



Urban Planning Committee

Agenda: *Urban Planning Committee*

Date: *Monday, 14 May 2007*

Time: *6.00pm*

Part: *One of Two*

Item No: *D1 & R1 - R3*

Outline of Meeting Protocol & Procedure:

- The Chairperson will call the Meeting to order and ask the Committee/Staff to present apologies or late correspondence.
- The Chairperson will commence the Order of Business as shown in the Index to the Agenda.
- At the beginning of each item the Chairperson will ask whether a member(s) of the public wish to address the Committee.
- If person(s) wish to address the Committee, they are allowed four (4) minutes in which to do so. Please direct comments to the issues at hand.
- If there are persons representing both sides of a matter (eg applicant/objector), the person(s) against the recommendation speak first.
- At the conclusion of the allotted four (4) minutes, the speaker resumes his/her seat and takes no further part in the debate unless specifically called to do so by the Chairperson.
- If there is more than one (1) person wishing to address the Committee from the same side of the debate, the Chairperson will request that where possible a spokesperson be nominated to represent the parties.
- The Chairperson has the discretion whether to continue to accept speakers from the floor.
- After considering any submissions the Committee will debate the matter (if necessary), and arrive at a recommendation (R items which proceed to Full Council) or a resolution (D items for which the Committee has delegated authority).

Delegated Authority (“D” Items):

- To require such investigations, reports or actions as considered necessary in respect of matters contained with the Business Agendas (and as may be limited by specific Council resolutions).
- Confirmation of Minutes of its Meeting.
- Any other matter falling within the responsibility of the Urban Planning Committee and not restricted by the Local Government Act or required to be a Recommendation to Full Council as listed below:

Recommendation only to the Full Council (“R” Items):

- Such matters as are specified in Section 377 of the Local Government Act and within the ambit of the Committee considerations.
- Broad strategic matters, such as:-
 - Town Planning Objectives; and
 - major planning initiatives.
- Matters not within the specified functions of the Committee.
- Matters requiring supplementary votes to Budget.
- Urban Design Plans and Guidelines.
- Local Environment Plans.
- Residential and Commercial Development Control Plans.
- Rezoning applications.
- Heritage Conservation Controls.
- Traffic Management and Planning (Policy) and Approvals.
- Commercial Centres Beautification Plans of Management.
- Matters requiring the expenditure of moneys and in respect of which no Council vote has been made.
- Matters reserved by individual Councillors, in accordance with any Council policy on "safeguards" and substantive changes.

Committee Membership:

7 Councillors

Quorum:

The quorum for a committee meeting is 4 Councillors.

WOOLLAHRA MUNICIPAL COUNCIL

Notice of Meeting

10 May 2007

To: The Mayor, Councillor Keri Huxley, ex-officio
Councillors Geoff Rundle (Chair)
 Isabelle Shapiro (Deputy Chair)
 John Comino
 Christopher Dawson
 Wilhelmina Gardner
 David Shoebridge
 John Walker

Dear Councillors

Urban Planning Committee Meeting – 14 May 2007

In accordance with the provisions of the Local Government Act 1993, I request your attendance at a Meeting of the Council's **Urban Planning Committee** to be held in the **Committee Room, 536 New South Head Road, Double Bay, on Monday 14 May 2007 at 6.00pm.**

Gary James
General Manager

Additional Information Relating to Committee Matters

Site Inspection

Other Matters

Meeting Agenda

Item	Subject	Pages
1	Leave of Absence and Apologies	
2	Late Correspondence	
3	Declarations of Interest	

Items to be Decided by this Committee using its Delegated Authority

D1	Confirmation of Minutes of Meeting held on 30 April 2007	1
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Items to be Submitted to the Council for Decision with Recommendations from this Committee

R1	Oxford Street, Paddington – Retail Study Findings – 1179.G	2
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Meeting Agenda

Item	Subject	Pages
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**Items to be Submitted to the Council for Decision
with Recommendations from this Committee**

R2	Double Bay Retail Study Findings – 1178.G	90
R3	Draft Amendment of SEPP 64 (Advertising & Signage) – 696.G Part 16	186

Item No: D1 Delegated to Committee
Subject: **Confirmation of Minutes of Meeting held on 30 April 2007**
Author: Les Windle, Manager – Governance
File No: See Council Minutes
Reason for Report: The Minutes of the Meeting of Monday 30 April 2007 were previously circulated. In accordance with the guidelines for Committees' operations it is now necessary that those Minutes be formally taken as read and confirmed.

Recommendation:

That the Minutes of the Urban Planning Committee Meeting of 30 April 2007 be taken as read and confirmed.

Les Windle
Manager - Governance

Item No: R1 Recommendation to Council
Subject: **Oxford Street, Paddington, Retail Study Findings**
Author: John Davies
File No: 1179.G
Reason for Report: Present study findings and propose some next steps in line with the studies recommendations

Recommendations:

1. That Council endorse the actions identified in **annexure 3** of the report on the findings of the Oxford Street Paddington Commercial Centre Business Strategy.
2. That the study be made publicly accessible on the Council's website.

