

# Legacy Precincts

Delivering enduring benefits through collaboration.

Thought Leadership October 2023



Introduction

The convergence of factors including urban renewal, infrastructure investment and **Queensland's runway** towards 2032 and beyond has accelerated the emergence of precincts.

Now more than ever, it is crucial to focus our efforts on delivering and sustaining high-performing precincts - intricate ecosystems that provide centres for **employment and trade**, attractors for **talent and investment**, **social hubs** for entertainment and leisure, and **vibrant places** for communities to enjoy.

Given the profound impact of precincts on contemporary competitive advantage, urban landscapes, and overall quality of life, there has never been a better time to harness these opportunities.

Both within Australia and across the globe, governments, developers, investors, and businesses are progressively embracing precinct models as a means of accelerating and optimising economic, social, and community value.



# Precincts are catalysts for positive change.

This paper focuses on economic and destination precincts, catalysed by government through the release of key development sites or master plans, then delivered and curated by the public and private sectors through various approaches.

Key case studies highlight the value delivered by precincts, and demonstrate how effective governance can magnify city-changing momentum in the lead up to the Olympic and Paralympic Games. As Queensland approaches its most significant global showcase in under a decade, we have a unique opportunity to expedite the growth of thriving precincts through collaboration between government and industry. **O1** Defining precincts

**02** The lifecycle of precincts

**03** Drivers of success

**04** Understanding governance

**05** Governance in action



#### 01 Defining Precincts.

# While precincts come in all shapes and sizes, they are characterised by a common purpose.

There is no universally agreed-upon definition, however there is a consensus that a precinct refers to a geographical concentration of activity, whether this be interconnected businesses and institutions, or a community centred around lifestyle and amenity. Their unique scale, larger than a single site yet smaller than an entire suburb, positions them as catalysts for change, contributing both economic and community value.

Economic precincts typically exhibit shared infrastructure needs and target markets, such as skills, customers and suppliers. These precincts are often linked through both formal and informal networks. Extensive research has demonstrated that organizations situated in wellperforming precincts yield exceptional economic outcomes when compared to other areas of the economy. These outcomes encompass heightened productivity, employment expansion, and innovation.

Lifestyle precincts provide the opportunity to create attractive destinations for people to live in or to visit. They act as vibrant community hubs, offering residents and visitors enviable access to services, amenity, and social interaction.





# Precincts play a pivotal role in driving transformational change within cities.

Legacy Precincts 2023





02 The Lifecycle of Precincts.

# Precincts cycle through stages where they emerge, grow, mature and renew again.

As industry and market conditions undergo transformations, precincts have a tendency to evolve gradually over several decades, experiencing phases of varying success and decline. This evolution becomes evident through fluctuations in growth rates, employment figures, output levels, income levels, and consumption patterns in relation to other locations. While each precinct develops based on its specific circumstances and dynamics, they typically follow a lifecycle pattern comprising distinct phases or stages, namely emergence, growth, maturity, decline and renewal.

#### Renew

Where a precinct undergoes investment to revitalise or reposition to restore its attractiveness

### Emerge

Where vision and planning support and accelerate the foundation of a precinct

#### Grow

Where a critical mass of businesses are established, stimulating growth and investment attractiveness

#### Mature

Where growth levels out and the precinct goes into a process of sustainability to retain relevance

#### Decline

Where the precinct goes into decline due to lack of ongoing investment and/ or new competition



#### **03 Drivers of Success.**

# Precinct success comes from vision, purpose and unwavering leadership.

Precincts provide a strategic blend of infrastructure and location advantages that magnetize organizations, thereby fostering an environment conducive to coexistence and interaction among businesses, institutions, and investors. This, in turn, gives rise to valuable agglomeration benefits, stemming from the advantages of close physical proximity. Such proximity serves as a catalyst for collaboration, knowledge exchange, and easy access to shared resources. While precincts encompass a diverse array of typologies, truly successful ones exhibit a constellation of common attributes. These attributes are intricately interconnected, and the most prosperous precincts excel across all dimensions





#### Vision & Purpose

Well-understood purpose or anchor use, underpinned by a strong vision with a clear strategy for implementation.



