Executive Summary

The purpose of this report is to seek Council endorsement of the Saxon Street Multi-Use Facility preferred concept for further planning and development.

In 2010, Council acquired a former school at 33 Saxon Street, Brunswick (the site) to provide for future community needs in the growing neighbourhood of Brunswick. A range of temporary activation activities have occurred on site 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, Council endorsed a strategic framework to facilitate decision making around the long-term use and development of a multi-use facility at the site (DED70/17). In June 2018, Council endorsed the future uses, services and features to be tested in the concept planning stage (DED36/18).

In August 2018, Council endorsed three concepts to be released for community consultation (DED47/18). The three concepts released for community consultation included:

- Option A – minor works;
- Option B - minor works with ambition; and
- Option C - major works.

Throughout August and September 2018, the community was consulted on the three options to identify the preferred design concept; this consultation confirmed there was overwhelming support for Option C – major works.

Features of Option C – major works includes:

- More public open space;
- More commercial floor space (which has potential to generate greater income);
- Major works including multi use and community use facilities and café; and
- Potential to house Brunswick Neighbourhood House.

Associated operational modelling for option C has been undertaken to consider how the site can be financially sustainable into the future. This report recommends that Council formally endorses Option C and undertakes further development and planning for the project including undertaking further stakeholder engagement and progressing the funding model, before moving to the detailed design and approvals stage for the project.

Officer Recommendation

That Council:

1. Endorses the Saxon Street Multi-Use Facility concept design Option C – major works at Attachment 1 to this report, for further planning and development.

2. Receives a further report by June 2019 regarding project progress, including the funding model, outcomes of further stakeholder engagement, and development of partnerships for the delivering of this project.
1. **Policy Context**

The Brunswick Structure Plan (2010 and 2016) sets the general vision and direction for 33 Saxon Street and the Brunswick Civic and Cultural Precinct.

This item is 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 for this item was for Council to endorse a Concept Plan by December 2018.

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

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

2. **Background**

**Strategic Framework**

In August 2017, Council endorsed the Strategic Framework for its multi-use facility at 33 Saxon Street, Brunswick which 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’. The potential future uses included:

- public open space;
- multi- purpose community rooms; and
- creative industries and consulting rooms.

The uses and draft vision identified in the Strategic Framework were the subject of community engagement in early 2018.

**Concept planning stage**

Council officers undertook assessments that revisited the SocioLogic strategic needs assessment findings and carefully considered the community feedback received to inform and refine the recommendations to be tested in the concept planning stage.

The potential uses, services and features noted in table 1 below were endorsed by Council in June 2018 and included in the design brief to the external design consultant and Ethical Property Australia (EPA) who were engaged to deliver a preliminary financial model for future development on the site.

<table>
<thead>
<tr>
<th>Use/service/feature</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use/service/feature</td>
<td>Recommendations</td>
</tr>
<tr>
<td>---------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Public open space</td>
<td>Expanded the public open space to a minimum size of 2,000 square metres from current size (1,700 square metres). Space be assigned for a community garden. Children’s play areas to be incorporated into design. The public open space will not be a designated ‘dogs off leash’ park. Passive recreation is a focus (purpose) of the park. Trees, canopy cover and grass are incorporated into the design.</td>
</tr>
<tr>
<td>Multi-purpose community rooms</td>
<td>Include a minimum of two multipurpose community rooms.</td>
</tr>
<tr>
<td>Multi-purpose consulting rooms</td>
<td>Include three consulting rooms primarily for provision of maternal and child health services (MCH) which can be uses 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>Multi-purpose 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 (the space needs to flexible to be able to be used for other purposes outside its primary use, 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. Shared staffroom with kitchen facilities. Public toilets accessible from both inside and outside (outside access can be locked). Explore the possibilities of a commercial kitchen being incorporated onsite.</td>
</tr>
<tr>
<td>Integration with Brunswick Baths</td>
<td>Explore options for the two 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>
</tbody>
</table>
| Income generating tenants | In accordance with Strategic Objective 2 of the Strategic Framework:  
  • carefully manage the draw on Council’s limited rates raised budget and develop a viable multi-use facility at the site;  
  • 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). |

**Concept plan options**

Three concept design options were developed by an external consultant in collaboration with Council and each option varied in intensity of site use and potential for financial self-sufficiency. In August 2018, Council endorsed the three concepts to be released for community consultation.

In summary the concepts included the following variables within the site parameters:

- The extent and location of future open space;
• Low, medium and high built form interventions to existing buildings and newly proposed building elements; and
• Different extents of potential demolition works.

Council’s internal working group and Project Board considered the community feedback that was received throughout August and September and option C was then further developed by Council’s external Consultant team on the basis that:

• Option C can generate the income required to support a financially sustainable site (based on the proposed financial operational model). This option delivers Strategic Objective Two from the Strategic Framework which is to:
  
  Carefully manage the draw on Council’s limited rates-raised budget to develop a multi-use facility at the site.

