

Willow Court

PARTNERSHIP
PROSPECTUS





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Our Vision

Willow Court forms the historic centre of the Royal Derwent Hospital precinct. With parts of the site pre-dating Port Arthur, Derwent Valley Council understands the historic and cultural significance and took ownership in the early 2000s.

Connection:

We respect the built and social historic value of the site and its connection to the community. Council is working with tenants to ensure that the adaptive reuse of the buildings preserves essential heritage aspects, and allows public access where possible.

Place making activities will help to reimagine the spaces, encourage new patterns of use and connect the site to the town centre.

Activation:

At the heart of New Norfolk, the activation of Willow Court is crucial to the ongoing economic development of the town and the region.

Council recognises the importance of investment in this site to support future growth and opportunity, providing the potential for increased employment and stimulus to the region.

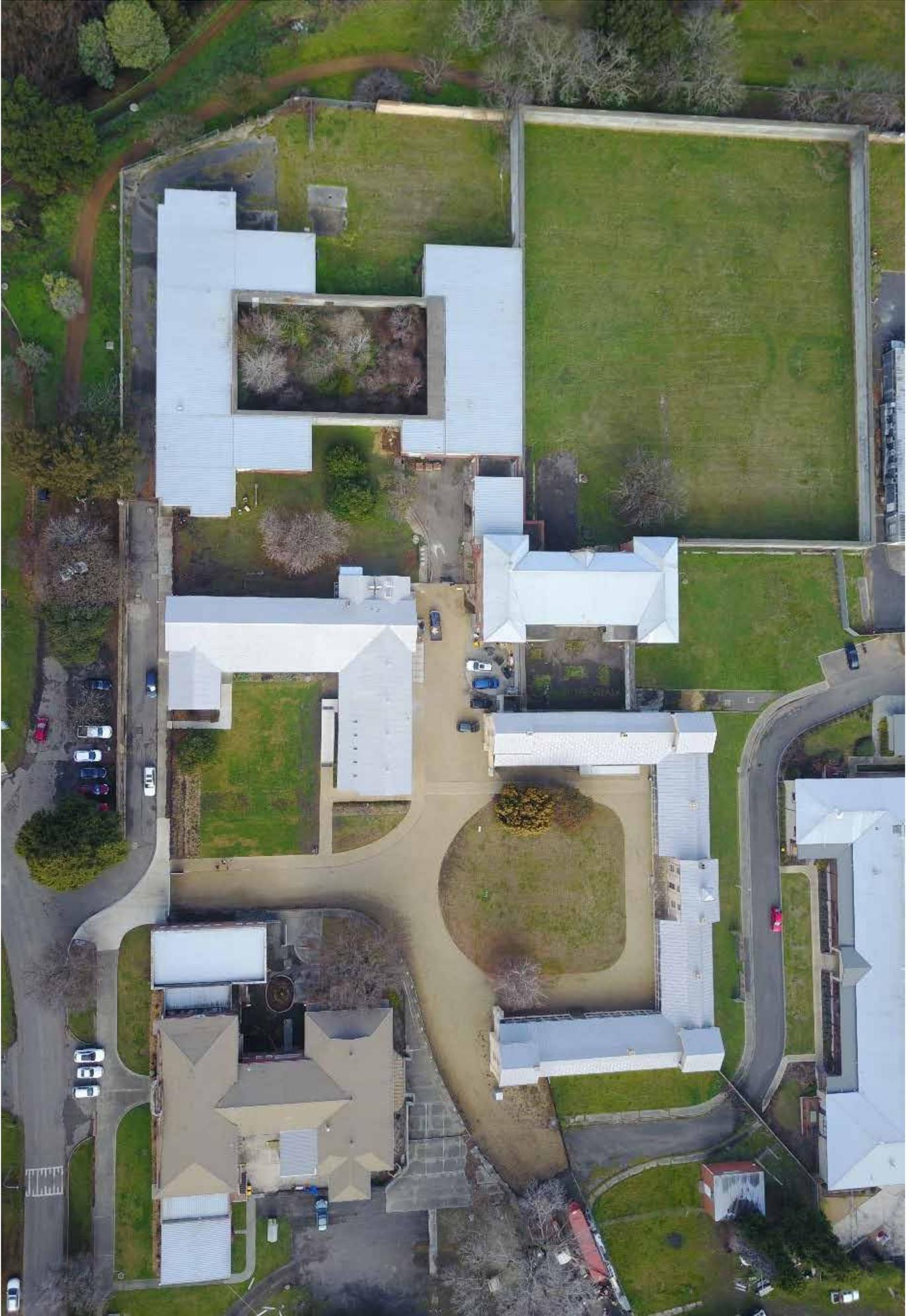
Visitation:

Willow Court holds a fascination for many visitors, its history and architecture are important drawcards to the Derwent Valley.

