

Chapter 3

Urban Models in Italy: Partnership Forms, Territorial Contexts, Tools, Results

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3.1 The Theoretical and Methodological Setting

The starting point of the approach developed in this chapter consists of the change that the contemporary European city is experiencing, as a result of the effects created by the process of functional and technological obsolescence, which involves significant parts of its urban fabric. Where part of those urban functions (private as well as public, productive, public services, etc.) have ceased or in some way become weakened, other functions have replaced them. This substitution process has a very high level of complexity, due to the interference of legal, economic, urban, environmental, and social problems. This process takes place without following any general rule and it takes specific characteristics within different city contexts, considering timing and, above all, outcomes.

Within the European city, the substitution of obsolete functions with new ones or the renewal of the traditional ones takes place, in spaces within town, in such a way as to create a wide range of intervention models: *gentrification* (economic and social valorization), *revitalization* (economic revitalization with significant social effects), *regeneration* (regeneration of the social fabric), *recovery* (recovery of existing physical structures through their requalification), *redevelopment* (change in the use of town spaces, due to the improvement of parts of the town), *renewal* (renovation of parts of the city by substituting functions and structures), *framework* (arrangement of a complex project of town renovation), and *restructuring* (radical modernization of town spaces through a plurality of interventions of various types and on differing scales) (Fig. 3.1).

The chapter contains the results of a research directed by Stefano Stanghellini, who is also the author of the sections 3.1 and 3.4. Sergio Copiello has collaborated on the research and he is the author of sections 3.2 and 3.3.

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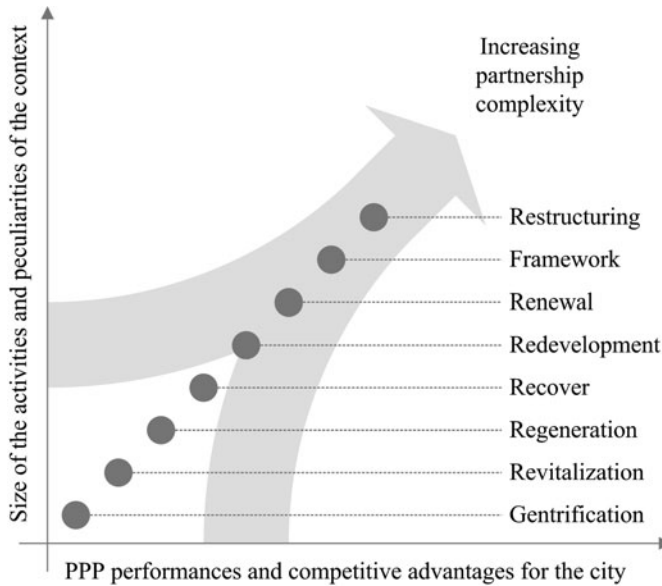


Fig. 3.1 Urban change models and complexity of partnership forms

The interventions that make up these models come about, in general, through innovative forms of cooperation between the public and private sector. Indeed, it is well known that the requalification needs of cities cannot be satisfied by traditional partnerships between a local government outsourcing public works and the companies that carry out them, and that “the complex problems of town transformation require complex organizational solutions” (Newman and Verpraet 1999). The assumption at the root of the development of these forms of partnership is that they allow the best qualities of the public and private sectors to work together, moved by common – even different – interests so to produce required goods and services, while sharing the risks, the costs, and the resources (Van Ham and Koppenjan 2002).

As far as the nature of public–private partnerships is concerned, with respect to the numerous classification proposals contained in the literature, the main conceptual framework of reference herein adopted is that proposed in the European Commission’s Green Paper (Commission of European Communities, 2004, 2005, 2006). The Green Paper distinguishes between “purely contractual types of PPPs” and “institutionalized types of PPPs.”

The first group – purely contractual PPPs – pertains to partnerships based exclusively on the contractual ties between the partners, and it is found most notably in building and management concessions. In “contractual type PPPs” the private partner supplies a service to the community under the control of the public partner, which is remunerated by the fees collected from the service user or payment from the public partner. The second group – institutionalized PPPs – implies cooperation between the public partner and the private partner within a third distinct entity, jointly held by the two partners. An institutionalized PPP can be brought about both with the creation of a new jointly held entity, or with the private partner being involved in a preexisting public enterprise.

The European models are mirrored in the partnership forms to which the Italian legal system had evolved. Two orders of regulations deal with them: those concerning the tendering of public works and those relative to the functioning of local government administration.

Purely contractual PPPs pertain to the designing, financing, building, and use of infrastructure in its broadest sense – schools, hospitals, transport infrastructure, and so on. The Italian legal code regarding public contracts for works, services and suppliers (Legislative Decree 163/2006) interacts with the Green Book regulating those contractual types of PPPs in the form of public works concessions (articles 142–147) and project financing based on private initiative (articles 152–160). In contrast with “building and management concessions granted for public works,” where the project is elaborated by the local government administration, in the “pure project financing” based on a private initiative, the PPP has its origins in a private proposal started up by a promoter. The possibility (article 143, c. 5) that “the local authority contracting out can make over a real estate ownership or the right to use it in compensation of construction costs” connects the production of public works to private real estate investment; it can also connect private real estate investment to public urban regeneration planning.

In Italy, the institutionalized PPPs outlined by the Green Paper are confirmed in the regulations laid out in the Consolidated Act of laws on local authorities’ organization (Legislative Decree 267/2000). For “the management of public services with the objective of producing goods and activities for social purposes and promoting the economic and civil development of local communities” (art. 112), the local government administrations can create limited companies or limited liability companies with major shares owned by prevalently local public capital (art. 113) or limited companies without the obligation of majority public ownership (art. 116, 120). This possibility pertains to the management of any public service. More specifically, for urban regeneration projects, local authorities can involve private resources above all in two types of institutionalized PPPs: “URC-urban regeneration companies” (in Italian STU – Società di Trasformazione Urbana) and companies for the management and improvement of their real estate.

The Green Paper takes its cue from the goal of the European Commission: free competition and the creation of an internal market. It therefore treats public–private partnerships as an evolutionary step from the traditional forms of collaboration by the private sector with the public administration via the realization of public works on the basis of tendering procedures.

What the “purely contractual” types and the institutionalized types of PPPs have in common is the public ownership of the intervention real estate and the public procedure for the selection of the private partner by the local authority. Nevertheless, another form of partnership exists, based on negotiations rather than competition, whose starting point is the private ownership of land and the consequent private entrepreneurial urban regeneration initiatives. This different type of PPP has developed from within the town planning system. The origin of negotiation-based partnerships is therefore totally different from those of the two types examined above. Nevertheless, an important point of contact does exist between negotiating partnerships and the discipline of contracting out public works, which is shown when the cost of the public works included with the private urban regeneration project exceeds the European Union threshold of €4,845,000.

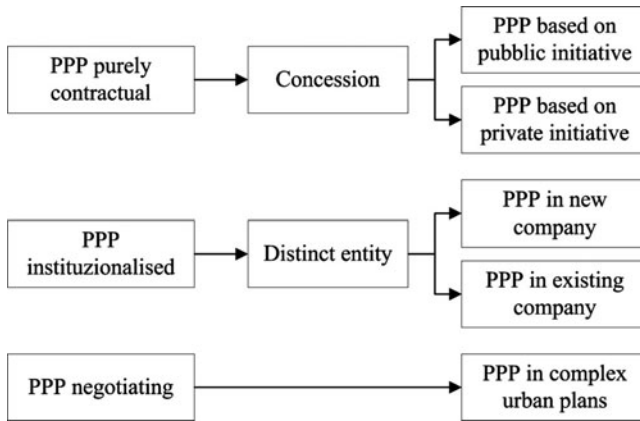


Fig. 3.2 Summary of the public–private partnership models in use in Italy

At the root of negotiating partnerships is the interaction between the town planning power of the local authority and the private ownership of real estate to be transformed: the decisions of the local authority regarding the real estate planning regime determine a variable increase in the value of the private property, and the negotiations between the two subjects about the division of the surplus value produced leads to agreements that ratify the accomplished creation of the partnership.

In Italy, negotiated types of PPPs are regulated by town planning legislation. Note that this matter has been transferred from the State to the Regions.¹ For example, in Lombardy and in other regions, negotiated PPPs are created within an integrated intervention plan (*PII-Piani Integrati di Intervento*); in Emilia–Romagna and in the Marche, they are created within a town requalification plan (*Piani di Riqualificazione Urbana*); and in Veneto, within an integrated plan for town, building and environmental requalification interventions (*Piani Integrati di Riqualificazione Urbana ed Ambientale*). In most of the Italian regions, it is the regional legislation that defines the procedures and the contents of the above-mentioned planning tools. These regional plans and the similar State-promoted plans as a whole are called “complex town plans.”² The approval of a “complex plan” by the authority constitutes a variant to the general town plan. The “complex plans” documents have to clearly identify the benefits brought by the variant to public and private actors, and to list the planned public infrastructures that could be managed by private entities/bodies/organizations.

The diagram in Fig. 3.2 summarizes the illustrated three types of public private partnerships (which have been discussed) with reference to the Green Paper and to the Italian legislation.

¹See Reform of the “Title V” of the Italian Constitution.

²In Italy the State and Regions laws have created many types of “complex urban plans.” Each one has its own features. They have in common the cooperation between public and private sector, the integration of public and private resources and a multifunctional approach.

Therefore, in Italy, urban regeneration is achieved thanks to different types of partnerships characterized by various applicative methods. In public initiative PPPs, in cases where the scale of the intervention is limited, project's implementation is realized applying one single innovative method (for example, concessions; call for tenders which compensation is the real estate property transfer; urban regeneration companies) or to more than one pair of methods sequentially connected (for example, urban regeneration companies and concessions). Similar simplicity is found in the negotiated partnerships in relation to interventions on a modest scale.

When the scale of the intervention increases, the complexity of the problems to be solved also increase, as do the consequent complexity of the plan and the articulation of the PPP. In the case of "complex town plans" it becomes evident that "a PPP is not a fixed structural model for collaboration between public and private partners, but a tailor-made organization for the realization of a given project" (Nijkamp et al. 2002). The establishment of partnership organization therefore interacts virtuously with the urban design, in one way helping to define the multiple performances which it must guarantee, and in another taking on in its own right a strong experimental and innovative character (Adams et al. 2001).

Within the context outlined above, this paper borrows from the CoUrbIT research program the working hypothesis that the quality of change is strongly determined by the public sector's capacity as well as that of the private sector – each of which is articulated through a plurality of entities – interacting and stabilizing cooperative forms which are able to produce competitive advantages for the city. On the basis of this assumption, the Italian context will be explored through the analysis of a number of case studies in order to find out if the action of the public sector and that of the private one tend to establish extensive and innovative partnership forms, and what the results of these partnerships are in relation to the completion of the projects entrusted to them.

Other than depending on the scale of the intervention, the complexity of the partnership forms is tied to peculiarities within the territorial context, and therefore to its institutional, economic and town planning conditions.

