Microdistricts:
A case and guide for change

A 'how to' guide to create targeted value in urban centres

2023

EY

Building a better
working world

NOTICE

Ernst & Young was engaged on the instructions of Property and Development NSW ("Client") to assist with the Micro-District Pilot Program ("Project"), in accordance with the Engagement Agreement (PROC1603) dated 15 November 2021.

The results of Ernst & Young's work, including the assumptions and qualifications made in preparing the report, are set out in Ernst & Young's report dated 30 June 2022 ("Report"). The Report should be read in its entirety including, the applicable scope of the work and any limitations. A reference to the Report includes any part of the Report.

Ernst & Young has prepared the Report for the benefit of the Client and has considered only the interests of the Client. Ernst & Young has not been engaged to act, and has not acted, as advisor to any other party. Accordingly, Ernst & Young makes no representations as to the appropriateness, accuracy or completeness of the Report for any other party's purposes.

Our work commenced on 27 November 2021 and was completed on 30 June 2022. No further work has been undertaken by EY since the date of the Report to update it, and EY has no responsibility to update the Report to take account of events or circumstances arising after that date. Therefore, our Report does not take account of events or circumstances arising after 30 June 2022.

No reliance may be placed upon the Report or any of its contents by any party other than the Client ("Third Parties"). Any Third Party receiving a copy of the Report must make and rely on their own enquiries in relation to the issues to which the Report relates, the contents of the Report and all matters arising from or relating to or in any way connected with the Report or its contents.

Ernst & Young disclaims all responsibility to any Third Parties for any loss or liability that the Third Parties may suffer or incur arising from or relating to or in any way connected with the contents of the Report, the provision of the Report to the Third Parties or the reliance upon the Report by the Third Parties.

No claim or demand or any actions or proceedings may be brought against Ernst & Young arising from or connected with the contents of the Report or the provision of the Report to the Third Parties. Ernst & Young will be released and forever discharged from any such claims, demands, actions or proceedings.

In preparing this Report Ernst & Young has considered and relied upon information from a range of sources believed to be reliable and accurate. We have not been informed that any information supplied to it, or obtained from public sources, was false or that any material information has been withheld from it. Neither Ernst & Young nor any member or employee thereof undertakes responsibility in any way whatsoever to any person in respect of errors in this Report arising from incorrect information provided to EY

Ernst & Young does not imply and it should not be construed that it has verified any of the information provided to it, or that its enquiries could have identified any matter that a more extensive examination might disclose.

The analysis and Report do not constitute a recommendation on a future course of action.

Ernst & Young have consented to the Report being distributed to participants solely for informational purposes in connection with the *2023 SmartNSW Masterclass*. Ernst & Young have not consented to distribution or disclosure beyond this. The material contained in the Report, including the Ernst & Young logo, is copyright. The copyright in the material contained in the Report itself, excluding Ernst & Young logo, vests in the Client. The Report, including the Ernst & Young logo, cannot be altered without prior written permission from Ernst & Young.

Ernst & Young's liability is limited by a scheme approved under Professional Standards Legislation.
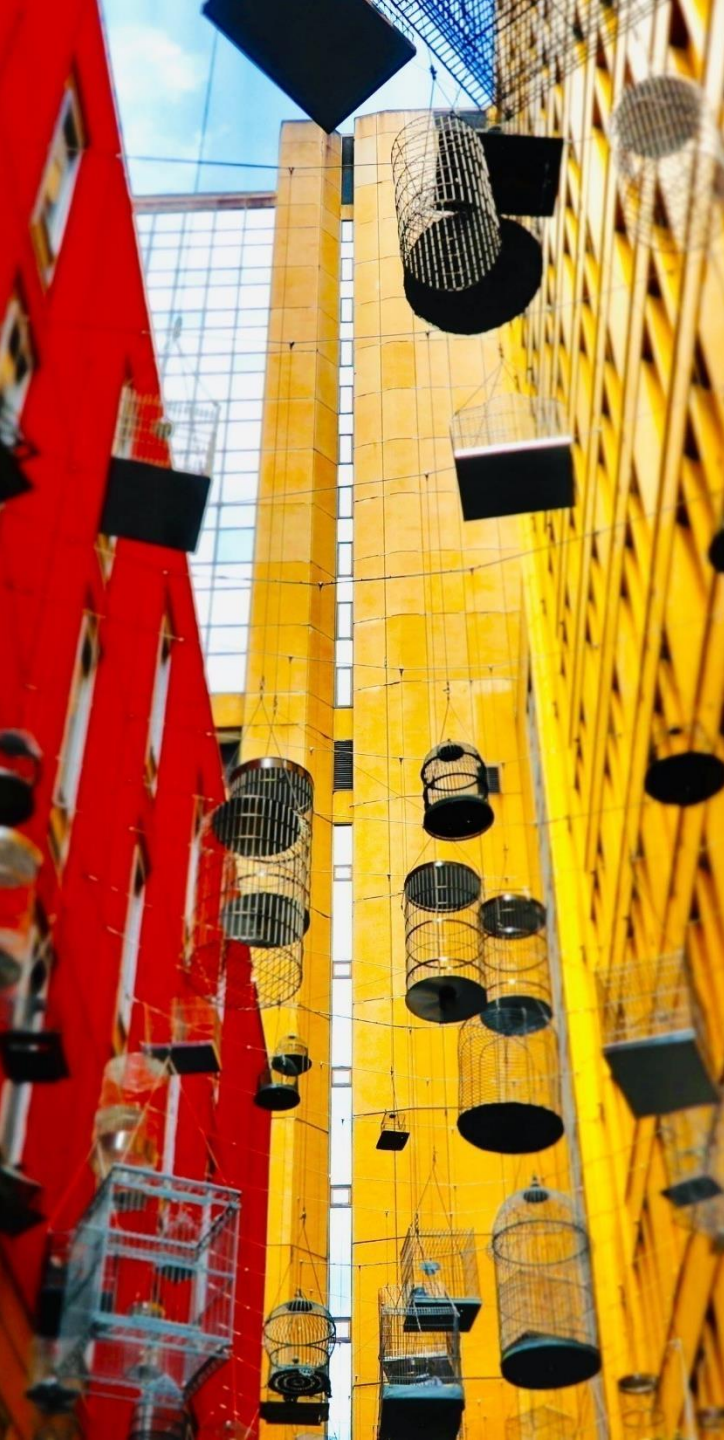
CONTENTS

1 INTRODUCTION

EY has been investigating the long term impact of COVID-19 on urban centres since late 2020 when it was engaged by the Property Council of Australia to produce a research paper, *Reimagining our Economic Powerhouses*[1]. This report identified six 'key plays' that could transform our CBDs into central experience districts, as documented below.

On behalf of Property and Development NSW (PDNSW), EY has sought to extend this research, exploring the concepts and benefits of a microdistrict.

Urban activity has been significantly impacted by the pandemic but CBDs will remain a powerful force in the future. As they recalibrate to prosper so too will their people.

But as our CBDs evolve, they must work harder than ever before. People are looking for more than just places to work. They also want places to play.

Central experience districts

Establish precincts and policies that activate the CBD, remove restrictive taxes and support the arrival of international students

Green it up

Improve access to green and open spaces across the CBD

Reimagine the workplace

Establish innovative workplaces that enhance collaboration and interaction

Move to future transport

Increase CBD accessibility with more frequent and less crowded services as well as more active transport options

Redefine quality

Sharpen the focus on health and wellbeing, as well as technological innovation and sustainability

Amplify Brand Australia

Boost our national brand as a leading tourist destination to attract knowledge workers and new businesses

[1] How do we turn CBDs into central experience districts | EY Australia

Microdistricts
sit at the heart of these six plays

Unique locations that concentrate the vibrancy, amenity and cultural buzz intrinsic in CBDs through tactical interventions and collaboration between the key city stakeholders (public and private organisations, and most importantly people).

EY has since undertaken a range of pilot studies to refine the definition of microdistricts and tested how they might be brought to life through different governance and funding structures.

This report documents these findings and presents a proposed methodology that may bring these city gems to life and could demonstrate the power of people working together. Based on our research on the significance of urban centres to the global economic recovery, the microdistrict approach is intended to be replicable, not just across Sydney but Australia and internationally.

As the custodians of this living 'how to' guide, EY will continue to evolve and refine this thinking over time. We intend to produce several publications and case studies that document best practice and the positive ripple effects that targeted interventions can have on our lives, our places and spaces, and our economies.

"

Every $1 spent on entertainment in our CBDs generates $2 of local economic activity.

EY analysis of ABS data

2 WHAT IS A MICRODISTRICT?

Microdistricts are distinct from larger precincts because they are small, condensed and singular in purpose. This makes it easier to gather and engage stakeholders, drive and manage activation programs and measure and monitor success.

Key features include...

