

Urban governance:

The use of public private partnership in Dutch urban development projects

M.E. Hoefsloot - 1007157

Faculty of Civil Engineering and Geosciences
Department of Geodesy, Department of OTB
Delft University of Technology
Jaffalaan 9, 2628 BX Delft, the Netherlands
Email: M.E.Hoefsloot@student.tudelft.nl

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1. Introduction

In the Netherlands a number of projects, large infrastructure-projects as well as urban regeneration-projects are underway. Financing of huge projects is often a problem. A solution to this can be found in the use of public-private partnership (PPP).

According to Leväinen et al. (2002, p. 1), the implementation of the Fourth National Planning Report Extra (also known by its Dutch acronym VINEX) of 1990 in the Netherlands was the turning point from the municipal land development to the increase of public-private co-operation and partnership carrying out this task.

The definition of this co-operation and partnership according to the Dutch PPP Knowledge Centre (2004) is:

A public-private partnership is a form of collaboration in which the government and the private sector, each retaining its

own identity and responsibilities, join forces to carry out a project on the basis of a predetermined sharing of tasks and risks. The result of the collaboration is added value: a qualitatively better product for the same amount of money, or the same quality for less money, or both. There are benefits for both sides: for the private sector there are not only new opportunities in a growing market, it can make its own contribution to a project that is also attractive from the commercial angle; to the government, the benefit is the prospect of enhanced quality and/or reduced project costs.

The objective of a public private co-operation from the same source:

The object of a PPP is to create added value and efficiency gains, and it is a goal that can be achieved if both sides – government and private sector – do what they are best at. The result is a win-win

situation. It is not for nothing that it is increasingly common for the private and public sectors to join forces to carry out major capital projects in an efficient way.

This paper is written as part of the course Land Management. With this paper I want to present the results of a literature-based research to preferences and obstacles for redevelopment sites when applying public-private partnership. In this paper, I will also look at the formation and operation of Dutch partnerships. In so doing, I tried to adopt the performance indicators suggested by Payne (1998): namely, whether the partnerships have increased the supply of land for housing; improved the efficiency of land markets; improved access to land for low-income households and provided a basis to more productive public, private and third party relations. In making my judgements, however, I have kept a close eye to contradictions in the legal structure of the partnerships, limits to the economic viability of projects, cultural barriers toward partnership arrangements and a lack of government oversight.

2. Why partnership?

The role of the public sector is increasingly moving towards a diffuse force-field in which public and private interests have to be reconciled. In recent years, this has necessitated public decision-makers seeking a new *modus operandi* with the private sector. In consequence, public-private partnerships (PPPs) have become a rather popular institutional arrangement in urban development policy, as they may create win-win situations as a result of mutual benefits or socioeconomic symbiosis. A PPP, as defined by Nijkamp et al. (2002, p. 1869), is an institutionalised form of co-operation of public and private actors who, on the basis of their own indigenous objectives, work together towards a joint target, in which both parties

accept investment risks on the basis of a predefined distribution of revenues and costs.

There are a number of main reasons outside of above reason for using a PPP. First, the current political agenda is forcing the pace in this area. Funding requirements for initiatives explicitly require the development of partnerships.

Second, the multidimensional and complex nature of urban problems requires integrated, co-ordinated and multifaceted strategies involving a wide range of actors. The concerns raised throughout the 1980s and the 1990s regarding both property-led urban regeneration and inner city policies point to the need for a longer-term, more strategic, integrated and sustainable approach to urban regeneration, which incorporates a broader package of programmes for finance, education, business development and social provision. Partnerships are perceived to be the most effective vehicle for achieving these goals. Advocates of partnerships argue that, because they offer greater involvement by all sectors in the decision-making process, they are seen to be an inherently more efficient and equitable way of allocating public funds (Carter, 2000, p. 44).

