

Lord Mayor of Sydney

CLOVER MOORE MP

Sydney Town Hall

GPO Box 1591
Sydney NSW 2001 Australia
Phone 02 9265 9229 Fax 02 9265 9328
Email cmoore@cityofsydney.nsw.gov.au



29 June 2011

Mr Stephan Gyory
The Record Store
By email stephan@therecordstore.com.au

Dear Mr Gyory

New Directions for Oxford Street

Thank you for attending the Darlinghurst Business Roundtable on Friday 6 May, 2011.

I understand that Kim Woodbury, the City's Chief Operating Officer and City staff are following up concerns raised by the 2010 Business Partnership since the Roundtable.

On Monday 27 June, Council adopted the recommendations arising from my Lord Mayoral Minute which sets out new directions for Lower Oxford Street.

These recommendations aim to address many of the concerns which were raised at the Darlinghurst Business Roundtable, including the perceived lack of daytime trade, imbalance in the business mix, safety issues and the impact of traffic on Oxford Street as an attractive destination.

My Lord Mayoral minute proposes that the City investigate the use of our Oxford Street properties for affordable creative spaces. This could include affordable spaces for individuals already involved in creative enterprises, who may be ready to take the next step in developing their business, artists' studios or musicians' rehearsal rooms. It could also lead to the establishment of a creative hub as proposed in the Oxford Street Cultural Quarter Action Plan.

This proposal would involve the City moving away from simply renting our properties to maximise short term financial returns to using them to achieve positive economic impacts and cultural and social benefits.

Similar approaches have worked successfully in other cities.

My minute also proposed that the City continue to investigate the proposal for a mid-range boutique hotel at 110-122 Oxford Street and we continue to advocate on traffic improvements to Oxford Street.

city of villages

We also plan to engage with other Oxford Street property owners to help achieve Council's objectives for Oxford Street, which include:

- a diverse and robust daytime economy;
- a significant village centre for Darlington and Surry Hills; and
- an important focus for cultural and creative activity.

A copy of my Lord Mayoral Minute is enclosed.

During debate on my Minute Councillors requested that the CEO provide information about the viability of a supermarket development at 56-76 Oxford Street before deciding not to proceed with it.

The resolution as adopted by Council is:

It is resolved that Council:

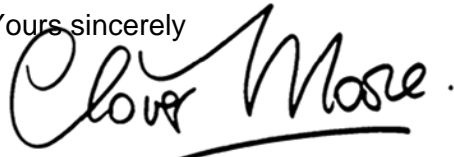
- (A) *request the Chief Executive Officer (CEO) to report on the viability of a supermarket development at 56-76 Oxford Street;*
- (B) *request that the CEO investigate options for activating Oxford Street, including:*
 - (i) *utilising City-owned properties to help achieve the objectives of the Oxford Street Cultural Quarter Plan, including the provision of affordable creative spaces;*
 - (ii) *utilising City-owned properties to achieve a greater diversity in Oxford Street's mix of commercial and retail businesses to support the daytime economy;*
 - (iii) *encouraging and engaging private property owners to work with the City to help achieve Council's objectives for Oxford Street, including:*
 - (a) *a diverse and robust daytime economy;*
 - (b) *a significant village centre for Darlington and Surry Hills; and*
 - (c) *an important focus for cultural and creative activity;*
 - (iv) *the feasibility of establishing a boutique hotel or similar accommodation at 110-122 Oxford Street;*
 - (v) *short, medium and long-term options to improve Oxford Street's amenity as a village centre and a safe and attractive destination, including:*
 - (a) *changes to traffic patterns that move traffic from the kerbside;*
 - (b) *introduction of bike lanes to connect to College Street;*
 - (c) *changes to bus operations that reduce noise impacts;*
 - (d) *improved opportunities for safe pedestrian crossings;*
 - (e) *time of day changes that support the different ways Oxford Street is used; and*

city of villages

(f) *physical improvements which would support Oxford Street's potential use as a light rail route; and*

continue to advocate for improvements to Oxford Street to the State Government, particularly in relation to traffic management.

Yours sincerely

A handwritten signature in black ink that reads "Clover Moore." The signature is written in a cursive, flowing style with a long horizontal stroke underneath the name.

Clover Moore MP
Lord Mayor of Sydney

city of villages

COUNCIL 27 JUNE 2011
ITEM 3.4 NEW DIRECTIONS FOR LOWER OXFORD STREET

FILE NO:

MINUTE BY THE LORD MAYOR

To Council:

Lower Oxford Street, between Hyde Park and South Dowling Street, has the potential to be a significant village centre serving Darlington and Surry Hills.

It is a centre of intense night-time activity yet suffers from perceptions of a lack of daytime trade, imbalance in the business mix and safety issues. The intensity of daytime traffic, which includes more than 200 buses per hour, and exacerbated by RTA's removal of parking and creation of clearways, also severely impacts on Oxford Street as an attractive destination.

