Executive Summary

The purpose of this report is to present 3 options for community feedback that will inform a Concept Plan for the future development of 33 Saxon Street as a community hub.

In 2010, Council acquired a former school at 33 Saxon Street, Brunswick (the site) in order to provide for future community needs in the dense and growing neighbourhood of Brunswick. A range of activities have occurred in relation to the site since 2010, including temporary activation since 2016 for community and creative uses, known as ‘Siteworks’. A contemporary indigenous run art space known as Blak Dot Gallery is also housed at the site. This activation will continue as a year to year proposition until 2021.

In August 2017 (DED70/17), Council endorsed a strategic framework to facilitate decision making around the long term use and development of a multi-use community facility at the site. The strategic framework identified potential future uses, site development principles, strategic objectives and a draft vision.

Between December 2017 and March 2018, Council sought feedback from the community about the potential uses and the draft vision for the site.

In June 2018, Council endorsed the future uses, services and features to be tested in the concept planning stage (DED36/18).

Three options for the Concept Plan and associated financial modelling have been developed by Breathe Architecture and Ethical Property Australia (EPA), in collaboration with Council. The options vary in intensity of site use and potential for financial self-sufficiency and are outlined in this report.

Subject to Council endorsement, the next step would be to seek community feedback on the Concept Plans.

Officer Recommendation

That Council:

1. Endorses the Concept Plan options for the multi-use community facility at 33 Saxon Street, Brunswick, at Attachment 1 to this report, for community consultation.

2. Notes the Phase Two Community Consultation Period for the Concept Plan development for the multi-use community facility at 33 Saxon Street, Brunswick, will be undertaken from 15 August to 5 September 2018.
1. **Policy Context**

This item is directly referenced in the Council Plan 2017-2021 R3b):

- Saxon Street Hub: implement strategic plan to guide future use and development of the Hub.

The key target is for Council to endorse a Concept Plan by December 2018.

Planning for the site with an integrated ‘place-based’ approach also addresses the following other Council Plan actions:

- Development of expanded and enhanced public open space, including a playground, in an area of high need (ref. P4a & C4b).
- Improved community engagement (ref. R2a).
- Secure a new site for ongoing service delivery from the Brunswick Neighbourhood House (ref. R3e).
- Enhance the capacity of Moreland’s creative sector to maintain and grow their practice (ref. P8a(i)).

2. **Background**

**Strategic Framework**

In August 2017, Council endorsed the Strategic Framework for its multi-use facility at 33 Saxon Street, Brunswick (DED70/17) to facilitate decision-making about the future of the site. The Strategic Framework identified potential future uses, site development principles, strategic objectives and a draft vision.

The potential uses contained in the Strategic Framework were based on an assessment of current and future community infrastructure needs (to 2036) across wider Brunswick (Brunswick, Brunswick East and Brunswick West) in work undertaken by SocioLogic. These uses were also informed by an understanding of the uses that have proven successful in the current temporary activation of the site known as ‘Siteworks’.

**Potential uses for concept planning stage**

In June 2018, (DED36/18) Council endorsed the potential uses, services and features to be included in the Saxon Street multi-use community facility. These assessments revisited the sociologic strategic needs assessment findings, carefully considered the community feedback received, and refined the recommendations to be tested in the concept planning stage. These potential uses were included in the design brief to Breathe Architecture to and Ethical Property Australia (EPA).