'Micro': Small enough that it has one brand, one identity, and importantly, can be easily measurable as one space

Dense: A dense location increases the cross-section and quantum of users and businesses nearby

Momentum: A running start that builds on existing momentum may include branding, activation or planning

Green: Existing or potential for a set of green, sustainable and inclusive credentials

Diverse: Designed for diversity in terms of offering, local businesses and users

24 hour economy: Activation day and night with a seamless transitions between

Accessible: Well connected by foot and public transport, accessible to everyone

Brand building: Has the potential to amplify Sydney and Australia's brand as a place to visit, live and study

Benefits proven by
MIT's Real Estate Innovation Lab

Because microdistricts are compact and accessible, they can create ultra-local points of interest and activation around major commercial towers.

This effect is captured in several research studies conducted in New York City by MIT's Real Estate Innovation Lab:

▸ **Street-level green:** Investment in street-level greenness – trees, garden beds and pot plants – statistically increased transaction values by 9-11% and rental premiums by 6-8% compared with areas of lower greenness[3].

▸ **Public art:** Destinations were considered more memorable, had higher real estate values, increased footfall and improved tenant retention with an increased investment in public art[4]. Millennials in this study citied office proximity to public art as an indicator of next job choice.

▸ **Long-lived benefits:** MIT found benefits of these interventions were not short lived. Instead, improved land and rental values were sustained[4], while better urban and cultural amenity and positive environmental externalities combined to enhance vibrancy and add to the experience of living, working and socialising in CBDs for all.

Microdistricts can encourage people – everyone from workers to families, leisure visitors to international tourists – back to urban centres in a safe way.

With unique identities, central locations, and night and day activations, microdistricts create destination pockets.

More visitors mean more spending which supports local businesses, contributes to CBD economies and underpins local jobs.

And this is important as every $1 spent on entertainment in the CBD generates $2 of local economic activity[2].

[2]EY analysis based on ABS data
[3]Yang et al. 2017, The Value of Street-Level Greenness, MIT Real Estate Innovation Lab
[4]A, Chegut & N. Sadikin, Harness the Power of Public Art to Humanize the Public Realm, MIT Real Estate Innovation Lab

MIT ● The Real Estate Innovation Lab

Microdistricts offer multi-stakeholder benefits when we…

▸ Understand the value that can be unlocked for everyone to create buy-in.

▸ Bring all parties to the table to work collaboratively.

▸ Expedite the process of change and achieve better urban outcomes.

3 DEVELOPING A MICRODISTRICT
A HOW-TO GUIDE

EY has developed a four-step process to help with the identification, activation, and ongoing success of microdistricts. This process requires all stakeholders in a location to collaborate and is not 'set and forget'. Instead, the process should be revisited at planned intervals to measure success and improve over time.

These key steps involve...

Evolve and recreate
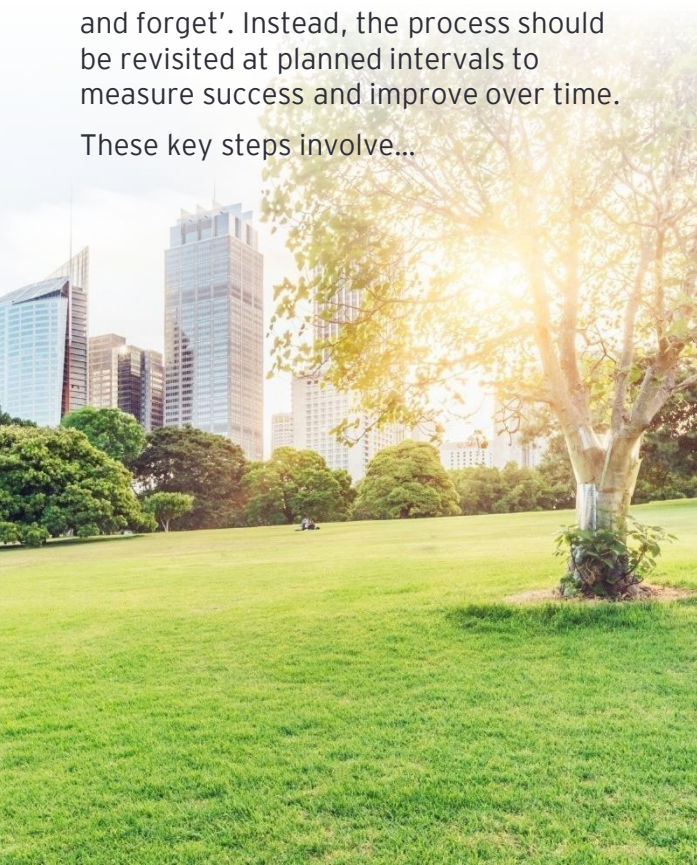
1. IDENTIFY Site assessment and project development

▸ Test the site's suitability against the four criteria

▸ Determine existing or potential for a unique brand

▸ Consider implications of broader CBD activation plans on the site selection.

2. COME TOGETHER Collaboration and ideas generation

▸ Assemble a group of stakeholders from both the public, private sector and government

▸ Co-develop the vision, objectives and outcomes for the microdistrict

3. STRATEGISE Detailed project development, funding and governance

▸ Develop a formal governance structure for the microdistrict

▸ Determine the funding mechanisms and brand that will underpin the microdistrict

4. IMPLEMENT AND ASSESS Measure and monitor success

▸ Develop an implementation strategy, KPIs and operationalise

▸ Gather data and monitor performance

▸ Undertake ongoing improvement and iteration.

PDNSW has already started to put this into practice **at Sydney's Wynyard Park**

1. IDENTIFY
- On the back of the NSW Government's Alfresco Restart Fund, Property and Development NSW (PDNSW) funded a microdistrict 'pilot' project to enhance 'CBD revival' post Covid. Wynyard Park was selected as an obvious pilot given the green assets and surrounding users.

2. COME TOGETHER
- As an initial step, all stakeholders (government, landlords and businesses) were brought together for a Wavespace collaboration session facilitated by EY where a collective vision and goal for Wynyard Park was set.
- Following the initial collaboration, the *Wynyard Park Microdistrict Committee* was formed to deliver short term activation of Wynyard park and collectively develop a long term vision for the microdistrict.

3. STRATEGISE
- Through this collaboration and coordination, two events: Flow and Glow, and Wynside Out, were funded via grants and direct Government funding.
- The *Wynyard Park Microdistrict Committee* is currently in the process of establishing the long-term funding model of the park, which is likely to include a combination of private sector and grant funding.

4. IMPLEMENT AND ASSESS
- Flow and Glow, and Wynside Out were held in May and June 2022 to build momentum around the park's activation and act as strong attractors.
- These events were "a real example of how government can work with the business community to transform an under-utilised space into a buzzing destination for workers, residents and visitors" (Minister Stokes, 2022)

This is just the beginning. With a formalised governance structure in place the foundations for Wynyard Park's ongoing activation are in place; to the benefit of the public and surrounding government and business stakeholders.

Wynyard Park is a ~7,000sqm public park in the heart of Sydney's CBD, above on of the city's busiest rail stations. The park was dedicated for public recreation in 1887 and is managed by the City of Sydney. Through the Microdistrict pilot program and the collaboration with adjoining landowners, there is the potential to turn this underutilised asset into a thriving and vibrant place of interest in the CBD.

Sources
Property and Development NSW, 2022
City of Sydney, Significant Trees, Wynyard Park (Wynyard Park - Significant Trees (nsw.gov.au) , 2022.
Sydney Morning Herald, 'Where the magic can happen': Stokes pushes for business to take lead in CBD revival, (July 2022)

PERSONALITY
PURPOSE
PLACE

IDENTIFY

Could this site be a microdistrict?

Assessment criteria

Size

Location

Brand

Programming

What to consider

✓ Is it micro? Does it have clear geographical boundaries or limits?

✓ Is it in a densely developed or populated location?

Can it be easily accessed from multiple modes of transport or in a highly pedestrianised location?

Does it support broader government or other activation plans?

✓ Does it, or could it, have a unique vibe, value proposition, or potential use?

Does it have existing momentum that can be harnessed?

Does it amplify Australia's brand as a place to visit, live and study?

✓ Does it have the potential for 24-hour activation?

Does it have the potential to cater to a wide range of users and businesses?

COME TOGETHER

How do I get people involved?

What

With a site identified you can bring together the relevant parties to imagine both the art of the possible and practical. Co-creating with a diverse group of stakeholders will not only stimulate ideas but streamline the approvals and consultation process.

Who

For most high-density locations key decision makers include: local council, state government, assets owners, and users e.g. local employers and business owners.

How do I assemble these parties?

Know your stakeholder

▸ What's in it for them? To generate buy-in, understand their specific priorities and interests

▸ Using the framework overleaf, outline the potential benefits the microdistrict might create for them

▸ Clearly articulate the value that they can bring to the table and their role within the group

Collaborative brainstorming

▸ Meet over a series of sessions to set a vision and key objectives for the microdistrict – what could the microdistrict be known for?

▸ Determine each party's strengths and the resources they can bring to the microdistrict.