#### **Place-based Amenity**

Quality of place with a curation and differentiation of experiences and precinct offerings that attract people and foster a socially inclusive environment.



#### Leadership & Governance

A strong leadership and governance model that drives the precinct purpose from inception to on-going <u>management</u> and is supported by government.

#### Critical Mass

Of sufficient scale and concentration of activity that relates to the precinct's purpose; able to leverage a co-location of assets to drive competitive advantage.



#### Connectivity & Accessibility

Including walkability, transport and digital infrastructure, highly legible and accessible connections to and from the precinct, and within the precinct itself.

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# The success and the on-going sustainability of precincts will only be achieved through a genuine collaboration between the public and private sectors.

### What is Governance?

Governance refers to the manner in which an organisation defines its mission, vision, strategic purpose and core values. It also refers to the way an organisation is set up to achieve its objectives and how it functions to produce desired outcomes. This requires a framework of rules, relationships and processes by which a strategic purpose is formed and good decisions are made in an environment of authority, accountability, stewardship and leadership.



10

04 Understanding Governance.

# Accelerated and on-going success comes from a co-ordinated approach.

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# Good governance and strong leadership are key **to precinct success.**

As precincts vary, so do governance approaches – ranging from informal arrangements to formal structures. Successful precincts require a robust governance framework for the management of the precinct throughout its life cycle. Because the scale and composition of precincts vary so much, precinct governance cannot be one size fits all. Regardless of how it is achieved, precinct leadership and governance typically involves:

- establishing a single management structure
- developing, communicating and championing a vision for the precinct ensuring all stakeholders and the wider community are engaged generating enthusiasm and excitement in the pursuit of the vision leading and facilitating actions and strategies to support the vision
- promoting further development and economic activity
- overseeing a place-management program
- integrating, coordinating and prioritising initiatives
- attracting funding and investment capital
- providing equitable cost sharing mechanisms; and building partnerships.

### Types of precinct governance

Governance models can have varying degrees of private and public sector participation. When executed well, each model creates substantive, ongoing economic and community benefits - as evidenced by the following case studies.

#### **PRIVATE SECTOR LED**

Private Ownership, Management and Funding

#### **PUBLIC SECTOR LED**

**Public Sector Led, Managed and Funded** 

#### COLLABORATIVE

Hybrid of Public and Private Sector Delivery and Management,

**Mixed Funding** 



## PRIVATE SECTOR LED

### Private Ownership, Management and Funding

Exemplars	<ul> <li>James St New Farm</li> <li>Fish Lane</li> <li>West Village</li> </ul>
Structure and governance	<ul> <li>Private sector led</li> <li>Private Ownership with Private Management</li> <li>Traditional governance and planning approvals</li> <li>Operational funding generated by leasing and carparking</li> <li>Private sector led master-planning</li> <li>Streets and public spaces managed by Council</li> </ul>
Land ownership	Private
Public spaces, activation, safety and security	<ul> <li>Events and activations – Private Sector</li> <li>Footpath physical enhancements – Private Sector</li> <li>Footpath cleaning, day to day management – Private Sector</li> <li>Safety and security (CCTV, patrols etc.) – Private</li> <li>Publicly accessible private owned space delivery and management – Private Sector</li> <li>On-street parking, carriageway, and road infrastructure – Public Sector</li> </ul>
Challenges	<ul> <li>Existing infrastructure in place</li> <li>Keeping true to vision and adapting Masterplan to suit over time as precinct develops</li> <li>Ongoing private investment required to maintain offer</li> </ul>

# Case study Fish Lane, Reimagining an underutilised space.



Fish Lane is an exemplar inner city urban renewal precinct – bustling with bars, restaurants, cafes, art, galleries, music and events.

