centreforcities

Collected case studies:

City Centre Regeneration

- *Boosting retail and investment*
- *Drawing investments into the city-centre*

This paper brings together a number of case studies on how cities from the UK and beyond have regenerated their city centres.

City centres play a fundamental role in the economies of UK cities.

Businesses gain from the proximity (or agglomeration) that city centres offer through sharing infrastructure, the ability to recruit from a larger labour pool and the ability to share ideas and information.

To encourage this process, cities can boost the attractiveness of their city centre, for example by relocating employment to the centre, attracting firms through incentives, and providing good transport and infrastructure.

The case studies demonstrating how cities regenerate their city centre and what they are trying to achieve are split into seven groups:

- **Boosting retail and investment in the city centre**

Local authority offices and services are often located in numerous buildings in and around the city. Relocating public services to the city centre has two beneficial effects: firstly, it concentrates workers in the city centre, who access local shops and services. This is particularly important for cities with weaker centres that have experienced a hollowing out of jobs. Secondly, by concentrating services in fewer buildings, relocating public services can also create efficient savings by reducing running and maintenance costs and avoiding the duplication of services.

- **Creating an attractive and functional city centre**

Providing appropriate higher quality physical environments, such as up to date office stock or housing, can contribute to attracting businesses, residents and visitors to the city centre. As a supply-side measure, physical interventions can contribute to the creation of an attractive and functional environment.

- **Providing good links between the city centre and the wider area**

Good links between the city centre and the wider area is vital for the economies of cities with both weak

and strong city centres. Good transport links ensure people can access jobs by linking homes and businesses, and that people can access and make use of city centre amenities.

- **Providing information on public services**

Digital infrastructure is vital in cities for both businesses and residents. Reliable and fast broadband connections are a requirement for the majority if not all of businesses today, and residents expect to be able to access high speed connections at home.

- **Drawing investments into the city centre**

Tax incentives can be a way of drawing investment into the city centre, through making it more economically viable for a business to locate centrally rather than elsewhere. Although UK cities have less power to raise taxes than cities in some other countries, they are able to lift council taxes by 2 per cent, or more if approved by a referendum. And can use this tool as a tax incentive to draw investments into the city centre.

- **Using vacant space and stimulate activity in the city centre**

Vacant properties are a feature of both weaker city centres that have experienced a hollowing out of jobs and businesses, and of relatively strong city centre economies. One way of utilising the vacant space, while stimulating business activity in the city centre, is to encourage businesses to locate in these vacant properties. Temporary usage of vacant properties can be a way of tackling urban blight, as well as providing spaces for new businesses to try out ideas, start up enterprises and explore different type of industry previously unfamiliar to the area.

- **Delivering physical development and regeneration**

In some cities, the market is too weak to deliver physical development and regeneration without public sector intervention and funding. Partners are purchasing and/or using the existing asset base to pump-prime development that will support economic growth.

Boosting retail and investment in the city centre

Local authority offices and services are often located in numerous buildings in and around the city. Relocating public services to the city centre has two beneficial effects: firstly, it concentrates workers in the city centre, who access local shops and services. This is particularly important for cities with weaker centres that have experienced a hollowing out of jobs. Secondly, by concentrating services in fewer buildings, relocating public services can also create efficient savings by reducing running and maintenance costs and avoiding the duplication of services.

Relocating public services (I)

Lead organisation: Bradford Metropolitan District Council

Location: Bradford, UK

Year: 2008-2013

Keywords: City centre regeneration; Innovation

Read the full report: Delivering change: Putting city centres at the heart of the local economy

In order to revitalise its city centre, Bradford Metropolitan District Council is in the process of relocating some services from locations across Bradford with the key aim of relocating staff to the city centre, helping to boost retail and encouraging new investment there.[1] The scheme, called 'b-works', also aims to provide better services at a lower cost. All 286 of the council's office buildings are being reviewed for their suitability and condition, running and energy costs, and backlog of maintenance. Their target was to raise £65 million through the sale of unwanted assets, which would pay for the refurbishment of city centre buildings, enabling the accommodation of more staff in fewer buildings and a greater concentration of public sector employees in the city centre.[2] The sale of 44 buildings between 2008 and 2013 raised £21.2 million and saved £64 million in maintenance costs.[3] The move saw public sector jobs in the city centre increase by 1,300 between 2008 and 2010, which helped to offset the negative impact of the recession on the city centre, which saw the loss of 3,550 private sector jobs.[4]

Relocating public services (II)

Lead organisation: Coventry City Council

Location: Coventry, UK

Year: 2016

Keywords: City centre regeneration; Innovation

Read the full report: Delivering change: Putting city centres at the heart of the local economy

Similarly, Coventry City Council will relocate in late 2016 to the new Friargate development in the city centre, a mixed-use business district adjacent to the railway station. The movement of council staff into the city centre is intended to be a catalyst for the movement of other businesses into Friargate. Other blue-chip tenants are now following the Council's lead. The consolidation of 27 council buildings into nine at Friargate also allows for savings in maintenance costs and carbon emissions. The total economic impact is as yet unknown but the development as a whole is intended to bring 13,400 new office jobs into Coventry city centre.[5]

Relocating universities and colleges

Lead organisation: The University of Wales

Location: Newport, UK

Year: 2011

Keywords: City centre regeneration; Innovation

Read the full report: Delivering change: Putting city centres at the heart of the local economy

In 2011, as part of Newport's city centre regeneration strategy, the University of Wales opened a new campus in Newport city centre.[6] It covered the cost of this £35 million development with a combination of funding from the Welsh Assembly, Newport City Council and Newport Unlimited (an Urban Regeneration Company) and through selling off its Allt-yr-yn campus.[7]

1 http://www.thetelegraphandargus.co.uk/news/local/localbrad/8829028.Council_lists_28_buildings_to_be_sold_off_to_save___7_5m/.
2 http://www.thetelegraphandargus.co.uk/news/8768504.print/.
3 http://www.thetelegraphandargus.co.uk/news/10387654.Bradford_Register_Office_could_be_sold_off_in_Council_property_shake_up/.
4 https://www.bradford.gov.uk/media/2186/bradforddistricteconomicassessmentdecember2012.pdf.
5 http://www.coventrytelegraph.net/news/coventry-news/council-move-friargate-development-part-3903311.
6 http://www.newportsmartandconnectedcity.co.uk/.
7 http://www.bbc.co.uk/news/uk-wales-12142107.

