Network of Mediterranean Sustainable Urban Developers

Annual Conference 2014

SUMMARY & MAIN COMMENTS FROM DELEGATES

Implementing Economic Development Strategies in Large-Scale Urban Projects in the Mediterranean

Marseille, 22-23-24 October 2014
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Presentation of the Conference Topic

Implementing economic development strategies in urban projects

3 FACTORS:

- Cities are important drivers of economic development on all the three sides of the Mediterranean
- Economic development is a common challenge in the North and South of the Mediterranean
  - European debate on “deindustrialisation”
  - Challenges in access to jobs, connecting employment and growth in the south of the Mediterranean to promote competitiveness
- Urban developers are key players in economic development in urban areas
  - As they design and develop urban fabric and activities
  - In collaboration with other stakeholders: public authorities (local, national) and institutions, businesses and industry, universities and research, civil society, etc.

→ What is the role and scope of urban developers? What levers are available to sustainably organize and develop economic activities in urban areas?
  → Building mixed-use urban areas & linking cities and jobs: unlike sector-specific planning approaches, implementing project-based strategies and processes to connect both urban and economic dimensions as part of integrated urban projects
  → Creating sustainable cities: promoting long-term sustainable economic activities in urban areas to build competitiveness, attractiveness, create inclusive cities and foster solidarity.
Conference Programme

Implementing economic development strategies in urban projects

- **3 sessions**
  - **22 October 2014** – Implementing economic development strategies in large-scale urban projects in line with needs and potential
    - Translating economic development strategies into spatial, operational actions on the ground - urban project management tools and methods
    - Ensuring local buy-in to development projects
  - **23 October 2014** – Bringing policymakers and stakeholders together on collaborative, integrated projects in specific economic fields or segments of the value chain
    - How to sustainably organise business development within urban projects: levers and tools for urban developers, providing long term support for local economic stakeholders
  - **24 October 2014** – Governance and project management tools to implement economic development strategies: building an innovative and attractive metropolis
    - Identifying the institutional structures and tools available to developers to implement specific strategies on the ground, in various institutional (local, national) contexts

- **1 field visit to a pilot urban project**
  - **23 October 2014** – La Ciotat shipyard, SEMIDEP
Session 1 - Implementing economic development strategies in large-scale urban projects in line with needs and potential

- **Economic positioning of the Plaine Commune area – field experience, issues raised and future outlook for the “creative cluster” and the “Greater Paris” projects**
  - David Cocheton, Head of Urban Planning Dept., Plaine Commune urban authority

- **Industrial ecology in the Plaine du Var area – a collaborative pilot project**
  - Christophe Blavot, Associate, Ecologie Territoriale Conseil

- **Urban and economic regeneration of the Southern Lake of Tunis, SEPTS urban authority**
  - Moncef Sliti, Chief Executive Officer of the SEPTS urban authority

- **Job creation in the Euroméditerranée urban authority: urban regeneration of the Belle de Mai brownfield site and the Allar pilot project**
  - Franck Geiling, Head of Architecture and Urban Planning, Euroméditerranée urban authority

- **Sfax-Taparura (Tunisia): impact of the Taparura urban project on job creation and employment in the Sfax metropolis**
  - Mohamed Gouider, Sfax-Taparura Executive Officer; Khaled Baccar, urban expert, Ficom Conseil (Tunisia)

**Moderator: Michel Lacave, Technopolis Group**
Session 2 - Bringing policymakers and stakeholders together on collaborative, integrated projects in specific economic fields or segments of the value chain

- **Renewal of the traditional shipyard site and the promotion of a new competitive world-class yacht repair centre in La Ciotat (France)**
  - Jean-Philippe Mignard, Executive Director of SEMIDEP – La Ciotat Shipyard

- **EIB: use of an Urban Development Fund to stimulate private investment in jobs and growth - case study of Manchester (United Kingdom)**
  - Gerry Muscat, Senior Urban Specialist, European Investment Bank (EIB)