We recognise the importance of supporting the development of Willow Court to assist in building the visitor experience in the Derwent Valley and aid in destination appeal and dispersal.

As we transition to a visitor focused economy, investment in this major precinct is essential.





Willow Court Prospectus



The Derwent Valley Council is pleased to partner with The Agrarian Kitchen Cooking School and Eatery, New Norfolk Distillery and Salamanca Arts Centre to inject new life into the Willow Court precinct.

Our Partnerships

The Agrarian Kitchen

The Agrarian Kitchen Cooking School and Eatery have brought international attention to the Derwent Valley. Following the successful establishment of The Agrarian Kitchen Cooking School, co-founders Rodney Dunn and Severine Demanet turned their attention to the creation of The Agrarian Kitchen Eatery in 2017, recognising the potential of the site after seeing it being restored by Council. Severine and Rodney have transformed one of the buildings on the site into a nationally recognised dining experience and recipient of two hat status in the 2018 Good Food Guide and multiple other awards.

New Norfolk Distillery

The New Norfolk Distillery's vision is to reinvigorate Australia's love of rum, providing an exceptional product and customer focused experience and encouraging visitors to explore New Norfolk and the Derwent Valley. The Distillery, tasting rooms, function area, restaurant, and bond store will be located in the Allonah, Occupational Therapy and Carlton (C Ward) buildings, providing an innovative repurposing for the site. Named as one of Australia's best rums in the 2019 National Drink Easy Awards, the Misty Valley Silver Spirit is an exemplar for the standard set by the New Norfolk Distillery and is complimented by Near Horizon Spiced Rum, a modern interpretation of the nation's traditional tittle.

“Each of these entities is a leader in their field and brings with them a reputation for excellence..”



Salamanca Arts Centre

Salamanca Arts has at its heart the support of contemporary arts and artists, and is recognised as a leader in the Tasmanian arts world. It has the capacity to connect with communities through art and the use of space and buildings to preserve and adapt them to contemporary use. Partnering with Derwent Valley Arts, Salamanca Arts will draw on its extensive experience to establish a Community Arts Centre in the Barracks building. The recognition of the arts as not only a means to connect community cohorts, but also an important economic driver provides an ideal opportunity to link with the vision of connection, activation and visitation.