Third, there are difficulties associated with the centralisation of power and fragmentation of duties and organisations involved in urban areas. Partnerships which involve a wide range of agencies and organisations can help to co-ordinate activity and extend across traditional policy boundaries.

Fourth, in many policy spheres individuals are challenging the paternalistic nature of central and local government initiatives. Local people are increasingly demanding a voice in defining and implanting the most appropriate responses to the challenges facing their locality.

The number of fields in urban planning where PPP is applied is rapidly increasing. In particular, PPP solutions have become popular in the areas of infrastructure

provision (for example parking facilities), residential construction, urban development and revitalisation projects and integral urban (or inner city) development. Recently, PPP arrangements in the field of public service provision have also gained in popularity.

Clearly, the implementation of PPP is often not without problems. Some major barriers to a successful realisation of PPP configuration are: the long planning-horizon, the complexity of various projects, the hold-up problem caused by a change in the position of partners, cultural differences between private and public partners, the role of public subsidies and the competition rules for public projects as formulated by institutional actors such as the European Union. The result of a comparative analysis to success factors of various institutional models is written in the next sections.

3. Models and types of partnership

In practice, a PPP is not a fixed structural model for collaboration between public and private partners, but just a tailor-made organisation for the realisation of a given project. Flexibility, speed, cost efficiency and, in general, reduction of transaction costs are the main benefits of a PPP.

It is unsurprising, given the above observations, that there is no single PPP model. Instead, examples which demonstrate their variety include: the building-claim model, the joint-venture model and the concession model. Such models can be distinguished on the basis of the division of competence between the public and the private sectors or the degree of risk-sharing or financing (Nijkamp et al. 2002, p. 1869). Another classification can be made with help of the four-dimensional model (see Table 1). Mackintosh (as described by Carter, 2000, p. 44) puts forward a useful framework for understanding the process of partnership. Partnership is, she argues, a concept in public policy which 'contains a

Table 1: Classification of public-private partnership (Leväinen et al., 2002, p. 10)

| Dimension | Category |
|-----------------------|--|
| Type of land | Raw land Unbuilt sites Renewal |
| Owner of land | Municipality Constructor Housing developer Other Mixture |
| Model of co-operation | Traditional Exchange for building rights Integral Joint Concession |
| Type of contract | Framework Pre-agreement Site disposal Infrastructure construction etc. |

very high level of ambiguity' with its potential range of meanings subject to 'conflict and negotiation'. Mackintosh devises three main conceptual models of partnership in relation to the urban regeneration context:

- The synergy model suggests that by combining their knowledge, resources, approaches and operational cultures, the partner organisations will be able to achieve more together than they would by working on their own or, in other words, the whole is greater than the sum of the parts.
- The budget enlargement model is based upon the knowledge that by working together the partners will gain access to additional funds that neither could access on their own.
- The transformational model (with a different focus) suggests that there are benefits to be gained by exposing the different partners to the assumptions and working methods of other partners (that is, it will stimulate innovation as part of a continuing process of development and change) and Mackintosh suggests that successful partnerships always result in such transformation.

In the current context, policy-makers have been particularly concerned with partnerships based upon the first two models. A key aim has been to achieve more with the same inputs or, increasingly, with less, to be more cost-effective while finding new ways of gaining access to additional resources.

Partnership describes both an organisational structure, bringing together a range of agencies to co-operate to achieve shared objectives, and a structure for policy-making. Partnerships can operate at different levels:

- Systematic partnership involving strategic policy-makers are most effective in dealing with large-scale, deep-rooted problems.

- Programmatic partnerships might tackle issues such as the implementation of an urban regeneration strategy.
- Technical partnerships may be short-term arrangements to achieve a particular objective such as a discrete physical redevelopment project.

