



Redland
CITY COUNCIL

MINUTES

CLEVELAND CBD REVITALISATION SPECIAL COMMITTEE

Thursday, 8 August 2013

**Council Chambers
1st floor Administration Building
Bloomfield Street Cleveland. Qld 4163**

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1 DECLARATION OF OPENING

The Mayor declared the meeting open at 9.03am.

2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCEMembers Present:

Cr K Williams	Mayor
Cr C Ogilvie	Councillor Division 2
Cr M Edwards	Councillor Division 5
Cr J Talty	Councillor Division 6
Cr M Elliott	Councillor Division 7

Committee Manager:

Mr N Clarke	General Manager Organisational Services
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Officers:

Mr B Lyon	Chief Executive Officer
Mrs L Rusan	General Manager Community & Customer Services
Mr D Hunt	Principal Advisor Economic Development

Observers:

Cr A Beard	Deputy Mayor and Councillor Division 8
Cr W Boglary	Councillor Division 1
Cr P Bishop	Councillor Division 10
Cr P Gleeson	Councillor Division 9

Minutes:

Mrs J Parfitt	Corporate Meetings & Registers Team Leader
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3 PUBLIC PARTICIPATION AT MEETING

Nil

4 DECLARATION OF MATERIAL PERSONAL INTEREST OR CONFLICT OF INTEREST ON ANY ITEMS OF BUSINESS

Nil

5 MOTION TO ALTER THE ORDER OF BUSINESS

Nil

6 PRESENTATIONS

6.1 CLEVELAND CBD PLANNING & DEVELOPMENT HISTORY

A presentation was given by Mr Gary White – Strategic Planning Advisor Macro Plan Dimasi on the planning and development history of Cleveland.

6.2 CLEVELAND CBD INVESTMENT ATTRACTION STRATEGY

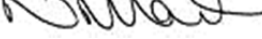
A presentation was given by Mr Ben Koop from Jones Lang LaSalle on the findings of the Cleveland CBD Investment Attraction Strategy Report.

7 ORGANISATIONAL SERVICES

7.1 CLEVELAND CBD COMMERCIAL INVESTMENT ATTRACTION STUDY

Datworks Filename: LUP Projects Cleveland CBD
Commercial Attraction Study

Attachment: [Cleveland CBD Commercial Investment Attraction Strategy Draft 22 July 2013](#)

Responsible/Authorising Officer: 
Nick Clarke
General Manager Organisational
Services

Author: Douglas Hunt
Principal Adviser Economic
Development

PURPOSE

The purpose of this report is to seek the Cleveland CBD Revitalisation Committee's consideration of phases one and two of the Cleveland CBD Commercial Investment Attraction Study undertaken by Jones Lang LaSalle.

The report outlines the findings from phases one and two of the study providing an economic baseline analysis of the Cleveland CBD and an overview of the competitive advantages of the Cleveland CBD and its future economic role in the city.

BACKGROUND

The Cleveland CBD Revitalisation Special Committee Council resolved at its General Meeting of 25th March 2013 to adopt the Cleveland CBD Revitalisation Special Committee Work Plan. Section C of that work plan involved the development of a series of economic analysis one of which included undertaking a revitalisation strategy that would incorporate a number of objectives:

- To undertake a detailed market analysis to determine the most likely development properties, and what strategies for those properties would ensure RCC has a good chance of attracting investors;
- A detailed market assessment to help demonstrate the centres strength and attract the developers capable of delivering viable projects for the CBD; and
- To provide informed market driven information and feasibility analysis concerning the types of land uses and commercial development the Cleveland CBD can support, in line with the intentions of the Master plan.

In line with the objectives of the project, there are four key elements to this project. They comprise the following:

1. Developing an economic baseline assessment for the Cleveland CBD that identifies the target market and business/sector profile that Council should seek to target for the Cleveland CBD;
2. Defining the competitive advantages of the Cleveland CBD;
3. Identifying specific investors to locate and invest in the Cleveland CBD, including the identification of financially viable catalytic project sites on Council owned land that provide commercially oriented development options that potentially allow Council to act in a development role and;
4. Developing a commercial investment attraction plan for the Cleveland CBD.