• There is alignment in achieving Council’s key priorities as outlined the following adopted strategies/policies:
  – Cooling the Upfield Corridor’ Plan 2018-2029;
  – A Park Close to Home 2017;
  – The Moreland Arts Infrastructure Plan 2018-2023 (by contributing to the success of the Brunswick Arts Cluster by delivering and utilising new infrastructure in the public realm to support outdoor performances);
  – Complementing and contributing to the evolution of the Brunswick Design District;
  – Environmentally Sustainable Design (ESD) local planning policy;
  – Urban Forest Strategy 2017-2026; and

Preferred design concept - Option C

The preferred Option C is detailed at Attachment 1 and includes indicative illustrations/artists impressions. The concept has the following space allocations as shown in table 2 below and meets Council’s requirements across the various categories.

<table>
<thead>
<tr>
<th>Types of space provided</th>
<th>Area (square metres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>2,614</td>
</tr>
<tr>
<td>Community use facility</td>
<td>464</td>
</tr>
<tr>
<td>Creative exhibition space/gallery</td>
<td>205</td>
</tr>
<tr>
<td>Creative performance space</td>
<td>221</td>
</tr>
<tr>
<td>Creative production space</td>
<td>511</td>
</tr>
<tr>
<td>MCH services</td>
<td>113</td>
</tr>
<tr>
<td>Occasional child care</td>
<td>156</td>
</tr>
<tr>
<td>Public open space</td>
<td>2,751</td>
</tr>
<tr>
<td>Public toilets</td>
<td>73</td>
</tr>
<tr>
<td>Shared spaces</td>
<td>80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,188 square metres</strong></td>
</tr>
</tbody>
</table>

The key features of this concept include:

• A reconfigured ‘right of way’ access to the Brunswick Baths services area;
A new entry address will be created for the heritage listed ‘Sherwood House’ on Saxon Street;
The public open space is increased and enhanced and is proposed at 2,751 square metres;
The connection to Brunswick Baths can be enhanced with a porous fence treatment that allows for views of the pool and sound to travel between the two sites;
Creation of 2,614 square metres of commercial space for future tenancy;
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;
A community use building would be created on the North West corner and the proposed floorplans include occasional childcare space for 22 children, multi-purpose community rooms, office space and a multi-purpose outdoor roof space;
A 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 and replaced with a similar sized exhibition space/gallery and adjoining multi-purpose space; and
A double height commercial café would be added at the non-heritage rear of the Sherwood House. This could 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 has been included and could serve YMCA members.

The design concept will be refined with further planning and development over 2019, which will then be followed by detail designs for the site.

3. Issues

Issues central to the future and on-going viability of the site are detailed below.

Onsite car parking

The site has eight parking spaces for current uses, and the concept proposes 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 considering the draft Moreland Integrated Transport Strategy (MITS) and review; and
- Future planning permit assessments would be dependent upon total floor space, potential uses and demand analysis.

Brunswick Neighbourhood House (BNH)

Council is committed securing a new site for BNH to support its ongoing service delivery to the community. Option C has the appropriate space and requirements for BNH to become a future tenant at 33 Saxon Street, and they can also be accommodated in their own building with occasional care learning spaces included. Council will continue to work with BNH to identify the best outcomes for future site relocation and decide if Saxon Street is the best option.

Commercial demand/supply analysis

Subject to Council’s endorsement of the recommended Option C, in 2019 a precinct wide demand and supply analysis of the commercial rental spaces in Brunswick is proposed to be undertaken by Council to determine the financial viability of the commercial tenant model proposed for this site.
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, Council officers have consulted with the community regarding the draft vision and potential future uses (December 2017 to March 2018).

Community consultation regarding their preferred design concept/options was undertaken from August to September 2018. This included two drop-in sessions and feedback was sought online. There was overwhelming support for Option C – major works. A summary of this feedback can be found at Attachment 2.

Key community feedback included:
- 176 responses were received and 78% of respondents preferred option C; and
- There was strong support for Brunswick Neighbourhood House to be incorporated into the site.

With respect to the quality of consultation/experience of how Council engaged, community feedback included:
- 71% of respondents described their experience and level of satisfaction with the drop on sessions as being highly informative, the remaining 29% described the drop-in sessions as being informative;
- 57% of respondents felt the designs were ‘very easy’ to understand, 33% said they were ‘easy’ to understand and the remaining 10% were neutral on this subject; and
- 100% of people wanted to know more about the project after the drop-in session.

With regard to who engaged with the process:
- 80% of the people who participated in the drop-in sessions were from broader Brunswick; and
- 43% of the people that attended in person were older than 60 years old, 29% were between the ages of 46-60 years old, 14% were between the ages of 36 and 45 years old, 14% were between the ages of 20 and 35 years old.

Council’s Saxon Street internal working group and Project Board have provided strategic guidance throughout the process.