Whilst the scale and scope of the partnership, and the type and number of actors who should be involved, will vary according to the aims and objectives established, there are none the less certain defining principles which should underpin the process. The quality of the partnerships that are formed is of critical importance. Research suggests a symbiotic relationship between the quality of the partnership and the quality of the regeneration strategy. The most robust partnerships are those which respect the roles and contributions of each of the partners; the most productive are those which are flexible and reflective; and the most beneficial are those which are sustainable beyond the requirements of a specific programme. Partnerships must be built on shared interests, reciprocal support and mutual benefit with each partner contributing according to their respective resources, strengths and areas of expertise. The varying requirements of each partner, such as the need for public accountability of governments, profit for private sector organisations and personal gratification for volunteers, must be recognised.

4. Preferences and obstacles for redevelopment projects and sites

The literature suggests, in particular, that the institutional constellation, the financial viability and the presence of spatial externalities may act as critical factors for public-private partnerships. Nijkamp et al. (2002) tested this proposition by means of a comparative study on nine carefully selected urban development projects, more specifically, nine types of public-private partnerships, in the Netherlands. After the

design of a systematic database on these projects, a particular type of quantitative fuzzy classification analysis originating from artificial intelligence, known as rough set analysis, is deployed to assess and identify the most important factors that are responsible for successes and failures of recent development plans in Dutch cities. This approach allows them to pinpoint the most critical policy variables. In this chapter only the results of that study are putted down (see Box).

The following Dutch urban PPP case-study projects were selected:

1. Amersfoort: Eemskwartier.
2. Amstelveen: Stadshart.
3. 's-Hertogenbosch: Paleiskwartier.
4. Eindhoven: De Witte Dame.
5. Heerlen: Centrumplan.
6. Maastricht: Sphinx Céramique.
7. Nijmegen: Brabantse Poort.
8. Rotterdam: Beurspassage.
9. Waalre/Aalst: Centrumplan.

It is clear that most of these projects are located in medium-sized to large cities in the Netherlands. It should be noted that this comparative research is not concerned with a comparison of the cities, but with a systematic comparative analysis of urban development projects which are largely similar in terms of both scope and size. The interpretation of the results is valid to the extend that the case studies considered offer a fair representation of urban development projects.

Application of the rough set methodology leads to a set of 'decision rules'. These rules (see Box 1) can be interpreted in a 'compiling' way, based on binary deterministic logic. Success scores for each project are decomposed into three partial performance scores. The aggregate score is the whole, and the partial scores are: executive and organisational; operational and marketing; contractual and building.

Box 1: Results of Nijkamp et al. (2002)

Aggregate results

Rule 1. If the profitability requirements of stakeholders involved are not expressed clearly and at the correct time, then the performance of the urban revitalisation project is unsatisfactory.

Rule 2. If the institutional PPP arrangement is based on a concession, then the overall performance of the urban development project is in general acceptable.

Rule 3. If there are no soil pollution costs, then the success of the project has an acceptable performance from the public side.

Rule 4. If the development initiative is a private or a joint private-public responsibility with many private players, and also if the selection process of partners has taken place via a combination of direct contracts and open selection, then the project is certainly successful.

Rule 5. If the selection procedure for partners in a PPP constellation is open and if there is a reasonable expectation of land price rises in the project stage, then the development project will be very successful.

Partial results

Executive and organisational performance

Rule 1. In the case of severe soil pollution, urban revitalisation projects appear to have a poor performance.

Rule 2. A case of a traditional PPP arrangement leads to a successful implementation and organisation of a project.

Rule 3. In the case of a concession and absence of temporally phased sub-projects, an urban revitalisation project may lead to a fair performance.

Rule 4. A case of reasonable financial transparency leads to a successful project outcome.

Rule 5. An urban project characterised by a concession agreement and a direct selection of partners has a successful execution and organisation.

Rule 6. In the case of expected land price rises and an open selection procedure, the execution and organisation of the urban project concerned is very successful.

Operating and marketing performance

Rule 1. Low soil pollution costs do not necessarily lead to a good performance of a project.