<table>
<thead>
<tr>
<th>Use/Service/Feature</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public open space</td>
<td>• Expanded the public open space to a minimum size of 2,000 square metres from current size of 1,700 square metres.</td>
</tr>
<tr>
<td></td>
<td>• Space be assigned for a community garden.</td>
</tr>
<tr>
<td></td>
<td>• Children’s play areas to be incorporated into design.</td>
</tr>
<tr>
<td></td>
<td>• The public open space will not be a designated ‘dogs off leash’ park.</td>
</tr>
<tr>
<td></td>
<td>• Passive recreation is a focus (purpose) of the</td>
</tr>
<tr>
<td>Use/Service/Feature</td>
<td>Recommendations</td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>park.</td>
<td>- Trees, canopy cover and grass is incorporated into the design.</td>
</tr>
<tr>
<td>Multipurpose community rooms</td>
<td>Include a minimum of 2 multipurpose community rooms.</td>
</tr>
<tr>
<td>Multipurpose consulting rooms</td>
<td>Include 3 consulting rooms primarily for provision of Maternal and Child Health Services (MCH) which can be used for other purposes out of consulting hours.</td>
</tr>
<tr>
<td>Creative production spaces</td>
<td>Include a minimum of 400 square metres for the purpose of creative production spaces. This may incorporate small, medium and large sized rooms that are flexible in use and may be shared as community rooms.</td>
</tr>
<tr>
<td>Creative: exhibition space/gallery</td>
<td>Include an exhibition space. Any future gallery on site is intended to be leased by a private operator and should continue to have a social inclusion focus.</td>
</tr>
<tr>
<td>Tenant: Brunswick Neighbourhood House (BNH)</td>
<td>Incorporate BNH space requirements to test the viability for possible future tenancy. This includes requirements of a multipurpose space for occasional childcare noted below.</td>
</tr>
<tr>
<td>Multipurpose space for occasional care</td>
<td>- A space be incorporated into the concept designs that could be adapted for Occasional Care as the primary use.</td>
</tr>
<tr>
<td></td>
<td>- The space needs to flexible to be able to be used for other purposes outside its primary use.</td>
</tr>
<tr>
<td></td>
<td>- Storage is essential.</td>
</tr>
<tr>
<td>Supporting infrastructure required to support multipurpose facility with a variety of tenants</td>
<td>- Staff administration rooms for shared use by potential on-site manager and/or multiple tenants.</td>
</tr>
<tr>
<td></td>
<td>- Shared staffroom with kitchen facilities.</td>
</tr>
<tr>
<td></td>
<td>- Public toilets accessible from both inside and outside (outside access can be locked).</td>
</tr>
<tr>
<td></td>
<td>- Explore the possibilities of a commercial kitchen being incorporated onsite.</td>
</tr>
<tr>
<td>Integration with Brunswick Baths</td>
<td>Explore options for the 2 sites to integrate.</td>
</tr>
<tr>
<td>Café/food provider</td>
<td>Explore the opportunities for a café/food provider to be incorporated into concept plans on a temporary or permanent basis.</td>
</tr>
<tr>
<td>Income generating tenants</td>
<td>Concept plan options should also explore provision of space for income generation which would help offset costs to Council. This may include office space for commercial tenants.</td>
</tr>
</tbody>
</table>
Concept Plan options

Three options for the Concept Plan have been developed (Attachment 1), which accommodate the uses/service/features endorsed by Council. The high-level project costs estimated and projected space allocations for each option are listed in table 2 below:

*Table 2: Saxon Street estimated project budget, public open space and floor space allocations*

<table>
<thead>
<tr>
<th></th>
<th>Estimated project budget</th>
<th>Public open space (square metres)</th>
<th>Floor space (square metres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>N/A</td>
<td>1,700 square metres.</td>
<td>2,172 square metres.</td>
</tr>
<tr>
<td>Option A: Minor works</td>
<td>$7-$9 million</td>
<td>2,550 square metres.</td>
<td>4,239 square metres.</td>
</tr>
<tr>
<td>Option B: Minor works with ambition</td>
<td>$13-$15 million</td>
<td>2,655 square metres.</td>
<td>5,249 square metres.</td>
</tr>
<tr>
<td>Option C: Major works</td>
<td>$19.5-$22.5 million</td>
<td>2,850 square metres.</td>
<td>7,270 square metres.</td>
</tr>
</tbody>
</table>

All three options provide the following features:

- A reconfigured ‘right of way’ access to the Brunswick Baths services area is incorporated;
- A new entry address is created for the heritage listed ‘Sherwood House’ on Saxon Street;
- The public open space is increased and enhanced;
- The connection to Brunswick Baths will be enhanced with a porous fence treatment that allows for views of the pool and sound to travel between the two sites.

*Option A: Minor works ($7-$9 million)*

- Views of the heritage listed ‘Sherwood House’ are opened up through a cutting of the school building on Phoenix Street;
- The current gallery structure would be refurbished and incorporate a new contemporary addition alongside. This ‘low’ lying new building is created at the south of the site which could incorporate a variety of uses including community, creative and commercial tenants;
- Ground floor decks would be added on Saxon Street and Phoenix Street for casual occupation and increased activation of the street.