The new campus brings 2,700 students into the centre, and the university has seen a 12.7 per cent rise in UCAS applications, over double the rise seen nationally.[8] The influx of students and staff to the city centre has also been accompanied by an increase in city centre trade.[9] The university's design, media and business incubator aims to build on the city centre location by establishing links between businesses and research. Despite facing criticism from students, staff and local residents, the university has also decided to close the older, out-of-town campus.

Relocating Further and Higher education

Lead organisation: City of Glasgow College

Location: Glasgow, UK

Year: 2010

Keywords: City centre regeneration; Innovation

Read the full report: Delivering change: Putting city centres at the heart of the local economy

In order to revitalise its city centre economy, in 2010 Glasgow merged and relocated four further and higher education institutions from across the city. The Central College for business, the Glasgow Metropolitan College, the Glasgow College of Nautical Studies and the City of Glasgow College where all merged together to form the new and larger City of Glasgow College.

The momentum came from discussions between the four colleges in 2006, and was managed primarily through the initiatives of the colleges, working in cooperation with the local authority, the Glasgow Chamber of Commerce, and the Glasgow Economic Commission.[10] Some of the land was sold, and two buildings on the remaining land were demolished to allow for the building of two new campuses; one in the city centre, and one at the edge of the city centre, as part of the Clyde riverside regeneration project. They are both still under construction due to be opened by 2016.

The vision for the merger states the intention of the colleges is "to create Scotland's first College super campus and be a positive catalyst for change, in partnership with other civic institutions to regenerate and renew Glasgow city centre and the riverside."[11] The agglomeration of colleges has allowed for economies of scale with regards to skills, teaching and resources, raising the profile of the college regionally and nationally. The two campuses are expected to cost £228 million and are being funded through an adapted version of the private finance initiative, Non-Profit Distribution, which ensures greater returns for the public sector and greater transparency. The European Investment Bank and a consortium of German banks are also financing loans to be repaid in 25 years by the Scottish Funding Council and the college's financial reserves.[12] Through the merger, the college has been able to make £5 million of financial savings, and the Scottish Education Secretary has praised the merger for its support of a strategy for economic growth in Glasgow city centre.[13]

8 http://www.willmottdixongroup.co.uk/assets/c/c/cc1445_newport-case-study_rev7.pdf.
9 http://www.newport.gov.uk/_dc/index.cfm?fuseaction=news.pressrelease&contentid=CONT566610.
10 Centre for Cities interviews.
11 http://www.scotland.gov.uk/Resource/Doc/82254/0103539.pdf.
12 http://www.cityofglasgowcollege.ac.uk/news/preferred-bidder-announced-new-super-campus.
13 http://www.scotland.gov.uk/News/Releases/2013/05/College-merger-a-success16052013.

Opening business incubators in the city centre

Lead organisation: Leeds Beckett University

Location: Leeds, UK

Year: 2001

Keywords: City centre regeneration; University; Innovation

Read the full report: Delivering change: Putting city centres at the heart of the local economy

Business incubators, by offering office space and advice to new businesses, can provide valuable services and support innovation. City centre located business incubators can encourage city centre business growth by supporting fledgling businesses to develop and grow in the city centre.
Depending on the exact services on offer, this is relevant to both relatively weak and strong city centres. Financial incentives, such as discounted office space, might attract young businesses unable to afford office rents in relatively stronger city centres, and in weaker city centres, the discounts and support on offer might help attract business that would have located elsewhere.

In Leeds, the Queens Square Business Quarter, which is part of Leeds Beckett University, was set up in 2001 as an incubator for early stage businesses located in Leeds city centre. It intended to enable the creation of businesses directly in the city centre by supporting them through their first three years, offering office space, advice and training. The proximity of students and graduates to new businesses was designed to enable and foster greater links between them.

By 2010, Queens Square had supported 420 start-ups, helping to create 1,100 new jobs and turning over £42 million – this coincides with 25 per cent private sector growth seen in Leeds between 1998 and 2008.[14, 15]

Creating an attractive and functional city centre

Providing appropriate higher quality physical environments, such as up to date office stock or housing, can contribute to attracting businesses, residents and visitors to the city centre. As a supply-side measure, physical interventions can contribute to the creation of an attractive and functional environment.

Improving the amount and quality of office, retail and hotel space

Lead organisation: Manchester Millennium Ltd (MML)

Location: Manchester, UK

Year: 1990's

Keywords: City centre regeneration; Innovation

Read the full report: Delivering change: Putting city centres at the heart of the local economy

In 1988, Manchester responded to its post-industrial decline in part through measures to redevelop the southern part of Manchester city centre.[16] This, along with other measures, coincided with a period of

14 http://www.yorkshireeveningpost.co.uk/news/latest-news/top-stories/business-incubator-is-set-to-expand-1-2251608.
15 Swinney P & Sivaev D, (2013), Beyond the High Street, London: Centre for Cities.
16 http://www.publications.parliament.uk/pa/ld199596/ldhansrd/vo960318/text/60318-09.htm.

strong economic growth in Manchester during the 1990s, and the city centre came to be held back by its limited amount and quality of office space, as well as insufficient retail and hotel space to support tourism. To ensure future investment in the city centre, the council identified that physical renewal in the city centre was crucial. The IRA bomb in 1996 which destroyed a large area of the city centre, displacing 672 businesses and causing £250 million of physical damage, further heightened the drive to carry out physical renewal in the city centre.