COME TOGETHER

Stakeholder roles and priority framework

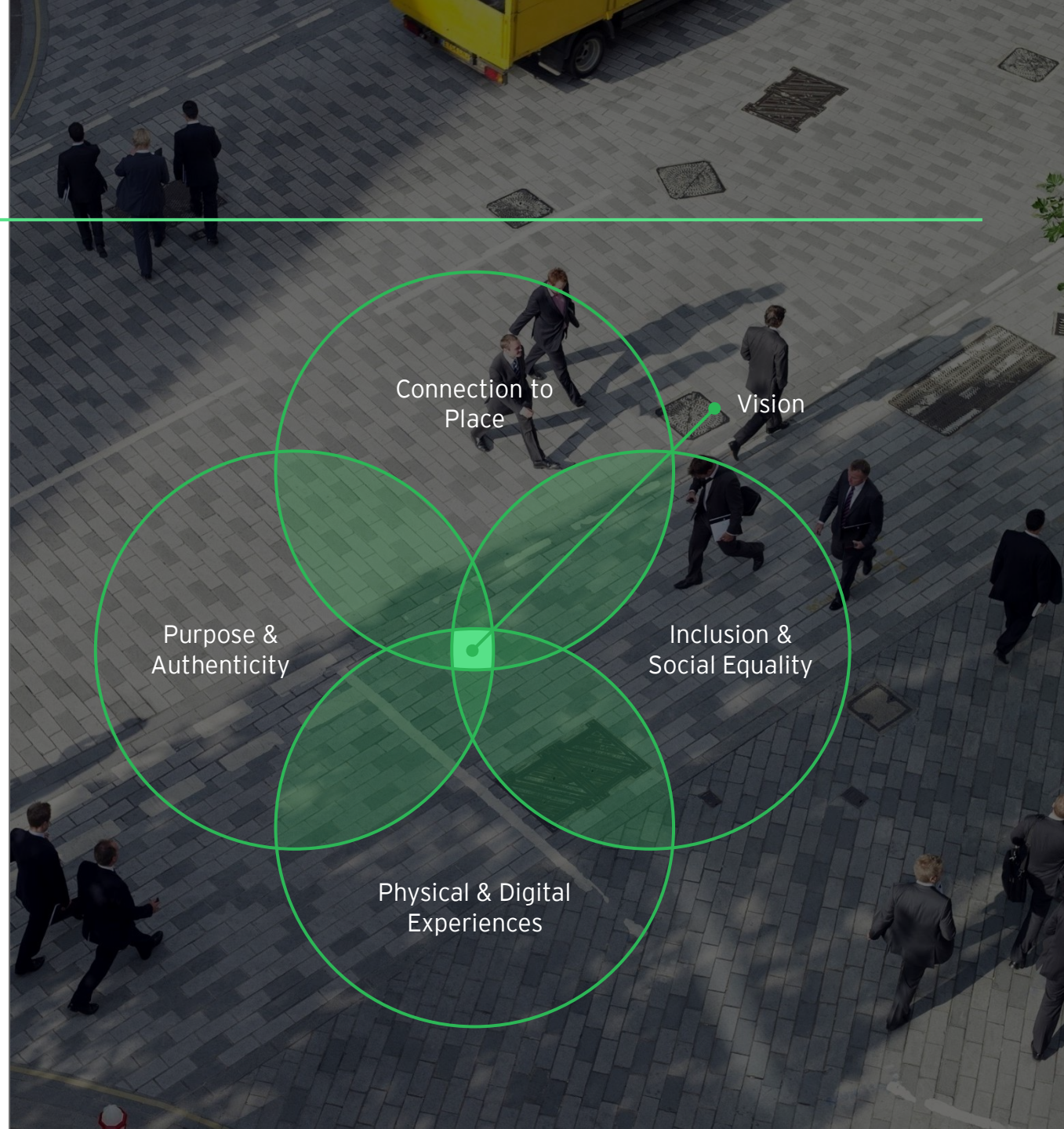|	STATE GOVERNMENT	LOCAL GOVERNMENT	LAND OWNERS	LOCAL BUSINESS	TENANTS
ROLE	▸ Subject matter expertise and range of competencies ▸ Access to non-publicly accessible data ▸ Agency and business coordination ▸ Site expertise and knowledge ▸ Activations contributor ▸ Approval coordination and where appropriate streamlining ▸ Marketing and advertising ▸ Financial investment ▸ Facilitate operational logistics and approvals	▸ Inter-governmental agency coordination ▸ Financial investment ▸ Subject matter expertise and range of competencies ▸ Generate support from other related programs ▸ Facilitate development and operational logistics (i.e. road closure) ▸ Marketing and advertising ▸ Activations contributor	▸ Data collection and distribution (i.e. occupancy rates etc.) ▸ Tenant engagement and insights ▸ Placemaking expertise, research, and resources ▸ Sponsorship and financial investment ▸ Marketing and advertising ▸ Open collaboration with government and other private sector parties	▸ Microdistrict services (extension to business) ▸ Marketing and advertising ▸ Access to amenities ▸ Contribute to safety, security, and cleanliness of area ▸ Data collection and contribution (where applicable) ▸ On-the-ground insights ▸ Coordination with other small businesses ▸ Investment opportunities	▸ Employee engagement and insights ▸ Tenancy activations (incl. ground floor and street frontage) ▸ On-the-ground insights ▸ Marketing and advertising
PRIORITY/INTEREST	▸ Improved public amenity and experience ▸ CBD reactivation and economic prosperity	▸ Improved public amenity and experience ▸ CBD reactivation and economic prosperity	▸ Land and rental premiums ▸ Reduced vacancy and tenant turnover	▸ Increased footfall and economic activity	▸ Increased productivity and wellbeing ▸ Talent attraction and retention ▸ Location perception and value

COME TOGETHER

What goes into a vision?

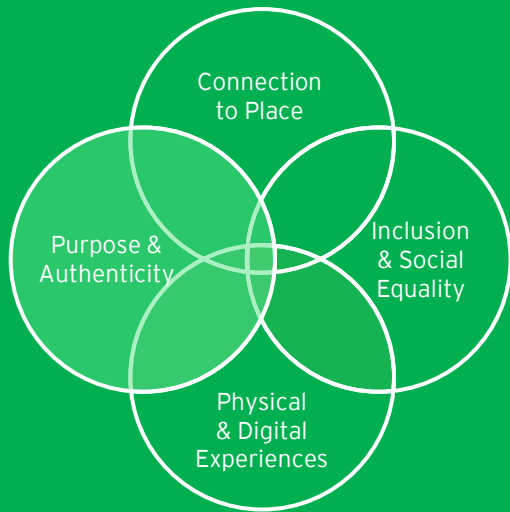How can you make sure your microdistrict hits the mark? Getting your vision right can be complicated.

We have identified four key success factors that should be considered when visioning.

Connection to Place

Vision

Purpose & Authenticity

Inclusion & Social Equality

Physical & Digital Experiences

COME TOGETHER

Getting your
brand right

Purpose & Authenticity

Understanding the essence of place is critical to crafting a microdistrict that has a genuine vibe and attraction.

What to consider

What is the microdistrict trying to achieve? Is it bound by a single vision?

What makes it unique and attractive? What will people say about the microdistrict, how will you create buzz?

What is its comparative place advantage?

What are the critical things about its personality, purpose and place that must be done right?

Are any macro-economic trends relevant?

Is any government policy applicable to the location?

COME TOGETHER

Site specifics

Connection to Place
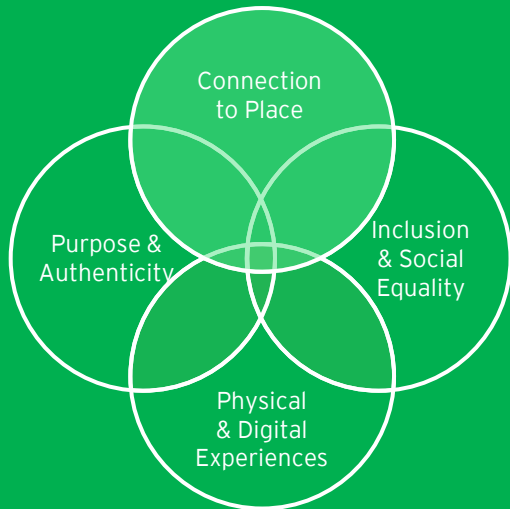
No two sites are the same. When thinking about purpose consider the mosaic of contexts and overlays that make up the site's DNA.

What to consider

What are the physical limitations of the site?

Does the location contain unique environmental features and significance?

Does the location have historical significance to any group?

Does the location have cultural significance to any group?

Have you considered and incorporated First Nations heritage within the microdistrict?