1. Background:

Council resolved on 10 April 2006 to endorse the recommendations made at the Urban Planning Committee on 27 March 2006 (**annexure 1**) which presented recommendations from the Double Bay and Oxford Street, Paddington Working Parties. The resolutions were:

1. *That Council consider a more hands on position in business development for the Oxford Street shopping strip.*
2. *That staff report to the Urban Planning Committee, following consultation with appropriate consultants, on how the council should proceed with the above approach, including costs and benefits, having regard to the particular geographic characteristics of the Oxford Street shopping strip, including its feeder streets such as William and Elizabeth Streets.*
3. *That the Director Technical Services report to the Corporate and Works Committee on the progress of negotiations with the RTA on limiting the operation of the clearway along Oxford Street.*
4. *That a further report be presented to the Community and Environment Committee on the operation of the parking metres in Oxford Street.*
5. *That Council consider a more hands on position in business management for the Double Bay Commercial Centre.*
6. *That staff report back to the Urban Planning Committee, following consultation with appropriate consultants, on how the council should proceed with the above approach, including costs and benefits.*
7. *That staff report to the Corporate and Works Committee on the merit of constructing a roundabout at the intersection of Cross and Bay Street.*
8. *That a report be presented to the Double Bay Working Party on the respective public car parking fee structures in Edgecliff, Double Bay and Bondi Junction, with the report including consideration of an option to facilitate two hour free car parking in Council's car parks in Double Bay*

9. *A report is presented to the Corporate and Works Committee identifying the cost of implementation of planters/hanging baskets in Double Bay to be located along Cross and Bay Streets and the Kiaora Lane car park.*
10. *That parking direction signs be erected in prominent locations to clearly identify and direct vehicles to the three council car parks, i.e. Kiaora, the cosmopolitan and Cross Street and that welcome signs be erected at the Double Bay ferry wharf and at the western end of New South Head Road and that the sign at the ferry wharf also include a site map.*
11. *That a report is submitted to the Corporate and Works Committee with a view to unifying the parking meter charges in Paddington and Double Bay.*

This report deals with items 1 and 2. Items 5 and 6 are addressed in a companion report on the Double Bay Commercial Centre to the Urban Planning Committee. The remaining items (3,4,7,8,9,10 and 11) are issues which are the responsibility of the Technical Services Division and are currently being investigated and/or reported on.

2. Oxford Street, Paddington Commercial Centre Business Study

URBIS JHD were commissioned by Council to undertake a review of issues affecting retail trade on Oxford Street, Paddington. A copy of their final report is attached (**annexure 1**).

2.1 Study methodology

The following tasks were undertaken through the course of the study:

- Regular meetings with Council Officers to discuss issues;
- Consultation with the Paddington Chamber of Commerce;
- Review of trading through analysis of existing studies, statistics and reports;
- Analysis of Floorspace Employment Survey (FES), provided by the City of Sydney Council;
- Survey of businesses and shoppers; and
- Reporting the study findings to the Joint Double Bay and Oxford Street Working parties.

As the south side of Oxford Street falls in the City of Sydney local government area, there has also been close liaison by the consultants and Council officers with the City of Sydney's Economic Development Officer.

2.2 General Economic Trends¹

In terms of national and regional positioning Oxford Street Paddington was listed second in terms of net rents (Knox Street Double Bay was listed eighth) across Australia and New Zealand. The consultants comment that this is due to Oxford Street's historical legacy, as an exclusive location to trade and shop.

¹ Information taken from Urbis JHD Oxford Street, Paddington Commercial Centre, February 2007, pp7-11

The study does highlight however, that rents have decreased disproportionately to other retail strips in Sydney, and CBRE research has shown that the majority of growth in terms of rent has been in inner western Sydney, with King St, Newtown witnessing a 19% increase. In contrast the eastern suburbs have experienced declines in rental growth and increases in vacancy rates. Other retail strips in the Greater Melbourne area have seen an average 10% growth indicating that dropping rates in Oxford Street are not part of a wider national trend. CBRE attribute this to the increased competition from Westfield Bondi Junction as the table below summarises:

Vacancy Rate (%)		
	May 2005	May 2006
Double Bay	4.2	10.4
Oxford St	6.9	8.5
Sydney Average	5.0	6.2

2.3 Floor Space Employment Survey

An audit of units and floorspace in the study area was undertaken by the City of Sydney Council in December 2006. In total 370 buildings were surveyed (on both sides of the street), with 300 containing established businesses. The results are outlined in the table below, and confirm that the retail mix of Oxford Strip has a strong fashion and boutique dominance.

Division name	No of Establishments	Percentage
Accom, cafes & restaurants	32	10.7
Business services	10	3.3
Communication services	2	0.7
Cultural & recreational services	9	3.0
Education	2	0.7
Finance & insurance	8	2.7
Government, admin & defence	1	0.3
Health & community services	16	5.3
Personal services	22	7.3
Retail trade	196	65.3
Transport & Storage	2	0.7
Total businesses	300	

The detailed breakdown of the mix shows that Oxford Street is not typical of a neighbourhood centre main street. It does not offer supermarket or grocery shopping that would normally attract people to do their weekly shopping.

This is explained by such retail having small profit margins which means they are unlikely to be able to afford the high rents of the strip. URBIS do stress, however, that Oxford Street is a destination shopping strip, with a strong fashion and arts orientation, and this is where its success has come from.