Regarding this aspect, the more the level of public–private partnership cooperation is wide and innovative, the more the local authority is capable of moving the focus of its operativeness from its own direct intervention to the creation of an environment favorable to private initiative, and where the private entities are capable of working together with the local authority to reach shared results (Porter 1995, 1997). The growing importance of public–private partnership, it should be noted, is upheld by a wide range of economics literature regarding competition between cities in the networking and globalized economy, regarding city marketing and city enterprise (Harding et al. 1994). The enterprising city which takes part in global competition is a "multiactor" reality: its transformation is not the exclusive responsibility of the local authority, but it is the result of the interaction of a multiplicity of public and private entities, which must interact and create *win-win situations* (Nijkamp et al. 2002).

Within the international literature the links between the economic, institutional and political context and the partnership experience are known (Adair et al. 1999). The types of partnership reflect deeply rooted traditions and cultures (Harding

1998; Savitch 1998). For example, within a context open to the market such as that of the United Kingdom and in particular that of London, private initiative plays an important role; in France, the traditionally strong position of the state is also demonstrated in the promotion of town projects; in Germany, regional policies have a significant impact on investment plans (Newman and Verpraet 1999).

Although valid at an international level, this observation is also valid for the different cities and regions that form a highly diversified nation such as Italy. The political-administrative and technical capacities of the local authorities and the entrepreneurial abilities of the private sector are very different and, consequently, the development of public-private forms of partnership are affected in a determined way by such diversification.

The diagram below (Fig. 3.3) summarizes four possible combinations, which are the result of various types of initiatives and cooperative capacities demonstrated by the public and private sector.

Where the capacity of both sectors is low, generally the town context either suffers permanent structural obsolescence or even a worsening situation over the course of time.

The high capacity on the part of only one category of these entities is not on its own enough to lead the process of change in situations of functional obsolescence. Although the capacity of the private sector is limited, the high capacity of the public sector frequently leads to projects and plans condemned to remain largely unrealized due to lack of market response. The high capacity of the private sector,

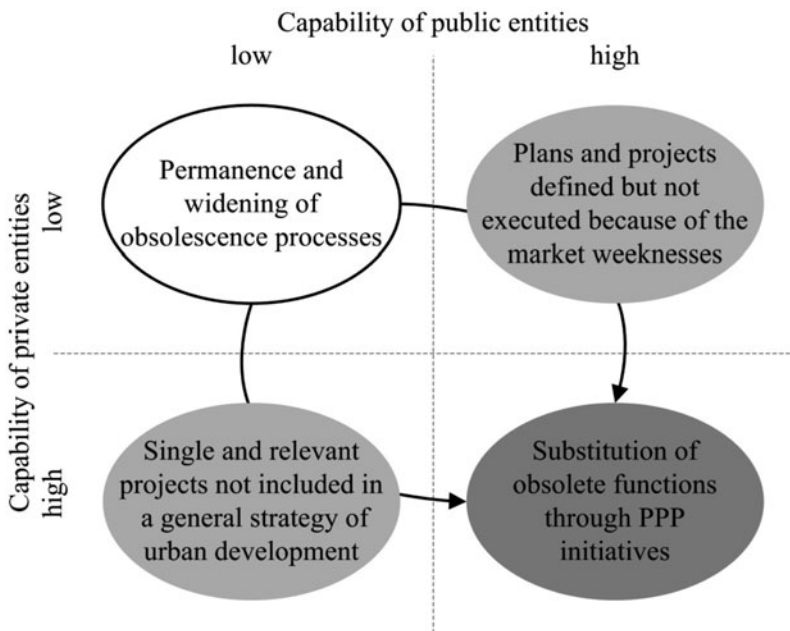


Fig. 3.3 Different types of initiatives' capability shown by the public and private sectors

compared to the limited capacity of the public sector, is expressed in the form of single interventions. Each one of them may be relevant, but all together they are not coordinated and incorporated into an organic plan addressed to city transformation.

The high initiative and cooperative ability of entities belonging to both sectors are an indispensable basis for the creation of evolutionary forms of public and private partnerships; high ability of public and private sectors often brings about the activation of intervention models, which aim at promoting the substitution of obsolete structures in innovative ways.

Following this approach of analysis, and focusing on public–private partnership forms in the Italian context, four initial situations can be identified (Fig. 3.4):

- (a) A situation where the private entrepreneur is the leader acting with a responsible and efficient local government: the interaction between the entrepreneurship of the private promoter and the negotiating ability of the local authority reaches a high point of equilibrium along the town renovation trajectory.
- (b) A situation that is characterized by the hegemony on the part of the local authority and widespread private activity: because the former develops significant planning initiatives and the community appreciates its governance ability, the private sector tends to stabilize cooperative arrangements with it and to be open to adhering to its new initiatives.

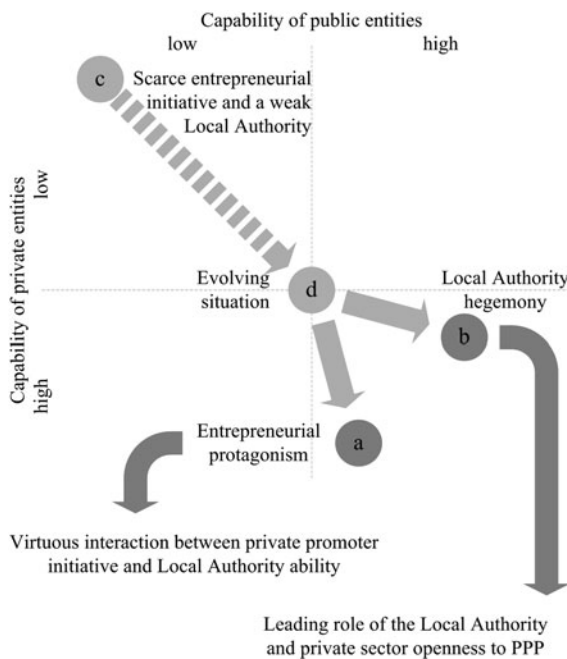


Fig. 3.4 Local authority and private entity characteristics: the main situations found within the Italian context

- (c) A situation in which, in the presence of scarce private initiative, the local authority, even though slow and poorly effective, is the only player in a position to promote urban change; the process set off in this way gives primary results which may induce some entities from the private sector to adhere to it, and in doing so, to amplify intensity and range of its action.
- (d) An evolving situation: the local authority attempts to promote innovative interventions aiming at stimulating the private sector, but the latter is distrustful and allows space for cooperation only when the experiment is already in motion and it has produced certainties in terms of reducing the intervention risk.

Virtuous interaction between the private promoter and the negotiating capability of the local authority – The situation under examination can be characterized as follows. The private sector develops entities with a significant capability to propose and to realize projects. Usually this takes place in metropolitan contexts with a high profile from the point of view under discussion, such as, for example, those of Milan or Turin. Thanks to the contextual presence of local authorities strongly oriented toward pursuing the economic development of the community, equipped with efficient technical and administrative structures, virtuous partnerships are formed, which, when associated with large scale intervention work, give birth to very complex partnerships.

The outcome of urban change is the result of the quality of the private initiative and the capability of the local authority to identify its true objectives and to establish virtuous relations with private entities. The possibility of generating and redistributing conspicuous shares of land rent creates propitious conditions for reaching high points of equilibrium in the interaction between the local authority and the private sector, which may correspond to an increased quality in the transformations taking place, and thus the creation of significant competitive advantages for the city (new functions, big infrastructures, town facilities, etc.).

Among the numerous tools that may be used to realize public–private partnership, typical of this situation are those that originate from private proposals and then arrive at agreements which define the outcome of negotiations between the private entities and the local authority. The latter, holding town planning powers, has to decide if and on what extent to accept the private proposal and therefore it has to make it feasible by modifying the town general plan. Various tools belong to these forms of negotiation, such as integrated intervention plans (*Piani integrati di intervento*), plans of town requalification (*Piani di riqualificazione urbana*), and also many others.

The situation under examination may also lead to “forms of competition” referable to the European model of purely contractual PPPs. Generally, the assumption for this second type of situation is the public property of real estate having become obsolete that needs to be converted to other uses and to be improved. The rehabilitation project aims to create significant amounts of land rent in order to finance the realization of new public structures. Among the tools considered part of these forms of competition, one must remember: the alienation of public property assets on the basis of the price offered by the private competitor and the quality of his project; the pure project financing procedure activated by public tender announcements in order to find a

promoter/more promoters to be selected and to which granting the construction and management of complex public structures (such as for instance, new hospital sites); the investment funds based on public property assets.

Local authority hegemony – In town systems where the local authority, over time, has proved to be able to develop significant planning initiatives and it has therefore acquired strong governance among its citizens, the private sector has become used to cooperating with local governments; therefore, it is open to new proposals. This happens in many medium-sized cities in central and northern Italy. In the situations described, industrial districts characterized by advanced forms of cooperation ascribable to the European model of institutionalized PPPs have usually been developed.

The roles of the investment promoter and of the urban development regulator typical of the local authorities are expressed, in the most highly developed contexts, through general planning tools that adopt “equalizing and compensation” approaches, as far as building rights are concerned. In this way, the local authority regulates the creation and redistribution of land rent during urban regeneration works, not only between the public and private sector, but also among different subjects of the private sector.

Public–private partnership forms of competition that are both an expression of the European models of purely contractual PPPs and institutionalized PPPs are a peculiarity of this situation. The calls for tender, some of which are regulated by specific public–private procedures, can concern: the public properties disposal that the local authority may create through equalization; the entrusting public works through the “concession of building and management”³; the “public buildings alienation” on the basis of the price offered by the private competitor and the quality of its project to be realized; the search for private partners to take part in the share capital of the “urban regeneration companies” (in Italian *Stu-Società di Trasformazione Urbana*, hereafter abbreviated with the acronym “*Stu*”) or in other joint-stock companies promoted by the local authority in order to manage its real estate.

This situation, in some circumstances, can lead the authority to take on a government-controlled interpretation of public–private partnership tools, leading so to the inability of creating competitive advantages for the city according to the working hypothesis adopted in this paper. “Urban regeneration companies” (*Stu*) or “public buildings alienation,” promoted by local authorities on the basis of predefined projects which are too detailed and rigid as far as functions and quantity are concerned, are examples of an extreme interpretation of hegemony by the local authority regarding urban regeneration management tools, which thus fail to valorize PPPs potential. Finally, in this situation, other forms of negotiation also are very widespread, even though not being the peculiarity. “Integrated intervention programs,” “urban requalification plans,” “integrated programs for town, building and environment regeneration” are also largely used in contexts referable to this situation.

³In the Italian public works system, the “concession of building and management” is a form of project financing with a stronger control of the authority, as far as the expected results are concerned, compared with “purely project financing.”

Scarce private entrepreneurial activity and supplementary intervention by the local authority – In some contexts, characterized by the absence in the private sector of entrepreneurial spirit open to innovation and to investment in town rehabilitation, a way out only occurs if the local authority takes responsibility for outlining the future of the city and for deciding the most appropriate tools to manage urban changes. As this work has to be taken on notwithstanding the planning and managing capability of the local authority, even slow and not particularly able local authorities are forced to perform it.