To achieve this renewal, Manchester Millennium Ltd (MML), a new public-private partnership (PPP) between the city council and local businesses was set up. There were four main elements to achieving this development:

1. **Master planning:** The PPP commissioned a consultancy, EDAW, to draw up a master plan, supported by a framework and urban design guidance. As well as creating new office space, a primary aim was to secure investment in leisure and cultural activities, to broaden the attraction of the city centre, through four projects at the Corn Exchange, the Royal Exchange, the Printworks, and the Ramada Block.
2. **Land assembly:** The city already owned the freehold on the majority of the site, enabling the city to take a lead on assembly and simplifying negotiations with the five leaseholders.
3. **Funding:** A key task of the MML was to raise public funds for infrastructure. The public investments secured consisted of a £43 million grant from central government, £20 million from the European Regional Development Fund, and £20 million from the Millennium Commission. Some tensions emerged between local and central government following the 1997/8 Local Government Financial Settlement, which made it difficult for Manchester to secure funding to meet the shortfall to begin the project. In response the City Council lobbied government for a 'fair deal for the city' to secure the extra funding required. The public investment paid for public realm improvements, transport strategy and infrastructure, deficit funding of projects, the building of the Millennium Centre, and management and promotion costs. By reducing risk and preparing the site for developers, this leveraged £490 million of private funding in physical renewal.
4. **Take-up:** Manchester benefited from existing demand for city centre office and commercial space, as well as the certainty of take-up from previous leaseholders of city centre locations in redeveloped areas.

The redevelopment was mostly complete by 2000, and Manchester city centre now offers the largest office market outside London.[17] Interestingly, the number of private sector jobs in Manchester city centre increased by 39 per cent between 1998 and 2008.[18] Demand is such that there is now a shortage of office space, with prices higher than regional and national averages.[19]

17 http://neweconomymanchester.com/stories/1871-greater_manchester_office_market_largest_outside_london.
18 Swinney P & Sivaev D, (2013), Beyond the High Street, London: Centre for Cities.
19 http://www.manchester.gov.uk/egov_downloads/7_City_Centre_Regeneration.pdf.

Improving the city centre connectivity and accessibility

Lead organisation: Manchester Millennium Ltd (MML)

Location: Manchester, UK

Year: 1990's

Keywords: City centre regeneration; Innovation

Read the full report: Delivering change: Putting city centres at the heart of the local economy

Birmingham's economy was hit hard by the decline of industry in the 1970s and 1980s. The city sought to improve its city centre in order to attract new private sector investment and create jobs. They did this by convening the 1988 Highbury Initiative, an international symposium of professionals who were invited to explore ideas for Birmingham's renewal. Their combined input led to an initiative which sought to improve city centre connectivity and accessibility, and particularly highlighted the need to break the 'concrete collar', or inner ring road, which prevented economic and physical growth in the city centre. As a result, proposals to reduce through-traffic and pedestrianize the city centre were incorporated into the planning policy in 1990 through the City Centre Design Strategy. The Broad Street area in particular was targeted for redevelopment, and its reincarnation as Brindley Place was intended to act a centre of business tourism. The city council, who held the freehold, took the lead on inviting tenders from developers for the creation of a new convention centre, hotel, and cultural and leisure facilities, and the Design Strategy was developed to maintain good quality urban design principles in accordance with the Highbury Initiative.[20]

This strategic approach to renewal in the city centre has coincided with a reversal in city-wide growth trends; while Birmingham as a whole saw a reduction in private sector jobs in 1998-2008, in the city centre there was a 27 per cent increase, 80 per cent of which were in knowledge intensive businesses.[21]

Promoting residential development to reverse the hollowing out of a city centre

Lead organisations: Greater London Authority and London Borough of Croydon

Location: Croydon, UK

Year: 2013

Keywords: City centre regeneration; Innovation

Read the full report: Delivering change: Putting city centres at the heart of the local economy

A prime business location in the 1960s, Croydon's economic role in Greater London and the South East has declined in the past 30 years, largely due to a decrease in demand for back of house office space and the emergence of Canary Wharf as an alternative business location. This has resulted in an increase in vacant office space and related fall in the numbers of people working and travelling into central Croydon. Croydon was identified as one of 33 opportunity areas by the Mayor of London, Boris Johnson. To tackle the hollowing out of Croydon's centre, the opportunity area planning framework (OAPF) – which acts as supplementary guidance to the London plan - promotes residential development as the top priority intervention for revitalising the city centre. It brings together previous Croydon master plans and sets out a program for the development of 7,300 new homes across the OAPF, providing housing for existing and new residents across tenures, capitalising on excellent rail and transport links to the wider London and the wider South East.

20 http://webarchive.nationalarchives.gov.uk/20110118134610/http://www.cabe.org.uk/files/the-value-of-urban-design.pdf.
21 http://www.centreforcities.org/publication/beyond-the-high-street-birmingham-analysis/.