Rule 2. In the case of a local project orientation, the performance tends to be poor.

Rule 3. A case of unclear prior transparency of profitability requirements and a regional project scope may lead to fair project outcomes.

Rule 4. In the case of a private-oriented project (or a private-public model with many actors), you may expect a successful performance of the project.

Rule 5. An urban revitalisation project with mainly private financiers, with mainly private actors (or a joint arrangement with many players) and with a high degree of financial transparency will lead to a very high success score.

Contractual and building performance

Rule 1. If there is no clear awareness of the cost composition and risk distribution of different project parts, then the success score is very poor.

Rule 2. In the case of soil pollution costs, the contractual and building performance is marginally successful.

Rule 3. A case with a transparent financial picture and a clear insight into profitability requirements leads to a successful project performance.

Rule 4. If the financial transparency is alright, then the performance is very high.

Details can be found in Nijkamp et al. (2002).

A more through and comprehensive judgement of the results leads to the conclusion that the aggregate and partial results are largely consistent. Financial transparency and cost transparency form two critical success factors, while land price revenues, the selection procedure of partners and the institutional constellation of a PPP arrangement may also be seen as drivers of success.

Besides above research outcome, lessons can be learned from private sector brownfield redevelopments (Meyer et al. 2000). A definition of brownfield redevelopments as can be found on the website of Brownfield Gentrification:

Brownfield redevelopment means new building on former industrial and transport sites, or complete renovation of existing plant for non-industrial use. Until recently, this was usually for the service sector: many offices, some shops, hotels and conference centres. Subdivision of old industrial plant, for new industrial users, is not brownfield redevelopment.

and

Brownfield residential redevelopment is a new pattern, in regions with relative land shortage (South-East England, the Netherlands). Usually, it implies a suburban style of development on a cleared site, but with higher density than outer-suburban housing.

Municipal brownfield redevelopment efforts have tended to assume that the sites involved were economically non-competitive. They have thus focussed on public acquisition of contaminated property and direct incentives to specific on-site activities. The emergence of a growing number of entrepreneurial firms that redevelop brownfields suggests limits to the efficacy of this approach for large and very 'dirty' sites that continue to stand abandoned to the frustration of local planners and economic developers. New approaches to public support for such regeneration may be suggested by closer examination of the private brownfield entrepreneurs. The article of Meyer et al. (2000) reports the results of a survey of these developers, suggesting that planners can contribute to more efficient use of public economic development resources by recognizing when public intervention really contributes to, and when it may inadvertently detract from, the attractiveness of sites a community wants to see regenerated.

An entrepreneur has been defined as "a production innovator who perceives the opportunity to provide a new product or implement a new production method, and then organises the needed production inputs and assumes financial risk". An environmental merchant banker (EMB) can be described as an entrepreneur who makes money by cleaning up and marketing brownfield sites that others have been unable to develop.

A majority of the firms that are studied are engineering specialists expanding from conducting environmental assessments and mitigations for clients into undertaking such development projects themselves. Half of these firms involved a partnership

between an environmental engineer and a real estate specialist. The backgrounds of the other companies are a mix of the other specialities that have engaged in brownfield redevelopment over the past 15 years: urban real estate development, finance, law, and insurance. All pointed to their exceptional knowledge and understanding of brownfield risks, mitigation and redevelopment techniques, financing alternatives, special lines of credit they may have with negotiated with limited partners, and/or the redevelopment process as the basis for their capacity to turn a profit on sites and projects others have avoided. This kind of specific technical expertise is the hallmark of virtually all entrepreneurs (Meyer et al. 2000). Due to their small staffs, the array of other uncertainties associated with brownfield projects, and the desire to hold redeveloped properties in order to gain a stable cash flow combine to create a project choice pattern that may be considered unusual for entrepreneurs: Most of the EMBs report relatively little interest in ‘speculative’ redevelopment projects. Results of the research of Meyer et al. (2000) can be found in Box 2.