This situation is much more common in the south of Italy but it can also be found in other areas. The relatively modest land rent to be gained thanks to urban regeneration processes, due to the operative difficulties and to high costs in comparison to the modest size of the real estate value produced, does not activate private initiative, which prefers to address to more consolidated and less risky options, such as for instance to real estate developments in new urban areas. In many cities the task of contrasting obsolescence processes in urban areas is a burden shouldered entirely by local authorities. Another critical point, however, is represented by the fact that, in these contexts, the authorities themselves often are lacking under the political orientation aspect and the operative efficiency. Usually, therefore, essential requirements for steering a real PPP's development are lacking.

In these situations the experiment of “complex urban plans” promoted by the Ministry of Infrastructure since the beginning of the 1990s played a very important role. The town regeneration programs (*Pru-Piani di Riqualificazione Urbana*), plans of town regeneration and sustainable development of the territory (*Pruss-Piani di Riqualificazione Urbana e Sviluppo del Territorio*), neighborhood agreements (*CdQ- Contratti di Quartiere*), urban regeneration companies (*Stu*), together with EU programs like urban and integrated territorial projects (*Pit-Progetti Integrati Territoriali*) have stimulated local authorities, also thanks to the possibility of obtaining significant financial resources in order to promote and manage the regeneration and renewal of their cities. In line with the characteristics of such “innovative urban plans,” local authorities have assumed an approach characterized by the integration of actors and resources, and by the plurality of their interventions’ sector (cultural assets, infrastructure, environment, etc).

These experiments have increased the responsibility and the efficiency of the local authorities, stimulating the development of “a wider project range,” often enriched by original ideas. They have also brought financial resources that can be also used in the cities for supporting private initiatives. However, the involvement of the private sector and the development of public–private partnerships have had an episodic nature. As a consequence, in these situations, the possibility that public–private partnerships develop to create competitive advantages for cities seems to be far from reality.

Typical of the illustrated situation is the following partnership tool: “innovative urban plans” promoted by the state and the regions, conveying a large amounts of public financial resources used for public works contracts (traditional PPPs). Unique to it is the creation of “urban regeneration companies” shared only by public entities. Apart from this, as the involvement of the private sector is taking its first steps, public–private partnership has revealed simplified forms of “negotiated

partnership,” through traditional town planning tools, such as urban recovery plans (*PdR-Piano di Recupero Urbano*) and integrated intervention plans (*Pii-Piani integrati di intervento*).

Developing situations – There are also town contexts that are characterized by the following situation. The local authority, which is aware of the competitive advantages that the city can acquire, strives to involve in innovative PPPs a private sector, which is used to work with traditional tools. The private entities themselves show a lot of interest in the activity of the local authority, but wait for it to produce certainties as far as the profits that will be generated are concerned. The urban market, in these contexts, could generate high land rents once the partnership is defined.

Unique to this situation are those partnership formulas that were conceived of from the start as “evolutionary.” The categories of “institutionalized PPPs” and “negotiating PPPs” host some of them.

One example is represented by mixed companies. The authority promotes the establishment of a stock company, for example an urban regeneration company (Stu) or estate management company, initially made up of public capital only. Then, shares of corporate stock are made available to private partners as certainty levels grow in development projects and the expected land rent materializes. The evolution described is thus planned from the start; therefore, the public sector presence at the beginning only is instrumental to the partnership development.

“Negotiating forms,” on the other hand, are exemplified by the involvement of the private sector in the housing policies. The present need for producing housing supplied at prices or rents lower than those of the free market requires the institution of new forms of collaboration between the public and private sectors. The public sector alone is not able to resolve the housing problems faced by many sectors of the population. There exists, therefore, the possibility of compensating the production of houses at low prices or rents with an increase in building rights for the investment promoter. The success of the experimentation of these new forms of intervention depends on many factors. On the one hand it depends on the clarity of the authority’s objectives and the trust that it is able to gain from private promoters, in addition to its ability in planning and negotiating. On the other hand, it relies on the availability of private promoters to be open to experimentation.

Case studies – Assuming the hypothesis at the root of the CoUrBIT research program, which recognizes the public–private partnerships as driver of urban change, this chapter intends to carry out a close examination of such PPPs through an analysis of a sample of cities’ transformation initiatives in progress in Italy. First, the intention is to verify if and to what degree the ongoing processes use public–private forms of partnership. Second, the purpose is to investigate those partnership’s structures applied in reference to the national and European framework described at the beginning of this paper. Third, the intention is to examine their outcomes, and thus to check if such PPPs are generating competitive advantages for the cities where they have been implemented.

For each of the situations illustrated and characterized in the previous paragraphs, there are different interlinked initiatives that have started recently in Italy.

		The role played by the Local Authority			
		Need for process of urban change	Start of PPP's experimentation	Government capability proved by planning initiative	Responsibility, efficiency and strong negotiating capability
The role played by the private entities	Remarkable capacity to put forward and fulfil initiatives	-Bari/ Waterfront -Baronissi/Stu Città dei giovani -Crotone/Stu Ferrovia	-Montecorvino Pugliano/Bivio Pratole -Barcellona Pozzo di Gotto/ CdQ	-Venice/San Servolo	
	Openness to Local Authority proposals for PPP	-Pescara/ Waterfront -Naples/Stu Bagnolifutura	-Cerro M./Polo Tecnologico -Savona/AS Albenga-Pred. -Bergamo/Stu Porta Sud -Padua/Centro intermodale -Cordenons/Stu Makò	-Jesi/Stu Zipa Verde -Salerno/Riquial. conventi -Imola/ Osservanza -Novara/ Movicentro -Parma/Stu Stazione	- Forli/Progetto Centro Storico
	Hanging on propitious conditions for economic benefit	-Mestre/ Passante verde	-Naples/Sirena -Trieste/Porto Vecchio	-Terni/Corso del Popolo -Ancona/ex- Umberto I -Perugia/ Monteluce -Genoa/Ponte Parodi -Treviso/ Sant'Artemio	-Naples/San Giovanni a Teduccio -Ravenna/ Darsena
	Absence of entrepreneurial initiative		-Portogruaro/ Pirelli RE Eastgate Park -Abruzzo e Calabria/ Alberghi diffusi -Rome/Acilia- Madonna	-Cesena/ex- Zuccherificio, Parco Europa -Pianoro/Stu -Parma/Stu Pasubio -Naples/ Belvedere	-Naples/ Palaponticelli -Milan/Nuova Fiera, Santa Giulia, Pii Garibaldi-Rep. -Rome/Ex Mercati Gener.

Fig. 3.5 First classification of the Italian case studies

The diagram in Fig. 3.5 classifies individual case studies and it inserts them into a table on the basis of a brief interpretation of the conditions in which the interaction among public and private sectors take place.

While categorizing these initiatives into the diagram, one realizes that the situations described in the previous paragraphs do not always present themselves clearly.

The uncertain classification of some experiences or in any case, the coexistence in the same city context, of different types and developing forms of partnership, shows both that public sector is influenced by political and organizational dynamics that modify its course of action over time, and that in the Italian context the variety of forms of partnership sometimes make difficult their univocal interpretation.

At first glance there are many initiatives that could potentially undergo analysis. The initiatives are different from one other in respect of the role played by the public and private entities involved, and thus of the form taken by the public-private partnership. They also differ in a multiplicity of other aspects including, in particular, the methods of intervention regarding both the physical environment (urban and architectural aspects) and the community involved (economic and social aspects).

The choice of the sample of cities' regeneration representative case studies using partnership forms among public and private subjects was made on the basis of the following criteria:

1. The time of the initiative's implementation, with the consequent exclusion of those projects that had already been realized
2. The selected case studies had to be significant according to one of the four situations previously described
3. The creation of a sample ensuring, on the whole, a balanced coverage of the four situations examined
4. The spread of the sample over the national territory, and thus its capacity to represent also in this way the four situations analyzed
5. The capacity to represent a wide range of intervention models as defined in the "CoUrbIT-Complex Urban Investment Tools" research
6. Easy availability of information

3.2 Case Studies

3.2.1 Selection of the Case Studies⁴

With respect to the numerous case studies offered within the national context (Fig. 3.5), the following have been studied in depth (Fig. 3.6):

- *Stu Bagnolifutura* (Naples) – environmental reclamation of the disused industrial ex-Ilva site in Bagnoli and implementation of urban redevelopment as foreseen in the detailed town plan.
- *Stu Città dei giovani e dell'innovazione* ("city for young people and innovation", Baronissi in Salerno Province) – local integrated development project aimed to realizing structures to host complementary functions with the new university settlement.

⁴The case studies will be mentioned, where necessary, in Italian with a translation into English and thereafter in Italian only.

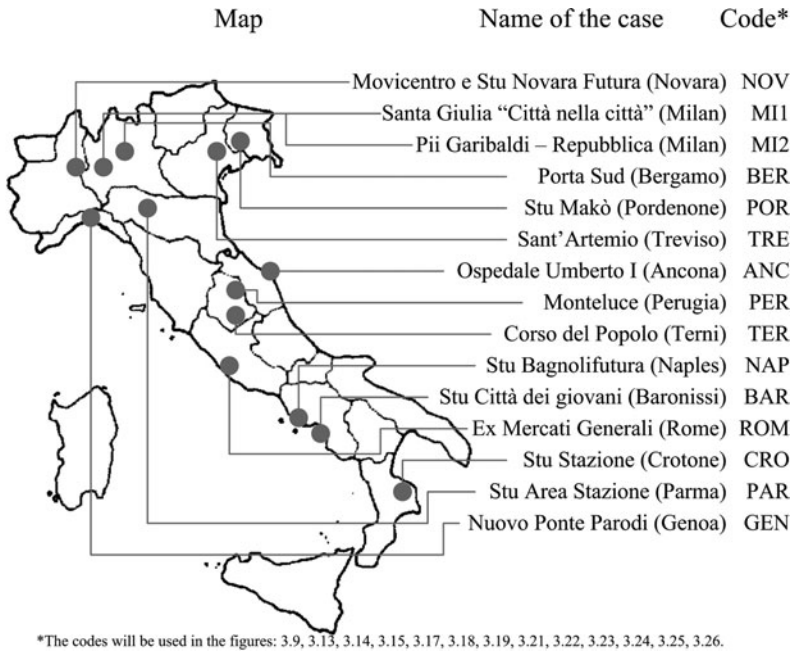


Fig. 3.6 Case studies’ territorial distribution

- *Stu Stazione* (“Stu Station Area,” Crotone) – recovery and reuse of areas occupied by under-used railway infrastructures in order to host new city structures and public and private tertiary activities.
- *Porta Sud* (“South Gate,” Bergamo) – transformation of the railway station, of the disused goods yard, and of the surrounding areas with the aim of stitching up the urban fabric and creating a new town center.
- *Stu Area Stazione* (“Stu Station Area,” Parma) – realization of the urban requalification plan known as “Stazione Fs–ex Boschi” concerning the reorganization of the urban structure in the area surrounding the railway station and the regeneration of the disused area to its north.
- *Movicentro* and *Stu Novara Futura* (Novara) – reorganization and regeneration plan of a city’s part addressed to host the passenger interchange and a new technological center.
- *Monteluce* (Perugia) – valorization of the Monteluce’s Polyclinic site after the transfer of its healthcare activities to a new hospital center.
- *Corso del Popolo* (Terni) – use of project financing for the transformation and requalification of an outskirt area bordering on the old town.
- *Ospedale Umberto I* (“Umberto I Hospital,” Ancona) – alienation of the Umberto I former hospital area and its private transformation via a recovery plan based on a public initiative.