Increasing commercial space and promoting research and innovation

Lead organisation(s): Newcastle Science Central Partnership

Location: Newcastle, UK

Year: 2004 – to present

Keywords: Public assets, City partnerships; City centre regeneration

Read the full report here: Delivering change: how city partnerships make the most of public assets

Newcastle city centre is the engine of the city economy. High-knowledge firms looking to attract skilled staff from across the wider region and be close to other firms and clients are keen to locate there. The internationally respected university is also looking to expand in the city centre to support research and innovation in the city. But as in many UK cities since the 2008 financial crisis, the collapse of speculative commercial development has threatened the city's economic development.
The Newcastle Science Central Partnership allows the city to work with Newcastle University in a 50-50 joint venture to use a valuable asset it owns – a large site on the edge of the city centre that was previously a brewery and before that a colliery - to help deliver their shared vision of city growth driven by science and technology. As well as their shared aims, the collaboration enables partners to achieve their individual aims: the city's need to increase commercial space and enable innovation; and the university's need to create more space for research and innovation.

A strong framework for partnership in a joint venture in which two thirds is owned by the city and one third by the university, alongside personal relationships and flexibility, has helped to make the most out of this city centre asset. Newcastle Science City was announced as one of a number of Science Cities in 2004 – and as such its initial focus was heavily on science. The long period since has seen economic and political conditions around the project change significantly, including the 2011 abolition of one of the initial partners, the regional development agency One North East which was involved in assembling the site. At this point the council acquired the site. This required flexibility on both sides of the partnership to stay on track and ensure that the site would have the greatest impact on the city and university in light of the new conditions.

The site's history as a colliery meant that there were additional funds generated from the venture. Preparation works before construction began included the open-cast mining of thousands of tonnes of coal, the revenues from which were invested into the site. At first the partnership was an initiative set up to manage a programme of delivery that would drive economic growth through science and innovation in the city. At its peak, the team was made up of 36 people and delivered projects to engage citizens, improve skills, support higher aspirations, provide business support and business growth, as well as marketing.

With the abolition of RDAs and the change to a different budgetary environment, a core team of three now drives the Newcastle Science City Partnership forward. The partnership, including delivery teams within both Newcastle City Council and Newcastle University, is now more focused on the goal of addressing the city's need for office space at the site. The flexibility to update the aims of the site was helped by the ambition of Newcastle University's leaders to play a greater role as a civic institution, working alongside the council's leadership. The shared civic vision and good personal connections at high levels between both organisations has supported the partnership's growth and helped to set the initial framework for collaboration.

The city set out its economic vision for the city centre in its Core Strategy and Urban Core Plan and how the Science Central site fits within the broader vision for the city's economic development has been updated. As the economic conditions have changed, this flexibility and clear city centre vision allowed the initial focus on science give way to more emphasis on business growth and innovation.

Making the partnership work required significant effort. Although the two organisations have a shared vision for Newcastle, they have different legal standing, aims and cultures that must be accommodated. For example, Newcastle University is a charity, limiting how it can act in profit-making endeavours. This requires flexibility as new commercial property is developed on the site. The council is aware of companies that are keen to move into the city centre but can't because developers are not able to take on the risk of building new space. Partners are clear that Newcastle Science Central helps fill that clearly identified gap in the market and this evidence has led the partnership to act to meet this demand. Together they delivered a financial and strategic return from the asset. Legal & General have bought into the development company, bringing their commercial expertise as well as working capital to help continue development. The company's chief executive has personal ties to the North East and an interest in developing the Northern Powerhouse.

The structure of the partnership allows flexibility for future development based on the appetite of partners and has established a legal structure that is flexible in taking forward individual developments. Using this flexibility and strong evidence base for developing in the city centre, this public asset is now on its way to driving growth in the broader city region, with more buildings set to open this year. It is on track to host two prestigious National Innovation Centres (Ageing and Data), a national research centre in energy systems, as well as a high specification commercial laboratory space to meet the needs of the city's growing life science sector. Two large Grade A commercial office buildings are next in the pipeline to be complete by 2019. Once complete, as well as business rates revenue, the city's asset will help its university and the wider economy to grow as it becomes home to a new high-knowledge science quarter in the heart of the city, with 4,000 jobs, 500,000 ft2 of new commercial space and 450 homes.

Providing good links between the city centre and the wider area

Good links between the city centre and the wider area are vital for the economy of cities with both weak and strong city centres. Good transport links ensure people can access jobs by linking homes and businesses, and that people can access and make use of city centre amenities.

Increasing accessibility to businesses and shops in the city centre

Lead organisation: CityCo Manchester

Location: Manchester, UK

Year: 2002-2010

Keywords: City centre regeneration; Innovation

Read the full report: Delivering change: Putting city centres at the heart of the local economy

The Manchester Metroshuttle service was launched in 2002 as a flagship zero-fare transport offer for Manchester city centre.[22] The initial momentum came from CityCo Manchester, a group representing the interests of Manchester's city centre, who recognised the lack of accessibility to businesses and shops in the city centre as limiting growth. Another aim was to reduce traffic congestion.[23] The Metroshuttle would build on the existing Centreline service, which linked the city's two main train stations.[24] The main reason for making the service free at point of use was scepticism on behalf of funding partners that the revenue generated from charging fares would outweigh the operational costs of ticketing and enforcement. Providing a free service also meant it was universally accessible, allowing all people to get to work, shops and services.[25] The first two Metroshuttle lines were introduced in 2002, with a third route introduced in 2005. Zero-fare buses link rail stations, tram stops, shopping areas and businesses across the city. The service is funded by a partnership between CityCo, Manchester City Council, Transport for Greater Manchester, National Car Parks and Allied London, a major local landowner. Running costs, which are also partly funded by advertising, are £1.2 million per year. The hybrid vehicles that were introduced in 2010 were funded through subsidies from the Department for Transport. The stakeholders in the PPP also decide on the routes, which were designed to link up key transport nodes and businesses.