Box 2: Results of Meyer et al. (2000)

Site preferences for brownfield redevelopment projects

Heavy Contamination. They perceive exceptional profit potential in their ability to conduct cleanups at lower cost than other redevelopers with less extensive experience with brownfields.

High value location. The EMBs characterized their project selection criteria in much the same terms as any other group of developers.

Private ownership. One finding of importance to planners was the evidence of a strong bias against parcels owned by municipalities. These responses appear to be driven by experiences with local government property disposal practices.

Unusual pollution. A small number of firms expressed an interest in particular types of on-site pollution, with petroleum contamination most often cited as an easy issue to address.

Large parcel size. Preferences for this scale of projects may be linked to the sources of the EMBs’ capital.

High rate of return. Either the EMBs are improving their overall risk management performance or financiers’ perceived risk in brownfield redevelopment efforts is declining with the passage of time and the accumulation of experience with such projects.

Positive off-site factors

Insurance availability. The availability of the protection has made it easier for new for-profit redevelopers to enter the field.

Government agency experience with brownfields. The sector appears to be market driven.

This characteristic of the EMB industry is underscored by the firms’ attitudes towards regulatory authorities and public sector efforts to promote brownfield reuse. Ten of the 13 companies cited factors such as regulatory ambiguities, understaffing, or inadequate knowledge in regulatory agencies as problems.

Private (seller-provided) incentives. The private sector acquires properties from firms and government agencies anxious to dispose of environmental liabilities. EMBs do like this.

Obstacles to developing publicly-owned sites

Municipally-owned brownfield sites appear to present particular obstacles to successful redevelopment by environmental merchant bankers. Among those mentioned were:

Competitive bidding. The EMBs mentioned a lack of connection between the artificial market created by the bid competition and the actual market for brownfield redevelopment. Other problems with bidding on public sites are delays and their resultant costs, and the loss of secrecy or privacy regarding redevelopment plans.

Stigma. Due to environmental history there are negative perceptions that surround brownfields reduces the potential value of the given site to a prospective developer and to the city.

Redevelopment restrictions. Governments do not understand that by dictating a specific use, they may be locking the developer into an economically infeasible position. Good comprehensive planning and flexible local zoning should permit viable redevelopment that is in public interest, without unilaterally locking in a specific use.

Lessons for Planners

- Re-evaluate direct public subsidy and public ownership strategies.
- Reconsider parcel assembly strategies.
- Make off-site investments that improve market appeal and value of brownfield sites.
- Modify site disposal practices to resemble private real estate transactions.
- Adopt strategy for providing infrastructure improvements to facilitate private site assembly.

Planners can make a major contribution to the efficiency of public economic development efforts by bringing their understanding of the EMBs, their investment criteria, and their concerns about dealing with local public sector agencies to bear on resource allocation decisions.

The research outcomes of Nijkamp et al. (2002) and Meyer et al. (2000) are contradictory in some points, in my opinion this is the difference between general site development and particular brownfield redevelopment.

5. The need for creating a development rights market

Planning intervenes to regulate the numerous externalities that characterise cities and regions. Having recognised the partial inefficiency of the authoritative command-and-control-tools, some administrations have been trying to implement and manage urban plans through the use of tools that intervene in the market, orienting the behaviour of the agents towards socially shared goals.

The development rights market represents an innovative tool of great interest in this direction. Several significant elements emerge from an analysis of the major case studies by Micelli (2002). In the first place, markets for development rights do not replace the command-and-control tools traditionally used in planning. In reality, their success seems to depend significantly on their integration with the latter.

Furthermore, the markets for development rights have not proved to be automatic devices led by an invisible hand. As in other markets for rights and environmental permits, the visible hand of the administration takes steps to establish the market rules and to promote its operation, reducing transaction costs as much as possible. In a perhaps paradoxical way, the use of tools that intervene in the market seems to require significant managerial and administrative investment

on which the success of the initiative depends.