2.4 Study recommendations

URBIS make a number of recommendations for Oxford Street. They are listed on pages 34-36 of their report (**annexure 2**) and are summarised as follows:

Role of Council

- Council should be seen to be implementing change;
- Create a Business Manager role to include promotion of a different profile for Oxford St (retailer mix, streetscape, environment, targeted tenancy work) so strip is not directly competing with Westfield;
- Continue working with the City of Sydney;

William Street

- Continue with the William Street additional uses LEP proposal;

Planning Process

- Consider fast tracking DA's for complying uses;
- Audit retail units which can be amalgamated to create larger floorplates;
- Encourage mixed uses, whilst protecting existing character;

Parking

- Consider reducing the cost of parking meters;
- Consider policy on policing and fines (are they too rigorous);
- Consider hypothecating revenue from meters back to Oxford Street;
- Consider possibilities for providing additional parking
- Consider extending allowable parking times;
- Encourage environmentally friendly forms of transport to the Street (promote bus, cycling walking);

Streetscape and Amenities

- Street paving upgrade needs completing and streetscape should be adapted to encourage indoor/outdoor dining;
- Consider putting in public toilets;
- Enforce advertising provisions of Draft Paddington DCP in relation to advertising signs
- Advise on necessity for upgrades to shop fronts;

Food and Drink

- Attract additional food and beverage outlets
- Remove prohibition of restaurants (which permit the sale of alcohol)

New Competition, including Bondi Junction

- Develop alternative profile to Bondi Junction
- Consider a targeted tenancy strategy

Clearway and Traffic (in partnership with the RTA)

- Consider moving the bus lane to the centre lane
- Consider moving the clearway hours back to 4pm
- Consider reductions in speed limits

Rent Levels (in partnership with the Chamber of Commerce)

- Investigate strategies to improve amenity and shopper traffic

Profile and Marketing (in partnership with the Chamber of Commerce)

- Consider potential to raise special marketing levy to generate funding for collective marketing
- Appoint a business manager to assist with marketing and promotion
- Highlight the strengths of the centre
- Include a national and international tourism focus in marketing

Role of the Chamber of Commerce

- Recognise the work and role of the Chamber
- It should act as a reference group

2.4.1 Actions by Council

Centre Manager

Both the URBIS report for Oxford Street and the Hill PDA report for Double Bay recommended that a Centre Manager should be appointed. The duties of such as position would include;

- Develop and implement a marketing strategy for the shopping strip;
- Assess changes in business numbers, turnover, vacancy rates and rent levels;
- Liaise with landowners and estate agents to positively target prospective tenants to locate on Oxford Street; and
- Work closely with Council and the Paddington Chamber of Commerce.

URBIS JHD did not provide likely costs or funding options for such a position, however this was discussed at the meeting of the Joint Double Bay and Oxford Street Working Party. Both consultants are proposing similar duties and responsibilities for the centre manager positions, and indicated that around \$400k per annum for each centre would need to be allocated for salaries as well as direct advertising and marketing costs.

The proposals for centre management will need to be considered in the context of Council's broader budget considerations and priorities because the annual operating costs of about \$400,000 per centre will have a significant impact on the Council's budget and will affect other services and/or capital projects. Given that no budget allocation has been made in the 2007/2008 budget, consideration has to be given to whether or not Council can afford to fund a centre management model and whether or not it can do so for both Oxford Street and Double Bay, noting that each centre would need a dedicated Manager because of the amount of work involved and because the centres, in part, compete with each other.

When we compare the current vacancy rates of Oxford Street and Double Bay it would appear that the case is stronger for Double Bay but it is by no means clear cut. For this reason the proposal for centre management should be deferred and considered as part of the Council's budget review process which is to take place before the end of July. The anticipated budget workshop/s process will enable the Council to weigh the relative merits of various projects and services competing for funds.

In the meantime staff could develop a more clearly defined centre management model, including reporting accountability, funding options and prospects of obtaining Chamber and landowner support. This work could be developed and put to a meeting of the Joint Working Parties prior to consideration in the budget review process.

Parking, metering and clearways

The retailer and shopper surveys both highlighted issues regarding parking availability, payments and the operation times of the Clearways. We have been pursuing a joint application to the RTA with the City of Sydney, regarding the timing of the Clearway on Oxford Street. Unfortunately the City of Sydney are now having second thoughts regarding this application, however we will continue our dialogue with the RTA, requesting the operation timings are reduced from 3pm-7pm to 3.30pm-6.30pm. Consideration is also being given to not reinstating an evening parking charge once the Clearway period has ended.

With regard to parking supply, the study identifies that parking availability is an issue, however, the study does not contain any recommendations on how Council can increase parking supply or identify any site that might be suitable for providing additional parking. The report states that from the surveys, the majority of customers come from the eastern suburbs, more specifically Paddington, and the shopper survey shows that 55% of those shoppers had either walked or taken public transport (36% had driven). Access to the centre by walking and public transport is relatively high by Sydney standards and is something that should be maintained. In these circumstances it is not feasible to provide additional parking except as may be achieved by reviewing on street parking and loading restrictions.

Planning Controls

Draft *Woollahra Local Environmental Plan 1995 Amendment No. 60 (LEP)* and the *Draft Neighbourhood Centres Development Control Plan (DCP)*, are currently on exhibition (Friday 11 May – Friday 22 June 2007). The draft controls in these two documents will help to retain and support the existing boutique retail character of William Street. The general controls within the LEP, remove the distinction between restaurants and cafés to support social and business dining in local centres. The existing controls do allow for, encourage, mixed uses and where appropriate site amalgamation. Fast tracking of DA's could also be considered for complying changes of use to encourage businesses to make improvements.

Capital Works and Transport Improvements

The footpath on the northern side of Oxford Street has been incrementally upgraded over recent years, improving the visual quality of the strip. Technical Services have programmed capital work improvements to upgrade the section from Comber Street and Glenmore Road. Cycle racks will also be installed to promote sustainable travel. Council also sponsors the Urban Walkabout leaflets for Paddington and Woollahra, which detail the bus routes that service the area.