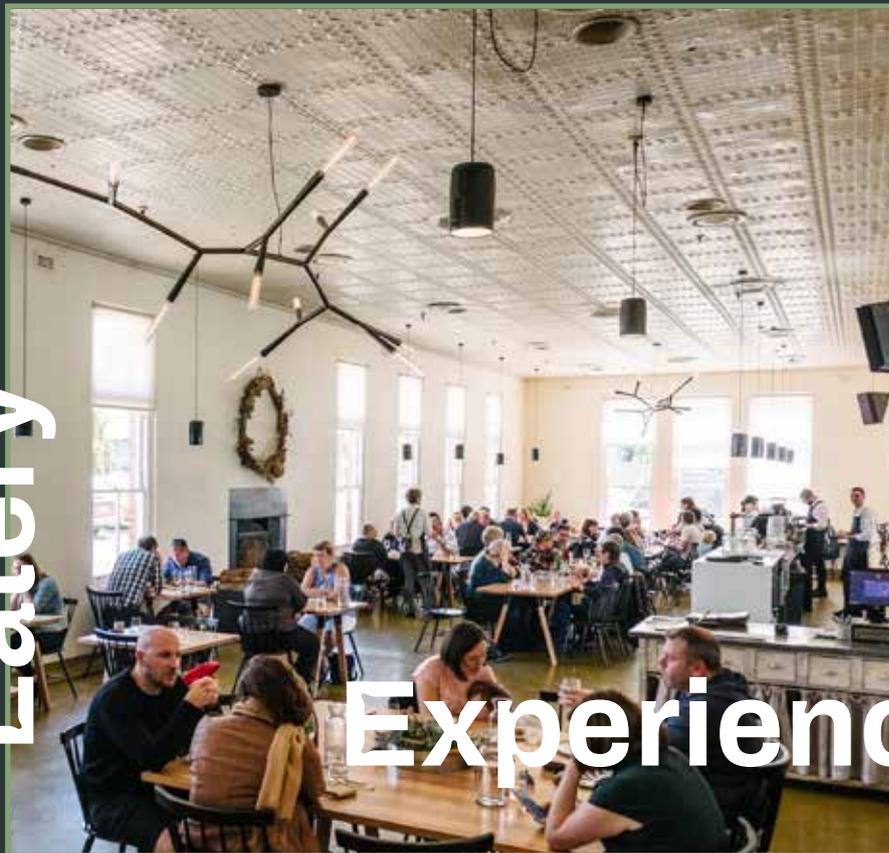
Derwent Valley Council

The Council is mindful of its multiple responsibilities; as custodian of a heritage site, developer to the extent that it has responsibility to ensure that services are available to the site, a statutory body to ensure that planning and compliance matters are adhered to, and as a facilitator for development ultimately leading to better community outcomes. In ensuring that all these roles are fulfilled, the Council has taken a conservative approach, guiding and supporting developments.



The Agrarian Kitchen

Eatery



Experience

THE AGRARIAN KITCHEN COOKING SCHOOL AND EATERY

PARTNER

The Agrarian Kitchen Eatery was established in 2017 by co-founders Rodney Dunn and Severine Demenet, and builds upon the reputation of its sister business The Agrarian Kitchen Cooking School.

It offers an array of locally produced and wood fired meals, using produce from The Agrarian Kitchen Cooking School Farm, matched with locally sourced heritage and rare vegetables and works in partnership with the Derwent Valley Community Garden to engage with the community and local producers.

The Agrarian Kitchen often partners with other exclusive businesses in the Derwent Valley to provide national and international exposure to the region and increase destination appeal and visitor yield.

With the vision of developing three integrated enterprises to create a food tourism hub within Willow Court, The Eatery is currently expanding its offering and will relocate The Agrarian Kitchen Cooking School from its current home at Lachlan to the Willow Court site. This project also includes utilising the Carlton (C Ward) 'Exercise Yard' to include a kitchen garden that will supply vegetables and fruit, promote an active outdoor class room for gardening and cooking school classes and attract visitors in its own right to tour the garden.

The Agrarian Kitchen has invested c.\$955,000 to date for The Eatery in Bronte building, this includes fit out and styling of the space.

The Bronte building, leased until 2026 (at \$20,000 per annum), will serve as the hub for their expansion which will compliment the New Norfolk Distillery and Salamanca Arts development. In 2019 the Bronte building was valued at \$360,000 with a suggested annual rental of \$27,173.91 per annum. In creating the lease, the Council was mindful of the risks involved in establishing what was then a stand alone business, in a disused and predominantly derelict site.

Their proposal for the relocation of the cooking school and creation of the garden experience is costed at \$480,000. While now building on an established business, The Agrarian Kitchen Eatery continues to face the challenges of creating an experience with high appeal in a heritage listed site with few service connections.

2019 Valuation | \$360,000

Leased | until 2026

Annual rental | \$20,000

New Norfolk Distillery

This level of development represents significant investment in Willow Court and the Derwent Valley and indicates a high level of optimism for the future of the region.



The vast size of the site, along with the purpose built nature of the facilities, and lack of services poses many challenges for the developers. In response they have developed a staged approach to development.

Stage 1

Noted below, the fit out and redevelopment of the Industrial Therapy Building.

Stage 2

Installation of utilities, tasting bar and cellar door in the Allonah building, the estimated investment required is \$750,000 with over \$160,000 already committed to this stage of the project.

Stage 3

Function area, restaurant and memorial and courtyard redevelopment in the Occupational Therapy building, estimated cost at \$1,250,000.

Stage 4

Upgrades to the Carlton (C Ward) building required to convert the facility to bonded storage area, estimated cost \$600,000.

Stage 5

Future plans for the Allonah building, which will see further major upgrades valued at \$8 – \$10 Million.

NEW NORFOLK DISTILLERY

PARTNER

New Norfolk Distillery is a family run and operated business, who also own and run the multi award winning Crusader Homes.

Their vision is to build an award winning distillery experience in Willow Court; opening the building to the public and providing employment and economic stimulus to the community. This vision is well underway, with the first stage of development (including bottling room and micro distillery) costing over \$800,000 completed in the Industrial Therapy building located in Humphrey Street. In the past year the venture has created nine new jobs in New Norfolk.