ISSUES

The Cleveland CBD Commercial Investment Attraction Study phase one and two has been completed by Jones Lang LaSalle (see Attachment) and provides an overview of the local CBD economy and the competitive advantages of the CBD versus both the wider Redland City LGA and other areas in Southeast Queensland.

The first two phases of the study have undertaken an economic baseline assessment of the Cleveland CBD, broadly based around the key sectors of the local economy.

The report reviewed the following areas of the Cleveland CBD, making comparisons both with the broader Redland City area and the wider Brisbane market:

I. Residential Market Assessment

The report found that the Cleveland residential market for houses had softened since 2002; however median prices had increased steadily over the decade, with a current median house price in Cleveland of \$500,000. The apartment market had also softened since 2007, however as with the house market, prices have increased steadily however, sales of apartments in Cleveland peaked in 2007. The median price for apartments is \$350,000, with apartments and semi-detached dwellings forecast by JLL to represent up to 80% of residential dwelling stock by 2022.

The largest issue facing the Cleveland (and Redland City) market over the coming decade will be an increase in the 65 and over demographic which will have the largest increase of any age group. The 5-14 year demographic, is also expected to grow over the decade above trend relative to other age categories, with both trends dictating that future housing supply will need to be flexible, delivering a range of options to cater to the changing demographics.

II. Employment overview and Occupier profile

The report found that four industry sectors dominate employment in the Cleveland CBD accounting for 56.1% of all employment, based on the ABS mesh data for the area. These sectors are:

- Retail trade
- Accommodation and food services
- Public administration and;
- Health care and social assistance

The major occupier of office space in the Cleveland CBD occurs in the Public Administration employment sector, which accounts for 51.5% of the office space in the CBD. The most likely employer is Redland City Council; however the ABS data does not elaborate this detail. The sectors of Health Care and Social Assistance and Education and Training represent a smaller portion of overall employment in the CBD, relative to the remainder of Redland City and offer the most potential for growth according to the report.

III. Office market assessment

The findings of the report indicate that unlike the Sydney and Melbourne Office markets, Brisbane has been slow to develop a large suburban office market. The report noted that areas of Brisbane that do have a suburban office market are dominated by government tenants, or have government backed technology focus. The report also found that examples of successful office park precincts in Brisbane, including Brisbane Technology Park, Southgate Corporation Park, Freeway Office Park were used by companies for back-office functions that are not reliant on face-to-face communication.

The report found that it the Cleveland office market is a small office precinct that is in direct competition with Capalaba, rather than any other suburban office market. The main uses for offices in the Cleveland CBD were identified as:

- Redland City Council
- Cleveland Magistrates Court
- Cleveland Police Station
- Legal offices
- Accountants
- Real estate agents
- Banking/finance

The conclusion on the Cleveland CBD office market from the report found that the Cleveland CBD will endure relatively low commercial office growth. However, it identified a number of potential options that could deliver growth in the CBD office market over the coming years. These options include:

- Relocation of TAFE from Alexandra Hills
- Establishment of call centres/back office functions
- ATO regional offices
- Regional state government offices
- University faculty centres (such as UQ/Mater training centre)

IV. Retail market assessment

The review of retail in the Cleveland CBD found that the retail sector in Cleveland performs relatively strongly in terms of turnover per m², in both the supermarket and speciality sectors. The analysis by JLL concluded that Cleveland could potentially support another supermarket, based on the sectors current turnover in Cleveland and the surrounding catchment of the Cleveland CBD. The analysis by JLL suggests that either an ALDI supermarket, or an expansion of one of the existing supermarkets.