COME TOGETHER

A place for all

Inclusion & Social Equality

Connection to Place

Purpose & Authenticity

Inclusion & Social Equality

Physical & Digital Experiences
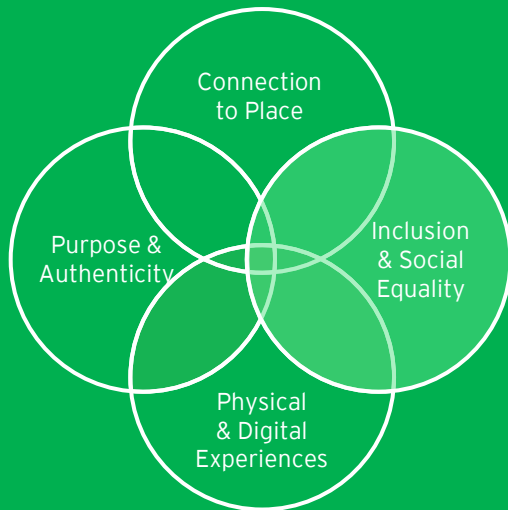
What to consider

What range of uses can the location accommodate to attract a wide range of users – young and old, professionals to families?

Who are the local users, workers, and residents? What are their needs for this to be fit for purpose?

What external users does this appeal to?

How do individuals with different abilities use the site? What changes can be made to make it accessible for all?

How are communities that may otherwise feel marginalised supported to feel safe?

Following the effects of 2020, and as it becomes increasingly clear COVID-19 is here to stay, our public places need to work harder to appeal to more people. This means attracting more than just workers back to the workplace, but the full spectrum of citizens and tourists to contribute to the vibrancy of place.

COME TOGETHER
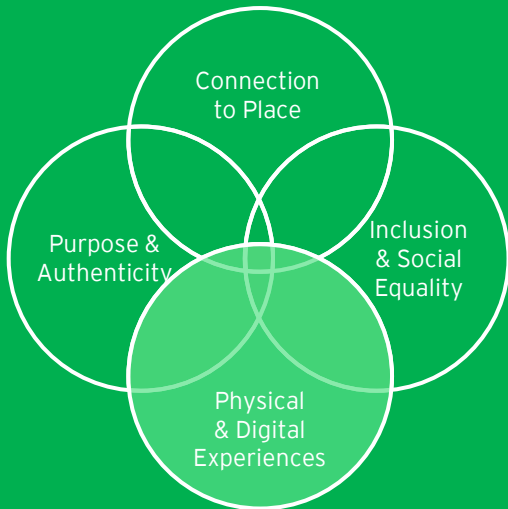
Maximising value

Physical & Digital Experiences

Beyond getting the basics right, think about the role of the microdistrict outside the physical realm and the typical 9-to-5.

What to consider
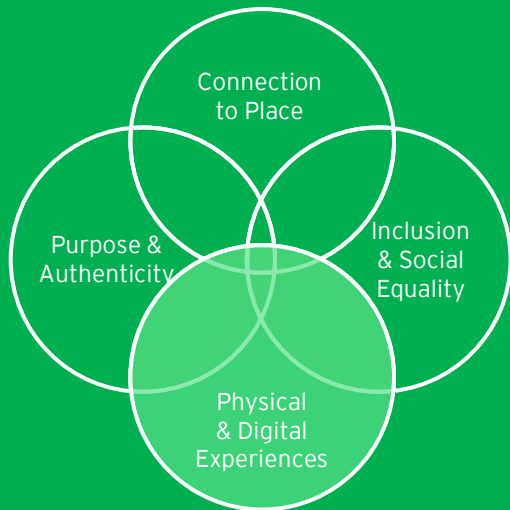
Get the basics right

Microdistricts should be unique but getting the fundamentals right in urban infrastructure is just as important. The Committee for Sydney ("CfS") outlines investments in physical infrastructure that support a thriving CBD. These are relevant to other cities and include:

- Widening footpaths and shared streets with high pedestrian movement
- Prioritising walkability and ease of movement
- Increasing lighting and safety
- Growing native plants to support biodiversity and increase city resilience.

COME TOGETHER

Physical & Digital Experiences

Beyond getting the basics right, think about the role of the microdistrict outside the physical realm and the typical 9-to-5.

What to consider

Integrated experiences

While people are yearning for physical connection as our cities fire back-up, the pandemic has also made us more digitally literate. The barriers between 'physical' and 'digital' have blurred. Precincts and places have never been better positioned to offer integrated and omnichannel experiences that start before people physically arrive and continue well after they leave. Unlocking an end-to-end experience that extends beyond the kerb is the key to greater commercial, social and productivity value, ongoing visitation and a strong microdistrict brand.

What could this look like? It may mean turning data into an interactive and immersive installation (such as the IBM 'THINK' exhibit in NYC – noted below). It may mean intelligent Internet of Things (IoT) wayfinding systems and information stands for visitors. It may mean microdistrict phone apps that provide digital access to the precinct or help with journey planning and upcoming events. Or it may mean something entirely new.



IBM 'THINK' Exhibit, New York City

An immersive digital installation that visualises live data from the associated exhibition as well as other environmental data points such as air quality, traffic and solar energy to help people engage better with their behaviour and the urban fabric. Here data is both something measured (i.e. interaction and engagement) but also something celebrated.

Image Source: IBM

COME TOGETHER

Physical & Digital Experiences

Connection to Place

Purpose & Authenticity

Inclusion & Social Equality

Physical & Digital Experiences
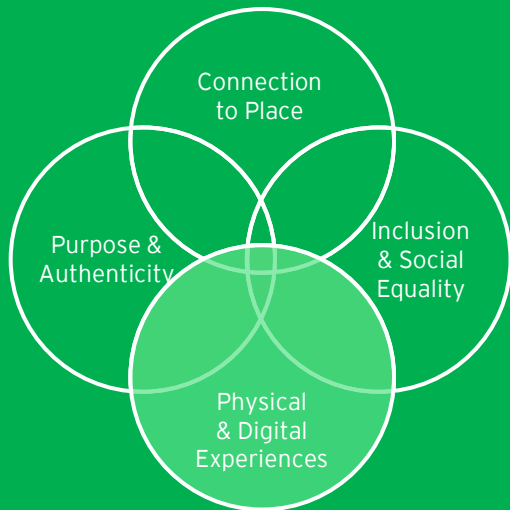
Maximising value

What to consider

Integrated experiences

How can digital be used to enhance the experience of being physically located at the microdistrict? (i.e. installations, intelligent systems, wayfinding, IoT etc.)

How can digital be used to create an experience and enhanced brand for people who are not physically there? (i.e. events information before and after visits, day planning, microdistrict app etc.)

How can the microdistrict be activated across different times of day and outside the guard rails of 9-to-5?

What entertainment and F&B activities can be used to increase footfall, dwell time and spend within the microdistrict?

Beyond getting the basics right, think about the role of the microdistrict outside the physical realm and the typical 9-to-5.

COME TOGETHER

Maximising value

9-to-5

Physically on-site

Outside the 9-to-5

Before and after visits
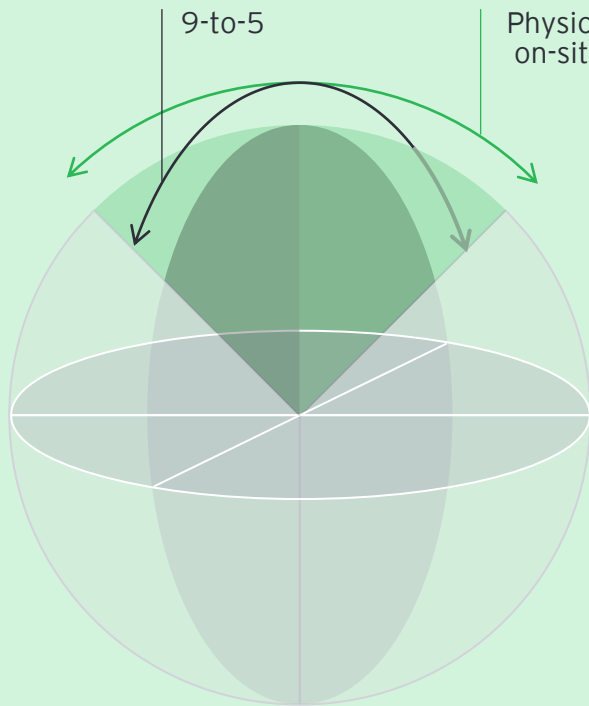
Conventional experience
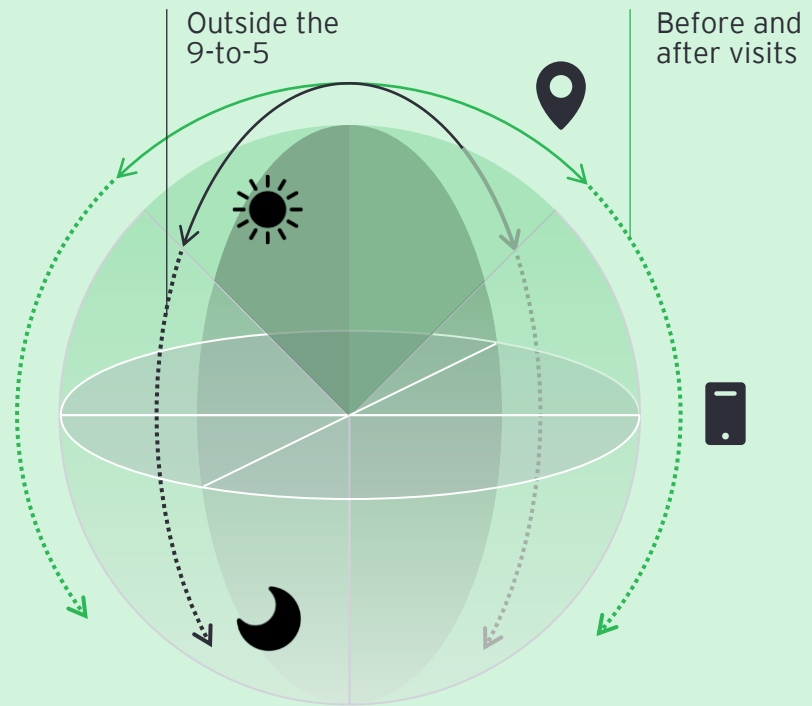
Integrated experience