The New Norfolk Distillery currently leases the Allonah, Occupational Therapy and Carlton (C Ward) buildings from the Council for \$25,000 per annum and has purchased the Industrial Therapy building from a private vendor.

In 2019 these buildings were professionally valued at a total of \$465,000, with the recommendation of lease for un-serviced areas being leased at between \$3.50 per sq m - \$15 per sq m per annum. The report notes that the buildings are predominantly in a derelict or near derelict condition and pose a number of challenges for adaptive reuse.

2019 Valuation | \$465,000

Leased | until 2026

Annual rental | \$25,000

Salamanca Arts



Established in 1976 Salamanca Arts Centre has been responsible for the creation of the cultural hub that we now know as Salamanca Place.

Formed by a group of visionaries who could see the potential of the then dilapidated historic buildings on the Hobart waterfront, Salamanca Arts now has a 99 year lease at a peppercorn rental, in exchange for repairing and maintaining the buildings and providing a diverse range of programs and arts events. To complete the business model there are spaces available for hire to artists, arts organisations and commercial tenants.

Salamanca Arts will draw on their strategic priorities and aims to support artists and art, ethically manage buildings, connect with communities and ensure good governance and sustainable models to develop a community arts space in the Barracks building.

This offering will compliment The Agrarian Kitchen Eatery and New Norfolk Distillery's businesses, and provide a strong community engagement and participation element to the overall precinct. It will expand upon the Derwent Valley's growing arts and performance community and provide a sustainable business model to ensure long term viability.

Salamanca Arts and Council are currently finalising a five year licence for the use of the Barracks building. This includes a peppercorn rental and terms similar to those described above in their arrangement with the State.

The 2019 valuation report for the Barracks assesses the value of the building at \$340,000 and notes that the building is in varying states of repair, including a wing that has been restored, and other sections of the building that have no services attached and are in near derelict condition. As a result the report suggests a range of rental fees between \$35.00 per sqm per annum - \$65 per sqm per annum.



SALAMANCA ARTS

PARTNER

SalamancaArts intends to activate the buildings immediately in partnership with Derwent Valley Arts, providing a range of exhibitions, workshops and activities for professional artists and the community. Future plans may include fundraising activities and approaches to philanthropic organisations and grant bodies to assist with restoration costs. These will be underpinned by the strong business model and governance principles for which Salamanca Arts has become known.

Salamanca Arts will draw on their strategic priorities and aims to support artists and art, ethically manage buildings, connect with communities.

2019 Valuation | \$340,000

Finalising | a 5 year license

Proposed | Peppercorn Rental

Our joint investments to further the development of Willow Court will complement the reputations of our partners and bring economic, employment and community development opportunities to the Derwent Valley. Our partners are already well established entities in their own right, bringing with them a wealth of experience and standing in their areas of specialisation.

Our Achievements

The Agrarian Kitchen Cooking School and Eatery

Already an established business, which builds upon and supports Tasmania's reputation for quality food and experiences. The Agrarian Kitchen Cooking School and Eatery will use this opportunity to consolidate their business, which is currently limited by the size of their premises in Lachlan and the need to restore further sections of the Bronte building to fulfil demand.

The incorporation of the garden into their plans will ensure that there is a constant supply of fresh seasonal produce and provide a new and exciting learning environment to compliment the experience of The Agrarian Cooking School.

The Agrarian Kitchen Cooking School and Eatery prefers to employ locally where possible.

Total number of employees: 28 (reduced to 20 during COVID restrictions).

Number of Guests: since opening in 2008 The Agrarian Kitchen Cooking School has welcomed over 11,000 guests. The Agrarian Eatery has hosted nearly 18,000 diners since opening in mid-June 2017 (excluding walk ins). Their nimble response to COVID restrictions has seen over 2000 individual sales through their takeaway kiosk, and has ensured the business has remained operational.

New Norfolk Distillery

Owned and operated by the Derksen family, who also operate the award winning Crusader Homes (with numerous awards previously mentioned and also listed on the Employer of Choice Honour Roll), brothers Justin (Derwent Valley Australia Day Citizen of the Year 2020), Kelvin and Tarrant, supported by their extended families, have quickly diversified their businesses.