The report also identified Cleveland as a potential site for a Discount Department Store (DDS), post 2016 based on the primary market catchment in Cleveland, but also on the possibility of attracting customers from other areas in close proximity to Cleveland such as Thornlands, Ormiston and Alexandra Hills.

In determining the potential for an expansion of retail in the Cleveland CBD, JLL have concluded that it is essential that Cleveland focuses on expanding the food and entertainment sectors of the Cleveland CBD. This is necessary to prevent the ongoing leakage that is occurring to other centres, including Victoria Point, Capalaba, Carindale and Garden City. Expanding these sectors of the Cleveland CBD economy will also be necessary to make the centre a more attractive destination from a residential perspective.

V. Overview of the following commercial sectors;

- Education and training – This sector has emerged as one of Australia's major export industries, with the provision of international students fee paying students in Australia. The sector includes, higher education, vocational education and training, English language intensive course providers, schools and pre-schools. The report identifies potential in the Cleveland CBD for the relocation of the TAFE campus if there are commercial reasons for undertaking such a move. In addition, they recommended further provision of University faculty training facilities, such as the UQ/Mater nurse training school in Cleveland CBD. It was noted in the report that higher education providers in CBD locations are strong employment providers and provide economic multiplier effects in other sectors of the local economy.
- Leisure and Entertainment - This sector was identified as offering growth potential in the Cleveland CBD, notably through the location of small (3-4

screen) cinema complex. It was noted that although a large multiplex cinema operator is unlikely to consider Cleveland a viable option, a small boutique operator may be able to make such an operation viable. The report did state however that this option should not precede either the development of a new supermarket, or DDS option for Cleveland.

- Health and Medical uses – The largest sector in the Australian economy by employment, which is mirrored by the broader Redland City economy (14.3% of the population is employed in this sector). In Cleveland the Healthcare and Social Assistance sector employs 10.3% of the city's workforce and is identified in the report as a sector offering significant growth potential for the CBD. This growth is not likely in services already offered by the hospital precinct, however throughout Australia there has been growth in GP super centres and Day surgery centres, which could be replicated in the Cleveland CBD. The services offered by such centres would also be complimentary to the demographic base of the CBD.
- Retirement living – The report notes that demographically Cleveland is well placed as an option for retirement living. There are a range of factors that benefit Cleveland in this respect including its central location, retail offering, proximity to hospital and high quality healthcare, transport offerings and its amenity. The retirement industry sector is currently experiencing a change in trends, expanding beyond low-rise, development located on CBD fringe areas, to Multi-story retirement projects, small retirement clusters that are integrated within traditional residential areas and the development of master planned communities where retirement living is integrated with a range of services offered to the wider community. The report concluded that Council should engage with the retirement sector to seek the development of high quality multi-story retirement accommodation within the Cleveland CBD.
- Visitor Accommodation – It was the preferred view of JLL that Council should not actively pursue the development of new accommodation offerings within the Cleveland CBD, as there is little or no demand for this type of offering. There are a number of reasons why this market is unlikely to prove viable for Cleveland over the next decade. These include low demand from tourism visitation to Cleveland, low expected growth (1.4% p.a.) in visitor numbers to both the Gold Coast and Brisbane, declining business visitor nights in Brisbane (-0.3% p.a.), low occupancy rates in the Brisbane hotel sector relative to Sydney, Melbourne and Perth and small business population within Cleveland to support a hotel, or serviced apartment development.

VI. Assessment of investment locations

The report analysed a number of investment locations around both Southeast Queensland and other suburban office locations in Australia, to demonstrate the demand and supply equation associated with investment decision making. It also highlighted the complexities involved with this process and the strategies that other local government areas, often in conjunction with state governments have employed in undertaking large scale development or redevelopment of commercial areas. In addition to this, the assessment highlighted the role played

by market forces in determining the success or otherwise of an area as an attractive investment location.