STRATEGISE

Put a governance structure in place

Establishing a strong governance and stakeholder structure is fundamental to maintaining productive and mutually beneficial relationships. To ensure this structure achieves the program's objectives and supports efficient decision making, it should include:

▶ Clear principles

▶ Roles and responsibilities

▶ Guiding terms of reference

What to consider

Form a microdistrict committee

1. Form a 'microdistrict committee' with responsibility for refining the strategy and funding approach, investing time and expertise to get operational, and on-going operation and microdistrict evolution.

2. Assign roles and responsibilities between parties (i.e. operational management, marketing, data input, programming, financial investment etc.).

3. Where possible, to maximise participant involvement and simplify decision making, keep this group to 10 or fewer individuals (1-2 from each stakeholder group).

Elect a committee chair

4. Assign a 'committee chair' with responsibility for day to day management of the microdistrict's implementation and operation, as well as coordination of activities with the activation committee. This individual should be elected from with the sponsoring party – the party responsible for delivering the microdistrict.

STRATEGISE

Finding funding sources

What to consider

Who are the potential funders on this particular site from both the private and public sector? This will vary based on land types, local landowners, as well as government policies and strategies.

One size fits all funding model

How

Investment may involve:
▶ Direct financial support
▶ Non-direct contributions (such as work in-kind, donation of services, and activation contributions, government grants or levies).

Example international funding frameworks for Districts

Business and City Improvement Districts (BIDs & CIDs)

BIDs (sometimes known as City Improvement Districts or CIDs) are a type of public private partnership (PPP) and a popular funding mechanism for urban development, maintenance and activation.

They function by pooling together private capital, which commonly includes property and business owners, to collectively contribute to the programming and upkeep of an urban location, thereby increasing underlying land and rental values. This enables steady funding and allows for speedier responses to changing community needs and preferences given their self-management and funding structure.

This model works for developments or activations that require relatively low initial capital investment; for example general maintenance, supplemented services and events programming. If the investment requirements of the site are too high, the initial capital costs will not be sufficiently covered by the funding structure.

Research conducted by the Furman Centre in 2013 suggests that BID funded sites should be located in areas of high density, such as CBDs, where they can improve commercial property prices by as much as 15%.

> BIDs have been used successfully to drive urban renewal in locations such as Bryant Park in New York and are currently noted as a potential tool for the revitalisation of Kings Cross by the Committee for Sydney.

Source: The World Bank, *Business Improvement Districts*, Accessed March 2022

Urban Development Levies

BIDs may also function as a levy on a specific site or zone. In these instances, BIDs or CIDs are formed when the majority (at least 51%) of property owners support this type of zoning or use. In Johannesburg, where this model has been used, the process is formalised through the lodgement of a petition which must be endorsed and approved by the local municipality.

Under this model, property owners are required to pay a compulsory levy for the area which is commensurately applied based on the value of the land. As with a standard BID these revenues are used to fund programming and events management, environmental upgrades, and branding and marketing.

Typically they are established for short periods of time (e.g. three years) that may be extended indefinitely pending majority support in the catchment area.

Source: The World Bank, *Business Improvement Districts*, Accessed March 2022

Urban development levies may also be captured by the public sector to fund development and activation of specific areas. In Canberra, the City Renewal Authority and ACT Government, in partnership, charge a City Centre Marketing and Improvements Levy. Funds raised in levy collection zones are used to contribute to increased visitation policies, maintenance, and civic activations and programs.

Source: ACT Government, *City Centre Marketing and Improvements Levy*

Funding activation and public domain

The *NSW Guide to Activation* (2022), provides some additional concepts for how public spaces are currently funded in NSW.

The funding concepts discussed in this guide range from special rates, through to philanthropy and sponsorship.

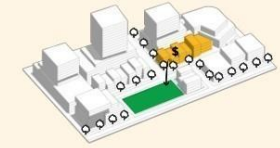Similar approaches can be used when determining the funding model for a Microdistrict.

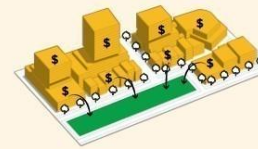

Examples of funding models in NSW
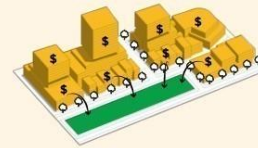
Recurring revenue from special rates levied on properties benefitting from public space
For example, Hunter Street Mall, City of Newcastle
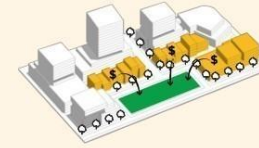
Recurring revenue from community title levies
For example, Rouse Hill Town Centre, Rouse Hill

Recurring revenue from special self-imposed levies on adjacent properties seeking to optimise public space (ring-fenced)
For example, Emerging Business Improvement Districts

Recurring revenue from special rates levied on properties benefitting from public space (funds administered by a non-profit)
For example, Penrith CBD Corporation, Penrith City Centre

Recurring revenue from special levies on surrounding properties implemented by freeholders or head leaseholders (ring-fenced)
For example, Barangaroo, Sydney
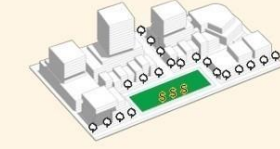
Recurring revenue from concessions for on-site businesses
For example, Coffs Harbour Showground, Coffs Harbour
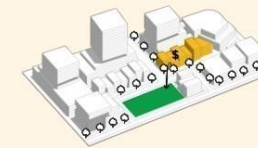
Recurring revenue from surrounding properties owned by the same entity
For example, Western Sydney Parklands, Blacktown, Liverpool, and Fairfield

Recurring revenue from fees for certain usage of public space
For example, Stuart Park, Wollongong
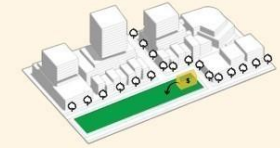
Recurring revenue from the sale of goods and services
For example, Blue Mountains Heritage Centre, Blackheath

Revenue or in-kind contributions from philanthropy, membership, fundraising, and donations
For example, Wendy's Secret Garden, Lavender Bay
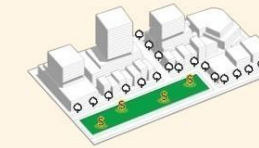
Recurring revenue from longer-term leases and licenses to community, sporting, or cultural groups
For example, Addison Road Community Centre, Marrickville
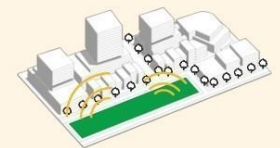
Activation sponsorship and advertising
For example, City2Surf, Sydney

Note. Public spaces and precincts may have multiple funding models in operation concurrently.

NSW Guide to Activation Public Spaces, NSW Department of Planning and Environment NSW, March 2022

STRATEGISE

Formalise the brand

What to consider

A brand for the microdistrict could help build recognition, assist in promotion and make the microdistrict easily identifiable. When developing the brand, it is important to link back to the vision and the four vision pillars to ensure authenticity and alignment.

How

- ▸ Link back to vision
- ▸ Involve stakeholders
- ▸ Consider outside support from creative or marketing agency
- ▸ Develop and utilise brand guidelines for consistency

Places with strong brand identity

YCK (York, Clarence, Kent) Laneways, Kensington Street and James St all provide examples of strong destination branding that allows users to have instant recognition of place.

IMPLEMENT AND ASSESS

How do I operate?