With a focus on employing local young people where possible, and a strong track record in training and community support the New Norfolk Distillery will reinvigorate the Allonah and Occupational Therapy buildings with their plans for a hotel, restaurant, tasting rooms and function area.

The Willow Court location will incorporate their latest venture, Drinkmakers, a distilling and fermentation training initiative and there are plans to make the 'COVID pop-up Providore', which showcases the best of the Derwent Valley and surrounds, a permanent fixture of High Street.

Total number of employees: 28 FTE across the businesses, many of these employees have been successful trainees who have stayed with the business and continued to gain skills as the business diversifies.

Homes built by Crusader Homes in the Derwent Valley last year: 20

Current trainees employed: 7

Salamanca Arts

Known for their success in transforming Salamanca into the thriving hub it is today, Salamanca Arts will work in partnership with Derwent Valley Arts to restore and revive the Barracks building, the oldest remaining building on the Willow Court site.

Well known in the Arts world, Salamanca Arts currently offers a variety of performance, exhibition and meeting spaces as well as retail opportunities at their home in Salamanca place. It is anticipated that this established model will be used as the basis for their development at Willow Court.

With a reputation for diversity of offering, professionalism, strong governance practices and the ability to engage with the community and attract a premium offering, Salamanca Arts will complement the established business on site. Salamanca Arts' ability to transform a space speaks for itself; their partnership with Derwent Valley Arts will ensure community participation and access.

Total number of employees: more than 10 in addition to guests, programmers and exhibitors

Coming exhibitions: 9, this has been limited by COVID restrictions.

Range: emerging artist scholarships, international arts residencies, festivals, community projects, venue hire, retail and curated shows.

The Future



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Ground Floor Plan of the
New York City

Situated around 500m from the center of New Norfolk, Willow Court is an imposing precinct that holds great significance to the community.

As custodians of some of these buildings, Council has a responsibility to ensure that any development in the precinct is in the broad public good, and meets statutory requirements.

Council's Community Strategic Plan, Our Valley 2030, clearly sets out the community's desire for adaptive reuse of Willow Court. We have embraced the vision of connection, activation and visitation to facilitate the reinvigoration of the precinct through investment and development, while being mindful of the history and heritage of the area.

Since taking possession of the precinct in 2001, the Council has invested a total of c \$5.5 Million in the restoration and ongoing maintenance of Willow Court. Council has worked with Flinders University and Launceston School of Architecture to provide access for archaeological summer schools and project work for students, hosted a Dark MoFo exhibition and various other events and activities at Willow Court. Whilst these have been invaluable and informative about future uses, they have not provided viable long term solutions.

Council is currently finalising its 2020/21 budget, which includes a proposed commitment of \$265,000 towards the maintenance and costs associated with completing the subdivision for the precinct. A \$500,000 Community Development Grant will be used to improve The Avenue allowing better access and other improvements.

All current partners have indicated that they would like to own or have long term leases on the properties they currently have an interest in. This represents a financial benefit to the Council as it would allow allocated funds to be diverted into other projects, and would ensure the future maintenance and restoration of the buildings, public access and provide a community and long term economic benefit.

These properties are defined under section 177a the Local Government Act 1993 as Public Land, and therefore the prescribed disposal process, must be followed.

As the properties are currently on one title, under the current arrangement, this limits the ability of the Council to lease separate areas to individual entities. Council is negating this challenge through subdivision of the site. Due to the nature of the buildings and heritage implications the subdivision process has become highly complex and has delayed progress on the site.



Our Outcomes

The mix of established and emerging enterprises gives the Willow Court precinct a feel of excitement and vitality.

The transition from a production economy to a service and tourism based economy has been particularly challenging for the Derwent Valley, with many families having generational employment in production industries such as forestry. While our agricultural sector is well known, our tourism and arts sectors are still emerging. The reinvigoration of Willow Court through these prestigious anchor businesses will provide a positive economic flow on effect to the Derwent Valley.

The Derwent Valley has a consistently higher than average unemployment rate. The southeast region of Tasmania (which includes the Derwent Valley) also has the dubious honour of being recognised as a youth unemployment hot spot for several years running. This combined with the effects of COVID-19, particularly in our hospitality sector, put

the region in a precarious employment situation.

The investment being sought will assist in supporting our partners to not only achieve their professional goals, but also provide meaningful employment to members of our community, with flow on effects to other businesses in the region.

Our partners have a strong focus on building the capacity of the region through providing employment, regional dispersal of tourists and opportunity for collaboration with other businesses and ventures.

