

ITEM 4. LANEWAYS BUSINESS DEVELOPMENT PROGRAM – MATCHED FUNDING REQUESTS – SMALL BAR PTY LTD AND OIL IN A DAY'S WORK TRADING AS DRINKSTATION**FILE NO: S063733****SUMMARY**

The Laneways Business Development Program provides matched cash funding up to \$30,000 to assist small business looking to locate and thrive in the Laneways precincts of Sydney's city centre.

The Laneways Business Development Program focuses on 'fine grain' business activity in the CBD and was adopted by Council 4 August 2008. 'Fine grain' businesses are small scale, diverse and innovative businesses that are likely to be engaged in specialist retail, hospitality and entertainment, or will otherwise encourage activation of under-used spaces in city laneways. It is a merit based grant program assessed on an ad-hoc basis.

Council has received two applications for funding. This report recommends one cash grant of \$20,000 be awarded to Small Bar Pty Ltd to establish a small bar called Small Bar located at 48 Erskine Street, Sydney.

The applications have been assessed against the criteria and objectives for the Laneways Business Development Program, the Laneways Revitalisation Strategy, the Economic Development Framework, the CBD Local Action Plan Strategy (LAPS) 2007-2010 and Sustainable Sydney 2030.

RECOMMENDATION

It is resolved that:

- (A) Council approve a cash grant of \$20,000 (excluding GST) to Small Bar Pty Ltd under the Laneways Business Development Program; and
- (B) authority be delegated to the Chief Executive Officer to enter into an agreement with Small Bar Pty Ltd.

ATTACHMENTS

Attachment A: Laneways Business Development Program Policy.

BACKGROUND

1. The City of Sydney is seeking to create a renewed interest and vibrancy in the City's laneways. Council adopted the Laneways Business Development Program on 4 August 2008.
2. The Laneways Business Development Program provides matched cash funding up to \$30,000 to assist small business looking to locate in the Laneways precincts of Sydney's city centre and enhance the diversity, vitality and economic vibrancy of these areas. This is in line with the vision outlined in Sustainable Sydney 2030, The Economic Development Framework and the CBD Local Action Plan Strategy (LAPS) 2007-2010.
3. This Program responds on an ad hoc basis to requests from businesses looking to either open new businesses or develop existing businesses in the laneway precincts of Sydney's city centre.
4. It is a merit based grant program providing matched cash funding, in addition to mentoring and training opportunities for structured business development assistance when required.
5. Applications are considered against the program objectives, eligibility criteria and the Business 1-2-3 Framework, which enables applicants to assess their business status and what they need to consider before they submit an application.
6. Applicants must be a small business which employs, or plans to employ less than 20 people, and must meet eligibility criteria and the program objectives.
7. Council has received two applications for funding under the Laneways Business Support Program.

Small Bar Pty Ltd

8. Small Bar Pty Ltd has applied for cash funding of \$30,000, to establish a small bar called Small Bar located at 48 Erskine Street, Sydney.
9. The application by Small Bar involves major work totalling an estimated \$150,000 to be undertaken to enable owners to bring the building into repair and fit it out for its new usage. The applicant has obtained development approval for these works.
10. The proposed location of the bar is in a building that trades onto a laneway at Sussex Lane and the building has been vacant for three years.
11. Matched funding of \$30,000 to assist with part of this work has been sought for capital improvements, specialist equipment including a Point of Sale system.
12. An assessment panel conducted an evaluation of the application which considered the business proposal, its fit with the program objectives / eligibility and the funding request.
13. The assessment panel determined that:
 - (a) the business will open onto Sussex Lane, and will activate the laneway;
 - (b) the business will activate a vacant building that has been unused for three years; and

- (c) it is a start up business offering a new business concept which aligns with the program objectives.
14. The applicant applied for a \$30,000 cash grant, however the scope of works included temporary infrastructure, and it is therefore recommended that Council provide a cash grant of \$20,000 to Small Bar Pty Ltd. for the capital works for plumbing costs only.

Oil in a Days Work Pty Ltd

15. An application was also received from Oil in a Days Work Pty Ltd for funding to assist with costs in establishing a small bar, called DrinkStation. This is to be located in the basement at 68A Erskine Street, Sydney.
16. An assessment panel conducted an evaluation of the application and does not recommend funding as the proposal does not sufficiently meet the program priorities or guidelines.

KEY IMPLICATIONS

17. This complies with the Grants and Sponsorship Policy and strongly aligns with The Economic Development Framework, The Laneways Revitalisation Strategy, Sustainable Sydney 2030 and the CBD Local Action Plan Strategy (LAPS) 2007-2010.

BUDGET IMPLICATIONS

18. Funds are available in the Laneways Business Development Program budget 2008/09.

RELEVANT LEGISLATION

19. Local Government Act 1993 s356.

CRITICAL DATES / TIME FRAMES

20. Small Bar Pty Ltd. aim to establish the business and be operating by December 2008. On adoption of this recommendation, a contract exchange should occur as soon as possible to facilitate this time frame.

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