

Attachment 4 - Draft business parklet fees structure and support

Explanation

10 tiers of fees are proposed to provide a simplified method of charging that recognises retail rents and that the value of public land varies across our city. Refer to Table 1.

- Annual business parklets are proposed to be charged at a rate of 50% of annual retail rents.
- Seasonal business parklets are proposed to be charged at a premium rate of 70% of annual retail rents, recognising that parking spaces are at a premium over this time period.

The retail rent data that informs these charges is collected annually and shown in Table 2.

How business parklet fees are calculated

On average, 1 patron occupies 1m². A typical business parklet (1 parking bay), is approximately 12m² and would accommodate 12 patrons.

Formula for an annual business parklet

If the average retail rent is \$400 per m²/per year, the rate of charge would be at Tier 3.

Tier 3 mid-point = \$378.50
Charged at 50% = \$189.50 per/ m²
x 12 patrons = \$2,271.00 per parking bay

Formula for a seasonal business parklet

Tier 3 mid-point = \$378.50
Charged at 70% = \$264.95 per m²
x 12 patrons = \$3,179.40
Pro-rated to 6 months = \$1,590.00 per parking bay

Supporting the seasonal cash-flow challenges of our hospitality industry

Traders may be eligible to pay in interest free part payments for the duration of the parklet permit.

Supporting precincts undergoing change

Charge a 'Revitalisation rate', equivalent to the cheapest rate, for any business in a precinct where there is:

- a reduction in the average retail rent of businesses, informed by valuation data commissioned by Council annually, and,
- a 20% or greater vacancy rate of ground floor commercial tenancies.

Supporting new outdoor dining opportunities

Discount parklet fees by 50% for the first year, for any business where a parklet has not previously occurred.

Supporting business affected by major construction works

Provide discounts to parklet fees in locations affected by major building works including streetscape upgrades, with discounts applied on a case-by-case basis.

Table 1 - Proposed 10-tier business parklet fee structure

Tier	From - Average Retail Rent Valuation	To – Average Retail Rent Valuation	Mid-point	Annual charge per parking bay - 50% of av. retail rents	Seasonal charge per parking bay - 70% of av. retail rents
1	\$250	\$295	\$322.50	\$1,638	\$1,147
2	\$296	\$351	\$273.00	\$1,935	\$1,355
3	\$352	\$407	\$378.50	\$2,271	\$1,590
4	\$407	\$462	\$434.50	\$2,607	\$1,825
5	\$463	\$518	\$490.50	\$2,943	\$2,060
6	\$519	\$574	\$546.50	\$3,279	\$2,295
7	\$575	\$630	\$602.50	\$3,615	\$2,531
8	\$631	\$686	\$658.50	\$3,951	\$2,766
9	\$687	\$742	\$714.50	\$4,287	\$3,001
10	\$743	\$800	\$771.50	\$4,629	\$3,240

Table 2 – Proposed business parklet charges, by area

Area		Retail Rent Valuation 2021	Tier	Annual Parklet 50% of av. retail rents	Seasonal Parklet 70% of av. retail rents
All other areas	Tertiary	\$250.00	1	\$1,638	\$1,355
Fitzroy Street	Primary	\$425.00	*1	*\$1,638	*\$1,147
Fitzroy Street	Secondary	\$325.00	2	\$1,935	\$1,355
Glen Eira Road	Primary	\$350.00	2	\$1,935	\$1,355
Victoria Avenue	Primary	\$300.00	2	\$1,935	\$1,355
Bay Street	Secondary	\$325.00	2	\$1,935	\$1,355
Armstrong Street	Primary	\$400.00	3	\$2,271	\$1,590
Barkly Street	Secondary	\$375.00	3	\$2,271	\$1,590
Bridport Street	Secondary	\$400.00	3	\$2,271	\$1,590
Carlisle Street	Secondary	\$375.00	3	\$2,271	\$1,590
Clarendon Street	Secondary	\$375.00	3	\$2,271	\$1,590
Glenhuntly Road	Primary	\$375.00	3	\$2,271	\$1,590
Tennyson Street	Primary	\$325.00	3	\$2,271	\$1,590
Bay Street	Primary	\$450.00	4	\$2,607	\$1,825
Coventry Street	Primary	\$450.00	4	\$2,607	\$1,825
Barkly Street	Primary	\$475.00	5	\$2,943	\$2,060
Clarendon Street	Primary	\$475.00	5	\$2,943	\$2,060
Ormond Road	Primary	\$475.00	5	\$2,943	\$2,060
Acland Street	Secondary	\$550.00	6	\$3,279	\$2,295
Carlisle Street	Primary	\$525.00	6	\$3,279	\$2,295
Bridport Street	Primary	\$675.00	8	\$3,951	\$2,766
Acland Street	Primary	\$800.00	10	\$4,629	\$3,240
Application fee for new, amendments and transfers					\$250
Permit renewal administration fee					\$70

*Fitzroy Street Primary area (from Upper Esplanade to Grey Street), charged at the Revitalisation rate, being the cheapest Tertiary rate.