

Report to the Future Melbourne Committee

Agenda item 6.6

City Activation Grants

5 October 2021

Presenter: Andrew Wear, Director Economic Development and International

Purpose and background

1. The purpose of this report is to seek endorsement of the City Activation Grants program (CAGP) that will support the activation of retail, hospitality and entertainment precincts across the City of Melbourne.
2. The series of long lockdowns experienced by Melbourne is having a significant effect on the city. The most recent audit (of more than 8,000 shopfronts) was completed in May and indicated approximately one in five shops across the City of Melbourne were vacant or temporarily closed due to COVID-19. It is likely that the vacancy rate has risen as a result of subsequent lockdowns.
3. To ensure a strong post-crisis recovery, it is critically-important that visitors are presented with a vibrant and exciting retail, hospitality and entertainment experience.
4. Council is supporting this through a comprehensive program of events, activations and capital works. Many of these are funded through the \$100 million Melbourne City Recovery Fund, a partnership between the City of Melbourne and the Victorian government to invest in programs and infrastructure to reactivate the city.
5. CAGP will deliver on Major Initiative 1 ('Continue to strengthen Melbourne's economic recovery') from the Council Plan 2021-25 and Key Priority 2 ('A creative resurgence') from the Economic Development Strategy 2031.

Key issues

6. The series of long lockdowns experienced by Melbourne is likely to have a significant scarring effect on the city. The most recent audit of shopfronts (completed in May) indicated that 19 per cent of shops were vacant or closed, with the figure in precincts such as Docklands as high as 40 per cent. A new audit is currently underway and is likely to reveal that the current vacancy rate is significantly higher. Some parts of the city risk long-term decay, further undermining the city's attractiveness as a visitor destination.
7. To ensure a strong post-crisis recovery, it is critically-important that visitors are presented with a vibrant and exciting retail, hospitality and entertainment experience. This requires a comprehensive response. Key measures to ensure this include: shopfront activation; enhanced outdoor dining; capital works to enhance the public realm; events; and place-specific activations.
8. Temporary, place-specific activations drive visitation to different parts of the city, increase economic activity and celebrate the unique attributes of the city.
9. CAGP will make funding available to businesses and organisations to deliver place activations across the City of Melbourne. Priority will be given to applications that seek to deliver activity in the most severely impacted city areas (such as Docklands, Lygon Street, Melbourne CBD and North Melbourne).
10. CAGP will offer funding opportunities of up to \$50,000 per application. The funding will be available to implement free public and accessible COVID-safe activation initiatives.
11. Activations delivered in the past that provide an example of initiatives that would be considered include the Flinders Quarter Augmented Art Walk and the pop up children's playground at Docklands.
12. This approach draws on best practice experience from around the world, which indicates that the most effective recoveries adopt an experimental and iterative approach, drawing on the ideas and initiatives of a variety of groups. The program is likely to yield a diverse range of exciting and innovative initiatives that will bring new life to different parts of the city, at a critical moment in the city's recovery.

13. CAGP will support 'place specific activations' which are different to 'events' (which are generally a programmed, ticketed one day activity). Activations: are a static exhibit or interactive activity that encourages visitation and uplifts a city area; temporary in nature; have the ability to be used as an instrument to disperse visitation and spend to the surrounding city area; and encourage and provide an opportunity for visitors to engage with the local business community.
14. Subject to further discussions with the Victorian government, it is likely that applications will open later this year. Supported activations will need to be delivered before 30 June 2022.

Recommendation from management

15. That the Future Melbourne Committee:
 - 15.1. Endorses the proposed City Activation Grants program (Program).
 - 15.2. Endorses management working with the Victorian government to develop and deliver the Program, to support the activation of retail, hospitality and entertainment precincts across the City of Melbourne.

Attachments:

1. Supporting Attachment (Page 3 of 3)

Supporting Attachment

Legal

1. There are no direct legal issues arising from the recommendation from management

Finance

2. The Program is being delivered in partnership with the Victorian Government as part of the initial \$100 million Melbourne City Recovery Fund established 2020-21.

Conflict of interest

3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

Health and Safety

4. Each grant recipient will be required to submit risk documentation for the activity they're approved to deliver.
5. All approved activations must demonstrate that they comply with COVID-19 restrictions and have an appropriate COVID-safe plan.

Stakeholder consultation

6. Stakeholder consultation has been undertaken with the Victorian State Government and continued engagement with Precinct Associations will occur throughout the program.

Relation to Council policy

7. Recommendations are consistent with the Council Plan 2021-25 and Economic Development Strategy 2031 major initiatives.

Environmental sustainability

8. In supporting the Program, all efforts will be made to consider, address or otherwise realise environmental sustainability issues and opportunities.