Why

To retain the microdistrict's unique appeal, effort must be invested in measuring success against KPIs. This should feed back into new ideas and decision making undertaken by the committee. Once the microdistrict has been delivered or is operational the several principles can be considered.
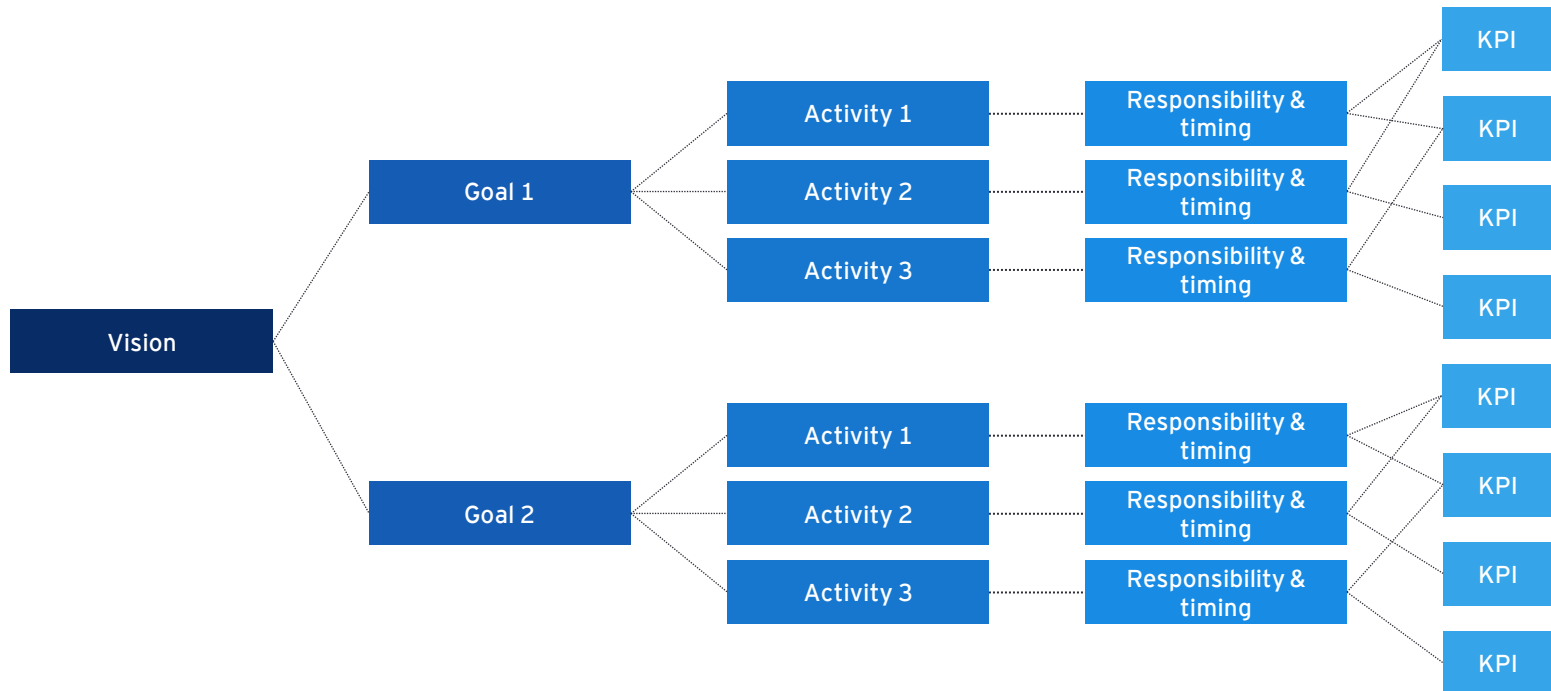
How do I assemble these parties?

Ongoing ownership:
- ▸ Set clear milestones to transition from planning to delivery
- ▸ Ensure ownership of place outcomes are retained by the planning/delivery sponsoring party or transferred to an appropriate stakeholder

Continued involvement and activation and infrastructure upgrades:
- ▸ Do not 'set and forget'
- ▸ Design for continual activation, rather than just at launch
- ▸ Have stakeholders commit to running or participating in specific programming over time for consistent year-round use
- ▸ Ensure basic infrastructure is upkept (e.g. footpaths, lighting, art, digital installation etc.)

Measure, monitor, and evaluate:
- ▸ Monitor how the microdistrict is performing against key KPIs
- ▸ Where possible use data points to quantify this performance
- ▸ Consider how the area may have changed since the beginning of operation.

IMPLEMENT AND ASSESS

How do I operate?

It is critical that an implementation strategy is developed, reviewed and updated regularly to set the pathway forward. This should focus on common goals, roles, responsibilities, activities, funding and setting KPIs.

The *NSW Guide to Activation* (2022) provides a steps to prepare an Activation Plan, which is a critical element of the overall success of the microdistrict. The plan can be found [here.](#)

IMPLEMENT AND ASSESS

What could success look like?

What to consider

Three frameworks can be used to identify which measures of success are relevant to the microdistrict. These are your KPIs.

Note: The frameworks are not mutually exclusive, but rather integrated and interdependent. For example, attracting tourists generates vibrancy, contributes to the Australian economy, and supports local businesses.

Why

Microdistrict's can provide a great deal of value to a wide range of people.

These outcomes can be captured and measured through a range of economic and commercial frameworks, from direct financial value to intangible benefits and social externalities.
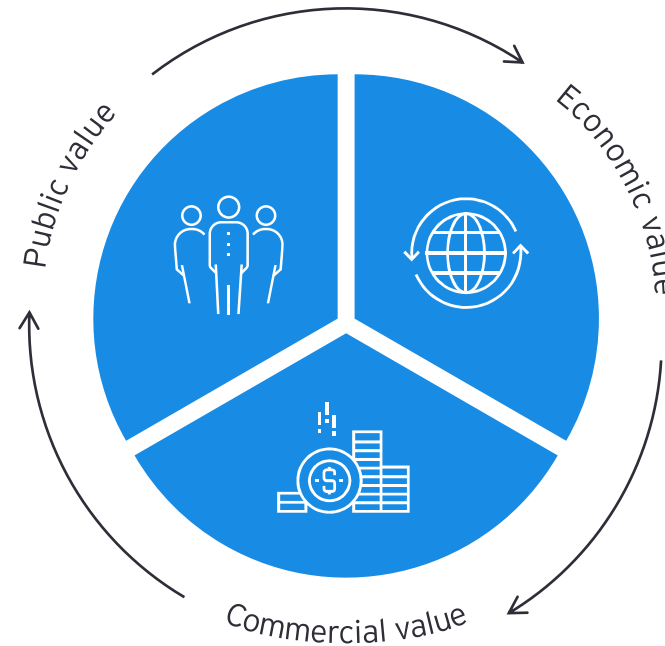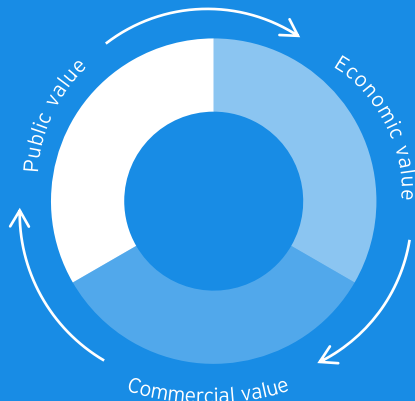
For example:

Visitors value the ability to visit and use the space, local landowners gain from the potential to attract quality tenants and receive higher rents, and governments gain from cost effective placemaking and public activation.

IMPLEMENT AND ASSESS

What could success look like?

Public value KPIs that may be relevant

1	**Higher quality public spaces**	that increase safety and support more uses that benefit the public
2	**Better access**	to cultural events and the night-time economy
3	**Environmental spill overs**	due to increased vibrancy, activity and buzz
4	**Talent attraction**	and retention driven by an exciting location that offers personal and career value
5	**Productivity increases**	Driven by a motivating environment and proximity to people and ideas

Public value

Public value

Economic value

Commercial value

IMPLEMENT AND ASSESS

Economic value

Public value · Economic value · Commercial value
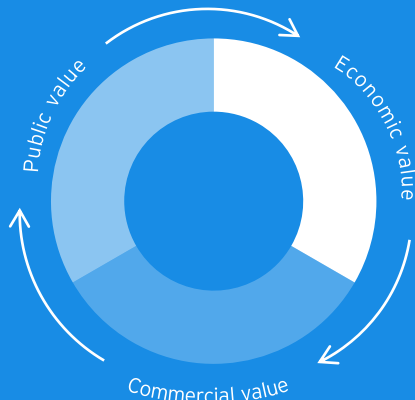
What could success look like?

Public value KPIs that may be relevant

1	More jobs	due to local activations, events and spill over effects
2	Greater spending	by visitors, residents and workers in retail and hospitality venues
3	Increased foreign direct investment (FDI)	to fuel a dynamic economy
4	Increased tourism	and associated expenditure in Australia
5	Improved economic resilience	from a diversification of Australia's export base

IMPLEMENT AND ASSESS

Commercial value
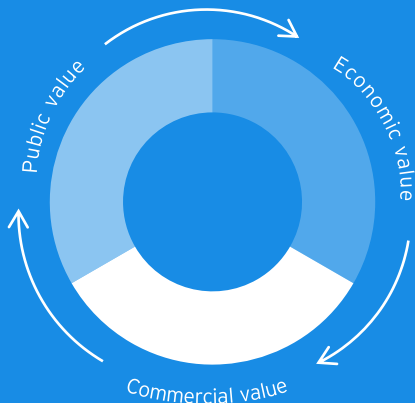
What could success look like?

