Introduction

Experience around the world demonstrates that targeted investment in urban regeneration projects can be an important catalyst for improving a city’s fortunes. Cities are transforming underused waterfronts, former industrial sites, and transport hubs in a way that creates value and enhances city image and profile. Polish cities present many such opportunities for regeneration.

Carrying out such regeneration requires three elements:

- a clear and complete vision and strategy;
- a robust and diverse financing strategy; and
- the ability to leverage both of these elements to execute a complex urban regeneration project from inception through implementation.

A two-day site visit and workshop, organised by the Urban Land Institute and hosted by the City of Poznan in September 2016, brought together representatives from the public and private sectors in four Polish cities with international experts on each of these three elements of regeneration. The discussion focused on the practical actions that cities can take to develop and promote urban regeneration projects and obtain financing for them.
Warta River waterfront site tour

The first day of the workshop consisted of an informal walk through Poznan and a boat trip to show participants regeneration projects that have been carried out in the historic city centre and along the Warta River waterfront.

The river is a central element to the regeneration: the riverbed had to be relocated once because of flooding risks in the city centre. Currently, there is an effort to reintegrate the old city centre with the new one, and regenerating the waterfront both for leisure and as a connectivity element is key to that project.

There are a number of complicating factors with the redevelopment of the Warta River:

- the governance structure between the city government and water authority;
- the flood risk and the natural barriers;
- the water pollution which constrains recreational activity.

The cultural offer along the river is supported by a public/private partnership (PPP). Temporary reused shipping containers accommodate varied uses, such as gallery spaces, shops, cafés, and leisure activities. Usually, companies running their businesses in the containers do not pay rent, but part of the revenue generated is directed to the city council, with money reinvested locally for waterfront regeneration. Some waterfront areas are deliberately not being given further attention for redevelopment because their organic activities are successful and attractive. In terms of infrastructure, electricity service is being installed along the waterfront to make the area also usable in the evening by temporary restaurants and for open-air activities.

The waterfront is a leisure element that adds to the quality of life in Poznan and helps drive the local economy through tourism and boat trips; use is intense during summer. The area is now being envisioned to support more water events, such as competitions between cities in Poland, which could also bring people and communities together.

Setting the vision

During the second day of the workshop, the scene was set for how a city vision and a clear urban strategy should be established. The following elements were considered important:

- Deline whether the long-term plan should be for growth or consolidation, which relates to whether the city is expanding or shrinking.
- Identify the strategic assets of the city—whether educational, cultural, medical, or something else—and explore how they can be used to local development benefit.
- ’Know who you are as a city’ and determine how to communicate that vision to and with citizens.
• Set key priorities for city development and define whether these address short-term as well as long-term needs.

• Identify whether the capital budget at the local/regional/national level can support long-term investment.

Attracting private investment

To develop a meaningful long-term vision, the city must consider both long- and short-term elements. Public/private partnerships are an important tool within this framework because short-term initiatives can help finance later stages of the wider vision. This can be carried out by linking future envisioned revenues from private sources to the initial public investment in assets that will be attractive to the private sector. Thus, investment in infrastructure is likely to drive economic growth in the long term.

A city with the best prospects for attracting private investment has attributes in the following areas:

• Demographics: The city must have a young and growing population and ongoing activity that investors can build on by providing other activities and creating new markets.

• Physical infrastructure: Infrastructure investment by a city can really act as a catalyst for growth and attract private investment. Investors look at the access and connections provided by transport elements within and beyond the city. Logistics was also mentioned as being of paramount importance, with special attention paid to the relationship of the local market to the global market.

• Educational institutions: The knowledge economy is safe ground that investors find attractive for investment. Large educational institutions lead local economic development and innovation.

• Political stability: Continuity, predictability, and the extent to which cities can overcome short political cycles and be faithful to project development in the long term are important in attracting investors. These attributes can provide security to developers in the long term. Developers also look at the history of tax policy, along with the reliability of taxes as set by the city government.

• Business incentives: Incentives are also very valuable in attracting investors—mostly for creating an environment where businesses can thrive and attract people to the city.

Some elements can hinder the possibility for investment, including:

• Political disruptions: Change in governance and plans that are diverted—wasting early redevelopment efforts—discourage investment.

• Lack of a long-term city vision and strategy: A long-term vision is important both at the regional and city level. Setting a long term vision and strategy and executing it through various cycles is the hardest thing to accomplish.

Using its understanding of what is attractive and unattractive for investors, a city must establish a long-term vision and implement strategies that will ensure that this vision will be followed despite political shifts.