In 2013, 2.8 million passengers travelled on the Metroshuttle, an increase of 32 per cent since 2006.[26] The Heart of Manchester Business Improvement District regarded the service as a valuable part of the city's infrastructure which supports the retail development of the city. 39 per cent of Metroshuttle users are in the city centre for leisure and recreation, and 36 per cent use the service to commute, demonstrating its value both for retail and city centre jobs.

22 http://www.tfgm.com/buses/Pages/metroshuttle.aspx.
23 http://www.manchester.gov.uk/info/100011/roads_parking_and_transport/2542/metroshuttle.
24 Centre for Cities interviews.
25 Centre for Cities interviews.
26 http://www.transportforgreatermanchestercommittee.gov.uk/tfgmc/downloads/file/4911/item_06_metroshuttle_patronage_and_service_performance.

Introducing a tram system in a city with fast population growth

Lead organisation: Montpellier Agglomération

Location: Montpellier, France

Year: 2000

Keywords: City centre regeneration; Transport; International

Read the full report: Delivering change: Putting city centres at the heart of the local economy

Montpellier, a city which has experienced some of the fastest population and economic growth of any French city in the past 25 years, needed new infrastructure and housing to meet its growing demand. A tram system was introduced in 2000 to ensure reliable and sustainable connections into the city centre. A major barrier to its delivery had been co-operation with the surrounding authorities under the existing joint authority, which only joined 15 communes (an administrative unit similar to a parish) in the city region. The formation of the Montpellier Agglomération in 2001, which incorporated 31 communes, formalised the necessary cooperation to be able to deliver the tramway. The first line of the tram serviced two new urban extensions to the city; since then, three more lines have been completed, connecting suburbs to the city centre. The tramway is managed by TAM, a public-led PPP between the Montpellier Agglomération, Transdev (the operator), banks and other institutions, which allows the city to maintain control over the service and its development.[27]

Seeking to minimise private commuting in Montpellier, TAM also established a corporate mobility plan agreement, signed by local authorities and businesses. Businesses saw the lower cost travel, decreased stress and fatigue, and lower pollution levels as attractive to them and their employees, making the tram a viable alternative to commuting by car.[28] As a result, Montpellier now has one of the highest usage rates of public transport in France.

Introducing a new bus system in a mid-sized city

Lead organisations: Lane Transit District (LTD), Eugene Council

Location: Eugene, Oregon, US

Year: 2007

Keywords: City centre regeneration; Transport; International

Read the full report: Delivering change: Putting city centres at the heart of the local economy

The city of Eugene is a mid-sized city with a strong economy.[29] Population growth during the 1990s led the city to introduce a Bus Rapid Transit system (BRT) in order to achieve three aims: 1) the containment of urban sprawl, 2) to increase the number of new businesses in the city centre and along the BRT route and 3) reduce private automobile traffic, particularly from commuters. The BRT system is provided by Lane Transit District, linking Eugene to surrounding communities. The service began in 2007, and cost $25 million to design and build, most of which came from federal subsidies.[30] The majority of the operating costs are funded through local payroll taxes, which is regarded as contributing to the strong connections between Eugene's business community and the BRT.[31]

27 http://www.atrf.info/papers/2013/2013_wang.pdf.
28 http://www.uitp.org/sites/default/files/cck-focus-papers-files/FPBusCom-EN.pdf.
29 http://www.oregonlive.com/money/index.ssf/2014/05/portland_eugene_economies_expanding_faster_than_normal_uo_report_says.html.
30 http://www.fhwa.dot.gov/livability/case_studies/guidebook/appendix/app07.cfm.
31 http://sustainablecommunitiesleadershipacademy.org/resource_files/documents/springfield-eugene-oregon-emeraldexpress.Pdf.

A study showed that between 2004 and 2010, there was a 10 per cent average increase in jobs within 0.25 miles of a BRT station, and local realtors have noted increased interest in properties near a BRT line.[32,33]

Providing information on public services

Digital infrastructure is vital in cities for both businesses and residents. Reliable and fast broadband connections are a requirement for the majority if not all of businesses today, and residents expect to be able to access high speed connections at home.

Introducing reliable and fast broadband connections across the city

Lead organisation: Luxembourg City Government

Location: Luxembourg, Luxemburg

Year: 2007

Keywords: City centre regeneration; International

Read the full report: Delivering change: Putting city centres at the heart of the local economy

The city of Luxembourg's launched its HotCity scheme in July 2007. Led by the Mayor Paul Helminger, the aim was to provide Wi-Fi coverage in all indoor and outdoor public spaces in the city, and to set up a city wide information platform giving details of public services available in the city, such as bus schedules and the location of available parking spaces.[34]

The city is aiming for 100 per cent Wi-Fi coverage and as of 2012 had reached 75 per cent.[35] Access was initially free but two payment tiers were later introduced. Access to the open internet requires a paid subscription, but any information regarded as having public utility, including public transport schedules, weather, municipal bike rentals, hotel listings and shops are available free through an app. This contributes to greater usage and efficiency of public services, with the added benefit of saving the city money. The platform also provides an advertising service for local businesses, and makes it easier for users to find local businesses. In this way, the digital infrastructure has improved communication between the city and the citizens.[36]

Drawing investments into the city centre

Tax incentives can be a way of drawing investment into the city centre, through making it more economically viable for a business to locate centrally rather than elsewhere. Although UK cities have less power to raise taxes than cities in many other countries, they are able to lift council taxes by 2 per cent, or more if approved by a referendum. And can use this tool as a tax incentive to draw investments into the city centre.