- *Nuovo Ponte Parodi* (“New Parodi bridge,” Genoa) – requalification of an former industrial area of over 20,000 m² on the sea front, making the most out of the strategic position of Porto Antico dock’s, so to promote a new city’s image as important destination for international tourism.
- *Ex Mercati Generali* (“Ex General Markets,” Rome) – recovery and requalification of the ex-general market area in the Ostiense quarter for the realization of a “young people’s city,” with the creation of spaces for education (library and multimedia library), entertainment and shows (theaters and recording studios), sport (all-purpose sport center, gyms and swimming pools).
- *Santa Giulia – Città nella città* (“Saint’Giulia – City in the city,” Milan) – requalification of disused industrial areas aiming to creating a kind of “city in the city,” thanks to the size and relevance of the transformation works.
- *Programma Garibaldi Repubblica* (Milan) – integrated intervention plan (*Piano Integrato di Intervento*) promoted with the aim of creating the “City of Fashion” and a new institutional center with the new Lombardy Regional Government and Milan City Council headquarters.
- *Stu Makò* (Cordenons–Pordenone Province) – recovery and regeneration of the disused Cantoni’s industrial site, an ex-cotton mill, located near the city of Pordenone.
- *Sant’Artemio* (Treviso) – project financing for the building of Treviso Provincial authority’s new headquarters, through the recovery and reuse of Sant’Artemio’s ex-psychiatric hospital.

In order to synthesize all the information gained thanks to the examination of the selected cases, the analytical method shown in the following diagram has been developed (Fig. 3.7). The results obtained can be ordered into four categories:

1. The forms taken by the public–private partnership – considered in reference to the interpretative criteria proposed in the European Commission’s Green Paper – examined in relation to the role played by the subjects involved.
2. The intervention models in relation to physical problems (such as circumscribed transformations with the prevalence of architectural aspects, or rather widespread transformations with the prevalence of city or territorial aspects) or social aspects to be faced (i.e., economic decline, degradation of the social environment and poverty conditions).
3. The main interaction between the partnership forms and the intervention methods.
4. The outcomes of the initiatives in terms of success or stasis.

The first three types of categories connect the analyses of the Italian case studies with widespread practices within the European context, with the aim of making them, as far as possible, comparable.

The fourth category’s results aim to clarify those partnership tools that have been set up as best practices, with the aim of outlining cooperation models between public and private entities that could be proposed for other similar contexts.

The diagram in Fig. 3.7 is divided in two parts. The results of the first category are in the upper section (letters a and b) and the second ones are in the lower section

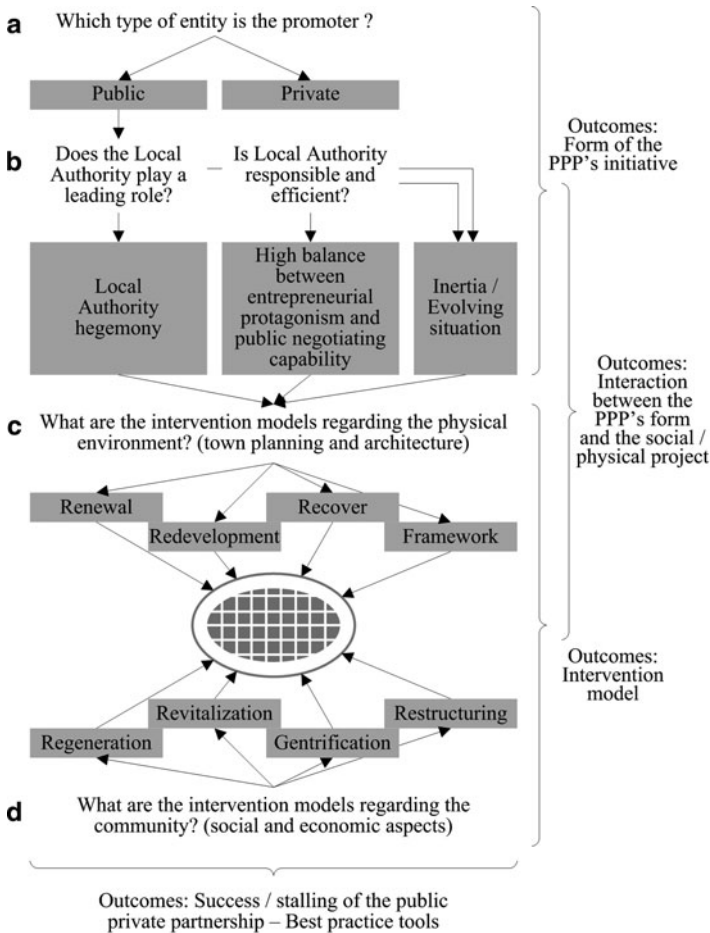


Fig. 3.7 Case studies' analytical model

(letters c and d). Both give rise to the results of the third category, represented in the bar on the right. The summary of the results is indicated in the bar at the bottom of the diagram.

The analysis of the case studies is shown in the charts that follow. The first part of each chart contains a short description orientated toward bringing out the characteristics of the context in which the intervention is situated, the city and project connotations, the development timing and the relations between the different entities involved. In the second part, through the application of the analytical method described in Fig. 3.7, two aspects are outlined: on the one hand, the intervention models in relation to the physical and social problems to be faced, and on the other, the role of the entities involved and the kind of partnership adopted.

3.2.2 Fifteen Italian Case Studies

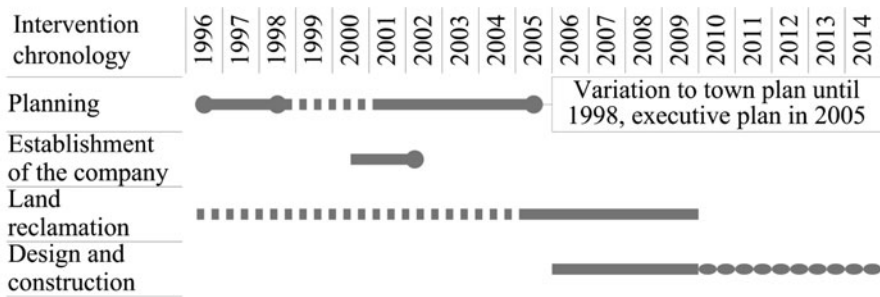
NAP - Stu Bagnolifutura (Naples), town transformation company

The industrial area of Bagnoli, in the southern suburbs of Naples, was historically occupied by heavy industries. During the second half of the 70s, industrial activity there faced a crisis and the area began to be abandoned. The final phases of the process were firstly characterised by the closing of the Eternit factory in 1985 and afterwards, by the shutting down of Ilva (ex-Italsider), which happened in 1991. Finally in 1993, the production activity in the Cementir factory was also suppressed. The progressive closing down of the industrial activity made more clear the need for the land's decontamination, which was heavily polluted. In 1996, the so called Iri (Institution for Industrial Reconstruction) established Bagnoli Plc: a special purpose entity with the aim of carrying out decontamination work. After the Iri liquidation process ended in mid-2000, Bagnoli moved under the control of Fintecnica Plc (the industrial and service sector holding company, entirely controlled by the Italian Economy and Finance Ministry). The 388/2000 Financial Law foresaw the possibility of creating a town transformation company for the city of Naples, in order to access to the activities managed by Bagnoli. The replacement, which took place in 2002, not only brought to the transfer of public allocated funds and to the completion of the area's reclamation, process under the control of Bagnolifutura Plc, but it also allowed to keep employed the workers whom Bagnoli inherited by Ilva.

The variation to the General Town Plan for Bagnoli's area was approved by Naples Municipality in 1996, and by the Campania Regional Government in 1998. The variation for the western area was followed up by the drafting of the Detailed Executive Plan, which was approved in May 2005. The today's urban aspect of a part of the decontaminated industrial zone makes the area to become a real city and a territorial park, so to create a link between the city, the beach (still to be reclaimed) and the sea. By the edge of the park there will be resources and tourist facilities, besides prevalently residential areas, while within the park there will be public structures (the Museum of Work and a "City of Music"), also thanks to the functional reclamation of industrial archaeology sites. The improvement of public transport will be completed with the new Cumana railway line and two funiculars in the direction of the Fuorigrotta and Posillipo neighbourhoods.

The completion of decontamination work by Bagnolifutura was slowed down due to variations to the working schedules and by legal action on the part of entities who previously owned the land. However, from 2005, the project and parts of the below listed works began: the work on the sports area known as "Parco dello sport", the tourist and reception centre called "Porta del Parco", and the centre for the care of marine turtles began using an integrated contract procedure (the completion of this work was planned by the end of 2008); the building work for the service centre for audio-visual production called "Napoli studios" was begun using a tender contract procedure (opening of the building site in 2008); the urban park design began using an international tender procedure (work started in 2008 and the opening is planned for the end of 2009).