3.0 Consultation:

3.1 Working Party

On 25 July 2005, Council resolved to set up an Oxford Street Working Party. There have been a number of meetings of the joint working party, which have been reported to Committee and resulted in the commissioning of the retail studies. Two further meetings were held on the 6 March and the 27 March 2007, where presentations were made by the consultants to present the interim study findings, the draft final report and provide more detail on the centre management options. A representative from Waverley Council provided an overview of her duties, responsibilities and experience in co-ordinating activities in the Bondi Junction Mall (not Westfield) and Campbell Parade on behalf of Waverley Council.

3.2 Surveys

A survey was undertaken by the Consultants with businesses on Oxford Street, with 64 responses (21% return rate). The survey asked questions from the landowners about employment numbers, trading hours, positive and negative factors, recommendations for improvements, etc. The questionnaire and a summary of responses are provided in the report, (page 42-50 of **annexure 1**).

There was also a survey of 81 shoppers. This survey asked where they shopped, experience and main reasons for shopping in Paddington, and what improvements they would like to see put into place. A summary of their responses is provided in the report (page 51-54 of **annexure 1**)

3.3 Chamber of Commerce

URBIS also consulted with the Paddington Chamber of Commerce regarding their concerns, initiatives in the pipeline and recommendations. Members of the Chamber of Commerce were also invited to the two recent Joint Working Party meetings, held in March 2007 to discuss the consultant's findings.

3.4 City of Sydney

There has been ongoing dialogue with the City of Sydney's Economic Development Officer, both by Council staff, and with the consultants. This dialogue has proved to be very worthwhile and a good working relationship, with a willingness to work together and share information has been established. This is highlighted by the City sharing their Floorspace Employment Survey (FES) survey data. As the local government boundary runs along the centre of Oxford Street the City of Sydney could play a crucial role in the delivery of any initiatives which may be proposed for the retail strip. It is intended to maintain this co-operation.

With regard to the issues relating to the hours of operation for the clearways and bus speeds, there is also ongoing discussion and lobbying of the RTA and Sydney Buses as a combined effort by both Councils.

3.5 Planning Controls

The exhibition of *draft Woollahra Local Environment Plan (Amendment No60)* started on 11 May 2007. One of the main aims of the amendment is to allow for a broader range of permissible uses on William Street, Paddington. URBIS were fully supportive of this amendment, stating that, in their opinion, William Street could be an incubator for up and coming Australian designers who, as their success grows, could move to the larger units on Oxford Street.

3.6 Councils website

It is recommended that the URBIS report (if adopted) is placed on the Council's website so that in particular landowners and retailers are able to download the report for their information.

4. Implementation

The actions recommended by URBIS and described in section 2.4.1 are tabulated in **annexure 3**. This annexure sets out our proposed response to each recommendation in the URBIS report.

5. Conclusion:

This study has highlighted that there has been a change in retail patterns, through advancements like internet shopping and a wider choice of products to tempt shoppers. The study indicates that Oxford Street Paddington has in the past been able to ride retail downturns by relying on its reputation. However, this is no longer enough to compete with an increasingly aggressive retail sector with its marketing campaigns, most especially the very well organised Bondi Junction shopping centre and Westfield which are less than 10 minutes drive away.

Oxford Street is synonymous with high end fashion, and the URBIS Study recommends that this remain the case but there does need to be change. There are certain sectors which are deficient such as groceries, and quality food and beverages. These deficiencies will be partly addressed by the proposed LEP changes to allow licensed restaurants to operate within the 3(c) Business Neighbourhood zone.

What is not fully resolved, however, is whether or not Council should commit to a centre management model. It is suggested that this decision be determined as part of the proposed budget review process and workshops to take place before July.

Council has already made substantial commitments to upgrade the public domain in the centre, and is working with the RTA to address the clearway hours which have an adverse impact on business activity.

We recommend that Council endorse the responses to each of the recommendations in the URBIS study as contained in **annexure 3**.

John Davies
Strategic Planner

Chris Bluett
Strategic Manager

Allan Coker
Director Planning and Development

ANNEXURES:

Annexure 1 Report to Urban Planning Committee 27 March 2006

Annexure 2 Oxford Street Paddington Commercial Centre Business Strategy by URBIS JHD
February 2007

Annexure 3 Actions Table

Item No: R2 Recommendation to Council
Subject: **Double Bay Retail Study Findings**
Author: John Davies
File No: 1178.G
Reason for Report: Present study findings and propose some next steps in line with the studies recommendations

Recommendations:

1. That Council endorse the actions identified in **Annexure 3** of the report to the Urban Planning Committee of 14 May 2007 on the findings of the Double Bay Commercial Centre Development Study.
2. That the Double Bay Commercial Centre Development Study by HillPDA be made publicly accessible on the Council's website.

1. Background:

Council resolved on 10 April 2006 to endorse the recommendations made at the Urban Planning Committee on 27 March 2006 (**annexure 1**) which presented recommendations from the Double Bay and Oxford Street, Paddington Working Parties. The resolutions were:

1. *That Council consider a more hands on position in business development for the Oxford Street shopping strip.*
2. *That staff report to the Urban Planning Committee, following consultation with appropriate consultants, on how the council should proceed with the above approach, including costs and benefits, having regard to the particular geographic characteristics of the Oxford Street shopping strip, including its feeder streets such as William and Elizabeth Streets.*
3. *That the Director Technical Services report to the Corporate and Works Committee on the progress of negotiations with the RTA on limiting the operation of the clearway along Oxford Street.*
4. *That a further report be presented to the Community and Environment Committee on the operation of the parking metres in Oxford Street.*
5. *That Council consider a more hands on position in business management for the Double Bay Commercial Centre.*
6. *That staff report back to the Urban Planning Committee, following consultation with appropriate consultants, on how the council should proceed with the above approach, including costs and benefits.*
7. *That staff report to the Corporate and Works Committee on the merit of constructing a roundabout at the intersection of Cross and Bay Street.*