Data from the Tourism Visitor Survey (TVS) Analyser shows that in the April 2019 – March 2020 year, 141,163 people 'stopped and visited' New Norfolk, an increase of 2.1%. The same source indicates that there was a 15.1% drop in people who 'passed through' (59,724) and that 23,629 people stayed overnight. Although this was an increase of 1.9% on the previous year, it shows a poor conversion rate from visitation to overnight stay.

The enterprises that are currently underway with our partners will provide an additional dimension to the existing attractions of the Derwent Valley; forming a critical mass, enabling greater visitation and increased conversion rates across the tourism sector in the valley. The Destination Southern Tasmania Destination Management Plan 2014 states that... “for every dollar of direct expenditure by visitors to Southern Tasmania, the broader local economy is estimated to benefit by a further \$0.90 (or tourism output multiplier of 1.90)... “. If even a percentage of those who ‘pass through’ can be converted to ‘stop and visit’ or ‘overnight stay’ this will have a marked impact on the economy of the region.

In addition to the conversion of visitors, the enterprises involved intend to invest heavily in their workforces, providing meaningful employment, while building skills and training for young people. The 2013 Remplan Economic Impact Analysis Tourism in Tasmania’s South states that Arts and Recreational services in Tasmania’s south employ 2,178 people, and that the same sector had an output of \$330.7 Million in that period. Given that the arts sector has expanded significantly in recent years, it can be assumed that this output and employment has grown considerably.

In addition to the financial output of the arts sector through Salamanca and Derwent Valley Arts involvement in Willow Court, they bring with them a unique opportunity to diversify the regional offering of the area and provide an outlet for both visitors and locals to experience the Arts.

It is well recognised in regional development practice, including by Dr Ian Plowman in “Why some towns prosper while others languish” – University

of Queensland, that regional centres that diversify are more resilient and able to attract investment than those which don’t.

2019 Youth Unemployment in South East Tasmania – 17.8% (Brotherhood of St Laurence, Smashing the Avocado Debate)

JobSeeker payments as at June 2020 – 14.4% of the Derwent Valley population aged 15 – 64 (ProfileID)

Unemployment rate as at 2016 – 8.3% as compared to the Tasmanian unemployment rate of 6.4% (Profile ID – taken from ABS Census statistics)

New Norfolk Distillery | employment forward estimated for the next 5 years – 50 employees at the New Norfolk Distillery and 50 additional employees in building and associated trades.

The Agrarian Kitchen Garden | 5 people in construction of the garden and 6FTE once completed.

The Agrarian Kitchen Cookery School | 3FTE once it has moved to New Norfolk.

The Agrarian Kitchen Kiosk | kiosk under development with an additional 5FTE once the kiosk is complete.

Salamanca Arts | it is estimated that there will be significant employment of contractors during the design and restoration stage of the Barracks building. While these numbers are currently flexible, they will be available when land disposal, planning and development have been completed.



The Broader Precinct

The enterprises featured in this document are complimented by other activities aimed at activating the Willow Court precinct. These include other developments, Council initiatives and community participation.

Corumbene Care Avenue Development

Corumbene Care is a not for profit, values based aged and community care service provider in New Norfolk. It provides residential care, retirement living and home help to the older members of our community. Corumbene Care has also been commissioned by Primary Health Tasmania to provide services to people with chronic health conditions in the Central Highlands, Derwent Valley and Southern Midlands LGAs, there is no age restriction on this program.

Corumbene Care has recently purchased the buildings (D and E wards) and land opposite the main Willow Court site and acknowledges the synergies of incorporating the adjacent Frascati House precinct in the future.

Stage 1 Plans for the site are valued at c.\$4.5 Million, have development approval and are now subject to formalising stakeholder and funding arrangements to expand their services to the Derwent Valley.

This includes the sympathetic re-use and restoration of D and E wards, and a future residential unit development, including significant landscaping to the area to provide an open, garden like space.

D and E wards will be re-purposed to include a medical centre and consulting rooms, offices for Corumbene staff, a shop and café.

Corumbene Care being a much loved part of the Derwent Valley community, the Corumbene Avenue development is welcomed and will support the growing demand for health and wellbeing services in the Derwent Valley.

The Avenue

The Avenue runs between George Street and Glebe Road in New Norfolk, and is the main access to the Willow Court precinct. A remnant of one of the older road systems that was used to access Willow Court, it is in need of upgrade manage increased

traffic and pedestrian volumes.