Surface of the intervention area 3,300,000 m²; Demolition 649,000 m³; Industrial archaeological recuperation 40,825 m²
 Residential 137,012 m² (of which public residential construction 41,200 m²); Tertiary sector executive 150,495 m²; Commercial tertiary sector 56,115 m²; Accomodation capacity 52,567 m²; Municipal services 3,000 m²; Private parking 154,120 m²; Public parking 68,619 m²; Park 1,439,833 m²

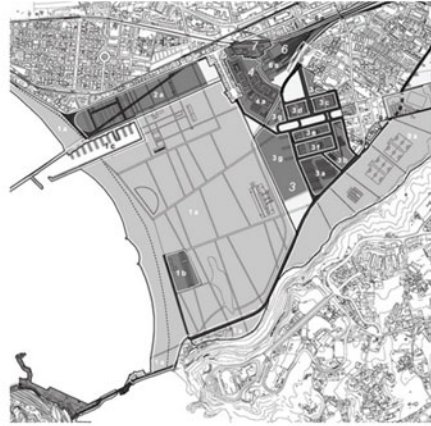


NAP - Stu Bagnolifutura (Naples), town transformation company

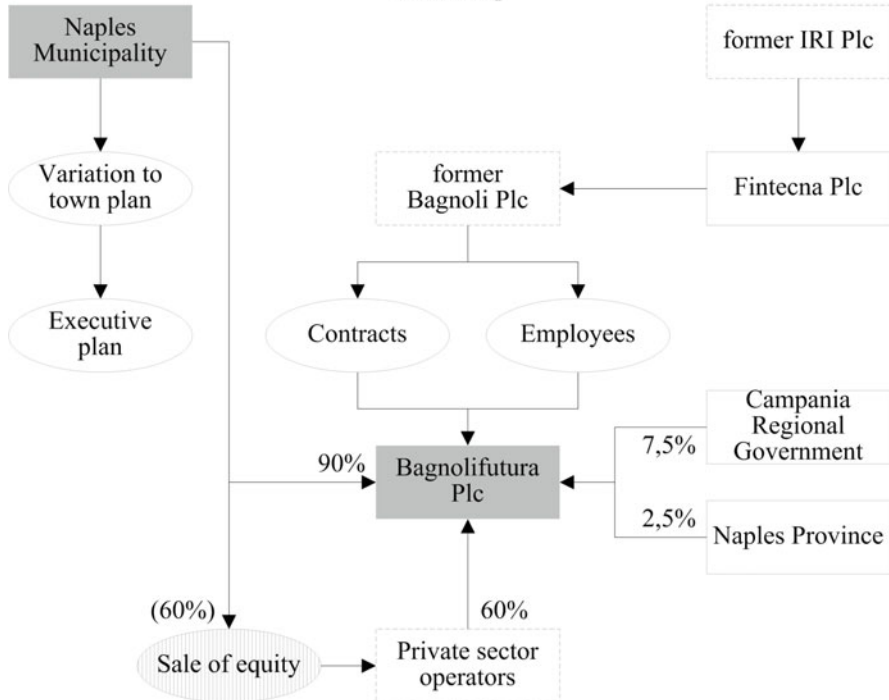
Location of the intervention



Transformation project



Partnership



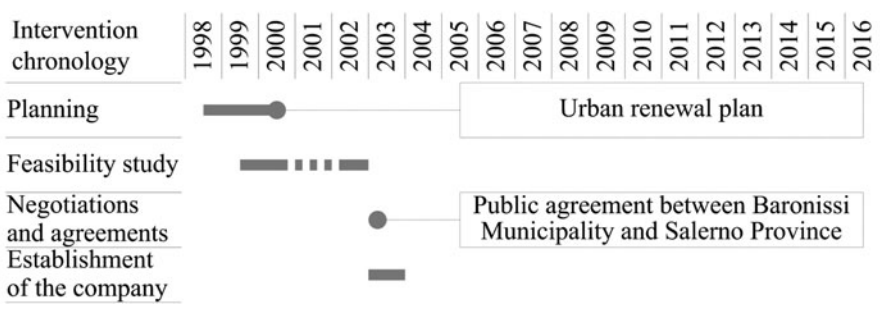
BAR - Stu Città dei giovani (Baronissi), town transformation company

The birth of the urban regeneration project called "Citta dei Giovani e dell'Innovazione" (in English "Young People's and Innovation's City") came from the Universities in the north of the city of Salerno, in the area between the towns of Baronissi and Fisciano. The intervention area is mainly agricultural, and is located in an intermediate position between the city centre, at the south, and the university buildings located in Lancusi town, at the north side. The project will be carried out setting up a Urban Regeneration Company with mixed public and private funds, which was formally established at the end of 2003. Today, nevertheless, it has yet to begin to work, because the company has had several financial problems for two main reasons. On the one hand, a starting capital near the legal-minimum was provided, and the registered losses during the first period of activity obliged the two shareholders, both public (Municipality of Baronissi with 95% and the Salerno Province with 5%) to make remarkable efforts to recapitalise. On the other hand, the opening towards private funds has not yet taken place.

The project comes from the Urban Requalification and Sustainable Development Territorial Plan (in Italian PRUSST- Programma di Riquilificazione Urbana e Sviluppo Sostenibile del Territorio) drafted by the town of Baronissi after the tender notice launched by the Ministry of Public Works (now the Ministry of Infrastructure) in 1998. The proposal was evaluated as suitable; nevertheless the position reached in the list of selected projects was not sufficient to obtain the public funds necessary to start the intervention. The Municipality of Baronissi planned to carry out the project on the basis of a public-private funded company, firstly, during 1999-2000, with a feasibility study funded by European funds, and then during 2001-2002 with a further feasibility study co-funded by the Ministry of Infrastructure. The expected work does not constitute a variation to the provisions included in the General Town Plan, but it does, however, represent a variant to the Building Plan (a planning tool introduced with the National Urban Planning Law, 1150/1942, for small towns, which can adopt it in alternative to a Urban Planning Scheme; this instrument was suppressed by Regional Laws but it is still common, especially in the south of Italy). There was, therefore, the need to bring the planning and scheduling to a close with a program agreement, signed by the Baronissi Municipality and the Province of Salerno in February, 2003.

The transformation of the area is focused on these elements: education and research facilities; university houses and facilities (guestrooms) for students and lecturers; construction of a Scientific and Technological Park with the aim of easing the settlement of firms in advanced sectors; commercial and entertainment activities. The carrying out of the project was divided into twenty-four lots. Some of them were to be carried out by private entities, which at the time had taken part in the Prusst proposal, keeping the option of implementing the project in collaboration with the Urban Regeneration Company.

Surface of the intervention area 240,000 m²; Volume with building permission 350,033 m³
 Productive research activities 25,180 m²; University 48,820 m²; Road system and parking 45,000 m²;
 Public green areas 120,000 m²

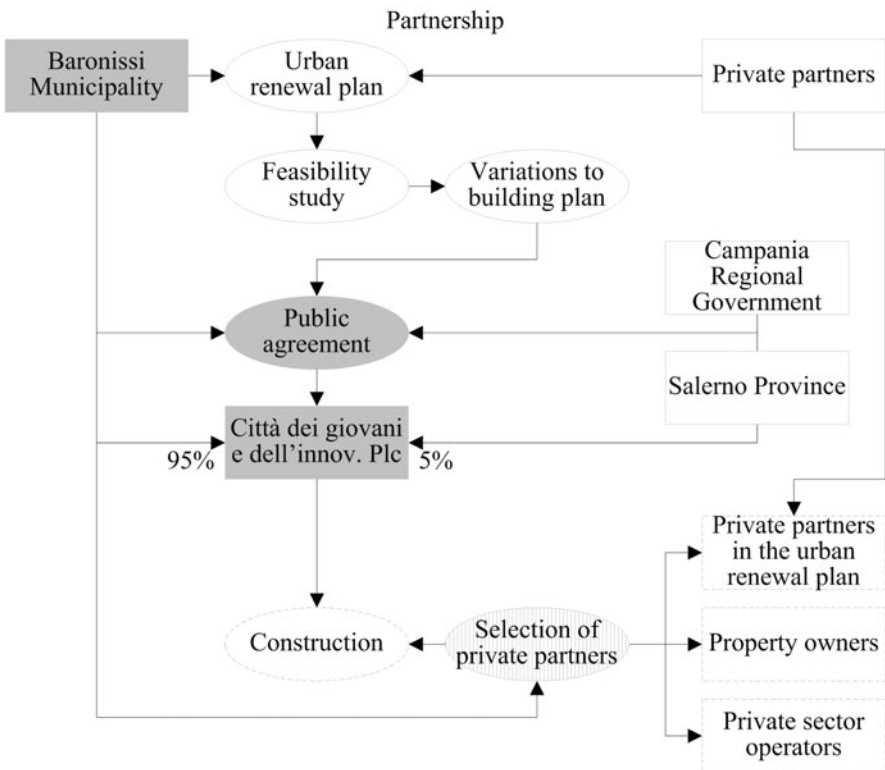
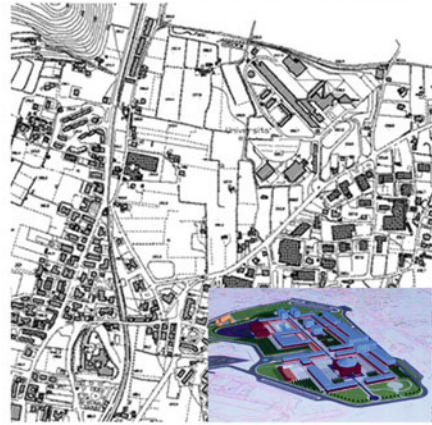