8. *That a report be presented to the Double Bay Working Party on the respective public car parking fee structures in Edgecliff, Double Bay and Bondi Junction, with the report including consideration of an option to facilitate two hour free car parking in Council's car parks in Double Bay*
9. *A report is presented to the Corporate and Works Committee identifying the cost of implementation of planters/hanging baskets in Double Bay to be located along Cross and Bay Streets and the Kiaora Lane car park.*
10. *That parking direction signs be erected in prominent locations to clearly identify and direct vehicles to the three council car parks, i.e. Kiaora, the cosmopolitan and Cross Street and that welcome signs be erected at the Double Bay ferry wharf and at the western end of New South Head Road and that the sign at the ferry wharf also include a site map.*
11. *That a report be submitted to the Corporate and Works Committee with a view to unifying the parking meter charges in Paddington and Double Bay.*

This report deals with items 5 and 6. Items 1 and 2 are addressed in a companion report on Oxford Street, Paddington to the Urban Planning Committee. The remaining items (3,4,7,8,9,10 and 11) are issues which are the responsibility of the Technical Services Division. That Division is currently preparing a report on these matters which will be presented to committee shortly.

2. Double Bay Commercial Centre Development Study

Hill PDA were commissioned by Council to undertake a review of issues affecting retail trade in the Double Bay Commercial Centre. A copy of the final report is attached (**annexure 1**).

2.1 Study methodology

The following tasks were undertaken through the course of the study:

- Regular meetings with Council officers to discuss issues;
- Consultation with the Double Bay Chamber of Commerce;
- A retail audit, to identify types of shop, uses and vacancies;
- Survey of businesses and shoppers and landowners; and
- Reporting the study findings to the Joint Double Bay and Oxford Street Working Parties.

2.2 General Retail Trends ²

Hill PDA has provided a review of what, in their professional opinion, is happening in the retail market at present. These findings are consistent with the findings of URBIS JHD who were commissioned to undertake the Oxford Street, Paddington study. The findings from Hill PDA were as follows:

- The retail industry is dynamic in nature, continually changing in response to consumer behaviour, needs and desires.
- Changing demographics and lifestyles demand that retailers and shopping centres constantly monitor the often subtle shifts and respond accordingly by repositioning their retail offer, presentation and mode of operation.

² Information taken from Hill PDA, Double Bay Commercial Centre Development Study, January 2007, pp. 30-34

- Evolution of the large super-centres with food courts, supermarkets, cinemas, entertainment areas, department stores and other major tenants has impacted on the operation and viability of neighbourhood and district centres. Neighbourhood centres have responded by creating a niche with convenience shops such as general food stores, chemists, newsagents, local coffee shops and post offices. District centres have been less successful, although some have developed a niche market with concentrations of specialty shops in home wares, home renovation, antiques and art, or food outlets such as restaurants and coffee shops.
- A shift in spending on general retail expenditure from items such as clothing to electronic goods such as home entertainments systems, MP3's, Xbox games etc.

2.3 Retail Trends in Double Bay

- The Double Bay Centre has traditionally been considered a district retail centre due to the wider catchment of shoppers attracted by its speciality in high fashion.
- 55% of shops in the Centre relate to clothing and other forms of discretionary services such as cafes, restaurants and hairdressers.
- The Centre has a local role in providing food and grocery shops, but has an undersupply in this form of retailing with only 3% of shops (10% of retail floorspace) in the grocery and supermarket field. By comparison, the figure for the Sydney region is about 19% of retail floorspace.
- Double Bay and its surrounding trade areas have a high socio-economic profile which, when linked with growth in household expenditure due to rising standards of living, can influence the demand for discretionary services.
- Discretionary services such as cafes and restaurants, and clothing and household goods retailing contribute to the revitalisation of retail centres.
- Food retailing can offer stability for a retail centre, but there can be limited opportunities for growth in that sector where household demand for staple items has been met.
- There have been a growing number of retail vacancies in the Centre and a perceived reduction in the volume of shoppers.
- A substantial proportion of tenants in the Centre anticipate turnovers will be lower for the 2006-2007 financial year compared with the 2005-2006 year.
- A substantial proportion of tenants in the Centre identify that turnovers have been in decline since 2002.
- The majority of land owners who responded to the survey experienced a reduced level of demand for floorspace since 2002 and 2004.
- 70% of landowners confirmed that they had reduced rents.

2.4 Vacancy trends³

- Vacancy rates across seven retail strips surveyed by CBRE Ellis in May 2006 have increased significantly since the market peak in 2003. [The seven strips were: Military Road, Mosman; Double Bay; Oxford Street; King Street; Darling Street, Balmain; The Corso, Manly; Campbell Parade, Bondi Beach.]
- Net rents for units in seven centres have tended not to adjust to the declining vacancy rates.
- Some of the highest increases in vacancy have occurred in the Eastern Suburbs – Double Bay, Oxford Street and Campbell Parade. Anecdotally this was attributed to the new Westfield Bondi Junction development.
- Hill PDA's study found the vacancy rate of ground floor retail units in Double Bay was 11%. [figure based on number of units not floorspace]

³ Information taken from Hill PDA, Double Bay Commercial Centre Development Study, January 2007, pp. 34-35

- Vacancy rates for retail strips in the Sydney region generally range between 3% and 15% of shop units.
- Double Bay's 11% vacancy rate, whilst at the higher end of the Sydney range, is not out of proportion with the normal economic market and its cycles.