*Option B: Minor works with ambition ($13-$15 million)*

- The eastern wing and buildings on the North East corner would be demolished;
- The connection to Phoenix Street would be improved by a cutting through the school building towards the west, providing a view of the ‘green’ area and easy access to vertical circulation;
- New buildings along Phoenix Street would be ‘built out’ to activate the space;
- A scaffold like urban marker would be incorporated at the North East corner to create an entry;
- A double height commercial café would be added at the non-heritage rear of the Sherwood House. An opportunity for a satellite café to be operational along the western interface with Brunswick Baths could serve their members;
- A new 4 storey building is created at the south of the site which could incorporate a variety of uses including community, creative and commercial tenants. The current gallery would be removed in this option and replaced with a similar sized exhibition space.
**Option C: Major works ($19.5-$22.5 million)**

- The entire school building on Phoenix Street would be demolished;
- Views of the Sherwood House would be opened up along both Saxon Street and Phoenix Street;
- The open space would be reclaimed on the North East corner of the site;
- A community use building would be created on the North West corner to mirror the built form of the gym next door at the Brunswick Baths;
- A new 5-storey building is created at the south of the site which could incorporate a variety of uses including community, creative and commercial tenants. The current gallery would be removed in this option and replaced with a similar sized exhibition space;
- A double height commercial café would be added at the non-heritage rear of the Sherwood House. Option C would include an extended decking area to activate the interface with the public open space. An opportunity for a satellite café to be operational along the western interface with Brunswick Baths could serve their members.

**Financial modelling**

**Project costs**

Financial feasibility planning has been undertaken with Breathe Architecture for each concept and reviewed by a Quantity Surveyor. Council’s Capital Works team has also reviewed the proposed budgets.

*Table 3: Estimated Project Costs*

<table>
<thead>
<tr>
<th></th>
<th>Option A</th>
<th>Option B</th>
<th>Option C</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Construction Cost</strong></td>
<td>$7,050,000</td>
<td>$11,090,000</td>
<td>$16,900,000</td>
</tr>
<tr>
<td><strong>Non-Construction Cost</strong></td>
<td>$1,400,000</td>
<td>$3,110,000</td>
<td>$4,800,000</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td>$7-9 million</td>
<td>$13-15 million</td>
<td>$19.5-22.5 million</td>
</tr>
</tbody>
</table>

Non-construction costs include contingencies, consultant costs, escalation costs, design costs, environmentally sustainable design (ESD) costs and furniture, fixtures and equipment (FFE).

These high-level estimates will be reviewed and refined as the preferred option is developed.

**Operational modelling**

Each of the options is built on the foundation of an operating model designed by EPA. This model identifies the potential operational costs and different tenancy structures that will enable the viability of the site. Financial sustainability of this site is consistent with Strategic Objective Two of the endorsed Strategic Framework which states:

> carefully manage the draw on Council’s limited rates-raised budget and develop a viable multi-use facility at the Site.

This operational model also supports Council’s endorsed position that the:

> concept plan options should also explore provision of space for income generation which would help offset costs to Council. This may include office space for commercial tenants.

This model involves the introduction of income generating tenants into a Council owned building to reduce the overall costs of running this community facility. By having the right combination of rent paying tenants, Council can then generate funds to cover the ‘opportunity costs’ of consolidating other services at the site including:

- Maternal and Child Health consulting rooms and services;
- Flexible learning environment for occasional care services;
• An exhibition space/gallery;
• Subsidised multi-purpose community rooms for hire; and
• Subsidised creative production studios and spaces;

This operational model broadly indicates how income from the rented spaces and community hire spaces could offset the costs of running and maintaining the site, including future capital expenditure.

Based on these inclusions and proposed tenant mixes, the potential incomes that can be generated are in table 4 below.

Table 4: Estimated Yearly Income per Annum

<table>
<thead>
<tr>
<th></th>
<th>Option A</th>
<th>Option B</th>
<th>Option C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential Income</td>
<td>-$11,000 per annum</td>
<td>$121,000 per annum</td>
<td>$442,000 per annum</td>
</tr>
</tbody>
</table>

It is important to note that this potential annual income would be adjusted depending on the commercial tenant mix and the service delivery model. This operational model allows flexibility for change over time as community demands increase or decrease. Operational costs and future site management costs have also been included in the model. Further details regarding potential sinking fund options and property void rates are also built into the model.

This operational model represents high-level estimates which will be refined as the preferred concept is developed.

**Income generating tenant criteria**

Officers will develop criteria to ensure that income generating (commercial) tenants support Council’s priorities. This criteria may include:

• Organisations that support health and wellbeing outcomes (social, environmental, economic) and/or outcomes related to our human rights policy;
• Organisations focussed on social change and equality;
• Not-for-profit organisations;
• Values based organisations; and
• Organisations that have a diverse and transparent funding stream.