VII. Future role and function of Cleveland CBD

The report recommended that the future role and function of the Cleveland CBD be based initially (0-2 year time frame) around consolidating its strength as a retail centre with a focus on attracting another supermarket and DDS to the CBD. JLL's findings also indicate that developing Cleveland as an entertainment area with a focus on the food sector and the possibility of attracting a boutique cinema operator will assist in enhancing the appeal of Cleveland as a destination.

Over a 1- 5 year period and improvement in the retail offering in Cleveland would deliver benefits in the residential market, as it will assist in making Cleveland a more attractive place to live. Initial residential offering needs to be on owner-occupier model that targets a younger demographic, however also catering to the ageing demographic that dominates the Cleveland SLA.

In addition to this, JLL recommend that during this 1-5 year period, Council focus on building the training and education and training and healthcare and social assistance sectors of the economy as part of a strategy aimed at diversifying the economy. The report found that growth in the commercial office sector will only start to occur in Cleveland when the retail and residential components of the economy are strengthened; however any development in this sector is likely to be small scale.

VIII. SWOT analysis

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Proximity to Raby Bay • Visual amenity • Strong retail performance • Transport access 	<ul style="list-style-type: none"> • Age profile • Education facilities (lack of within CBD) • Limited range of medical services 	<ul style="list-style-type: none"> • Major development opportunities • Toondah harbour PDA • Expanded retail offering • Rail connectivity • Consolidation of government operations • Expansion of Stockland • Increased residential population and density 	<ul style="list-style-type: none"> • Capalaba • Victoria Point • Public opposition to increased densities

STRATEGIC IMPLICATIONS

Legislative Requirements

There are no legislative requirements that affect the outcome of this report.

Risk Management

Opportunities

- Implement the Master Plan guidelines for the commencement of catalyst site development. This will improve streetscape and amenity and have the potential to renew investor confidence in the CBD;
- Potential to generate activity and income from Council landholdings; and
- Potential to increase rateable properties within the CBD. Increase to revenue stream.

Risks

- Financial costs associated with activation of catalyst sites in the Master Plan. No budget yet allocated. Committee work will be to determine the benefits to Council of developing at least one catalyst site;
- Financial costs associated with incentives. Some impact will occur on revenue;
- Investors continue to bypass Cleveland in favour of other areas of Southeast Queensland that offer potentially better ROI. This includes out of centre developments within the City;
- Perception that the focus on Cleveland is at the expense of other areas in the City; and
- Time required for Committee members to devote to the elements of the CBD revitalisation process.

Financial

1. Review of Council landholdings and uses

The analysis currently being undertaken by Jones Lang LaSalle will include a due diligence review of current landholdings and building assets determining their current market value.

In addition, Council the review will also determine the estimated useful life of Council buildings and future staffing requirements within the Cleveland CBD to determine the feasibility of consolidating Council administrative staff in one building.

A review of these assets will assist in determining the most cost-effective options for their use, including investment attraction options as a way of generating potential asset sales and/or proving development options for Council CBD landholdings.

People

Undertaking the development of phases one and two of the Cleveland CBD Commercial Investment Attraction Study has required the devotion of the following Officers:

- Principal Adviser Strategic Economic Development
- Principal Adviser Priority Development Areas
- Strategic Planning Manager

Environmental

The environmental benefits in relation to the works of the Committee will be prefaced on the environmental benefits associated with Cleveland Town Centre Master Plan. These would include:

- Improved open space and public amenity
- Town Square development
- Traffic flow improvements, reducing vehicle movements
- Improved pedestrian and cycling routes
- Improved transport use, with less reliance on the use of private vehicles; and
- Improved environmental requirements to buildings associated with the Master Plan, using best practice design elements. Some examples would include use of building materials that are used sustainably, building locations and height, use of recycled water, passive and active solar designs, street shading and building overhang, ensuring that embodied energy is minimised reducing utility usage.