2.5 Market direction⁴

- Double Bay has a strong platform to build on as a district centre for high fashion.
- Tenants in Double Bay generally support the retention and enhancement of this image and market niche.
- Shoppers and tenants generally agree that other forms of retailing are required to compliment fashion stores and attract more shoppers.
- Primary focus should be on providing additional food and grocery retailing.
- High quality electronic retailing and entertainment and cultural facilities should also be encouraged.

2.6 Study recommendations

Hill PDA recommend that the following four strategies are implemented in conjunction with each other. When these strategies were discussed with the Working Party, it was conceded that it would be reasonably prudent to implement strategies 1 and 2 before strategies 3 and 4. Full details on the strategies are available in **annexure 2** pages 43-51:

Strategy 1 - Improve the Perception of Parking Convenience

Car parking meters were one of the main concerns raised by tenants, landowners and shoppers when surveyed. Specifically it is not the availability of parking that is the issue, but the inconvenience of paying for parking and the prospect of receiving a fine if you overstay your allocated period. The inconvenience seems to stem from the meters only accepting coins, with no other alternative payment option. Some retailers also felt that the introduction of meters was in part related to the decline in business turnover; however to what degree this is true is indeterminable, as the meters were introduced in 2004, at the same time as Westfield Bondi Junction opened.

Hill PDA suggest a mechanism is introduced to improve the perception and convenience of car parking in the Centre. Crucially parking should not be seen as a factor which deters customers from using the Centre in favour of another competing centre, because it is perceived to be easier to park there.

Hill PDA recommends the following actions:

- Better signage to car parks from key locations such as new South Head Road and Knox St;
- The provision of active signage that displays 'availability' and the number of free spaces before entering the Centre; and
- To investigate the potential of extending the period of meter parking in the streets and increasing the time in which the car parking is provided free within the Council car parks from one to two hours in line with the Centres competitors.

⁴ Information taken from Hill PDA, Double Bay Commercial Centre Development Study, January 2007, pp. 35-36

Action by Council

The signage issue has in some part been already addressed, with better signage being installed, particularly at the Cross Street car park, which now clearly advertises the first hour is free. An active system which displays parking availability is also being considered, but would be more cost effective to install, once the Cosmopolitan Centre car park is completed, and a decision has been made on the future of Kiaora Lane, in order to maximise the full range of car parking options within the Centre.

The introduction of a two hour free parking is not feasible due to the current contract arrangements (until 2010) at the Cross Street and Kiaora lane car parks, and could not be recommended to Council. It is estimated that this would result in a reduction in income to Council of \$143,000 at Cross Street, and \$127,000 at Kiaora Lane, plus an additional \$100,000 due to 'bracket creep', where people go over their allotted 1, 2 or 3 hours so pay the higher parking charge. Also, Council is already paying \$10,500 per annum towards the operation costs for providing car parking in the Cross Street car park on Sundays, despite the car park not being well used.

Strategy 2 - Improve the appearance of the public and private realm⁵

Hill PDA state that the character of the physical environment plays a critical role in where people choose to shop, relax and entertain themselves. Double Bay is at an advantage as shoppers are often attracted to a place where they feel comfortable, and enjoy a location in which they can wish to favourably identify themselves with. This was reinforced in the shoppers survey where the second greatest reason for choosing to shop in Double Bay was its village and external atmosphere.

It is with this in mind, Hill PDA have made the following suggestions, (full details are available in **annexure 2** pages 44-46):

- An audit of all buildings within the Centre that contribute/detract from the enhancement of its character, with recommendations to building owners on building improvements;
- A 'development pack' which details the physical improvements which may be carried out to their property without planning permission (with a possible review of the Exempt and Complying Development DCP);
- Shopfront and building design awards that positively contribute to the character of the area
- Improved signage in the Centre;
- Provision of smart poles and banners;
- Improved decorative lighting, and replacing vandalised trees and planters;
- Provision of public art options;
- Raise awareness of Council's maintenance and garbage servicing and educate owners on responsible waste presentation; and
- Attention given to the visual gateway into New South Head Road.

Action by Council

Capital Works Improvements

There will be a report to the Corporate and Works Committee later this month by Technical services, on the proposed capital improvements works which are planned for the Centre. The proposed works include many of the suggestions made by the consultants, (and are detailed below). **Annexure 3** provides an indicative timeline of the delivery of many of these projects.

⁵ Information taken from Hill PDA, Double Bay Commercial Centre Development Study, January 2007, pp. 44-46

A programme for pavement replacement is proposed within the Centre, and is dovetailed to follow on from the work carried out by Energy Australia which is placing high capacity electricity cabling within the Centre. It is proposed that the distinctive black and white pattern will be retained. Similarly multi-function smart poles are being proposed for the Centre which will be able to carry banners. The locating of these poles will also help with the sense of arrival especially at the gateways to the Centre. A design for signage at Double Bay Wharf has also been consulted on, and is currently being produced.

Different options for decorative lighting are being investigated by Technical Services and will be reported to Corporate and Works Committee.

Urban Design Audit

It is recommended that an urban design audit is undertaken by Council Staff, to establish those properties which contribute or detract from the overall appearance of the Centre. The end product will be a series of inventory sheets that will provide recommendations to property owners on what they can do to improve the presentation of their properties. It is proposed that the inventory sheets be sent to landowners and tenants and will be used to actively promote the upgrading of properties as appropriate. A factsheet that details physical improvements which may be carried out without planning permission will also be produced. Building improvements achieved through this process are expected to have a knock on effect with other retailers and engender a sense of pride amongst the business community. Shopfront and building improvements will also improve the overall 'feel' and attractiveness of Double Bay as a place to visit.