The Council has received \$500,000 funding from the Australian Government Community Development Grants to provide infrastructure and aesthetic upgrades to the Avenue. While currently in the planning stage, upgrades will consist of improved road surfaces, increased parking for the precinct, the upgrade of existing spoon drains and other improvements to traffic and pedestrian access.

The works will result in an improved visitor experience and enhance the overall look and feel of the precinct.

The Friends

Council is fortunate to have two active Special Committees of Council who are dedicated to the restoration and re-use of the Willow Court site.

Friends of Frascati, a small but committed group of community members has a focus on reestablishing the once famed Frascati garden and maintaining the historic hedge. As part of this they have rehabilitated part of the bank to the original garden and historic grape vine, restored the pond, creating a site of reflection and offering a quiet contemplative space for people to sit.

In 2015 Friends of Frascati collaborated with the Council to develop a set of works specifications to restore Frascati House, and have been working toward the implementation of these since.

The Friends also run regular open days and collect oral histories of those with an association to the site.

Friends of Willow Court has been established for a number of years. With a passion for the restoration and re-use of Willow Court they have been instrumental in continuing to attract interest to the precinct, including working with Flinders University Archeological Summer School, Launceston School of Architecture. Friends of Willow Court have hosted a number of events at Willow Court, including short dramatic productions and community events, they have been instrumental in assisting the Council to collect the artefacts from Willow Court and are active in the community lobbying for recognition of the site.

Council welcomes the involvement of the community in these spaces and anticipates that members of the Friends groups will continue to play an active part in the future development of the precinct.



Partnership and Investment

The size and scope of these projects provide the trigger to change the face of the Derwent Valley.

In recent years we have seen the economy start to change from a manufacturing base with a focus on forestry to a service, tourism and agricultural driven economy. Whilst our agricultural sector is well known and established, our service industries and in particular visitor services are an emerging sector, requiring support to fulfil their potential and provide a stable base for growth.

The three proposals contained here will provide the corner stones of that investment in change, and display optimism and confidence in the future.

In addition to the substantial commitment already made by the New Norfolk Distillery, they anticipate a total personal commitment of more than \$1M to the project, and are in discussions with the Council regarding the ongoing ownership of the buildings.

With a job growth target of 50 hospitality, brewing and distillery staff, and the support of the same family that owns the multi award winning Crusader Homes (winner of the Australian Training Awards Small Employer of the Year 2017 and 2019, and Telstra Business Medium and Making Waves Awards 2019), the Council has confidence that there will be opportunities for young people in our community to enter into meaningful career paths.