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.

Preliminary financial modelling has been undertaken by an independent Quantity Surveyor to ensure estimated project costs and future ongoing operational costs are clearly understood.

Development of an operational model continues to be progressed, which includes for appropriate income generating tenants to be included on the site to help offset costs. The funding model and associated timelines continues to be developed and refined.
Associated financial modelling

Estimated project costs have been determined by an independent Quantity Surveyor, in conjunction with the consultant architects appointed by Council who prepared the design concepts. Council’s Capital Works Planning and Delivery and Finance team have reviewed the proposed budgets.

The current estimated project budget is within the cost range of $22.5 to $24 million. These costs are subject to review and further analysis which will be determined as part of progressing the funding model by June 2019. This will include an analysis of future tenants and uses.

The proposed cost range includes the following total project costs includes construction costs and non-construction costs. The non-construction costs include:

- contingencies;
- consultant costs;
- escalation costs;
- design costs;
- environmentally sustainable design costs; and
- furniture, fixtures and equipment.

These project budget estimates will continue to be reviewed as the project progresses, and operational requirements and future tenant expectations become defined.

Operational modelling

The estimated project costs are built on the foundation of an operating model that identifies the potential operational costs and a proposed tenancy structure that will enable the financial viability of the site.

Financial sustainability of this site is consistent with strategic objective two of the endorsed Strategic Framework, and 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.

The operational model developed involves the need to introduce income generating commercial tenants into Council owned buildings to reduce the overall costs of running and maintaining the site. By having the right combination of commercial 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 developed 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 the above (including the proposed approach to tenant mix), the potential income that can be generated for the site is an estimated yearly income per annum of $400,000.

The current operational model represents cost estimates which will be refined as the preferred concept is further developed. In 2019, the feasibility of the commercial tenant mix will be tested in a precinct wide demand/supply analysis.


Potential Capital income

In 2019, the funding model for the project will be further developed. A range of capital funding options currently under consideration include:

- The Public Resort and Recreation Land Fund;
- State and Federal funding; and
- Philanthropic funding.

7. Implementation

Subject to Council endorsement of recommended Option C; Council officers will progress development and planning for the project in 2019, which will include further stakeholder engagement and progressing the funding model (before moving to the detailed design and approvals stage for the project).

The key phases for project in 2019 and beyond are highlighted below.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>We are here</td>
<td>Report to Council recommending Option C</td>
</tr>
<tr>
<td>2019/2020</td>
<td>Stakeholder engagement</td>
</tr>
<tr>
<td></td>
<td>Progress funding model</td>
</tr>
<tr>
<td>2020/2021</td>
<td>Detailed design and approvals</td>
</tr>
<tr>
<td>2021/2025</td>
<td>Construction / project to be completed June 2025</td>
</tr>
</tbody>
</table>

The timeframes may be adjusted on basis of the funding model to be developed, however construction is sought to be completed by 2025.

Attachment/s

1. Concept Design C - Floor Plans and Renders  D18/444137
2. Phase 2 - Community Consultation Report Summary - September 2018  D18/434751
   - 33 Saxon Street, Brunswick
COMMUNITY CONSULTATION SUMMARY
MULTI-USE FACILITY
33 Saxon St, Brunswick

CONCEPT DESIGN OPTIONS

2 Drop-in sessions were held
34 people attended

Feedback Forms
176 feedback responses received
97.2% Online Form
1.1% Email
1.7% Hand Written

Community preferred option
97.2% Option A
8% Option B
78% Option C

Top themes identified from the feedback
47% Support for BNH
23% Support for MNCH to co-locate in building with BNH
7% Support for the Public Open Space
3% Ensure the site it is community focussed
2% Support for a connection with Brunswick Baths

Level of community satisfaction with drop in sessions

What area do the attendees live in?

Age

- 0% 19 Years and under
- 10% 20-35 Years
- 14% 36-45 Years
- 14% 46-60 Years
- 29% 61-75 Years
- 33% 61-75 Years
- 10% 76 and over

How easy was it to understand the options?

- 100% Very easy
- 33% Easy
- 57% Neutral
- 10% Difficult
- 29% Very Difficult

How informative was this consultation session?

- 100% Informative
- 57% Highly Informative
- 33% Informative
- 29% Neutral
- 7% Not at all

Do you know more about the project after the drop-in session?

- 100% Yes
- 10% No

What area do the attendees live in?

- 29% Brunswick
- 23.8% Brunswick West
- 47.6% Brunswick
- 9.5% Brunswick East
- 14.3% Outside Moreland
- 14% 20-35 Years
- 23% 36-45 Years
- 29% 46-60 Years
- 33% 61-75 Years
- 10% 76 and over
Café and New Entry
Double height café and new identity to Sherwood House

Public Open Space
2,751 sqm.

Porous fence with baths

Community-Use Facility

Multi-use Facility