Strategy 3 - Centre Management⁶

Currently within the Centre each individual tenant operates independently of other traders, with their own opening and closing times, promotion and advertising. Not all traders are members of the Double Bay Chamber of Commerce. Hill PDA comment that this puts the Centre at a clear disadvantage against the coordinated management, marketing and advertising plans of other competing retail centres, such as Westfield Bondi Junction. They recommend that the principle of centre management be adopted that is tailored to the specific needs of Double Bay.

Action by Council Centre Manager

Both the URBIS JHD report on Oxford Street and the Hill PDA report on Double Bay recommend that a Centre Manager is appointed for a fixed period of 3-5 years. This position would then be assessed as to whether it needs to be continued. The purpose of the Manager would be to develop, and implement a marketing strategy for the Centre. This would then need to be monitored by liaising with businesses and assessing changes in business numbers, turnover, vacancy rates and rent levels. The Manager would also need to liaise with landowners and estate agents to positively target prospective tenants to locate in Double Bay. It is envisaged that the Centre Manager would work closely with Council and, potentially, the Double Bay Chamber of Commerce. Hill PDA presented, at the Joint Working Party meeting of 27 March 2007, likely costs for the role and indicated that around \$400,000 per annum for the Centre Manager programme would need to be allocated. Approximately half of this would pay salaries and ancillary costs such as accommodation office running costs, with the remaining amount devoted to marketing and advertising. Further

⁶Information taken from Hill PDA, Double Bay Commercial Centre Development Study, January 2007, pp. 46-49

details on how the Centre Manager role may operate is provided in the report in **annexure 1** pp 46-49.

The Centre Management recommendations need careful consideration in the context of Council's overall budget since no provision has been made in the budget and to fund a further project with annual costs of \$400,000 would necessitate a further review of operational and/or capital priorities. Given that no budget provision has been allocated for centre management in 2007/2008 it is recommended that we proceed only with strategies 1 and 2 at this stage and further develop strategies 3 and 4 in conjunction with the landowners and as part of the proposed budget review process, a workshop to take place before the end of July. Both consultants recommend that a levy is charged to the landowners/tenants, however, this also needs to be considered in the context of Council's overall rating strategy, noting that Council has already committed to apply for a special variation of 6.35% above the permissible increase. Furthermore, a greater level of landowner support needs to be established before it can be recommended to Council.

Strategy 4 - Create and Implement a Centre Marketing, Promotion and Advertising Strategy⁷

Hill PDA note that a common perception amongst the surveys that were undertaken was that Double Bay was relying on its name and an image from the past. As noted in section 1.2 of this report (General Retail Trends):

'The retail industry is dynamic in nature, continually changing in response to consumer behaviour, needs and desires'

Currently there is no contemporary marketing or advertising for the Centre, which has left Double Bay failing to attract some retailers. It has also lost many of its younger shoppers and a proportion of its tourist market.

This strategy is closely linked to strategy 3, as the Double Bay Marketing and Advertising Strategy will need to be developed, implemented and managed by a Centre Manager. Hill PDA believe that positive marketing should be directed towards boosting the image and range of retailing to include some classic prestige labels (such as Prada, Gucci etc) and young designers (such as Karen Millen Sass & Bide etc) to attract a contemporary vibrant retail market. The marketing should also seek to enhance the quality of food and grocery retailing in Double Bay, as identified in section 1.3 of this report (Retail trends in Double Bay).

A marketing and advertising campaign should also target shoppers, not just from the eastern suburbs, but the wider Sydney region, with advertising campaigns focussing on particular source of media that personify the Double Bay image.

Action by Council

An advertising and marketing strategy is something that links closely with recommendation 3 of the HillPDA report since it would be a large part of centre management's responsibility.

As we don't have the in-house resources to deliver an advertising and marketing strategy, this recommendation is one that should be further considered with the recommendation for centre management.

⁷ Information taken from Hill PDA, Double Bay Commercial Centre Development Study, January 2007, pp. 49-51

3.0 Consultation:

3.1 Working Party

On 25 July 2005, Council resolved to set up a Double Bay Working Party. There have been a number of meetings of the Working Party, which have been reported to Committee and resulted in the commissioning of the retail studies being commissioned. Most recently there have been two meetings on the 6 March and the 27 March 2006 where presentations were made by the consultants to present the interim study findings, the draft final report and provide more detail on the Centre manager option. A representative from Bondi Junction also provided an overview of their duties, responsibilities and experience in running the Bondi Junction Mall (not Westfield) and Campbell Parade on behalf of Waverley Council.

3.2 Surveys

A number of surveys were undertaken by the Consultants. A retail audit identified the types of shops, their uses and vacancies in the Centre.

A tenant survey was issued to 165 retailers to better understand the nature of their businesses, key areas of concern and opportunities. They also undertook a 'snapshot' shopper survey, to identify the key reasons for shopping in the Centre, its merits and downfalls, and to establish what other shopping locations shoppers frequent. The 194 Landowners were also surveyed by a postal questionnaire to gain an understanding of what factors landowners consider could effect and enhance business in Double Bay. Unfortunately there was a poor return rate to this survey (10%).

A summary of all the responses is provided in **annexure 2** (pages 52-74).