BAR - Stu Città dei giovani (Baronissi), town transformation company

Location of the intervention



Transformation project



CRO - Stu Stazione (Crotone), town transformation company

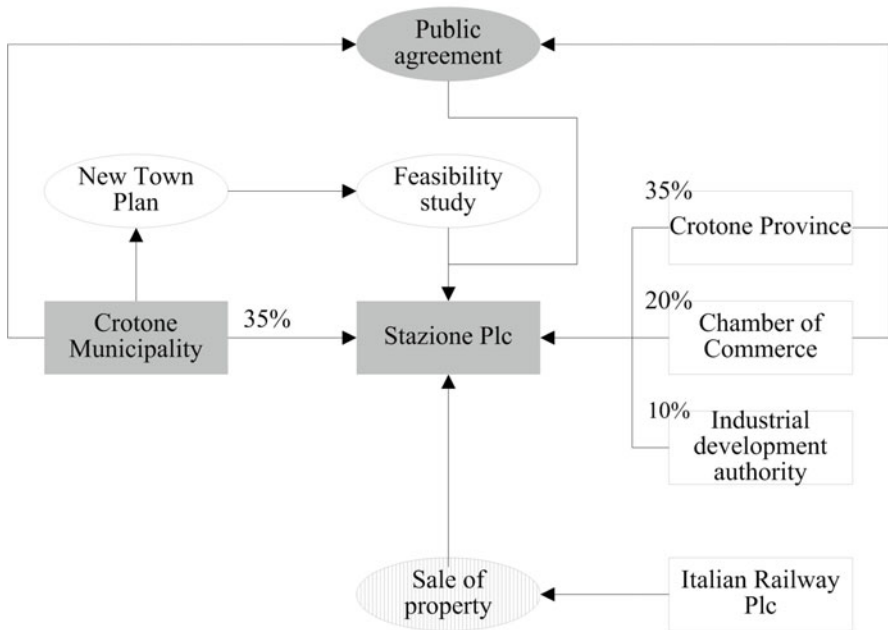
Location of the intervention



Transformation project



Partnership

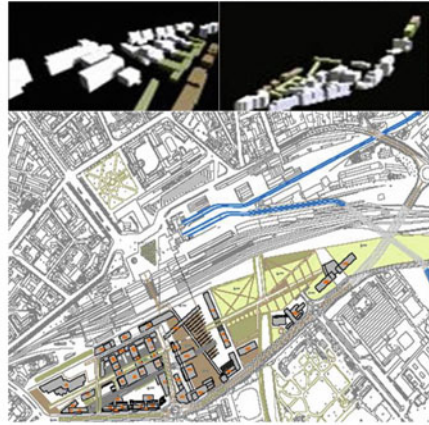


BER - Porta Sud (Bergamo), town transformation company

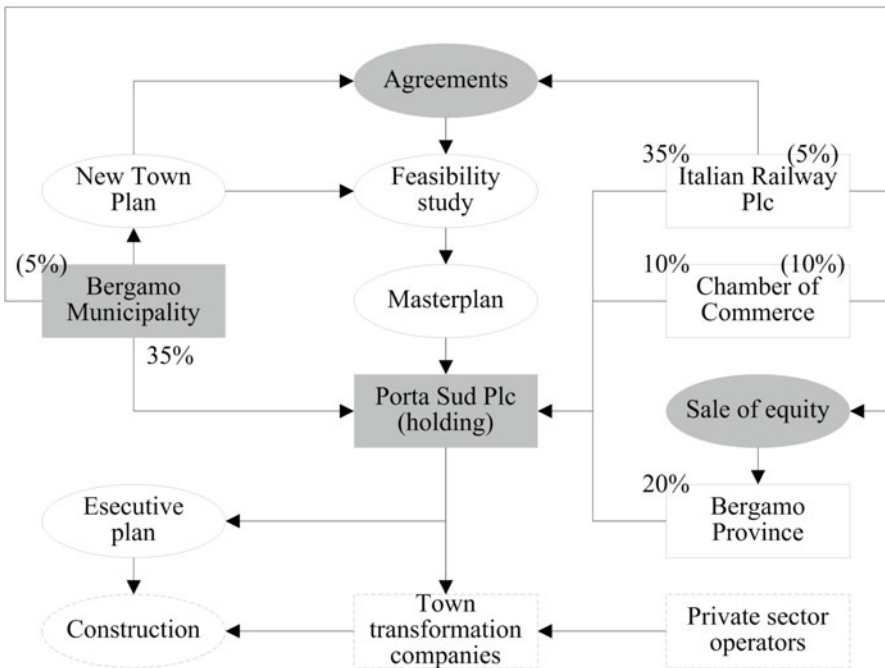
Location of the intervention



Transformation project



Partnership

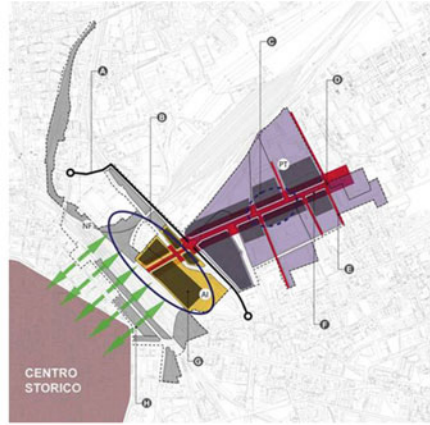


NOV - Movicentro e Novara Futura (Novara), town transformation company

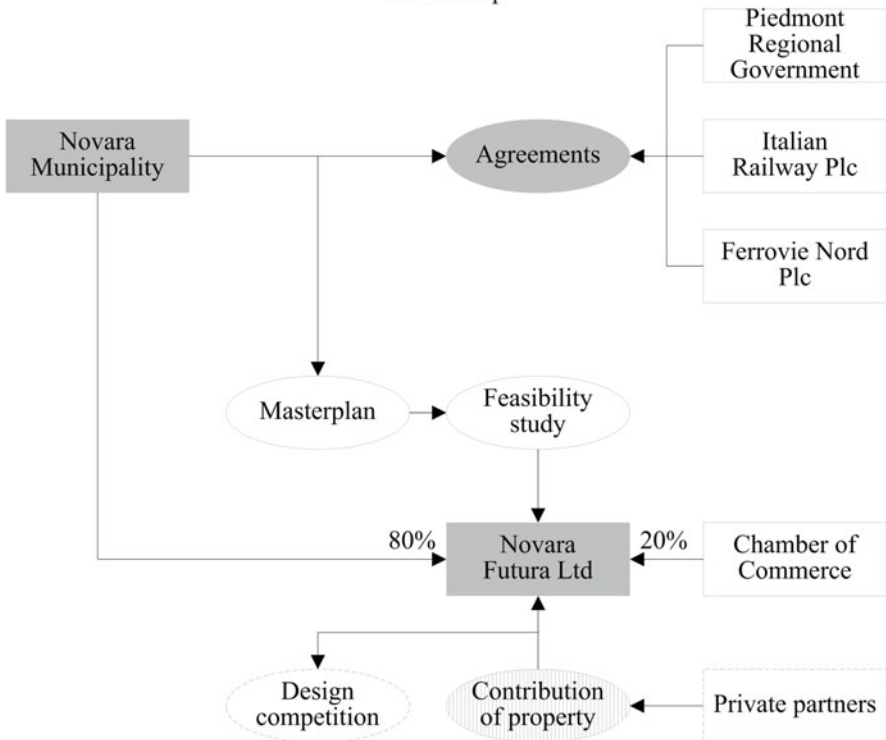
Location of the intervention



Transformation project



Partnership



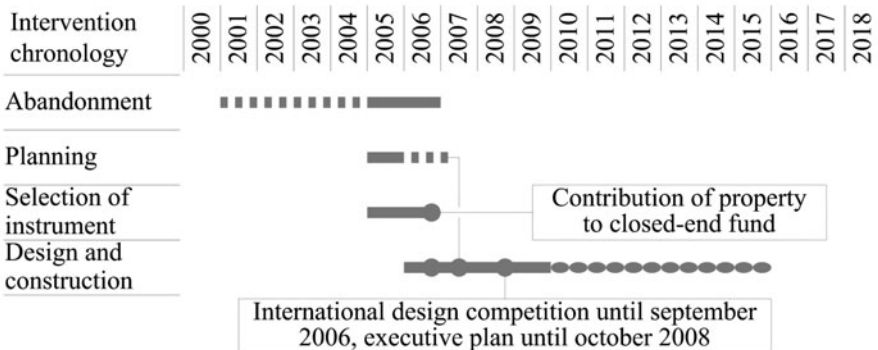
PER - Monteluçe (Perugia), urban restoration of former hospital

The Perugia General Hospital developed around the "Clarisse di S. Maria di Monteluçe" 's convent from 1911 onwards. After the Second World War, a new regional hospital was intended to be built and the works started during the 70s. Presently, the transfer of the health care structure from the Monteluçe General hospital is ongoing and close to being completed, and so it has now been almost completely abandoned. In this context, there is the need for a complex's restructuring, in line with the needs both of the Umbra Region and of Perugia's University, owners of Monteluçe complex, so to valorise it in order to collect resources to be allocated to the Local Health Authority. The owners awarded the mandate of global coordinator to the Nomura International Merchant Bank, with the aim of studying and implementing a new financial instrument, which would permit the carrying out of the work applying criteria of efficiency and profitability. The most suitable instrument was considered the closed type of property fund introduced into national legislation with the 86/1994 law, and mainly used for abandoned public properties. In July 2005, after a public inquest procedure, the owners selected Bnl Fondi Immobiliari Spa as the administrators. Once the "Fondo Umbria", only for institutional investors, had been established in December 2006, the conferral act for the real estate came into force. The property fund, which also included the San Giovanni Battista hospital, located in Foligno, was structured into different independent parts from a patrimonial point of view.

The owners defined the intervention project guidelines in collaboration with the Perugia Municipality and the Umbria Regional Board for Cultural Heritage. Afterwards it was launched an international tender, which led, in September 2006, to the selection of the Master Plan proposed by the German office Bolles+Wilson. The same office had the task of drafting the executive plan, for which the approval procedure began in July 2007. The executive plan will be a Variant of the General Town Plan presently in force, which, moreover, already foresees the area requalification.

The aim of the project is to create a new centre of attraction thanks to the creation of mixed of facilities: residential, tertiary sector executive and commercial structures, reception and services of public utility. The main project's features are the following: a sequence of mainly pedestrian city squares, located on the top of Monteluçe hill; the different public facilities and the residential buildings overlook these squares; the separation of roads and accesses, and the localization of public parks below the squares and private parking in the buildings' basements; care in the construction materials' selection and of architectural solutions in order to reach a high environmental performances and an adequate level of energy saving.

Surface of the intervention area: 75,000 m²
 Residential: 34,500 m² (of which residence on the open market: 21,000 m², subsidised residence: 7,000 m², student residence: 6,500 m²); Tertiary sector executive: 6,000 m²; Commercial tertiary sector: 6,500 m²; Accommodation capacity: 10,000 m²; Social-health services: 7,000 m²; Municipal services: 1,000 m²; Public green areas: 10,500 m²; Road system and town squares: 9,500 m²; Public parking: 9,500 m²