32 http://planitmetro.com/wp-content/uploads/2013/09/BRT-ED-Eugene-Case-Study.pdf.
33 http://www.fhwa.dot.gov/livability/case_studies/guidebook/appendix/app07.cfm.
34 http://www.theneweconomy.com/technology/the-e-city-of-luxembourg.
35 http://www.theneweconomy.com/technology/the-e-city-of-luxembourg.
36 http://www.cisco.com/web/strategy/docs/gov/HotCity_CS.pdf.

Offering tax incentives that make the city centre economically viable

Lead organisation: Dallas City Government

Location: Dallas, Texas, US

Year: 1990s - present

Keywords: City centre regeneration; Tax incentive; International

Read the full report: Delivering change: Putting city centres at the heart of the local economy

The city of Dallas, Texas is an example of a city successfully combining tax incentives and financing to regenerate its city centre. Dallas was badly affected by the 1980s downturn, seeing city centre office towers empty out and retailers move out to suburban malls.[37] Over the last 30 years, the city has set up projects that use up front spending to leverage private investment, including setting up public-private partnership (PPPs) and providing cheap land to leverage private sector investment in the city centre.[38] These mechanisms have supported a broad range of projects to boost the city centre, such as the creation of a new arts district, the creation of a new station for the Dallas Area Rapid Transport and the encouragement of large supermarkets into the city.[39] The city government has also established 14 Tax Increment Financing (TIF) districts in or close to the city centre.[40] In these TIF areas, property taxes are retained and used for public realm improvements, site assembly and demolition, and other infrastructure improvements.[41] They are funded on a pay-as you-go basis straight from the TIF fund, or for upfront investment from private investors who are paid back from the fund.[42] The renovation of the former Statler Hilton Hotel and Dallas Central Library received $46.5 million of city funds, borrowed against expected future property tax receipts, with a further $128.5 million of funding coming from private investors.[43]

The investment in Dallas city centre has seen significant economic growth at the city-wide level. Since 1996, $2.89 billion has been invested in downtown Dallas, the population almost tripled between 2000 and 2010, and in 2012 median household income stood at $73,920, almost double that of the Dallas region.[44,45]

Raising the tax rate to fund a physical improvement strategy

Lead organisation: Oklahoma City Government

Location: Oklahoma City, Oklahoma, US

Year: 1993-1999

Keywords: City centre regeneration; Tax incentive; International

Read the full report: Delivering change: Putting city centres at the heart of the local economy

Oklahoma, which had been reliant on the oil and gas industries, went into economic crisis after the 1980s global oil collapse and funded its resulting physical improvement strategy through a 1 per cent increase in city sales tax. This rise was voted for by residents. The aim was to encourage a broad range of businesses

37 http://www.economist.com/blogs/schumpeter/2014/07/rejuvenating-downtown-dallas.
38 http://www.newcitiesfoundation.org/private-public-partnerships-changing-face-dallas-texas/.
39 http://www.bizjournals.com/albuquerque/news/2014/06/30/dallas-economic-development-head-says-public.html?page=all and http://www.economist.com/blogs/schumpeter/2014/07/rejuvenating-downtown-dallas.
40 https://www.dallasecodev.org/358/Tax-Increment-Financing-Districts.
41 http://www.dallas-ecodev.org/incentives/tifs-pids/.
42 https://www.dallasecodev.org/358/Tax-Increment-Financing-Districts.
43 http://cityhallblog.dallasnews.com/2014/04/dallas-council-approves-46-5-million-for-redevelopment-of-old-statlerhilton-in-downtown.html/.
44 http://www.dallasnews.com/news/community-news/dallas/headlines/20110426-dallas-experiencing-strong-growthin-downtown-uptown-population.ece.
45 http://www.dallasnews.com/news/community-news/dallas/headlines/20110426-dallas-experiencing-strong-growthin-downtown-uptown-population.ece.

to the city, to end the cities dependence on one industry. Through its Metropolitan Area Projects (MAPs), established in 1993, specific projects for new infrastructure and facilities were decided upon by the city and a citizen's oversight body. The funds raised were placed into accounts for specific projects rather than a general fund, and spending was on a pay-as-you-go basis rather than through borrowing.

MAPs ran until 1999 and the city collected $309 million through the increased sales tax. It also earned an additional $54 million through interest payments and its subsequent investment in a conference centre, canal system, public realm improvements and renewal of a derelict hotel resulted in $2.4 billion of private investment.[46,47] A range of further MAPs developments took place after 1999, bringing the total public and private investment in Oklahoma City to nearly $5 billion by 2013.[48]

Using vacant space and stimulating activity in the city centre

Vacant properties are a feature of both weaker city centres that have experienced a hollowing out of jobs and businesses, and of relatively strong city centre economies. One way of utilising the vacant space, while stimulating business activity in the city centre, is to encourage businesses to locate in these vacant properties. Temporary usage of vacant properties can be a way of tackling urban blight, as well as providing spaces for new businesses to try out ideas, start up enterprises and explore different types of industry previously unfamiliar to the area.