#### **Key Outcomes and Success Factors**

- Establishing a brand and identity with key tenants to provide a catalyst for growth
- Invest in good design
- Invest in bespoke activation e.g. public art, curated food events, annual festival
- Single owner providing a unified vision and strong ongoing commitment

#### **Lessons Learnt**

 Highly dependent upon ongoing alignment of vision and long-term commitment to collaboration and funding

## > 275 Jobs

created through the precinct and 30 hospitality businesses

## > \$2M

Private investment

in placemaking with community benefit

# > \$400K

Private investment

yearly in governance and on-going activation and curation of precinct

### over 70 Activations

each year in the public realm

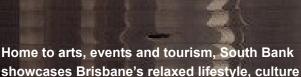


## PUBLIC SECTOR LED

### Public Sector Led, Managed and Funded

Exemplars	South Bank Sun Central EDQ Lumina precinct Nicholas Street, Ipswich
Structure and governance	Integrated Precinct Management authority model (land owner, master planning, developer, asset management and curation) Governed by Special Legislation and planning approvals framework Public sector delivery of infrastructure, community facilities, and public spaces with private development of individual sites under long-term lease Public sector funded delivery with precinct revenue offsetting operational costs and recurrent funding requirements
Land ownership	Largely public with some private
Public spaces, activation, safety and security	Events and activations – Public Sector Footpath physical enhancements – Public Sector Footpath cleaning, day to day management – Public Sector Safety and security (CCTV, patrols etc.) – Public Sector Publicly accessible private owned space delivery and management – Public Sector On-street parking, carriageway, and road infrastructure – Public Sector
Challenges	For mature precincts - ageing assets and infrastructure Funding and ongoing investment and renewal

Case study South Bank, Brisbane's cultural heart embodied by lifestyle.



and subtropical landscape

#### Key outcomes and Success Factors

- Integrated precinct management of all precinct aspects – planning, renewal, marketing / events, precinct maintenance / security etc.
- Precinct success does not stop when the precinct is completed or built. It requires ongoing investment and curation.
- Vision led with strong ongoing commitment

#### Lessons Learnt

14M

Visitors

per annum

PROPI

1.00

- A proven model for delivery and precinct operation
- Accelerates value gain and commercial activity in surrounding areas
- Need to structure original development phase to support long-term operational and asset renewal requirements, including ongoing revenue streams

5900m

Public Par<u>kland</u>

with 6Ha of

greenspace

Economic

contribution

annually to the

state (17/18)

"Our vision is to be a world-leading urban precinct that welcomes, engages and inspires"

700

Events

each year, free to

the public



## COLLABORATIVE MODELS

### Hybrid of Public and Private Sector Delivery and Management,

### **Mixed Funding**

Mixed Fullding		
Exemplars	<ul> <li>RNA</li> <li>Howard Smith Wharves</li> <li>Herston Quarter</li> </ul>	
Structure and governance	<ul> <li>Public sector led master-planning</li> <li>Private sector led development with public sector facilitation</li> <li>Private sector delivery under long term lease</li> <li>Traditional governance and special planning mechanisms</li> <li>Operating decisions made by private management in accordance with lease conditions and planning approval</li> <li>Private ownership/Long-term lease with Private Management</li> <li>Operational funding generated by leasing, carparking and commercial initiatives</li> </ul>	
Land ownership	• Mixed	
Public spaces, activation, safety and security	<ul> <li>Events and activations – Private Sector led, some delivered in collaboration with Public Sector</li> <li>Footpath physical enhancements – Public Sector</li> <li>Footpath cleaning, day to day management – Public Sector</li> <li>Safety and security (CCTV, patrols etc.) – Private/Public</li> <li>Publicly accessible private owned space delivery and management – Public/Private collaboration</li> <li>On-street parking, carriageway, and road infrastructure – Public Sector</li> </ul>	
Challenges	<ul> <li>Time and agreement between all parties</li> <li>Long-term alignment between parties</li> <li>Funding of long-term operation, maintenance, and renewal</li> </ul>	



# Case study Herston Quarter, Combining health and innovation to create a vibrant community.

The vision for Herston Quarter is to create a world-leading health and wellbeing precinct where health, commercial and academic partners come together to achieve enhanced health outcomes and create greater community value.