3.3 Chamber of Commerce

Hill PDA also consulted with the Double Bay Chamber of Commerce regarding their concerns, initiatives in the pipeline and recommendations. The Chamber of Commerce were also invited to the two recent Joint Working Party meetings, held in March 2007, to discuss the consultant's findings.

3.4 Council's website

It is recommended that the Hill PDA report is placed on the Council's website so that, in particular, landowners and retailers are able to download the report for their information.

4. Implementation

The actions described in section 1.6 of this report are being programmed for the financial year 2007/08 and are detailed in **annexure 3**.

5. Conclusion:

This study has confirmed anecdotal information that the economic performance of the Double Bay Commercial Centre has declined. However, its current performance is not outside what is being experienced in other retail centres in Sydney or outside what commonly occurs within the economic cycle of other centres. The study also identifies that there are retail sectors which are currently under represented such as food and grocery shopping.

Four key strategies have been suggested to re-dress the economic downturn and improve trading conditions within the centre. These are:

1. Improve the Perception of Parking Convenience;
2. Improvement the Appearance of the Public and Private Realm;
3. Create and Implement a Centre Management Model and Team; and
4. Create and Implement a Centre Marketing, Promotion and Advertising Strategy.

Some of these initiatives are already underway as detailed in **annexure 3**. Others need further investigation and consideration by the Working Party and Council, due to their significant budget implications and there are others that we can proceed with now within existing budget allocations.

John Davies
Strategic Planner

Chris Bluett
Manager Strategic Planning

Allan Coker
Director Planning and Development

ANNEXURES:

Annexure 1 Report to UPC 27 March 2006

Annexure 2 The Double Bay Commercial Centre Development Study by Hill PDA, January 2007

Annexure 3 Actions Table

Item No: R3 Recommendation to Council
Subject: **Draft Amendment to SEPP 64 (Advertising and signage)**
Author: Team Leader Urban Design - Margaret Zulaikha
File No: 696.G Part 16
Reason for Report: To provide a submission on the draft amendment for the Committee's consideration

Recommendation

That the submission on Draft SEPP 64 (**Annexure 5**) be submitted to the Department of Planning.

Background

State Environmental Planning Policy No 64 – Advertising and Signage (SEPP 64) (**Annexure 1**) is a Statewide planning policy which regulates advertising and signage which can be seen from a public place or reserve. The policy does not regulate the content of signage. It was created in 2001.

The NSW Department of Planning has prepared and placed on public exhibition:

- Amendments to SEPP 64 (**Annexure 2**) and,
- *Draft Corridor Outdoor Advertising and Signage Guidelines* (**Annexure 3**).

The draft amendments are on exhibition from 18 April 2007 until 16 May 2007. The Department is now seeking comment on the proposed amendments. The Department has issued a *Fact Sheet* which is attached as **Annexure 4**.

Proposed amendments to SEPP 64

The main changes to SEPP 64 include:

- making permissible, advertising in transport corridors including rail corridors, freeways and tollways, and making the Minister for Planning the consent authority for advertising in these corridors. The amendment proposes that councils remain the consent authority for all other outdoor advertising, including RTA advertising, outside freeways, tollways and state-owned land.
- providing performance and assessment criteria for advertising along transport corridors and on bridges, including the introduction of a public benefit test,
- removing the prohibition of sponsorship advertising at public sporting facilities in open space zones
- the addition of exempt development provisions for temporary political poster advertising associated with elections, and
- providing exempt and complying development for minor advertising works by RTA and Railcorp.

Submission on Draft SEPP 64

A draft submission on the draft SEPP 64 is attached as **Annexure 5**. The primary purpose of preparing the draft SEPP appears to be the facilitation of advertising in transport corridors. The submission does not support the draft SEPP mainly because the proposed amendments could lead to a proliferation of billboard advertising within the municipality and throughout the State.

The submission summarises concerns as follows:

- Woollahra Council does not support amendments to SEPP 64 to make outdoor advertising permissible in transport corridors, and
- Woollahra Council does not support making the Minister for Planning the consent authority for advertising by RTA and Railcorp,
- Woollahra Council does not support the removal of prohibitions on sponsorship advertising in open space zones.
- The examples in the *Transport Corridor Outdoor Advertising and Signage Guidelines* highlight the practical difficulties that are posed in making aesthetic judgements about the impact of signs on urban and rural areas.
- Woollahra Council is concerned that the guidelines and amendments to SEPP 64 make permissible with the consent of the Minister advertising signs of an indeterminate size and number within transport corridors.
- Definitions and clarification are required in *Transport Corridor Outdoor Advertising and Signage Guidelines*
- The “public benefits test” should include a sunset clause and require that a nexus is established between the advertising and the benefit to the community exposed to the advertising.

Conclusion

The closing date for submissions is 16 May 2007. An officer from the Department of Planning has advised that submissions may be considered after the closing date and that the submissions summary will not be finalised until early June. It is recommended that the attached submission be sent to the Department of Planning as soon as possible to enable consideration of Woollahra Council’s concerns.

Margaret Zulaikha
Team Leader Urban Design

Allan Coker
Director Planning and Development

ANNEXURES:

Annexure 1	<i>State Environmental Planning Policy No 64 – Advertising and Signage (SEPP 64)</i>
Annexure 2	<i>Amendments to SEPP 64</i>
Annexure 3	<i>Draft Corridor Outdoor Advertising and Signage Guidelines</i>
Annexure 4	<i>Fact Sheet Draft Corridor Outdoor Advertising - Proposed Changes</i>
Annexure 5	<i>Submission on Draft SEPP 64</i>