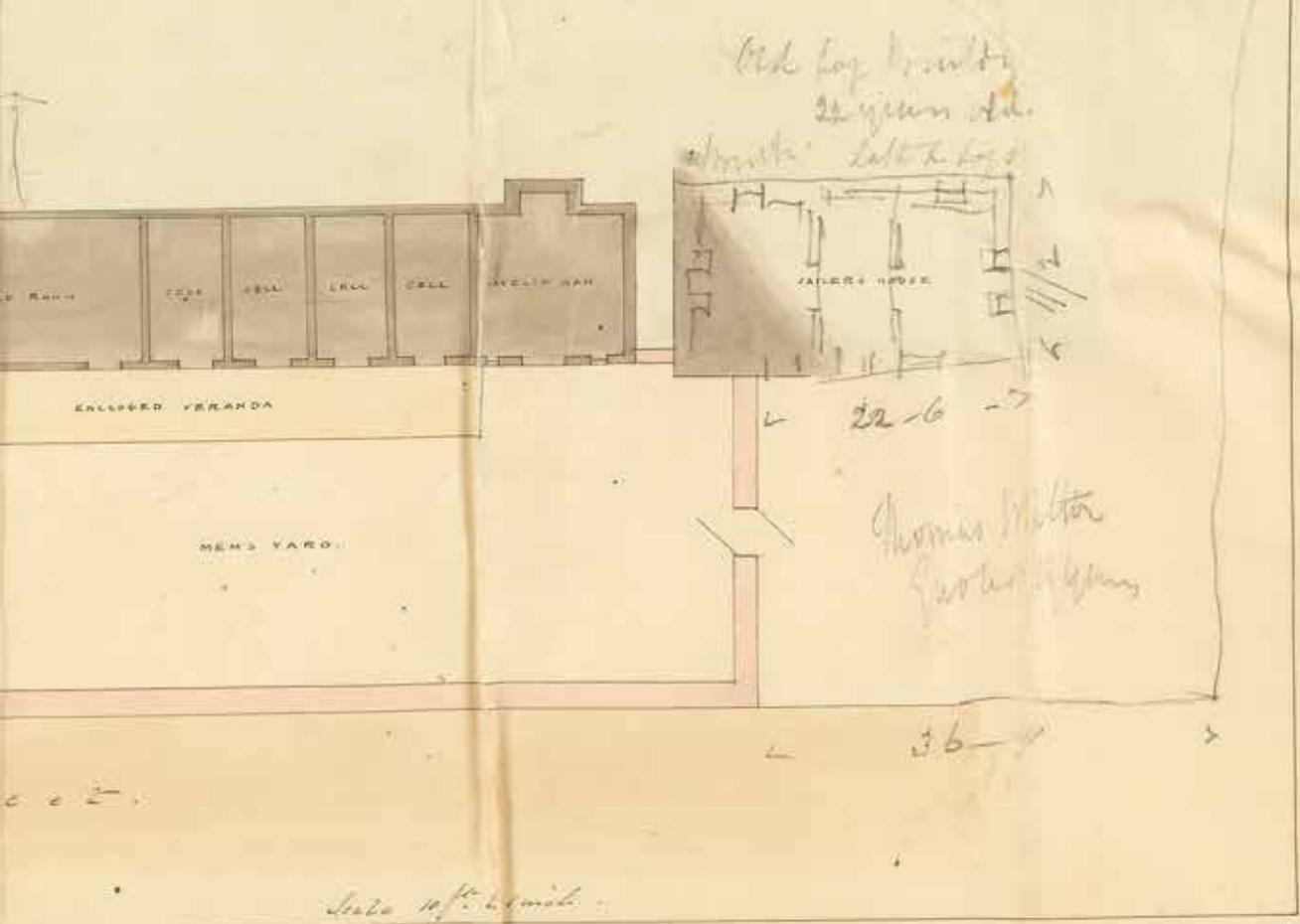
The New Norfolk Distillery is aiming for a State and Federal Government grant or loan contribution of up to \$2.6 Million over a number of years.

Front the side of New Norfolk, showing the proposed yard walls.



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“The planned developments will not only ensure the ongoing future of the structure of the buildings, but will also provide a focal point to aid in the economic revival of the region.”





Like many businesses in the tourism and hospitality sector, The Agrarian Kitchen Cooking School and Eatery have been hard hit by the necessary response to COVID-19. The effects of closure and limited visitation have been felt by these businesses harder than many, as they are marketed directly to a high end interstate and international visitor base. While the Agrarian Eatery response has been agile, embracing the support of the local community and providing a more accessible experience in the wake of eased restrictions, the COVID crisis has placed enormous financial stress on the business. Despite this, the co-founders are determined to proceed with their plans and are looking for assistance of up to \$480,000 to ensure the ongoing growth of their endeavours.

The arts form an essential part of providing opportunity for economic and community development, Council is very enthusiastic about the prospect of Salamanca Arts extending its expertise into the Derwent Valley. Their strong history of collaborative and philanthropic funding arrangements will be essential in restoration and renovation of the Barracks building.

While the details of arrangements between Council and Salamanca Arts are still being finalised, there will be significant opportunity for this support to continue.

The planned developments will not only ensure the ongoing future of the structure of the building, taking into account heritage considerations, but will also provide a focal point to aide in the economic revival of the region, which even prior to the impacts of COVID-19 had higher than State average levels of unemployment and youth unemployment.

The task of reinvigorating the Willow Court Precinct is a significant undertaking and despite Council's best efforts, a number of the buildings have fallen into disrepair. The above proposals provide a collaborative way forward, giving all levels of government, Federal, State and Local an opportunity to assist in the restoration and reuse of this historically significant precinct.



The potential of Willow Court as an economic and tourism driver has been largely untapped. These developments will provide a focal point to ensure the ongoing viability of the site, both in economic and heritage terms. It is estimated that an investment of upwards of \$9 Million* will be required by all tiers of government, philanthropic organisations and community to allow full utilisation of the precinct.

We look forward to working with you.

*Subject to heritage and archaeological considerations.

Contact: Dean Griggs, General Manager | 03 6261 8512



**Derwent
Valley**