Incentivising owners to volunteer their vacant properties for temporary usage

Lead organisation: Christchurch City Council

Location: Christchurch, New Zealand

Year: 2011

Keywords: City centre regeneration; International

Read the full report: Delivering change: Putting city centres at the heart of the local economy

Following the 2011 earthquake in Christchurch, New Zealand, the Mayor encouraged the use of temporary buildings as a way to support the economy while development and refurbishment of the city centre went ahead. The earthquake destroyed most of the city centre, leaving a very high number of damaged buildings and vacant space and causing around NZ$40 billion of damage. Filling these vacant buildings through temporary uses was seen as a way of incentivising young people to stay in Christchurch, as a means of testing out new industries and of supporting the economy through the redevelopment of the city centre. The installation of temporary uses was led by non-profit organisations such as Gap Filler, a regeneration initiative that links community groups, designers, artists and others with ideas for making use of vacant spaces. These organisations offered advice and sometimes took on the management of projects themselves to encourage people to come forward with innovative uses. License to Occupy agreements and public liability insurance designed to protect owners from risk were offered to landowners to incentivise them to volunteer their vacant properties for temporary usage.[49] Funding and strategic support was provided to the non-profit organisations leading the temporary uses through the city council's Transitional City Work Programme and Projects Fund.[50]

46 https://www.okc.gov/government/maps-3/maps-history.
47 http://www.kpmg.co.uk/creategraphics/07_2014/Magnet_cities/index.html#226/z.
48 http://www.greateroklahomacity.com/clientuploads/pdf/economic%20forecast%202014.pdf.
49 http://www.gapfiller.org.nz/about/.
50 http://resources.ccc.govt.nz/files/CityLeisure/projectstoimprovechristchurch/transitionalcity/CentralCityRecovery-TransitionalCityProjectsFund-TermsandConditions.pdf.

The impacts on the city centre economy are difficult to gauge in such a short time period, but reducing the amount of vacant space is a positive outcome in any city, and Gap Filler alone have organised 45 temporary use projects in Christchurch since late 2010.[51]

Temporarily rent vacant properties below market rates

Lead organisation: Changwon City

Location: Masan, Changwon, South Korea

Year: 2012 - present

Keywords: City centre regeneration; International

Read the full report: Delivering change: Putting city centres at the heart of the local economy

Masan in South Korea is a medium-sized city centre within the city region of Changwon, which suffered from the collapse of the textile industry in the 1980s. The city's strategy for securing long-term growth in Masan was to build upon its artistic heritage and create an art village in Masan city centre with the intention of bringing in residents and visitors, and encourage business growth. As a way of incentivising Korean artists to move to Changdong Art Village, the city spent $2.2 million on renting 50 vacant city centre properties at 60 per cent of market rate, on the basis that the lease was guaranteed and the property owners would benefit from increased property prices in the long-term as the market responded to increased economic activity.[52] The city also invested in repaving streets, burying electrical cables and provided new exhibition spaces, before inviting artists to live in Masan rent-free.[53]

50 artists moved to the artists' village in May 2012.[54] At this early stage, the effect on the recovery of Masan city centre remains unclear, but it is promising. There has been international interest in the project from UNESCO and art dealers, and the city is looking to extend the project for a further eight years with discounted rents, while new shops and restaurants are opening around Masan.[55]

Delivering physical development and regeneration

In some cities, the market is too weak to deliver physical development and regeneration without public sector intervention and funding. Partners are purchasing and/or using the existing asset base to pump-prime development that will support economic growth.

Investing in assets to support a weak private sector market

Lead organisation: Swansea City Council

Location: Swansea, UK

Year: 2010 - present

Keywords: Public assets; Planning; Innovation; City centre regeneration

Read the full report: Delivering change: Making the most of public assets

51 http://www.gapfiller.org.nz/category/projects/previous/.
52 http://english.chosun.com/site/data/html_dir/2012/06/14/2012061401291.html; Magnet Cities.
53 http://english.chosun.com/site/data/html_dir/2012/06/14/2012061401291.html.
54 Magnet cities.
55 Magnet cities.

In Swansea, the city's asset management and investment strategy is driven by an objective of revitalising and boosting jobs in the city centre. Due to the relatively weak economy and poor market conditions, private sector-led development is not forthcoming in Swansea, so city partners are investing in and acquiring assets as a tool to spur on activity and plug the gap where the market is not providing opportunities for employment space and retail. The goal is to address the lack of highly skilled and better paid jobs in the city centre and improve graduate retention.

The council has acquired properties along the Kingsway, a struggling retail area, to create new office space, and is acting as a developer to deliver and update business stock. The city is exploring agreements with TechHub Swansea, a start-up office space provider, to take on the lease on completion. Similarly, the city is in talks to lease another building to Swansea University. Both of these schemes align with the strategic goal of bringing more jobs, footfall and economic activity into the city centre. The city has also acquired land to develop a mixed-use leisure and retail scheme, with the aim of providing additional amenities and facilities to revitalise the city centre. To support this goal, the council plans to move from the beachfront Civic Centre offices to the city centre, releasing an attractive beachfront plot of land to the market while bringing additional footfall and activity to the city centre.

Public assets in Swansea are being put to work, and invested in, within the context of a clear ambition to boost the economic performance of the city centre. Partners are delivering this strategy through existing public assets and funding investment through a combination of council finances, Welsh Government and EU funding.

Packaging sites to deliver viable development

Lead organisation: Sunderland City Council

Location: Sunderland, UK

Year: 2010 - present

Keywords: Public assets; Planning; Innovation; City centre regeneration

Read the full report: Delivering change: Making the most of public assets

In Sunderland, the city is taking a proactive approach to boost the performance of the city centre by investing in and acquiring sites, led by its Opportunity Acquisition Strategy.

They have created a public-private partnership, packaging sites into a single property vehicle which will lead on development to support city centre regeneration and renewal, where the private market alone would not have come forward. A clear aim of the strategy is to create jobs and enhance city centre attractiveness. Only a third of city centre jobs in Sunderland are highly skilled compared to over half nationally and this poses a challenge to the longer term success of the economy as city centres are becoming increasingly more important to attract high skilled jobs and growth.[56,57] After the recession, partners in the city started to investigate options for leading regeneration and development themselves. The private sector was not coming forward and sites were becoming available where developers had halted schemes during the downturn. One of the sites, the former Vaux brewery, was acquired by the council with plans to create jobs and enhance city centre attractiveness by developing high quality office space with complimentary residential, retail and leisure uses. This site has been packaged together with housing developments in Chapel Garth and Seaburn seafront sites into a joint Local Asset Backed Vehicle

56 Census 2011.
57 Swinney P and Sivaev D (2013) Beyond the High Street: Why our cities centres really matter, London: Centre for Cities.