Poznan still largely depends on EU funding and is currently exploring ways to attract more private capital. The context for development in Poznan is the following:

• Retail development in polish cities took place mainly outside the city centre 20 years ago. This discourages investors because investment in city centres creates a stronger and more sustainable nucleus of opportunities. However, Poznan still has a clear city form on which to build.

• In the past, political fragmentation in Poland was a big issue for investors. Today, the political system seems more consolidated, but still is not completely resolved. It is crucial that transparency is achieved in order to make Polish cities more attractive for investors.

• Poznan has an advantageous location between Berlin and Warsaw that it should capitalize on: the current rail line connecting the two cities and from 2017, the city will upgrade and reconstruct the PKP railway to provide a faster service. This will improve Poznan’s connectivity and help it become more attractive for investment.

• The waterfront was outlined as the main element for exploring investment opportunities; progress there could demonstrate the opportunities for future development.
After the political transition in Spain, in 1980 the Basque tax system was returned to local government. The opportunity arose to invest in local infrastructure in the Bilbao metropolitan area and this led to the following main projects:

- Creation of the Metro system, designed by Norman Foster.
- Renewal of the sewage and water system.
- The expansion of the outer port which freed public land for redevelopment. A public company named Bilbao Ria 2000 was established to coordinate redevelopment of this land, with half belonging to Spanish government and half to the Basque and local governments. Money generated from these lands was reinvested in new regeneration projects.
- One of the most successful projects arising from this context is Guggenheim Bilbao Museoa, with its prominent art collection and its building designed by noted architect Frank Gehry, attracting multitudes of tourists every year.
The project regenerating the River Seine, which was divided into two phases, was intended to bring more vibrancy to the riverfront, benefitting citizens and driving economic development.

The first phase, transforming formerly car-dominated space into pedestrian-only areas, was driven by public and private investment from Artevia, which is responsible for cultural and social innovation projects. The first phase also relied on citizen collaboration, with public consultations taking place to understand what would be most valuable for citizens.

The second phase introduced more restaurants along the waterfront, plus island activities and new pedestrianised areas. This phase had no private investment; it was driven completely by public investment and, again, public consultation.

Citizens were in favour of the development and despite the engagement approach, there was strong political opposition coming from the car lobby and political opponents. In response, the city implemented changes, recognising them as a good intervention. Site operation is supported by public and private finance, with an annual budget reserved for security, communication, cleaning, and site management—all arising from public tax revenue.
Gothenburg Riverfront regeneration

RiverCity Gothenburg is developed by the city-owned company Älvstrand Utveckling AB in co-operation with the City Planning Authority and the Property Management Administration.

The co-operation between the municipalities in the Gothenburg region have a strong focus on how to increase the capacity in the public transport system and create a better accessibility to the central parts of Gothenburg. The aim is to create a strong and diverse economy by strengthening the regional core. Through an open and comprehensive process, involving national and international expertise as well as the Gothenburg society (citizens, businesses, NGOs etc.), a vision has been developed as a platform for the regeneration of the central located, former port and industrial areas along the river.

The regeneration aims to:

- reduce physical (natural) barriers and explore using them as assets;
- strengthen the social cohesion in the city e.g. by involving the citizen in the planning and implementation;
- create affordable housing in central areas;
- create opportunities for walking and cycling along the river; and
- have a 50 per cent owned and 50 per cent rental housing strategy.

The riverfront regeneration is a catalyst for the wider vision for regenerating the city and, based on the idea of ‘openness to the world’, also aims to attract private investment.

Currently, a new transportation hub in the city is functioning well, with connectivity between trams, buses, and ferries. New urban districts around the waterfront are being developed, along with a new bridge and a new railroad tunnel with a central located underground station. The Jubilee Park development involves ideas and dialogue with engaged citizens.
The banks of IJ, Amsterdam’s waterfront has gone through a spectacular transformation the last 25 years. The former backside of the centre and revitalised dockland area created a new dense urban area with a mixture of housing, business premises and recreational facilities.

The development started in the eastern harbor area on the east side of the IJ banks. Regeneration in each area was developed with a separate plan and distinct character, in line with preserving the original structures of the docks. The well-kept industrial heritage along with placemaking and infrastructure is now a highly valued city fabric bringing social benefits to citizens and value for real estate developers. Its well managed water policy has also made the IJ banks appropriate for swimming, enhancing leisure opportunities.

The second stage of the development includes the renewal of the Central Station and a new metro line to be opened in 2017, playing a main role in the connectivity of the city and the metropolitan area on a larger scale.