Council has previously investigated options for the revitalisation of Oxford Street, including proposals for the redevelopment of its properties between 56 and 122 Oxford Street:

- 7 August 2006: Council endorsed a proposal to redevelop 56-76 Oxford Street as a food, grocery and services retail centre, which included lodging a development application for its refurbishment and undertaking an expression of interest (EOI) process to identify potential operators. This proposal was subsequently endorsed by the Darlington Business Partnership.
- 7 May 2007: Council noted that the proposal to introduce a 'mid range tourist accommodation' was the preferred use for the properties at 110-122 Oxford Street and approved an EOI campaign to determine if the project could be funded by the Private Sector through a ground lease.
- 29 October 2007: Council approved a development application for the redevelopment of 56-76 Oxford Street as a food, grocery and services retail centre.
- 23 November 2009: Council agreed to undertake an EOI process to investigate the potential for several City properties, including 110-122 Oxford Street, to be used for affordable housing.

As a result of the EOI process for 56-76 Oxford Street, Council resolved to proceed to a select tender on 20 November 2006, with three EOI applicants being invited to tender. No conforming tenders were received, despite the closing date for tenders being extended twice. On 7 April 2008, Council resolved to delegate authority to the CEO to negotiate with the Select Tenderers and any other party capable of delivering the food, grocery and services retail centre project. The City was subsequently unsuccessful in negotiating commercial terms with potential operators which were acceptable to both parties.

COUNCIL 27 JUNE 2011

The proposals for the City's Oxford Street properties were developed in a very different economic climate. While there was initial interest from potential operators, this interest waned following the global financial crisis. Other operators have since demonstrated that they can meet the local community's demand for groceries and fresh produce. As a result, establishing another food and groceries centre in City owned properties may no longer be viable.

This change in economic circumstances provides Council with the opportunity to utilise its Oxford Street property portfolio to address concerns about Oxford Street and implement key actions of the Oxford Street Cultural Quarter Action Plan. In taking this step, the emphasis will shift from maximising short term financial returns from these properties to using them to achieve positive economic impacts and cultural and social benefits.

Key actions in the Action Plan relate to encouraging and supporting the arts and creative industries in the Oxford Street Cultural Quarter. The Action Plan notes:

“Artists living and working in an area bring a vibrancy, diversity and bohemian feel. Due to the high cost of living, gentrification and increases in the rental market artists are being forced out of the City. The City of Sydney owns a number of buildings in the Oxford Street Cultural Quarter that may be appropriate for conversion into use for the creative industries as retail, studio and exhibition spaces.”

The Oxford Street Cultural Quarter Action Plan also proposes the establishment of an arts and creative industry incubator, which may be a managed workspace targeted at start-up businesses.

The City-owned properties at 56-122 Oxford Street could be a suitable location for such an arts and creative industry incubator. It could also provide affordable spaces for individuals already involved in creative enterprises, most likely working from home, who may be ready to take the next step in their development.

These properties could also help meet the demand for creative spaces, such as artists' studios and musicians' rehearsal rooms.

On 15 May 2011, Council gave in-principle endorsement to the disposal of 9-11 Gibbons Street and 5-7 Marian Street, Redfern for the provision of affordable housing and noted that reports on the evaluation of the EOI process for other potential affordable housing sites would soon come before Council.

Given this, it is appropriate that investigating the potential for the City's Oxford Street to provide affordable creative spaces be given first priority.

Similar initiatives in other cities show that such uses can contribute to revitalising interest and activity which has flow on economic and social benefits.

The Oxford Street Cultural Quarter Action Plan also recognises the importance of engaging private property owners in the area, and proposes holding a landlords and real estate forum to develop a vision for the area.

By setting a new direction for our Oxford Street properties, the City would in a strong leadership position to engage other property owners in planning for increasing creative enterprises in the area and diversifying the business mix.

This new direction should be complemented by action to improve Oxford Street's amenity as a significant village centre.

RECOMMENDATION

It is resolved that Council:

- (A) not proceed with the supermarket development at 56-76 Oxford Street;
- (B) request that the Chief Executive Officer investigate options for activating Oxford Street, including:
 - (i) utilising City-owned properties to help achieve the objectives of the Oxford Street Cultural Quarter Plan, including the provision of affordable creative spaces;
 - (ii) utilising City-owned properties to achieve a greater diversity in Oxford Street's mix of commercial and retail businesses to support the daytime economy;
 - (iii) encouraging and engaging private property owners to work with the City to help achieve Council's objectives for Oxford Street, including:
 - (a) a diverse and robust daytime economy;
 - (b) a significant village centre for Darlington and Surry Hills; and
 - (c) an important focus for cultural and creative activity;
 - (iv) the feasibility of establishing a boutique hotel or similar accommodation at 110-122 Oxford Street;
 - (v) short, medium and long-term options to improve Oxford Street's amenity as a village centre and a safe and attractive destination, including:
 - (a) changes to traffic patterns that move traffic from the kerbside;
 - (b) introduction of bike lanes to connect to College Street;
 - (c) changes to bus operations that reduce noise impacts;
 - (d) improved opportunities for safe pedestrian crossings;
 - (e) time of day changes that support the different ways Oxford Street is used; and
 - (f) physical improvements which would support Oxford Street's potential use as a light rail route; and
- (C) continue to advocate for improvements to Oxford Street to the State Government, particularly in relation to traffic management.

COUNCILLOR CLOVER MOORE MP
Lord Mayor