

## Proposed Outdoor Dining Fees 2022/23 Summary

### Footpath Trading Fees

1. Footpath trading fees would be waived for 4-months from 1 July 2022 until 31 October 2022, with remaining fees pro-rated and charged for the remaining 8 months commencing from 1 November 2022.
2. Supporting businesses in areas with high vacancy rates by charging the cheaper Revitalisation rate in the Acland Street Primary, Carlisle Street Primary and Fitzroy Street Primary areas, as defined in the maps of the current Footpath Trading Fee Policy.

### Business Parklet Fees

3. Commencing 1 January 2023 introduce new 10-tier precinct-based business parklet fees, based on charging 50% of average retail rents for annual business parklets, and a rate 70% for seasonal parklets.
4. Supporting businesses in areas with high vacancy rates by charging the cheaper 'Tier 1' rate in the Acland Street Primary, Carlisle Street Primary and Fitzroy Street Primary areas, as defined in the maps of the current Footpath Trading Fee Policy.

### Footpath Trading Fees

To support business recovery footpath trading fees have not been charged to businesses since 1 April 2020. Fees are proposed to be reintroduced in 2022/23 financial during the high season from 1 November 2022.

Council's Footpath Trading Fee Policy adopted in May 2019, uses the annual retail rent valuation data and ground floor commercial vacancy rates of each precinct to inform the outdoor dining charges across 22 individually rated areas.

According to the City of Port Phillip Valuation data obtained for 2022, on average retail rents have either remained the same or increased up to 11% since 2021. The average increase was 5.3%. As there have been no retail rent decreases in the area of the precincts, the 'Revitalisation rate' is not automatically triggered to an area.

To support business in the areas of high commercial vacancies, the Revitalisation rate is proposed to be used in the Fitzroy Street Primary, Acland Street Primary and Carlisle Street Primary areas shown in Table 1.

**Table 1 - Estimated impact on 2022/23 budget using Revitalisation rate**

Area	Ground floor commercial vacancy rate March 2022	Estimated impact on draft budget
Fitzroy Street Primary	31%	\$7,956
Acland Street Primary	20%	\$28,928
Carlisle Street Primary	17%	\$3,080
		<b>\$39,946</b>

## New Business Parklet Fees

Since the commencement of the business parklet trial in October 2020, these activations have remained free to support of business recovery. In October 2021 Council adopted a Business Parklet Policy and Guidelines to manage these commercial occupations in the longer-term, with the opportunity for businesses to apply for an annual or seasonal business parklet permit.

Business parklet fees would be based on the current Footpath Trading Fee policy that recognises retail rents and the value of public land varies across our city. A future business parklet policy would also aim to achieve the same equity, transparency and support the vibrancy created by all outdoor dining activity.

The new business parklet fees would be across 10 tiers, charging of 50 per cent of average retail rents for an annual businesses parklet and 70 per cent for the seasonal business parklets for use between 1 October until 31 March. The 10 rates would be calculated using the mid-point of each tier, and an average of 10m<sup>2</sup> (or 10 patrons), per parking bay. Refer to Table 2.

The retail rent data used to inform these charges would be collected annually, to adjust these fees.

For any business in a precinct with reduced retail rents or high vacancies, the cheapest Tier 1 rate would be applied.

Business parklet fees would be introduced from January 2023 and pro-rated.

**Table 2 – Proposed 10-Tier Business Parklet Fee Structure**

Tier	From Valuation Rate	To Valuation Rate	Mid-point	50% annual rate per parking bay	70% seasonal rate per parking bay
1	\$275	\$332	\$303.50	\$1,517.50	\$1,062.25
2	\$333	\$390	\$361.50	\$1,807.50	\$1,265.25
3	\$391	\$448	\$419.50	\$2,097.50	\$1,468.25
4	\$449	\$506	\$477.50	\$2,387.50	\$1,671.25
5	\$507	\$564	\$535.50	\$2,677.50	\$1,874.25
6	\$565	\$622	\$593.50	\$2,967.50	\$2,077.25
7	\$623	\$680	\$651.50	\$3,257.50	\$2,280.25
8	\$681	\$738	\$709.50	\$3,547.50	\$2,483.25
9	\$739	\$796	\$767.50	\$3,837.50	\$2,686.25
10	\$797	\$840	\$818.50	\$4,092.50	\$2,864.75

## Business Parklet Fees Policy

Council will consider a Business Parklet Fee Policy, including incentives and measures to support business recovery and vibrancy.