

Proposed Acland Street Conversion: Economic and Business Impact Assessment



Council commissioned Charter Kech Cramer to undertake an independent economic study to determine the likely impact of the proposed conversion and identify opportunities to enhance Acland Street's role as a retail and tourist destination.

Why was this report commissioned?

Council was uncertain of the impact, positive or negative, that Public Transport Victoria's (PTV) Tram Route 96 (and part) Route 16 tram upgrade would have on the Acland Street shopping strip and surrounds. In the absence of a PTV economic assessment, Council commissioned its own independent study, to provide an economic and business impact assessment to inform its position on the project and our formal submission to PTV.

Who completed this report for Council?

Charter Kech Cramer completed the *Acland Street Conversion Economic and Business Impact Assessment*. It also completed a peer review of the summary of findings contained at the end of this document.

When was this report undertaken?

The assessment was completed between August and September 2013.

What was the purpose of this report?

Council has a role to create an environment where businesses can grow and new opportunities can be considered and explored.

The objective of this work was to gauge the business and economic impact of the placement of a DDA compliant tram stop in Acland Street, St Kilda.

How does Council intend to use this report and its findings?

Council included the executive summary as an attachment to its formal submission to Public Transport Victoria on the Tram Route 96 and (Part) 16 upgrade project, which was endorsed on 27 August 2013 and submitted to PTV before the close of consultation on 31 August 2013.

The findings of the assessment will further inform and refine Council's objectives for the precinct and the role that this tram improvement project has in being a catalyst for rejuvenating St Kilda Village and the broader precinct. The document and a summary version will be circulated to members of Council's St Kilda Precinct Acland Street Community Reference Group to help identify the best design outcomes for the precinct from the Tram Route 96 and (Part) 16 upgrade project.

What was the methodology?

The four key stages of the assessment were to:

- Assess the current performance of Acland Street as a retail precinct based upon rental premium over adjacent retail streets.
- Conduct case studies of four pedestrian orientated precincts comparable to Acland Street (regional destinations) to determine their economic performance and success factors.
- Assess early design options and determine likely impact, positives and negatives of the proposed conversion of Acland Street.
- Develop conclusions and identify ways of reducing the impact of change and enhancing Acland Street's strengths.

What were the key findings of the report?

Strengths <ul style="list-style-type: none">• Bayside location provides a natural attraction for visitors.• Local population base growing at 1.25% per annum.• Accessibility via public transport (trams, buses) and bike lanes and paths.• Well defined and walkable precinct offering a village atmosphere.• Generally adequate car parking based upon recent traffic surveys.• 2 hour free parking during non-peak times.• Tram terminus located within Acland Street.	Opportunities <ul style="list-style-type: none">• A better walking environment, with greater public space may differentiate Acland Street from competing centres through allowing street based entertainment (e.g. buskers), reducing pedestrian congestion during peak times, and encouraging visitors to remain in Acland Street longer through providing seating and entertainment.• Opportunity to increase local resident's usage of Acland Street.
Weaknesses <ul style="list-style-type: none">• Congestion during peak periods.• On-going reliance upon attracting visitors from beyond the immediate area.• Absence of public space and limited seating.	Threats <ul style="list-style-type: none">• Seasonal trading conditions.• Focus on discretionary retailing may expose businesses adverse economic conditions.• Competition from other retail locations that have evolved into lifestyle precincts for both local residents and visitors.• Congestion (pedestrian and vehicular traffic) during peak times may be limiting the potential for an overall expansion in business activity.

Case Study Comparison

Case studies for four pedestrian orientated streets, comparable to Acland Street through being regional destinations, were undertaken. These locations were:

- The Corso (Manly NSW),
- Moseley Square (Glenelg SA),
- Market Street Mall (Box Hill) and
- Eaton Street Mall (Oakleigh).

In each case study the rental premium for retail premises was compared to nearby properties which offered immediate access to on-street car parking. Any premium (or discount) was then compared to the premium that currently exists for properties in Acland Street over those in the adjacent retail areas of Barkly Street and Blessington Street. These case studies also offered the opportunity to identify those factors that have influenced the retail performance of each location.

Findings

- The conversion of Acland Street to provide greater pedestrian space will not have any significant long-term economic impact upon the performance of business or rental income from properties.
- The success of the four pedestrian orientated streets has been achieved in most cases through **Council playing an active role** by:
 - **regularly upgrading facilities** (public seating, community space, additional car parking)
 - **facilitating activation of the space** through entertainment and other activities
- Providing the opportunity for visitors to extend their stay in Acland Street will increase the likelihood of increased spending at local business.

Assessment of Early Design Options

The key features of the two early design options proposed by PTV and the two alternative design options proposed by the City of Port Phillip were assessed. A preferred design for the conversion of Acland Street will most likely contain elements from the early designs prepared by PTV and the City of Port Phillip.

Key Design Elements

- **Conversion of on-street car spaces** - any reduction in the number of car spaces should directly provide for either improved public transport access or improvements to the public realm to attract additional visitors and allow visitors to stay longer.
- **Pedestrian Plaza for street and larger scale activation** to reinforce St Kilda's reputation as a location for arts and music, attract more visitors, and to differentiate Acland Street from its competitors.

Mitigation Strategies

- Fronting traders able to use any new public space
- **Additional public seating** and **enabling** activation of the street
- **Increase the amount of public space**
- **Use remaining car spaces more efficiently** and improve signage
- Reduced pedestrian congestion
- Investigate having a tourism information booth
- Improved pedestrian directional signage
- Implementing improved **bike infrastructure and walking routes** to encourage greater visitation primarily by local residents.

Opportunities for further investigation

- Surveying local residents to determine what may encourage them to visit Acland Street more often within the context of its existing role and business mix.
- Determining what navigating information drivers most rely upon to locate a car space when visiting St Kilda Village.

Recommendations

The report concludes that Acland Street needs to continue to evolve as a lifestyle precinct in order to maintain its competitiveness, particularly in light of the increasing number of cafes being established in a range of locations including small strip centres, former milk bars and lifesaving clubs.

Creating a better pedestrian environment will offer the opportunity to strategically position Acland Street with a new point of difference that may be used for entertainment and events that further strengthen the image of the precinct.

While Acland Street is not a neighbourhood centre there is still the opportunity to better meet the needs of local residents through providing a space for community events and social interaction. This will not only encourage greater expenditure at local businesses but place less demand upon available car parking, by locals being able to conveniently walk or bike ride to the precinct.

Where can I access the full version of this report?

A full copy of the report is available on the Council website:

www.haveyoursayatportphillip.net.au/tram-route-96