- **Grenoble Presqu’Ile (France): a science and innovation hub creating a new urban model**
  - Patrick Le Bihan, Deputy Director, InnoVia local urban authority

- **OCP as an urban developer: strategies and tools for developing a sustainable growth ecosystem (Morocco)**
  - Mohamed Soual, Chief Economist, OCP Group; Youssef Safouane, Executive Director, SADV urban authority (OCP Group)

- **Milan agri-technopark (Italy), coordinating multiple stakeholders on an economic and urban development project**
  - Riccardo Gefter, Project Manager at the PTP agri-technopark; Simone Piacentini, Municipality of Lodi (Italy)

**Moderator:** Didier Bernateau, SCET
Field visit – urban pilot project
La Ciotat Shipyard (SEMIDEP)

SEMIDEP is the local urban authority managing the regeneration of the traditional shipyard site and creating new competitive world-class repair centre for the recreational yachting industry.

Project presented and tour provided by Jean-Philippe Mignard, Executive Director of SEMIDEP

La Ciotat Shipyard 2013-2017 Masterplan available [here](#)
Session 3 - Governance and project management tools to implement economic development strategies: building an innovative and attractive metropolis

- Greater Lyon (France): creating a competitive urban economic hub for biotechnologies – the Gerland biodistrict
  - Jean-Philippe Hanff, Chief Executive Manager, Greater Lyon; Didier Budin, Head of the Local Authority for the urban renewal of the Gerland area, Greater Lyon

- Connecting the free economic zone to the urban developments in Aqaba (Jordan): roles and tasks for the Aseza
  - H.E Pr. Dr. Kamel Mahadin, Chief Commissioner of the Aseza

- SPLT (Tunisia): implementing a non-polluting economic area and tertiary real estate development projects in the new Lake of Tunis urban district
  - Tarek Bouguerra, Head of the Urban Planning Dept., SPLT; Jellal Abdelkafi, urban expert

- New City of Zenata (Morocco): project management tools to implement regional economic development in an integrated urban project in the Greater Casablanca area
  - Mohammed Amine El Hajhouj, Executive Director, SAZ urban authority

Moderator: Marie-Odile Farineau, SCET
Feedback and main comments

- Creating economic development in urban projects requires urban developers to implement specific methods and tools:
  - To face up to the challenges of competitiveness, attractiveness and solidarity in sustainable cities
  - To organize and provide long term support to economic activities in urban areas

- Key factors for success in generating economic development in urban projects:
  - Clear institutional structure and economic development strategy to lean on:
    - Institutional and regulatory framework to steer the urban developers’ actions and to organise interactions with private stakeholders, civil society, etc
    - Need for coordination between urban developers and their public authorities (local, national) who "own" the vision and strategy for economic development
    - Examples of large local authorities (Grand Lyon, Plaine Commune) and their operators-developers (SEM, SPL), national or State urban entities (EPA Plaine du Var, Euroméditerranée, SAZ), private stakeholders leading mixed-use urban and economic projects (OCP, EIC, CEA)...
  - ...consistent with the market, based on realistic projections of economic development in urban areas
    - addressing a real, solvent market
    - taking into account the economic needs of urban areas ("insolvent market")
Feedback and main comments

- Alongside the public authorities (local, national), other driving forces for economic development in integrated urban projects include:
  - Business and industry
    - Long-term vision for economic and urban development, driving large-scale, integrated projects (Presqu’île Grenoble, Benguerir Green City)
    - Looking for land on which to develop economic projects (industrial ecology, Plaine du Var)
  - University and research
    - Catalyst for urban and suburban development (PTP Lodi, OCP), creating economic, technological added value and shaping high-quality urban and suburban areas

- Economic development strategies are more and more focusing on high-end service sector activities, creative industries and environmental technologies
  - A new challenge for urban developers: readiness to support or generate new forms of business and economic development in urban projects (knowledge economy, sharing economy, collaborative projects, etc.)
Feedback and main comments

- The enlargement of the urban developers’ roles to include the management of mixed-use urban projects (combining economic & urban development)
  - Beyond the conventional role of urban developers (sale of land and building rights), new project approaches may require urban developers to get involved in operational phases: corporate real estate developer, facilities management and operation...
  - New business models where land is a tool for a long-term development (not just a tool to generate capital gains)
  = Urban developers, a key body for public policy implementation, with operational responsibility for the long term development of integrated urban and economic projects.