The success of the Amsterdam waterfront regeneration is due to the city working with a ground-lease system. The city owns over 80% of the land and has an active ground policy. Land is only given out when the market is ready for it. Placemaking activities, investing in industrial heritage and renovating monuments are means to create value before leasing it out again.

Furthermore, the city has hosts several public functions and recreational activity at the IJ Banks (Concert Hall, Public Library, Debate Centre, Film Institute and Palace of Justice). This clear strategy of the city, has given confidence to the market to invest in this area.
Poland’s investment attraction

Poland is attempting to step away from its short term focus to attract private investment to drive long term regeneration. In doing so, its leaders recognise that government must identify the country’s strengths and weaknesses in order to attract private investment.

The government needs to set a clear strategy to connect Poznan to Warsaw through a new highway and speedier rail service between Berlin and Warsaw, making the most of this connectivity locally, regionally, and globally. Also, city centre redevelopment can put Poznan in a new and more attractive position, both within Poland and in the global context.

Poland recognises the importance of leadership and the need to make bold decisions. Currently, cities are influenced by market forces and investment cycles where the city authority has less power, and thus city collaboration with the private sector and civic society is necessary. City government does not need to be the main actor in development. The city needs to develop specific messages for specific audiences—citizens and investors—and make up for the lack of tax capability by creating incentives in a smart way.

Poznan: Warta River regeneration strategy

During the workshop, after learning from other waterfront regeneration case studies and their financing strategies, Poznan officials outlined the city’s Warta River regeneration strategy. The plan acknowledges that the city’s location is less favourable and provides lower global accessibility than is the case for Paris, Gothenburg, and Amsterdam.

The initial redevelopment of the Poznan waterfront started in 2005 in the downtown area, the site of major social problems. By replacing its bridge, the old town gained increased accessibility, but still not as much as desired by the city and its citizens. The government jump-started its waterfront regeneration process, which it intends the community to take over as an organic development with a focus on social integration and innovation.

EU funding was used to drive the revitalisation forward. The aim of the revitalisation was to create more social opportunities while making the city safer and more liveable, with activities on the waterfront directed at different age groups.

Kayaking became one of the most popular activities. Current strategies for ‘urban beaches’ along the River Warta are meant to ‘give the river back to people’, who can make use of it in whatever way pleases them. Last summer, four ‘city beaches’ were developed as a prototype and proved to be very attractive and successful. The idea is that now people are aware of the opportunities related to the waterfront and can, in the next stage, organise ‘urban beaches’ themselves.

Future initiatives being envisioned are:

- sports workshops along the river;
- a cleanup campaign to make the water appropriate for swimming;
- cycling lanes along the river and on the bridges above; the number of cyclists in Poznan is rising.

The Old River Bed park, which has already been revitalised further up the river, is intended to be integrated into the waterfront and connected to the old city centre—designated as the second area. Connectivity and accessibility have been identified as the main challenges of the regeneration strategy, in addition to the instability of the water level, which makes it risky to build fixed structures along the waterfront.
Observations and recommendations

A great opportunity remains for Poznan regeneration, and it lies mainly in the water itself. The city's best solution would be cleaning the river and creating a new story to attract private investment. A narrative focused on the water would allow investment to flow like the water. In the closing discussion at the workshop, participants made the following observations and recommendations regarding Poznan:

- The city needs to pursue a long-term vision that is attractive for private investors. If the goals set in the strategic plan are also helpful for investors, this may lead to success.

- While Poznan still has the availability of EU funding, they should think how to leverage this and integrate short-term projects to attract long-term private investment and strategy.

- Cities should think about the future when they invest in something new. It is key to know how and where to invest in a way that generates revenue that will support the next phases of the regeneration vision.

- The city can already start with initiatives that do not require investment, such as cleaning the water. As shown in the Amsterdam case study, this can have a catalyst impact on the recreation around the river.

- A well-thought-out taxation system is key to urban development, and money arising from taxes must be reinvested in the city for further regeneration.

- It is of paramount importance for success that the city collaborates with the private sector and citizens.

- The city should provide flexibility when development is being envisioned. The ‘problem’ of being unable to build fixed structures along the Warta waterfront in Poznan because of flooding can be viewed as an opportunity to test temporary uses, while also embracing organic and incremental development. This can suggest new spatial dynamics that determine the next step for regeneration.

Looking ahead

The main challenges for Poznan are to move from a short-term perspective of selling assets to obtain cash to the long-term vision of leveraging assets to create value, co-investing in assets with the private sector, and creating value for the city and its citizens and attracting investors.

The next step will be to develop and pursue a vision that combines short-term tactics with long-term investment strategies, placing Poznan in a different position globally.
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