.4 million and delivering a facility that can operate on an ongoing 'cost recovery' model.

It is recommended Council endorses the principles of concept Option D for progressing to

detailed design.

Officer Recommendation

That Council:

1. Endorses concept design principles of Option D, as indicated in the massing diagram at Attachment 1 to this report, for 33 Saxon Street, Brunswick.
2. Progresses Option D to detailed design development.
3. Engages with and involves key stakeholders, including the Brunswick Neighbourhood House, in this design stage of pre-development.
4. Develops a 'Shovel Ready' advocacy proposal and actively seek State and Federal infrastructure grant funding opportunities.

Resolution

9.44 pm Cr Abboud left the meeting before the item was moved.

Cr Riley moved, Cr Dorney seconded -

That Council:

1. **Endorses concept design principles of Option D, as indicated in the massing diagram at Attachment 1 to this report, for 33 Saxon Street, Brunswick.**
2. **Progresses Option D to detailed design development.**
3. **Explores the inclusion of additional office floor space for potential Council uses and better pedestrian linkage to the Brunswick Baths.**
4. **Engages with and involves key stakeholders, including the Brunswick Neighbourhood House, in this design stage of pre-development.**
5. **Develops a 'Shovel Ready' advocacy proposal and actively seek State and Federal infrastructure grant funding opportunities.**

9.44 pm Cr Abboud returned to the meeting during the debate.

Carried