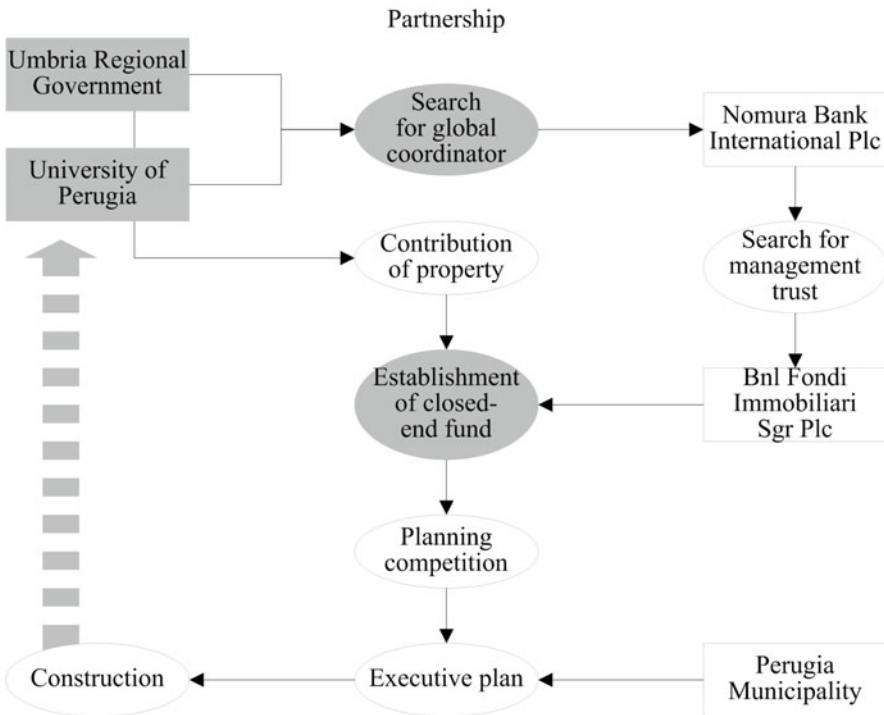


PER - Monteluce (Perugia), urban restoration of former hospital

Location of the intervention



Transformation project



TER - Corso del Popolo (Terni), urban renewal plan

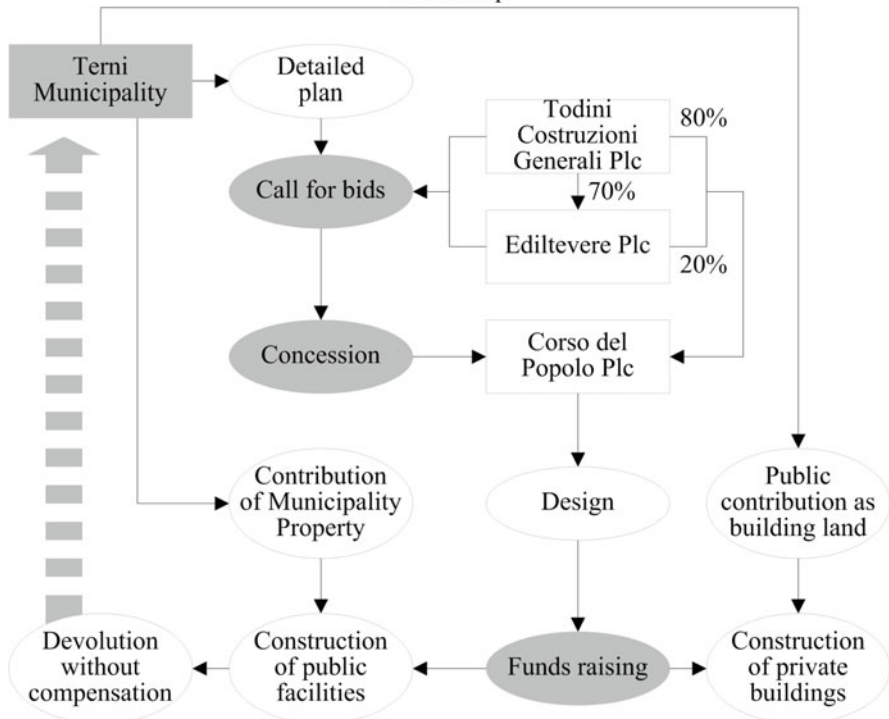
Location of the intervention



Transformation project



Partnership



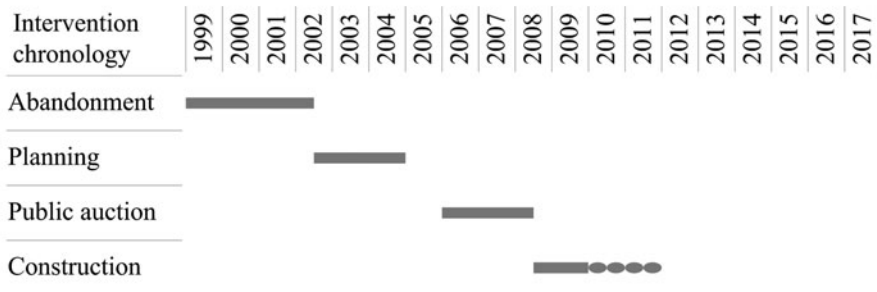
ANC - Ospedale Umberto I (Ancona), restoration of former hospital

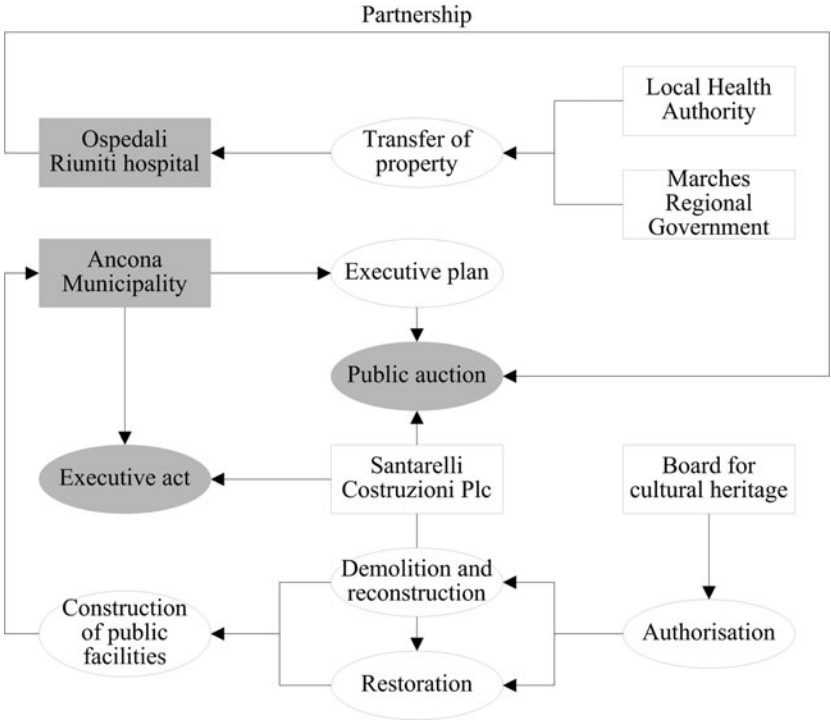
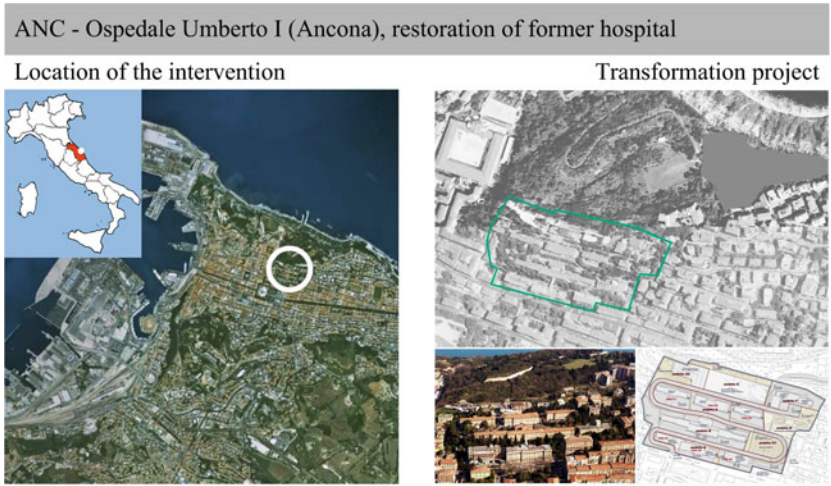
In 2002 the abandon of the Umberto I Hospital, located in a central zone of Ancona, was completed, after the transfer to the new Torrette Hospital of all health activities/structures. The University Hospital Agency "Ospedali Riuniti", which in 2004 should have become the owner of the Umberto I Hospital by legislative disposition, needed to find financial resources in order to cover the investment's costs necessary for the new Hospital site's completion. Consequently, since the problems regarding its destination had been resolved and since the building was part of the Agency's heritage, it was taken the decision to proceed with its alienation through public auction.

The General Town Plan, in force when the site was completely abandoned, classified the Umberto I compound as Apc (in Italian, Area Progetto prevalentemente costruita that sounds as "project area mainly built" in English), to be object of a Public Initiative Executive Plan. The recovery plan was reconsidered by Ancona City Council since 2002, even charging a technical board, where the other entities involved in the transformation took part: the Marches Region, the Hospital Agency and the Local Health Agency. The objectives of the Plan were the following: to include residential type facilities and services at urban and district level (green areas, parking lots, civic centre, basic health structures) within the area; to maintain the historical and architectural value of a part of the compound by respecting the plan and its original pavilion character; to consolidate the relationship between the city and the Cardeto park, at the back of the Umberto I Hospital, through the creation of pedestrian paths within the dismissed compound. The regeneration plan elaborated by the Municipality, identifies on the one hand, buildings of architectural value subject to conservation orders, regarding which it is only possible to carry out restructuring and urban renewal intervention works, and on the other hand buildings that could be demolished and reconstructed.

The approval of the regeneration plan, which took place in 2004, allowed the progress of a public inquest procedure for the alienation of the compound. The private entity that won the auction, after having signed the Executive Convention with Ancona City Council, had to present the plan for the city infrastructures, as well as the architectural transformation plan. The start of work has been scheduled for the first few months of 2008th, and the completion by 2010th.

Surface of the intervention area: 46,400 m²
 Building area: 34,098 m² (of which residential: 18,448 m², student residence: 4,317 m², residence for the elderly: 3,765 m², social-health services: 6,555 m², municipal services: 1,013 m²); Public green areas: 3,996 m²; Private green areas: 16,726 m²; Parking: 373 parking spaces (of which at ground level: 93 parking spaces, underground: 280 parking spaces); Road system and town squares: 9,696 m²





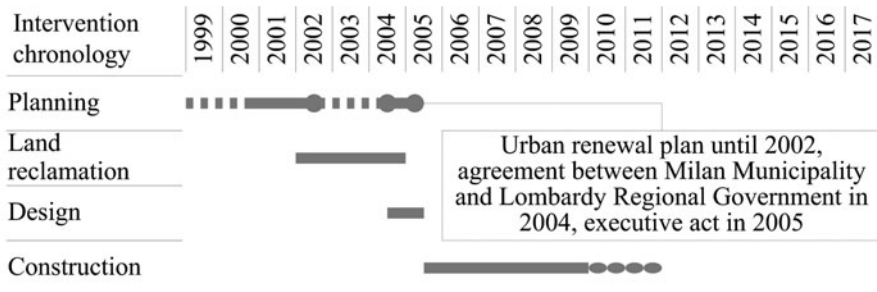
MII - Santa Giulia “Città nella città” (Milan), urban renewal plan

The intervention regards a set of areas that on the whole cover more than 1.1 million square metres. These areas are located in the south-eastern part of the city of Milan, where the Montedison plants and the Redaelli steel factories were located and which activities were interrupted in the Seventies.

From an urban planning point of view, the area subject to the intervention is firstly interested, by the partial urban plan variant in 1988 and afterwards by the two distinct urban planning instruments dating back to 1990: the Detailed Plan of the redefined city zone ZRU1-Montecity; the Detailed Plan of the redefined city zone ZRU3-Rogoredo. The detailed plans presented separate interventions for the north-eastern part of the compendium (ex-Montedison) and for the south-western part (ex-Redaelli). However, both remained unimplemented. In 2000, the area was acquired by the Risanamento SpA, company part of the Zunino Group, which proposed a unique and homogeneous transformation, to be completed through an Integrated Intervention Plan (in Italian Pii “Piano Integrato di Intervento”), a urban executive instrument introduced as part of Lombardy Regional Law 9/1999. The definition of the instrument which, with some modifications, put together the previous detailed plans, follows in June 2004 the signing of a Program Agreement between Milan City Council and the Lombardy Region. In March 2005, the Milan City Council and Risanamento SpA finally undersigned the convention for the completion of the integrated plan.

