

Fitzroy Street Conversion Economic and Business Impact Assessment



Council commissioned SGS Economics & Planning to undertake an independent economic study on the impact of implementing a level access tram stop on Fitzroy Street between Grey and Princes Streets.

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 Fitzroy 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?

SGS Economics and Planning completed the Fitzroy Street Route 16 Tram Stop Upgrade 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 Fitzroy Street, St Kilda, specifically between Princes Street and Grey Street.

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. The submission was endorsed by Council 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 upgrade project has for rejuvenating Fitzroy Street and the broader St Kilda Precinct. The document and a summary version will be circulated to members of Fitzroy 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?

- Analysed number of pedestrians, vehicles, people getting on and off trams, parking spaces and changes in property values on Fitzroy Street – all of which are established criteria to determine business and economic activity on the street.
- Completed literature review on relevant case studies across Melbourne to determine anticipated and realised outcomes of tram stop upgrades on the above-mentioned key criteria for successful shopping strips.
- Conducted onsite surveys of traders and shoppers in Fitzroy Street and other inner city areas where

- level access tram stops have been built.
- Assessed the impacts of the PTV and Council early design options using the key criteria identified.

What were the key findings of the report?

- Pedestrians outnumber vehicles on Fitzroy St. The traffic survey in March 2013 found 1450 pedestrians compared with 1200 vehicles.
- Some types of retail outlets on Fitzroy Street, including restaurants, shops and nightclubs, close to existing level access tram stops, experienced higher growth in property values relative to similar properties elsewhere between 2008 and 2012.
- In general traders perceive tram stops close to their business as a benefit due to the convenience for potential shoppers.
- Traders are concerned the tram stop upgrade and reduced car parking would lead to higher congestion levels and be a disincentive for shoppers who prefer to drive or cycle.
- Car parking centres in the Fitzroy St vicinity might help to mitigate the impact of reduced car parking after the tram stop installation.
- Tram users prefer boarding and alighting trams at a level access tram stop. Level access stops can even induce shoppers and visitors to visit a host street more often (could be as high as 14%).
- Level access tram stops (on the surveyed and studied locations) are used by more people than other tram stops.
- Other research undertaken by SGS on other prominent Melbourne shopping strips suggests that traders may not be accurate in their anticipation of the adverse impacts of removal of car spaces, especially when other 'background' factors are at play which might negatively influence trading.
- Onsite surveys did not reveal any indication of significant changes to retail mix, day or night trading times that might occur after the introduction of the level access tram stop.

Estimate business and economic impact based on the four design options

(Note: time and resources did not support a precise measurement of the impacts of each option)

Early Design Option 1-3

- These options are similar as far as impacts on tram patrons. The level access stop might increase footfall marginally under all three options due to the anticipated increase in tram patronage (could be as high as 14%), and a marginal increase in pedestrians and cyclists who might use the street once the tram stop is installed.
- These options also indicate no significant changes to retail mix, or the day or night trading times that might occur after the introduction of the level access tram stop. However an increase in frequency of late night trams may increase business for traders who extend their opening hours.
- The three options have different impacts on access to vehicles along the street. Option 1 and 2 restrict vehicle access into and out of the St Kilda Sports Club and the primary school.
- Option 1 removes two parking spaces as opposed to eight spaces under options 2 and 3.
- All three options will involve a similar reduction in road space.

Early Design Option 4

- Option 4 may adversely impact some tram users (particularly those with limited mobility). Consequently, footfall may decline compared with current levels.
- Amenity levels, retail mix, property values, shopping turnover and trading hours are unlikely to be affected under this option.



Conclusion

Early design option three is the best option. It performs best in influencing footfall compared to the other options. It performs on par in influencing amenity levels, property values, retail mix and day and night time trading compared with early design options one and two, and performs better when compared with early design option four.

Where can I access the full version of this report?

Council has placed the full report on our website :

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