6. Dutch cases

In this chapter first an overview of the nine development projects investigated by Nijkamp et al. (2002).

1. Amersfoort: Eemskwartier

This redevelopment project was concerned with the city core of Amersfoort. It was a brownfield site, strategically located. It aimed to establish a blend of public facilities, residential building, office functions, and transport infrastructure. The project comprised many public and private partners (bank, pension funds, real estate developers, etc.). The project developed at a slow pace and was not satisfactorily equipped. Its total size is approximately 125 hectares.

2. Amstelveen: Stadshart

This project served to reinforce the economic functioning of the centre of Amstelveen, by improving residential, employment, shopping, recreational and cultural functions. The implementation was delegated to a specific project developer. The ambitions were (very) high, but the satisfaction of the user still leaves much to be desired. The approximate size is 15 hectares.

3. 's-Hertogenbosch: Paleiskwartier

This was a typical brownfield project where a potentially accessible area in the heart of the city was turned into a new combination of living and working. Public subsidies were rather scarce for this project, but the active co-operation between the private sector and the public sector led to a rather promising performance. The size is about 20 hectares.

4. Eindhoven: De Witte Dame

This was a large-scale industrial redevelopment project on a favourable location in the city. This project was meant

to be an advanced technological innovation centre and it also had various complementary functions (cultural, educational, recreational and leisure). This turnkey project has—despite its limited scope—turned into a moderately successful project. The area covers about 4 hectares.

5. *Heerlen: Centrumplan*

This centrally located project was a typical urban renewal project combining residential, employment and service functions. The development has shown some stagnation, mainly caused by a spatial fragmentation of this project. Thus far, the project has not yet gained a clear momentum. The size covers the entire inner-city area.

6. *Maastricht Sphinx Céramique*

This was an industrial brownfield project in an interesting location in the city. The development was largely determined by private investors, while at a later stage only a modest public contribution was offered. It is a multifunctional project which is gradually developing. Its size is approximately 30 hectares.

7. *Nijmegen: Brabantse Poort*

This was a project outside the city centre, but strategically located near nodal points of transport infrastructure. It was a broadly constituted turnkey project with recreational and cultural, office, residential, business, leisure and sports, and industrial functions. It has had strong institutional and financial basis and met all expectations. The eventual area covers some 4 hectares.

8. *Rotterdam: Beurspassage*

This project has been realised right at the heart of Rotterdam. It meant a drastic restructuring of the central shopping area. The project had strong private-sector involvement. It combined culture, leisure, housing, shopping, office and public services and has turned out to be a rather

appealing and successful project. The size is approximately 5 hectares.

9. *Waalre/Aalst: Centrumplan*

This project was based on a drastic restructuring of the inner city and aimed to offer a set of competitive services with respect to other cities in the region (such as Valkenswaard, Eindhoven). It has taken quite some time to get this project off the ground and it has not yet reached a stage of maturity. The relevant area covers about 2 hectares.

Above projects are characteristic local redevelopment projects and - except three of them – their success scores vary from acceptable to very successful. But, there are public-private partnerships on the national level as well and the outcomes of those projects are most of the time not that good. In this chapter I also want to pinpoint to relatively larger projects, with PPP in the Netherlands (Source: Knowledge Centre PPP).

