

21 February 2018

Mr Stephen Simpson
Mirvac Projects
2 Locomotive Street
Redfern NSW 2016

Dear Stephen

ATP, SYDNEY – KEY FACTORS TO SUCCESS

The ATP precinct is not a well activated precinct at present. The redevelopment of the CBA head office provides an opportunity to re-energise the precinct. Central to this is the re-activation of the Locomotive Workshop – one of the highlights of the site.

There are seven critical success factors that must be met in order to ensure the successful development, operation and activation of an everyday retail offer at the Locomotive Workshop. **These critical success factors are all inter-related, with each being redundant without the others.** These key factors are detailed and summarised below.

Critical mass

- The retail offer must be large enough to appeal to the worker population, residential catchment and visitor market it could potentially serve. A destinational retail offer will also potentially be able to draw business from a broader region.
- A small or undersized retail precinct will struggle to attract surrounding residents and visitors, and would only service the nearby worker market, which would potentially result in lower levels of activation during weekdays, and no activation on weekends.
- Retail facilities serve as a complementary offer to the heritage of the Locomotive Workshop. It will bring more people to the precinct and enable a greater appreciation of the heritage of the site, and the proposed heritage interpretation throughout the Locomotive Workshop.

Parking

- Car parking is a necessary component for retail offers, especially precincts anchored by a large food offer. Car parking is an even greater necessity in areas that lack residential density, such as the subject site.
- The provision of connected car parking would allow the precinct to attract and more effectively serve the various customers segments, especially residents and visitors. Workers are less likely to use it given the proximity to public transport and the worker car park having a daily rate.
- The provision of direct access all weather car parking would be more sustainable for the Locomotive Workshop precinct. As the precinct is established and operates this will provide a point of difference to similar offers without undercover parking within the main trade area.
- All weather access parking is likely to be a greater attractor to prospective retailers and operators, as it allows for better and easier access to their customer base. This enables everyday shopping activity from the local community, whilst improving access for car users wanting to do a larger shop.

Trading hours

- 18 hour activation is a key objective of the retail development proposed at ATP. The Locomotive Workshop development can help achieve this objective. Extended activation is a critical element of successful retail offerings/precincts – servicing the breakfast, lunch, dinner and after work ‘drinks’ market – providing a vibrant focal point for the surrounding communities, including workers and residents.
- It is critical that the retail offer at the Locomotive Workshop serve the evening and weekend residential markets, in order to maximise activation within the broader ATP precinct. A strong food and beverage retail offer will improve visitor dwell times, leading to increased exposure to the significant heritage value of the Locomotive Workshop.
- It is envisioned that the offer will include casual dining, hospitality premises and entertainment. Such an offer, with critical mass, would be a significant drawcard, but in order to be successful, the precinct must trade to operating hours similar to surrounding retail areas, in-line with standard council hours.

Public transport

- Accessibility and connectivity is another critical success factor. The precinct achieves this, given its proximity to Redfern Station and the future Waterloo Metro Station, as well as bus services on Wyndham Street, Henderson Road, Botany Road and Cope Street.
- Furthermore, the precinct will be accessible for both taxis and ridesharing services (e.g. Uber) and will also provide end of trip facilities.

Quality of offer

- A high quality offer will assist in creating a destinational precinct, and a centre that residents, workers and visitors want to visit and spend time at.
- The quality of offer is reflective of the place/building, critical mass and the tenants/operators that are secured. The heritage value of the site provides a key opportunity for high quality offerings, which will draw customers and create greater exposure to heritage elements.
- This quality market positioning will attract retailers who share the same 'vision', therefore creating an ambience/offer that appeals to and resonates with customers.

Ambience/amenity

- The Locomotive Workshop is a significant heritage building, and any retail offer provided will benefit from this impressive setting, creating an attractive space for the various customer segments.
- Activation along Innovation Plaza will create an attractive public realm.
- There is potential to provide attractive, activated streetscapes to enhance the feel of the precinct and the urban environment.
- The Locomotive Workshop currently lacks significant activation. The combination of new CBA workers, new office workers in bays 5-13, and a retail offer that complements the heritage of the Locomotive Workshop will create an activated precinct.

Functionality

- In order for an operator, or retail offer, to trade effectively, efficiently and successfully, the appropriate provision of back of house facilities, loading docks, access and functionality, from an operator perspective, is a critical success factor.
- The ability to load and service retail tenancies is imperative to the successful operation of retail offer at the subject site.
- A functional back of house, incorporating storage, is also critical to the success of the precinct, allowing retailers to better service customers.
- The provision of these function components will assist in attracting retailers to the precinct. If there are significant operational constraints, a suboptimal outcome may be achieved, both in terms of quality of operator and overall ambience/activation.

- If operational components (e.g. compactors, loading docks, etc) are not provided in accessible and functional locations, retailers and operators will not want to locate at the Locomotive Workshop. Major operational constraints (e.g. loading dock in a separate building or not weatherproof) will significantly limit the commercial viability of any retail offer (i.e. it would be uneconomical), resulting in a poor outcome for customers and a suboptimal outcome for a strong cultural/heritage asset such as the Locomotive Workshops.

The key factors identified above are imperative to the successful operation of retail facilities at the Locomotive Workshop. As mentioned previously, these factors are all inter-related, and therefore must all be met in order to deliver and operate a retail precinct that will attract quality tenants/operators; resonate and appeal to residents, workers and visitors; and generate increased exposure to the cultural and heritage value of the Locomotive Workshop.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Fraser Brown', with a stylized, cursive script.

Fraser Brown

Manager - Retail