#### **Key outcomes and Success Factors**

- Strong vision and commitment to precinct in order to establish and curate
- Civic mission/custodianship underpinning precinct vision/conception and long-term value proposition

#### Lessons Learnt

- Public sector enabling phase to catalyse the precinct and provide certainty for the private sector
- Deal structure and procurement framework needs careful consideration to support high quality design, community legacy, and competitive commercial outcomes
- Collaborative governance framework needed to support ongoing commitment to precinct vision and delivery

# \$600M

GRP Per Annum By 2028

## > 2,000

Jobs

By 2028

## \$2,000M

direct, indirect, and total community benefits by 2028

## \$120M

Private investment

in placemaking with community benefit



Case study Business Improvement District (BID) Models

# Enabling precinct success through **co-ordinated alignment.**

Another approach to collaborative governance is the Business Improvement District (BID) model. This is a well-established model that has been operating in North America and the UK for over five decades.

A BID represents a collaborative venture involving local government, the community, and businesses. Within the framework of a BID, these stakeholders unite with a shared objective to deliver, manage and maintain a specific set of strategic and tactical enhancements through an annual levy.

Creating a BID can be an effective way to spur economic development and revitalization in a designated area. However, to make it successful, careful planning and strategic implementation are necessary. Key steps include:

- Identify the target area: Determine the geographic scope of the BID. It may be a specific neighborhood, commercial center, or CBD area.
- 2. Assess the area's needs: Conduct research to understand the existing economic conditions, demographics, and market demand. Identify the strengths and weaknesses of the area and determine the types of businesses that are needed.
- **3.** Form a BID organisation: Establish a formal organization that represents the stakeholders in the BID, including property owners, businesses, and residents. Define the group's mission and goals, and establish governance and decision-making protocols.
- 4. Develop a strategic plan: Create a plan that outlines the specific initiatives and projects that the BID will undertake to achieve its goals. This may include marketing and branding, events and promotions, beautification and infrastructure improvements, business recruitment and retention, and other activities.

- 5. Secure funding: Determine the amount of funding needed to implement the strategic plan, and identify potential sources of revenue. These include a levy on commercial properties or fee for participating businesses; and grants or cofunding from government.
- 6 Implement the plan: Execute the initiatives and projects identified in the strategic plan, and monitor progress regularly, making adjustments to the plan over time to ensure it remains effective and relevant.
- 7. Measure impact: Evaluate the success of the BID by tracking economic indicators, such as business growth, job creation, and tax revenues. Use this information to make data-driven decisions about future initiatives and to communicate the BID's impact to stakeholders and potential investors.

A COLOR

Critical to success is ensuring that BIDs empower the local places they are meant to support and that all members of the community are made to feel welcome.

Overall, a successful BID requires strong leadership, collaboration, and a strategic approach to economic development. Working together, government, businesses and the community can facilitate enduring success for our precincts.

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#### **Examples in action**

New Sydney Waterfront<sup>co</sup> is a BID that is currently in implementation phase. Its objective is to bring the best of contemporary Sydney experiences in the one place. **Adopting this model will drive coordinated action** through a common purpose to unlock the Precinct's full potential for everyone. It is estimated that this coordinated approach will achieve a double digit boost in both visitation and turnover values; accelerating the Precinct from \$4bn to \$6bn turnover by the start of the next decade.

> 2,000 BIDs Globally > 50 years

of operating successfully

10-15% higher value

Commercial properties in Toronto & New York BIDs **2,000** new jobs

London's West End

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# **PROPERTY** COUNCIL of Australia

ALL SALES

900

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