- A59 motorway re-routing
- Arnhem Centraal / Coehoorngebied
- Accessibility Offensive - Randstad (RAO)
- Breda Central Station
- Hoog Hage (The Hague)
- The Dutch High-Speed Line
- Rotterdam Central Station
- South Axis, Amsterdam
- N201 trunk road re-routing project
- N31

Like Nijkamp et al. (2002) I try to put them in a codified data matrix, therefore I tried to find the answer to the following 'questions':

A. *Institutional arrangement*

1. Type of initiative
2. Type of actors' co-operation
3. Spatial scope

B. *Financing and risk*

1. Financiers and risk-bearers
2. Awareness of different risk profiles of project parts

Table 2: Codified data matrix for eleven projects

| | A59 | Arnhem RAO | Breda | The Hague | HSL | R'dam CS | SouthAxis | N201 | N31 |
|---|-------|------------|-------|-----------|-------|----------|-----------|-------|-------|
| <i>A. Institutional arrangement</i> | | | | | | | | | |
| 1. Type of initiative | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 2. Type of actors' co-operation | 2 | 1 | ? | 2 | ? | 3 | 1 | 2 | 3 |
| 3. Spatial scope | 2 | 1 | 3 | 1 | 1 | 3 | 2 | 1 | 2 |
| <i>B. Financing and risk</i> | | | | | | | | | |
| 1. Financiers and risk-bearers | 2 | ? | 1 | 2 | ? | 3 | 1 | 2 | 2 |
| parts | 1 | ? | ? | 1 | ? | 1 | ? | 1 | 1 |
| <i>C. Contractual arrangements</i> | | | | | | | | | |
| 1. Transparency of profit(ability) requirements | 1 | ? | 2 | ? | ? | 2 | 2 | 1 | 1 |
| 2. Nature of contract | 2 | ? | 2 | 2 | ? | 1 | 2 | 1 | 1 |
| <i>D. Revenues and costs</i> | | | | | | | | | |
| 1. Financial transparency | 1 | ? | 3 | ? | ? | 3 | ? | 1 | 1 |
| 2. Soil pollution costs | 3 | ? | 3 | 2 | ? | 3 | 2 | 2 | 3 |
| 3. Expected rise in land price | 2 | 1 | 2 | 1 | ? | 2 | 1 | 1 | ? |
| <i>E. Project organisation</i> | | | | | | | | | |
| 1. Selection procedure of partners | 2 | 2 | ? | 2 | ? | 2 | 2 | 2 | 2 |
| 2. Stepwise approach to project components | 1 | 1 | 1 | 1 | ? | 1 | 1 | 1 | ? |
| <i>Project type</i> | infra | urban | infra | urban | urban | infra | infra | urban | infra |

C. Contractual arrangements

1. Transparency of profit(ability) requirements
2. Nature of contract

D. Revenues and costs

1. Financial transparency
2. Soil pollution costs
3. Expected rise in land price

E. Project organisation

1. Selection procedure of partners
2. Stepwise approach to project components

The possible answers to those questions can be found in the article of Nijkamp et al. (2002). It was hard to find them, but I made it. For your information: a 'question-mark' means 'unknown'. Results can be found in below Table. Because none of them are real urban redevelopment projects it is hard to make conclusions based on the table. Although, only one week ago a commission of the Dutch parliament published a report about all things that went wrong in the realisation of big infrastructural projects like the Dutch High-Speed Line and the freight rail line between Rotterdam and the Ruhr Area (Betuweroute). Part of the problem is the (non-)communication between different partners. The rail ways are too expensive compared with classic public financed infrastructure.

7. Conclusions

As Priemus (2002) wrote:

Public-private cooperation is often the most desirable formula for realising spatio-economic investments. In practice, there are many handicaps to an adequate public-private partnership. The first handicap is formed by defects in the co-production of policy by the public actors concerned: local authority, province, ministries. A second handicap is formed by market parties using their land position to exclude all competition. A third handicap is the lack of a statutory instrument to regulate an appropriate retrieval of costs: an instrument such as planning gain, or a land exploitation agreement, or a land exploitation levy.

The public actors must combine their public entrepreneurial role with their classic public tasks (establishment of the zoning plan, granting of a building licence) in such a way that there is clarity for third parties concerning both roles. This is usually lacking.

It is difficult to define exactly the things to be improved only some are clear. Governmental agencies have to try to avoid municipally-owned brownfield sites and have set clear the financial borders of every project.

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