(LABV) called Siglion with the council and Carillion, managed by Igloo Regeneration. In addition, the council has had to agree to take on the head lease on the first building delivered at the Vaux site in order to make development viable.

The value of entering a LABV to Sunderland has been to improve the ability of the portfolio to support employment, resulting in improved rents and rental income back to the council. The LABV model enables partners to focus on acquiring sites and building with low occupancy or a poorer offer and improving their performance. In Sunderland, the formal partnership between the public and private sector matches the expertise and finance available in the private sector, with the de-risking through planning that the public sector can bring.

Supporting the creation of a high-density central business district

Lead organisation(s): Advantage West Midlands, Stoke-on-Trent City Council, Genr8

Location: Stoke-on-Trent, UK

Keywords: Public assets, City partnerships; City centre regeneration

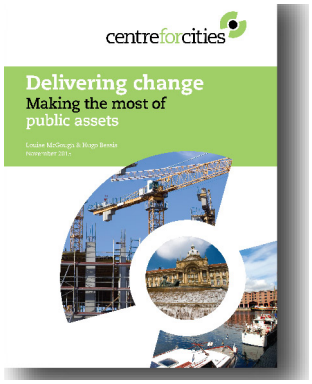
Read the full report here: Delivering change: how city partnerships make the most of public assets

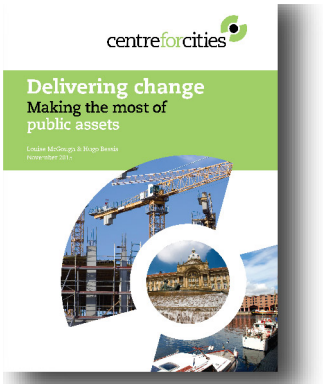
A vision for assets that draws on the well understood drivers of urban economic growth will improve jobs and wages. As a city made up of six towns each with its own identity, Stoke-on-Trent lacks the dense city centre that drives a strong city economy for clear historical reasons. Over a decade ago, the Regional Development Agency (RDA), Advantage West Midlands sought to address this problem. Hanley town centre was designated a regeneration zone to support the creation of a high-density central business district. In partnership with Stoke-on-Trent City Council and development partner Genr8, it set about assembling the land at Smithfield to allow the development of Grade A office space that would accommodate over a thousand jobs in the city centre and drive the economic development of the wider city economy. The wider scheme also included plans for housing to encourage more people into the city centre.

This clear vision for the local economy and the role of using of public assets to realise it, has meant that the project has been able to overcome a number of political, economic and financial challenges since its inception. As in many cities, the financial crisis hit the viability of commercial property development as the likelihood of private sector tenants fell away. As a key part of its economic development strategy, the council decided to push ahead with the development and move its own staff from 40 smaller sites to become anchor tenants in the two buildings. Although Advantage West Midlands pulled out of the project, as it was unable to support the project if the development was to be occupied by the public sector, the council and Genr8 continued to develop the site, as it was important to deliver these two office buildings as a leading development for the city centre. Advantage West Midlands was abolished in 2011 after it pulled out of the scheme with the site now owned by the council. Despite this, the RDA's successor Stoke-on-Trent and Staffordshire LEP continues to support a strong city centre for Stoke as a core element of its Strategic Economic Plan. Stoke's polycentric character can be viewed as a combined authority in microcosm. Sustained investment in Hanley to develop its city centre, rather than the other five towns created political difficulties for councillors from other towns. The case for continued investment in this asset was not made clearly to the public, especially those from other towns, who understandably viewed it as coming at the expense of investment in their place. This meant that the project faced significant local political instability in addition to the economic instability caused by the financial crisis.

The evidence behind the economic vision for the city and the role of this asset in getting towards it has meant that the development was able to overcome this instability. The new council elected in 2015 wanted the development to be more commercially minded, but it continued to support the scheme. Other public sector bodies, including Staffordshire Police and Stoke-on-Trent Clinical Commissioning Group moved into the first building. The second building proved attractive to a joint venture between Severn Trent and United Utilities that was in need of Grade A office space in the area, adding 500 jobs to the city centre. Smithfield has also been a catalyst for other stalled city centre developments. A new retail development which had previously failed to get funding is back underway in Hanley and a hotel is set to be developed on the Smithfield site. Commercial income to the council has doubled from £1 million in 2015 to over £2 million today with the aim of £5 million by 2020.

More information





The case studies in this document came from the reports:

'*Delivering change: Putting city centres at the heart of the local economy*', published in 2014. Read it at: **www.centreforcities.org/publication/delivering-change-city-centres/**.

'*Delivering change: Making the most of public assets*', published in 2015. Read it at: **www.centreforcities.org/publication/delivering-change-making-the-most-of-public-assets/**.

Delivering Change, how city partnerships make the most of public assets. Read it at: **http://www.centreforcities.org/publication/delivering-change-city-partnerships-make-public-assets/**

You can find more case studies on our website across key areas of economic growth policy such as housing, transport, business growth and innovation.

Go to our website at **www.centreforcities.org** for more.

August 2017

Centre for Cities
Second Floor
9 Holyrood Street
London SE1 2EL

020 7803 4300
info@centreforcities.org
www.centreforcities.org