Public value KPIs that may be relevant

1	**Increased land values**	driving improved rental yields and asset wealth
2	**Efficient risk allocation between public and private sectors**	improving buy-in from the spectrum of local stakeholders
3	**Efficient infrastructure delivery**	reducing time to value as well as effort and capital required
4	**Catalysation of ideas**	leading to greater innovation and value creation
5	**International attractiveness**	opening doors to more customers and users

IMPLEMENT AND ASSESS

How could I measure success?

How do I assemble these parties?

- ▶ What are the preferences and obstacles for users of the microdistrict?
- ▶ Is there a clear mapping between the data points measured and the intended public, economic and commercial outcomes aimed for? (i.e. can I elicit relevant insights from the data source or sets of data sources?)
- ▶ Are we collecting data on a range of indicators for richer insights? For example, number of visitors, dwell time, average spend etc.
- ▶ Are we collecting data using a range of tools? For example, mobile phone data, WiFi, travel data, vacancy data, local business data etc.
- ▶ What valuable sources of data can members of the activation committee and surrounding stakeholders bring to the table? (i.e. landlords, local businesses, tenants, local government etc.)
- ▶ What digital infrastructure/architecture is best suited for my particular data points? Does it have flexibility and scalability hardwired in for future use? Engage technical experts to determine the best digital infrastructure to pool this data for analysis.

Why

How we measure is just as important as what we measure. Taking a data-led approach and investing in the right technology will pay dividends down the line could support decision making informed by accurate real world data.

IMPLEMENT AND ASSESS

How could I iterate and evolve?

▸ How often should my data be reviewed? Organise key review intervals at a cadence that suits the microdistrict committee

▸ What is the scale of the evolution required? Small changes may be easily handled and agreed upon by different parties within the microdistrict committee, however for more fundamental shifts consider conducting workshops with the committee to re-strategise the position of the microdistrict (as were done in the initial 'come together' phase)

▸ What role can members of the microdistrict committee play? Certain parties may need mobilising for different interventions and responses

▸ How are users reacting to the changes made on site? (e.g. physical infrastructure, programming etc.). Where changes are made, give users an appropriate amount of time to respond to interventions.

Why

What you do with data is just as important, if not more, than the data itself. It is important to have a clear plan for how you could turn your insights into action to drive an even better experience within the microdistrict. This benefits users as well as commercial returns.

"

We must provide a pathway for underutilised spaces across the CBD to be converted to public community space."

Commission into the Future of the Sydney CBD,
Committee for Sydney, 2022

4 LESSONS LEARNT FROM BEST PRACTICE

International and domestic best practice gives us ideas of what these actions look like in practice and how they translate into tangible and intangible social, economic and environmental benefits.

15%
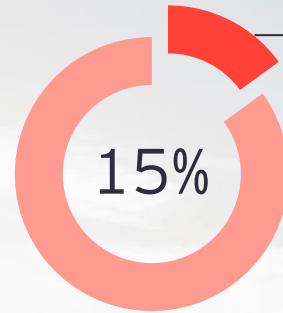
CBDs generate 15% of Australian jobs[5].

It is in these dense urban environments that little changes can have big impacts.

[5]How do we turn CBDs into central experience districts | EY Australia

Bryant Park,
New York City

Bryant Park was a transformative project that reimagined the model for urban park restoration. What was once considered one of the most unkempt and unsafe parks in New York City, Bryant Park in midtown Manhattan, now attracts upwards of 25,000 visitors a day[10].

Place outcomes

▸ Improved usability of the park through the provision of 5,000 pieces of moveable furniture, across the park, to allow visitors to gather however and wherever they please.

▸ Signature events held annually coupled with small activities target a mix of demographics.

▸ Uplift to amenities, the integration of WiFi and the provision of food stalls at the entrance has attracted increased numbers of tourists, residents and office workers to the park.

Governance and funding

▸ A public private partnership was established in 1980, with the Park owned by the city, but funded and managed by the Bryant Park Corporation (BPC), a not-for-profit private management company. Funds required for the maintenance and operation of the park are generated from private investors, often surrounding tenants, sponsorship of events and lettable space.

Lessons learnt

▸ Diverse use and experiences: leverages seasonality and local partnerships to host an array of activities including lunch time performances, as well as outdoor night-time movies sessions that transition the park's activation from day to night.

▸ Co-ordinated governance: independent management, with committees made up of those investing in and using the park.

▸ Review and improve: the programming of events and governance frameworks are under constant review with improvements implemented regularly.

Source: (LHS) Jean-Christophe Benoist, (RHS) Nikon Corporation

Sources
American Planning Authority, Bryant Park: New York, New York (planning.org) , 2022.
Bryant Park Corporation, Bryant Park - About Us, n.d.
Project for Public Spaces, Bryant Park | Projects − Project for Public Spaces (pps.org), 2020.

West Kowloon,
Hong Kong

Developed on 40 hectares of reclaimed land located along the prime harbour front promenade, West Kowloon is one of the largest cultural districts designed to merge artistic, cultural, education and commercial uses in an open space environment[8]. As a centralised arts and cultural hub in the heart of Hong Kong, the site contains an ecosystem of microdistricts across 23 hectares of public open space.

Source: (LHS) John Lam, (RHS) Wiki Commons

Lessons learnt

▸ Accessibility and Inclusivity: various strategies have been adopted by WKCDA to improve the accessibility of art and the cultural district's inclusivity, including the adoption of Hong Kong sign language and audio description for various events and performances.

▸ Efficient operation and cost management: the delays due to extensive public engagement and planning processes have demonstrated the need for effective and coordinated governance frameworks to guide implementation.

▸ The need for reactive and flexible financing: an 'Enhanced Financial Arrangement' was developed in 2017 to put in place a more suitable business model for WKCDA given changing circumstances, and to resolve capital and operating cost overruns.

Place outcomes

▸ A range of dedicated art and cultural facilities (340,000 sqm) including the M+ Pavilion (exhibitions), Lyric Theatre Complex (international dance and theatre), M+ (Museum of visual culture), Xiqu Centre (world class art venue dedicated to Chinese opera), Art Park (green heart of the cultural district), Freespace (flexible event space).

Governance and funding

▸ The West Kowloon Cultural District Authority (WKCDA) is the statutory body established by the Hong Kong SAR Government in 2008 for the organisation and management of the cultural district[6]. Following the formation of the WKCDA, the legislative council approved an upfront endowment of HK$21.6billion for the development of the cultural district.

Sources
West Kowloon Cultural District Authority, Our Story | West Kowloon Cultural District, 2022.
West Kowloon Cultural District Authority, Annual Report 2020/2021 | West Kowloon Cultural District, 2021.

Kings Cross,
London

Kings Cross has established itself as ones of the largest and most vibrant redevelopments in London. The area has evolved from an underutilised industrial site to an innovative and thriving mixed used precinct comprising 67 hectares of canal side land[15]. Across the estate, public spaces, gardens, squares and plazas are used to host events, activities and experiences, increasing the utilisation of the area by workers, residents and the local community.

Source: Kings Cross Central Partnership

Place outcomes

▸ Approximately 40% of the precinct is dedicated to community facilities, including public open space, a community library, art galleries, music venues, markets and more.

▸ Sustainable commercial opportunities, including 30,000 sqm of office space and over 9,000 sqm of retail, built and managed to minimise environmental impact.

Governance and funding

▸ The Kings Cross Estate development is owned by the Kings Cross Central Limited Partnership (KCCLP), which comprises of Australian Super, Federated Hermes and Argent Investors.The precinct's public spaces are managed and maintained by the Kings Cross Estate Services.

Lessons learnt

▸ Diverse use and experience: the precinct supports various events and experiences, often collaborating with University of London's art students to facilitate permanent installations and temporary exhibitions alongside live music and performances.

▸ Sense of place and purpose: the site unifies surrounding creative industries with the precinct's industrial past to create a unique identity.

▸ Improved sustainability outcomes: several sustainable initiatives have been adopted including an extensive network of gardens and leafy squares, as well as the pursuit of a circular economy through the use of recycled materials for seating and art installations.

▸ Balancing commercial interest and public outcomes: the KCCLP collaborates with commercial tenants and retailers to support the activation of the surrounding precinct, through initiatives such as weekly markets.

Sources
Kings Cross Central Limited Partnership, KX-Overview-2022.pdf (kingscross.co.uk) , 2021.
Kings Cross Central Limited Partnership, Who is developing King's Cross - King's Cross (kingscross.co.uk),2021.
Kings Cross Central Limited Partnership, KX_Sustainability-Report_2021.pdf (kingscross.co.uk), 2021.