- ...Developing the capacity and means to play a key role in the early stages of projects
  - Offering a strategic contribution to public authorities and other stakeholders for the definition and the design of urban projects
  - Highlighting the urban developers’ role as incubators for economic development, generating and managing new forms of business and employment: regeneration of brownfield sites (Grenoble, La Ciotat, Sfax, Tunis), development of new greenfield projects (Benguerir, Milan)

- ...Back the economic and urban projects developed, providing support to local stakeholders (later stages of the project’s lifecycle, end-users relationship management)
  - Urban developers not only create a positive environment, but also coordinate and promote the local business fabric (La Ciotat, PTP Lodi)
  - Urban developers as operators, offering services to local businesses (La Ciotat)

⇒ A general rule: think carefully about the strategic positioning of urban developers in long-term management of mixed-use economic and urban projects
  - To consolidate the credibility and bankability of the urban projects
  - To create relevant institutional structures and appropriate financial engineering
Feedback and main comments

How to ensure the bankability of large-scale integrated urban projects? (profitability of urban planning)

- Numerous urban projects highlighted the importance of public financing at the beginning of the projects as a key factor for success (guarantee of financial balance)
  - Appropriate institutional and financial engineering to create a leverage for private investment through the public funding
  - Ensuring public-sector support for the early stages of the project then allow the private-sector or mixed-capital entities to pick up the baton
- Tools that can be put in place in the complex arrangements for urban projects:
  - For urban developers structured as mixed-capital (public/private) companies: creating subsidiaries to bring private investors into sub-projects, and generate leverage
  - Reintroducing public funding during project implementation phases, to increase the profitability of certain sub-projects through the guarantee of public equity alongside private investment
- Consider the overall financial health of projects: not only the finances of the entity implementing the urban project, but also take into account overall “urban value” generated by the project (economic benefits, tax revenue, number of direct & indirect jobs created, etc)
- Need to bring together two dimensions for the assessment of large-scale urban projects:
  - A macroeconomic long-term project-scale approach (based on indicators) over the whole project lifecycle
  - A “conventional” approach to profitability (e.g. internal rate of return) for small-scale sub-projects (small projects whose aim is financial self-sufficiency)
  - Bring together urban planning and an economic, industrial approach: on small-scale sub-projects, integrate financial models into the assessment process
    - Financing: use public funds to generate a leverage/multiplier effect
    - Institutional arrangements: organise pools of equity investors (public and private)
Feedback and main comments

- Ensuring local buy-in to urban economic development projects
  - The involvement of local communities is key for the credibility of urban economic projects
    - A key factor for success: define urban projects on the basis of clear and realistic vision for the development of urban areas
    - Operational engineering tools: charters for the integration of local communities (Plaine Commune), role played by the urban developer in coordinating and promoting activities in urban areas (SCIC La Belle de Mai in the field of culture)
  - The urban developer as an body that can bring stakeholders together
    - Organising dialogue between stakeholders: a neutral place to meet and develop trust (public authorities, private-sector bodies, representatives of universities and civil society) (Plaine du Var, Grenoble Presqu’île)
    - The urban developer as a coordinator of a local business community, generating economic development by mobilising the stakeholders’ resources (Belle de Mai)

- The issue of urban planning in the metropolis
  - Taking into account the long-term aspects of urban planning
  - Connecting the scale and scope of urban projects with urban planning at a metropolitan, regional and national scale
  - Ensuring the effective coordination between authorities (local authorities, ministries, State) and urban developers, on the basis of a clear and effective legal framework for action on the ground
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