Social

The implementation of one of the catalyst projects as outlined by Cleveland Centre Master Plan has the potential to result in a more varied mix of uses within the CBD (both commercial and residential) has the potential to increase activity within Cleveland outside of the traditional business hours, contributing to a more vibrant centre

Alignment with Council's Policy and Plans

Relationship to Corporate Plan

The recommendation primarily supports Council's strategic priorities of delivering a healthy natural environment, green living, wise planning and design, a supportive and vibrant economy, strong and connected communities, and of embracing the bay.

The Cleveland Centre Master Plan and Cleveland CBD Incentives Package address these strategic priorities through:

- Promoting an active town centre through opportunities for retail, commercial and residential redevelopment connected with high quality public spaces including green and shaded streets and boulevards. The style of

architecture and public space will blend the unique bayside qualities of the City with the environmental and historical aspects of the locality;

- Providing a focus for civic life within the town centre through the establishment of a central plaza, which can provide a location for local community events such as farmers markets;
- Maintaining and enhancing Bloomfield and Middle Streets as prominent boulevards and pedestrian spines in the city centre;
- Providing opportunity for business investment and local employment;
- Defining the distinctive qualities and characteristics of existing landscape assets. Three primary open space corridors have been identified, which generally run north/south, and provide opportunities to create distinctive landscape experiences;
- Enhancing existing drainage and riparian corridors, which connect to the Bay, marina and surrounding bush land; and
- Strategic Implications.

CONSULTATION

The preparation of this document has been a collaborative effort between Officers from across the organisation including; Community and Customer Services and Organisational Services. The people consulted in the preparation of the report include:

- Group Manager, City Planning and Assessment
- Principal Adviser Priority Development Areas
- Councillor Division 2
- Mayor

OFFICER'S/COMMITTEE RECOMMENDATION

Moved by: Cr J Talty
Seconded by: Cr C Ogilvie

That the Cleveland CBD Revitalisation Special Committee resolve to endorse the contents of this report.


CARRIED

Cr Elliott was not present when this motion was put.

7.2 CLEVELAND CBD REVITALISATION WORK PROGRAM PROGRESS REPORT

Datworks Filename: ED Planning: Cleveland CBD Proposed Work Program
LUP Projects: Cleveland CBD Project

Attachment: [Cleveland CBD Revitalisation Strategy Work Plan Status Report August 2013](#)

Responsible/Authorising Officer: 
Nick Clarke
General Manager Organisational Services

Author: Douglas Hunt
Principal Adviser Strategic Economic Development

PURPOSE

The purpose of this report is to provide an update on the progress of the implementation of the Cleveland CBD Revitalisation Work Plan.

BACKGROUND

Council resolved on the General Meeting on 6th June 2013 to:

1. Endorse the Cleveland CBD Revitalisation Work Plan subject to budget deliberations and ongoing monitoring and review;
2. Add to current work program:
 - a) Outcomes of Item 1.1 (CBID);
 - b) In current events, consideration of the Black Swamp
3. Bring back to all future Cleveland CBD Revitalisation Committees, the work program including scorecard tracking and progress reporting.

The Cleveland CBD Revitalisation Work Plan highlights 4 key work program areas which will assist with delivering outcomes for the Cleveland CBD Revitalisation Committee. The four work programs are:

- a) Master Plan Implementation – short term actions;
- b) Management of Cleveland CBD Development Incentives Program;
- c) Economic Analysis incorporating Council land investigations and Council land requirements; and
- d) Project Management and Governance.

The Cleveland CBD Revitalisation Work Plan seeks to balance the need to deliver short and medium term improvements in the CBD (for example streetscape improvements) while undertaking further technical and feasibility

studies to facilitate the long-term future release of Council land (valued at \$20m).

As well as defining key work programs, the draft Work Plan also identifies a range of events and facilities that are currently held within or are in close proximity to the Cleveland CBD. As part of the Cleveland CBD Revitalisation Committee and Project there is scope to consider how Council can assist with attracting more people to these events and encouraging greater use of these facilities.

