

## Grants and Sponsorship - Ad Hoc Grant - The Nest

File No: X112445

### Summary

The Nest, operated by I Made This Pty Ltd, is a creative space incorporating 72 studios that provides workspace for 90 artists and has operated for 11 years in a rented commercial property on Botany Road, Alexandria. The community of makers and creative workers operating at the Nest include painters, ceramicists, illustrators, sculptors, musicians, writers, photographers, graphic designers, costume creators, set designers, performers, dancers, sign writers, hobbyists, and start-ups.

The building at 76 Botany Road, Alexandria currently housing the Nest was sold in May 2024 and a demolition clause in the lease has been actioned. The Nest need to relocate by February 2025.

Working with City West Housing Pty Limited, the Nest has secured a lease on another suitable property on Bourke Road, Alexandria. The open-plan warehouse is available for at least 3 years and offers adequate space to re-home all of the current Nest sub-tenants. Relocation and set-up costs to transfer to the new site will be in excess of \$200,000.

This report recommends that Council publicly notify an intention to make an ad hoc grant of \$50,000 to support the relocation and set-up costs for the new Nest location. The NSW Government through Create NSW is considering a request to match the proposed grant with a further \$50,000 investment. Public notification is required under the Local Government Act 1993 because the Nest is operated for private gain and this grant does not form part of an existing grants program adopted by Council.

The grant to the Nest is consistent with the priority identified in the City's recently adopted Cultural Strategy 2025-2035 to urgently act to retain at-risk creative spaces in our local area.

## Recommendation

It is resolved that Council:

- (A) endorse the proposed resolution for public notification: "It is resolved to contribute \$50,000 (excluding GST) to I Made This Pty Ltd (ABN 94 165 857 483) in accordance with section 356 of the Local Government Act 1993 to contribute towards the costs of relocating and setting-up the Nest at 24 and 24a Bourke Rd Alexandria";
- (B) note that the contribution will be paid from the 2024/25 General Contingency Fund or savings from the City Life 2024/25 operating budget; and
- (C) note that a further report to Council, to inform the outcomes of public notification and with a recommendation on the proposed contribution will follow the notification period.

## Attachments

Nil.

## Background

1. The Nest is a warehouse site at 76 Botany Road, Alexandria, housing a community of 90 artists in 72 studio spaces. The site has been leased and operated by I Made This Pty. Ltd. for 11 years.
2. A total of 90 artists work at the Nest under affordable sub-tenancies including painters, ceramicists, illustrators, sculptors, musicians, writers, photographers, graphic designers, costume creators, set designers, performers, dancers, sign writers, hobbyists, and start-ups, making the Nest one of the most productive and important creative spaces operating in the City of Sydney local area.
3. The site at 76 Botany Road, Alexandria, has been sold and the Nest need to relocate.
4. The Nest have explored multiple available options to relocate and have negotiated a lease with City West Housing Pty Limited for a suitable warehouse space at 24 and 24a Bourke Road, Alexandria. They can relocate to the new space in February 2025.
5. Costs associated with relocation and fit-out of the new Nest space are estimated to be in excess of \$200,000.
6. The new Nest space will continue to raise revenue through sub-tenancies, cultural programs and an event space, and the business model will sustain the commercial rent at the new location. There are, however, limited reserves to fund relocation and set-up costs in a new space.
7. Funding support for relocation and set-up costs will allow I Made This Pty. Ltd. to maintain affordable rents for the Nest's subtenants.
8. The City's Cultural Strategy 2025-2035 documents the dramatic reduction of creative space in the City of Sydney local area. 172,000sqm of cultural infrastructure has been lost since 2012, including 14,300sqm of artist studio spaces like the Nest. The Cultural Strategy identifies a strategic priority to urgently act to retain the City's creative spaces.
9. In June 2024, via a Lord Mayoral Minute, Council resolved that the City establish a Memorandum of Understanding (MOU) with the NSW Government through Create NSW to work together to retain and increase the supply of creative space in the City of Sydney local area. The MOU has been actioned and inter-agency cooperation has commenced.
10. Create NSW is considering a proposal to match a grant from the City of Sydney to support the relocation and set-up costs for the Nest.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

11. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This grant is aligned with the following strategic directions and objectives:
  - (a) Direction 8 - A thriving cultural and creative life - Cultural Infrastructure is one of the four pillars of the City's Cultural Strategy. The City provides, protects, advocates and plans for the infrastructure needed to support our creative industries and a thriving cultural life.

Funding to support the retention of the Nest Creative Space will help protect one of the City's most productive and important creative workspaces.

### Risks

12. The new site on Bourke Road is slated for redevelopment, and there is a risk the tenancy in the new location might only last 3 years. However, given there is no other suitable and affordable opportunity to relocate all studios to another location, this investment will at least retain these creative workers in the City of Sydney local area in the short term. Strategic initiatives being undertaken by the City of Sydney, such as the establishment of a Creative Land Trust, may provide longer term solutions in due course.
13. The grant will be conditioned on a successful relocation of the majority of the Nest's subtenants and repayable if the move to the new location is not made.

### Financial Implications

14. Funds are available from 2024/25 General Contingency Fund or can be achieved through savings from the City Life 2024/25 operating budget for a total expenditure of \$50,000 (excluding GST) to I Made This Pty Ltd towards the costs of relocating and setting-up the Nest at 24 and 24a Bourke Rd Alexandria Options
15. In implementing the Cultural Strategy 2025-2035 the City will introduce a Creative spaces grant. This project may be eligible to apply for such a grant, however this new program will not be established until 2025/26 financial year and would be payable too late to assist with this urgent relocation.

### **Relevant Legislation**

16. Section 356 of the Local Government Act 1993 provides that a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.
17. Under section 356(2) of the Local Government Act 1993, as the intended grant recipient is a for-profit company, at least 28 days public notice of the council's proposal to pass the necessary resolution must be given. The outcome of the public notification process and recommendation on the proposed contribution will be reported to Council following completion of the 28 day notification period.

### **EMMA RIGNEY**

Executive Director City Life

Lex Davidson, Strategy Advisor Culture