**Potential Capital Income**

A range of capital funding options could be applied to this project:

• Sale of the Garden Street property if Brunswick Neighbourhood House (BNH) is included as a future tenant ($940,000 - 2018 rates value);
• The Open Space Reserve and/or the Public Resort and Recreation Land Fund (PRRLF) could possibly cover the estimated $1.2 million landscaping budget for each option and demolition costs ranging from $220,000-$430,000;
• Phoenix Street and Saxon Street upgrades could draw on funds to be allocated for streetscape upgrades;
• State and Federal funding; and
• Philanthropic funding.

3. **Issues**

**Onsite car parking**

The site has 8 parking spaces for current use, and at this concept stage and the 3 options propose zero car-parking onsite. A detailed precinct car parking demand analysis needs to be undertaken and to consider the following issues:

• Planning scheme requirements may change in light of the draft Moreland Integrated Transport Strategy (MITS) and review.
• Future Planning Permit assessments would be dependent upon total floor space, potential uses and demand analysis.
• Precinct options to explore include:
  – The future use of the Dawson Street carpark opposite the Brunswick Baths;
  – Potential development at the rear of the Mechanics Institute on Glenlyon Road; and
  – Phoenix Street reconfiguration to create car spaces for the site.

Brunswick Neighbourhood House (BNH)

Council is committed securing a new site for BNH to support its ongoing service delivery to the community. Through the concept development, this project has explored options of BNH being a future tenant at 33 Saxon Street. The BNH spatial requirements have been accommodated within each concept with option A and B allowing partial relocation with occasional care learning spaces included, and option C providing an option for BNH to be possibly accommodated in its own building with occasional care learning spaces included. Council continues to work with BNH to identify the best outcomes for site relocation.

Occasional care

All options provide a space allocation for an occasional care service. The fully fitted out occasional care space at Brunswick Baths is underutilised and the service at BNH demonstrates that there is high demand for their service. Council has the opportunity to consolidate occasional care at a precinct level. If BNH is included partially or fully as a tenant, then the flexible space allocated for occasional care at 33 Saxon Street could be run by BNH. This alternative delivery model would allow the Brunswick Baths to better use the Occasional Care space for health and wellbeing purposes in the short-term. If BNH is not relocated or is not prepared to manage the service on the site, then this issue will need consideration as to the best approach and location to meet the public demand for occasional care service.

Human Rights Consideration

The implications of this report have been assessed in accordance with the requirements of the Charter of Human Rights and Responsibilities.

4. Consultation

Since the Strategic Framework was endorsed in August 2017, Officers have consulted with the community regarding the draft vision, and potential future uses (December 2017 to March 2018). Council’s Saxon Street internal working group and Project Control Board have provided strategic guidance to this process. The potential uses were endorsed by Council in June 2018 and the three concept options were presented to Councillors at a Councillor Briefing on 16 July 2018:

Subject to Council endorsement, Phase 2 of the consultation period is planned to occur from 15 August to 5 September. This will involve:

• Online engagement with the different methods to ‘Have Your Say’.
• Two public drop-in sessions at 33 Saxon Street on 30 August and on 1 September.

The 3 concept plan options and the key features of each concept will be displayed for community feedback.

5. Officer Declaration of Conflict of Interest

Council officers involved in the preparation of this report have no conflict of interest in this matter.
6. **Financial and Resources Implications**

Redevelopment of 33 Saxon Street will result in capital expenditure and ongoing operational costs to Council.

During the concept planning stage, financial modelling has been undertaken to ensure estimated project costs and future ongoing operational costs are clearly understood. In particular, development of an operational model that allows appropriate income generating tenants to be included on the site to help offset costs to Council.

The funds to undertake planning for the future use of 33 Saxon Street, including the community needs assessment, community engagement and concept planning are covered by the Saxon Street ‘reserve’ (to become the ‘major projects reserve’ in future).

7. **Implementation**

<table>
<thead>
<tr>
<th>Timing</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 August 2018</td>
<td>Proposed Council endorsement of 3 Concept Plan options for consultation</td>
</tr>
<tr>
<td>August to September 2018</td>
<td>Phase 2 community engagement on the 3 Concept Plan options</td>
</tr>
<tr>
<td>October 2018</td>
<td>Refine one preferred Concept Plan</td>
</tr>
<tr>
<td>December 2018</td>
<td>One preferred Concept Plan to be presented to Council for adoption.</td>
</tr>
</tbody>
</table>

**Attachment/s**

1. Concept Plans - 33 Saxon Street, Brunswick  D18/262247