ISSUES

The Scorecard Approach

A scorecard tracking using the traffic light symbols has been used in the attached status report.



Progressing well meeting objectives, on budget on time






Progressing but requires constant monitoring



Caution not meeting planned objectives, budget or time.

Progress on Actions

Since commencement of the Work Plan the following progress has been made on the initial 39 actions:

-  17 actions are progressing well meeting objectives and on budget and on time.
-  14 actions have commenced and are progressing and require monitoring.
-  8 actions have not commenced and are mostly long term actions

STRATEGIC IMPLICATIONS

The revitalisation of the Cleveland CBD is recognised as a strategic priority of Council. Implementation of the Cleveland CBD Revitalisation Work Plan will guide future work related to the revitalisation of Cleveland CBD and assist with delivering the short, medium and long term outcomes of the Cleveland CBD Revitalisation Committee.

Legislative Requirements

There are no legislative requirements that affect the outcome of this report.

Risk Management

There are no risk management requirements that affect the outcome of this report.

Financial

The work tasks for 12/13 have been estimated at \$135,000.

To date (13/5/13) \$110,000 has been committed from the allocated \$135,000 in the 2012/2013 financial year.

An allocation of \$10,000 will be required by City Spaces for tree pruning and it is expected that the full budget amount will be committed by the time this report goes to Council.

The Communications Group have indicated that the \$75,000 allocated for the communication strategy is currently on time for delivery in the current financial year.

People

The implementation of the Cleveland CBD Revitalisation Work Plan and associated work programs is requiring work to be undertaken across a range of departments and groups within Council. The draft Cleveland CBD Revitalisation Work Plan assigns responsibility to appropriate areas of Council for each of the activities and tasks. Recognising the significance of the Cleveland CBD Revitalisation Project it is expected that Council groups will work collaboratively to implement the plan.

Environmental

The environmental benefits in relation to the works of the Committee will be prefaced on the environmental benefits associated with Cleveland Town Centre Master Plan.

These would include:

- Improved open space and public amenity
- Town Square development
- Traffic flow improvements, reducing vehicle movements
- Improved pedestrian and cycling routes
- Improved transport use, with less reliance on the use of private vehicles; and
- Improved environmental requirements to buildings associated with the Master Plan, using best practice design elements. Some examples would include use of building materials that are used sustainably, building locations and height, use of recycled water, passive and active solar designs, street shading and building overhang, ensuring that embodied energy is minimised reducing utility usage.

Social

The implementation of one of the catalyst projects as outlined by Cleveland Centre Master Plan has the potential to result in a more varied mix of uses within the CBD (both commercial and residential) has the potential to increase activity within Cleveland outside of the traditional business hours, contributing to a more vibrant centre

Alignment with Council's Policy and Plans

The recommendation of this report and the Cleveland CBD Revitalisation Work Plan support a range of Council strategic priorities including green living, wise planning and design, a supportive vibrant economy, strong and connected communities and embracing the bay.

CONSULTATION

City Planning and Assessment is coordinating the projects across various Council Groups. Each Group Manager has been asked to provide feedback and a status update on the progress of their projects.

OPTION

That Council resolve to:

1. Note the progress of the implementation of the Cleveland CBD Revitalisation Work Plan; and
2. Add the Cleveland CBD Revitalisation Users' Profile project to the Work Plan.

OFFICER'S RECOMMENDATION

That Council resolve to:

1. Note the progress of the implementation of the Cleveland CBD Revitalisation Work Plan; and
2. Add the Cleveland CBD Revitalisation Users' Profile project to the Work Plan.

OFFICER'S/COMMITTEE RECOMMENDATION

Moved by: Cr C Ogilvie
Seconded by: Cr M Edwards

That Council resolve to note the progress of the implementation of the Cleveland CBD Revitalisation Work Plan.

CARRIED

8 MEETING CLOSURE

There being no further business, the Chair declared the meeting closed at 11.43am.

Signature of Chairperson: _____

Confirmation date: _____