Market Square,
Pittsburgh

Located in the heart of downtown Pittsburgh, Market Square has become a vibrant addition to the urban landscape. The Square underwent a major transformation, completed in 2010, that unified the four centre islands into one pedestrian plaza, creating a hub of activity with retailers, restaurants and cafes lining its perimeter[18].

Source: Project for Public Spaces

Place outcomes

▸ Improved walkability and activation of the square from the diversion of traffic away from the area.

▸ Provision of moveable outdoor seating throughout the square provides additional seating options for patrons of the multiple cafes and restaurants surrounding the square.

▸ Sponsored events and other notable seasonal attractions are held in the square year-round, including weekly performances and farmers' markets.

Governance and funding

▸ The USD$5 million project was led and funded by the City of Pittsburgh in association with the Pittsburgh Downtown Partnership and the Urban Redevelopment Authority.

Lessons learnt

▸ Short- and long-term action plans: plans for the square were developed following extensive community consultation in an aim to connect surrounding businesses, improve amenities, provides a children's play area and performance space.

▸ Clear purpose and identity: the site activations have been successful in meeting the needs of the community and supporting surrounding workplaces, businesses and residents.

Sources
Urban Redevelopment Authority, Market Square | URA, n.d.

Source: SALT District

Salt District,
Christchurch

The SALT District (the District) in Christchurch is considered one of the most vibrant neighbourhoods in the city. Named in accordance with district's network of streets – St Asaph, Tuam and Lichfield streets – SALT District's streets, surrounding laneways and open spaces are adorned with cafes, restaurants, shops and art installations.

Place outcomes

▸ Weekly events and exhibitions catered towards a variety of demographics have improved levels of accessibility and inclusivity, in turn contributing to the District's sustained activation.

▸ Uplift to and provision of amenities throughout the District has improved the area's attractiveness and usability.

Governance and funding

▸ The SALT District was founded and is managed by the SALT Collective Charitable Trust (the Trust). As a volunteer organisation, the Trust is responsible for working alongside private investors to facilitate the District's activation and management. As a neighbourhood organisation, the governance body is made up of placemaking experts, members of the local community and SALT District business owners to ensure the interest of wider community are accurately represented.

Lessons learnt

▸ The SALT Model – community-led placemaking: a bottom-up approach to placemaking, fostered by a shared vision and appreciation of the District, has ensured that events and initiatives are in keeping with the needs of the community.

▸ Clear purpose, identity and sense of place: the District's liveliness and character has been shaped by shared values, established by the Trust, that marry innovation with the site's historical and environmental context.

▸ Collaboration: private investment in public initiatives has supported the formation of a cohesive and community-oriented district, that works closely with the local government, businesses and artists for the organisation of events and festivals.

Sources
SALT District, About (saltdistrict.nz), n.d.
SALT District, Governance (saltdistrict.nz), n.d.
SALT District, Approach (saltdistrict.nz), n.d.

Kensington Street,
Sydney

Established in 2015, Kensington Street is a lifestyle precinct in the heart of Chippendale. As one of the most vibrant precincts in Sydney, Kensington is home to over 25 restaurants, eateries, galleries and shops. The precinct has successfully unified the site's heritage with contemporary design to enhance the vibrancy of formerly vacant industrial buildings.
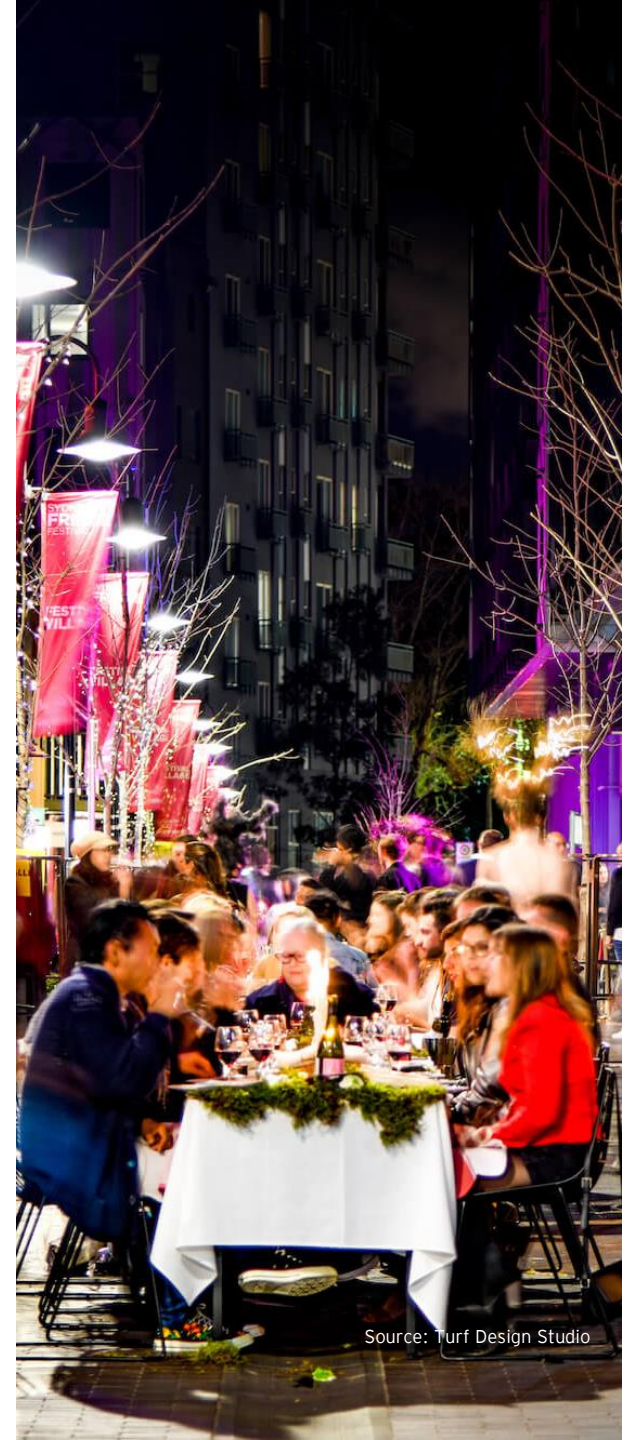
Place outcomes

▸ Signature and weekly events have capitalised on the area's emerging demographic.

▸ Enhanced connectivity through the installation of new walkways and pedestrian links to Chippendale and the wider Central Park precinct.

▸ Day to night streetscape activation from the spill over of patrons from restaurants and bars into the public domain.

▸ Pedestrian orientated shared zone has improved the precinct's level of permeability and walkability.

Governance and funding

▸ The revitalisation of the site was funded by Frasers Property Australia and Greencliff. The precinct is still owned and managed by Frasers and Greencliff in the form of its subsidiary organisation Kensington Street Chippendale.

Lessons learnt

▸ Clear identity: the revitalisation of the precinct successfully unifies the surrounding built form's heritage into the public domain.

▸ Sense of place and purpose: the agglomeration of restaurants within the precinct has resulted in the creation of a distinct identity that contributes to the vibrancy of Kensington Street.

▸ Collaboration: coordinated planning of the precinct between the client, community, City of Sydney and specialist consultants to revitalise the precinct in accordance with the needs of the community.

Source: Turf Design Studio

Sources
Kensington Street, About | Kensington Street, 2022.

James Street,
Brisbane

Source: GoodFood

Lessons learnt

▸ Clear Identity: the precinct maintains its status as Brisbane's premier retail and lifestyle destination, providing access to an array of retailers and associated fashion events.

▸ Co-located precinct: designed to bring together a selection of retail and commercial enterprises in one accessible district.

▸ Balancing commercial interests and community outcomes: JSI works closely with a number of private investors to support the activation of the district in the form of events, installations and performances to bring the community together.

Place outcomes

▸ Day to night streetscape activation supported by both the numerous restaurants and bars located throughout the precinct alongside dedicated night-time events such as James St Up Late which supports dedicated after hours activities.

▸ Signature events held both weekly and annually have brought together the local community and visitors to share in the liveliness of the precinct.

Governance and funding

▸ Formed in 2010, The James Street Initiative PTY Ltd (JSI) is a privately funded non-profit business entity responsible for the transformation and management of the precinct. JSI remains responsible for the operation and management of the precinct, organising events and co-ordinating commercial tenancies.

Sources
James Street Initiative, James St | About, 2022.

Contact Us

If you would like to hear more or get in touch, please contact us below.

Selina Short
Partner - EY Oceania Market Segment Leader - Built Environment & Resources

Mob (+61) 459 842 115
Email: selina.short@au.ey.com

Sarah Duignan
Partner
Real Estate Advisory Services, EY

Mob (+61) 414 099 817
Email: sarah.duignan@au.ey.com

Bonnie Barker
Associate Director
Real Estate Advisory Services, EY

Mob (+61) 478 207 878
Email: bonnie.barker@au.ey.com

Georgia Welsh
Associate Director
Real Estate Advisory Services, EY

Mob (+61) 423 255 125
Email: georgia.welsh@au.ey.com

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

ey.com