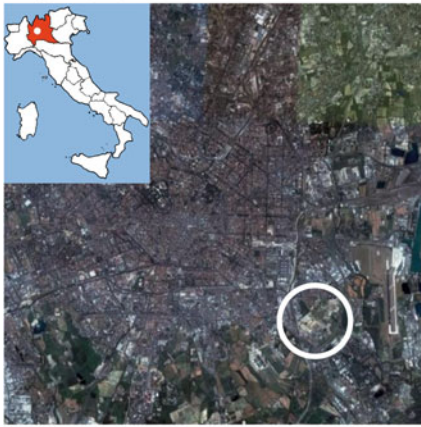
The transformation of the area, according to planned dimensions and decisions, aimed at creating a sort of “city inside the city”. The pivotal elements of the requalification plan are the following: 320 hectares city park, located in a “centre of mass” position, so as to separate the residential area in the southern part from the urban area, that instead is located in the northern part and that is characterized by a Congress Centre and a tertiary sector and commercial zone; the principal axis consists of a pedestrian area as big as six hundred meters, around which all commercial spaces and areas foreseen for services will be organized; an high accessibility through both public and private means of transport, guaranteed by the railway station at Rogoredo and the metro station line MM3, as well as by the creation of a tramway addressed to linking the residential zone on the south to the city space on the north, by the construction of a new junction on the east ring road and by the lengthening of the Paullese state road, as the principal entrance road to the new settlement towards the city centre.

Surface of the intervention area: 1,112,200 m²
 Residential (gross floor surface): 270,900 m² (of which residence on the open market: 191,300 m², public residential construction: 13,700m², subsidised residence: 65,900 m²); Tertiary sector executive: 162,800 m²; Commercial tertiary sector: 30,000 m²; Accomodation capacity: 80.800 m²; Campatible functions: 70,500 m²; Conference centre: 32,000 m²; City park: 316,000 m²



MI1 - Santa Giulia “Città nella città” (Milan), urban renewal plan

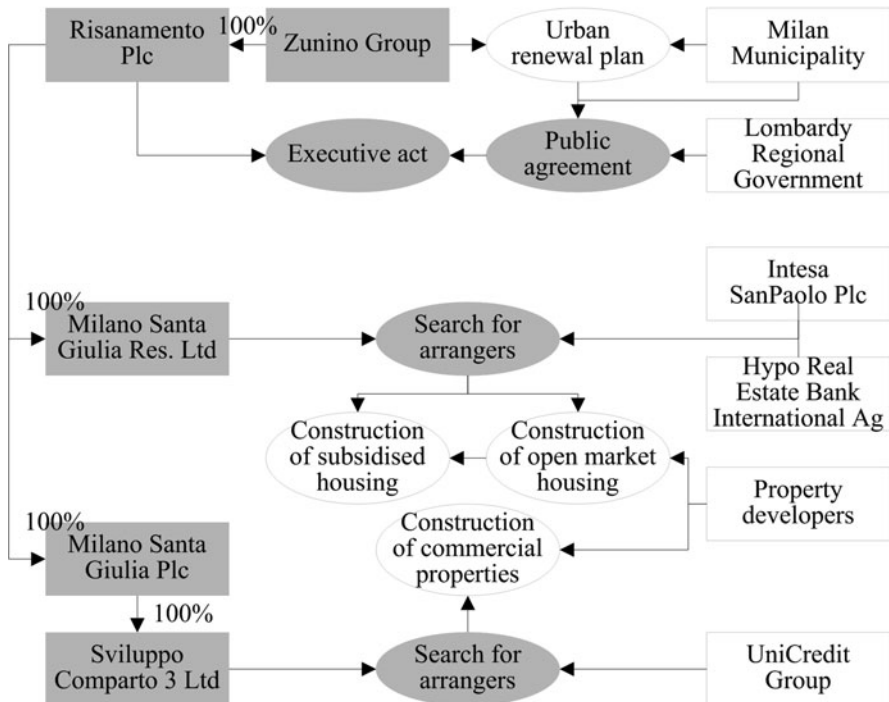
Location of the intervention



Transformation project



Partnership



MI2 - Pii Garibaldi – Repubblica (Milan), Integrated Program

The area between the Garibaldi railway station and Repubblica square has been the subject of multiple planning and transformation attempts since the Fifties, all of them without an outstanding outcome until the approval of an ad hoc Integrated Intervention Plan (Pii) which took place at the beginning of the last decade. The origins of the event date back to the dismissal and the re-location of the railway connecting the Varesine Station to a rear position, as well as for the building of the new Garibaldi Station. These interventions have contributed to clearing a wide proportion of the city that was supposed to host the "Centro Direzionale", but which has remained widely left undone.

The first urban planning instrument to deal with the re-organisation of the Garibaldi-Repubblica area was the General Town Plan in 1953, but the expectations regarding the inauguration of the "Centro Direzionale" for the city of Milan remained greatly unfulfilled. Following planning interventions were represented by the Town Plan in 1980, including the obligation to provide service and public green areas, and by the 1991 Variant. Nevertheless, both were cancelled and made ineffective by the legal sentences issued by the Administrative Court of Justice after a number of years later. A new start regarding the planning of the area began at the end of the Nineties. This was made possible because of the enforcement of the Regional Law 9/1999 which introduced the Integrated Intervention Plan (Pii) to urban planning tools in Lombardy. Thanks to these programmes private entities have the possibility of proposing construction intervention works, even varying from the General Town Plan in force, through a process of "negotiated" planning with the Municipality and with respect to the general criteria that the City Council of Milan has outlined in its Placement Document approved in 2000.

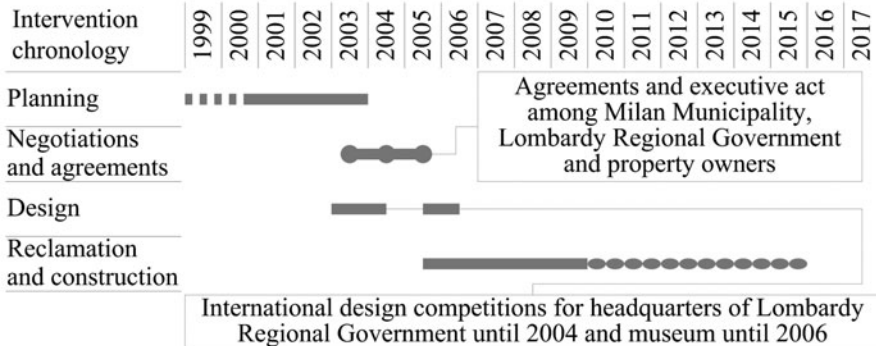
The Garibaldi-Repubblica Integrated Intervention Plan outlines three distinct units: the City of Fashion, centred on the construction of a museum (Modam) and a centre for Higher Education in the fashion sector, integrated with residential, tertiary sector, commercial and reception facilities; the Institutional Centre, which foresees the creation of new offices for the Lombardy Regional Authority and Milan City Council; the park known as the "Library of trees" located between the City of Fashion and the Institutional Centre.

Surface of the intervention area: 230,338 m² ("Città della moda", "Polo istituzionale" and "Biblioteca degli Alberi")

"Città della moda" gross floor surface: 110,485 m² (of which residential: 15,000 m², tertiary sector executive: 50,485 m², commercial tertiary sector: 10,000 m², accomodation capacity: 15,000 m², education, museum and showroom centre: 20,000 m²)

"Polo istituzionale" gross floor surface: 119,208 m²

"Biblioteca degli alberi" public green areas: 108,000 m²; Public parking: 40,000 m²

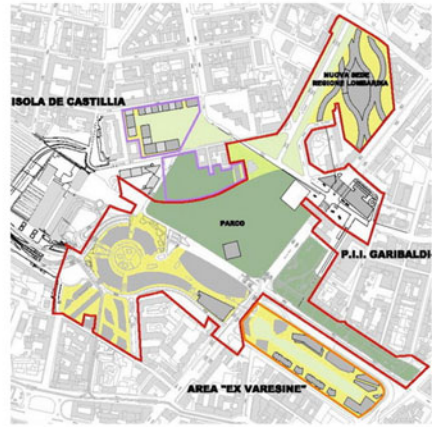


MI2 - Pii Garibaldi – Repubblica (Milan), Integrated Program

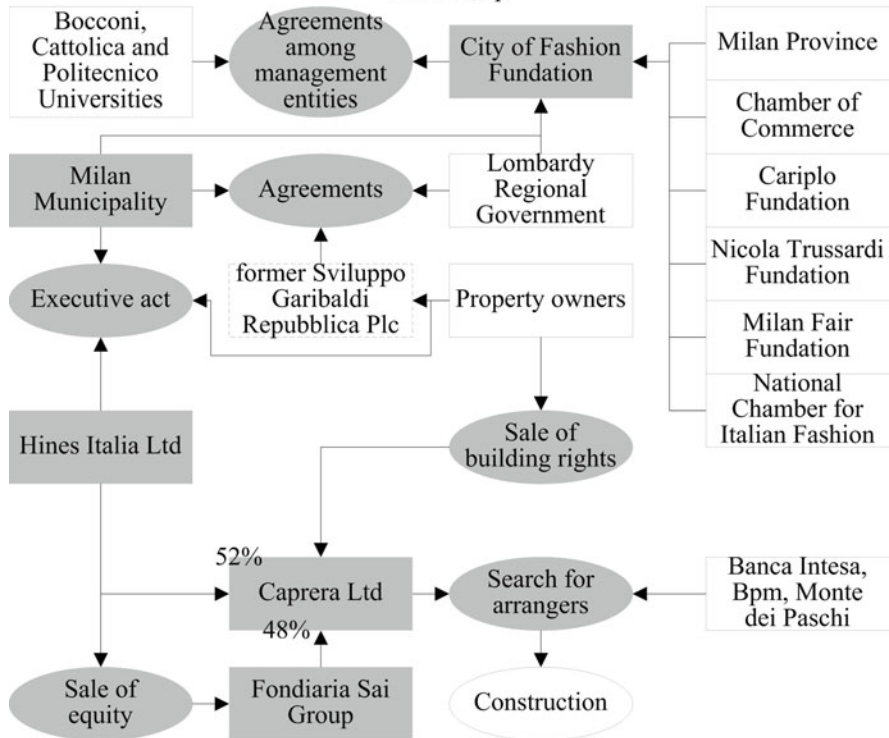
Location of the intervention



Transformation project



Partnership



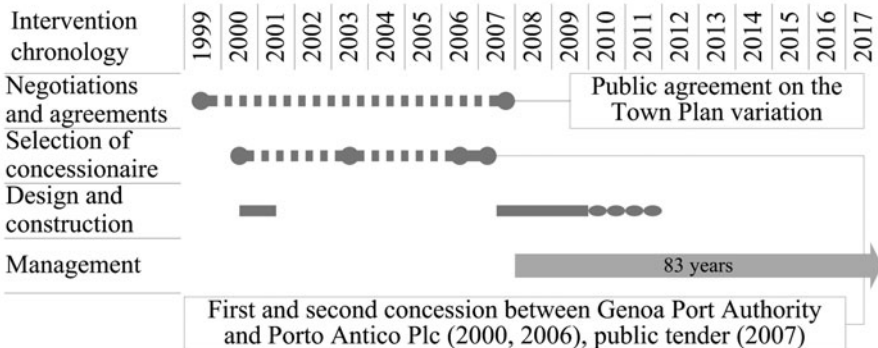
GEN - Nuovo Ponte Parodi (Genoa), urban renewal plan

The requalification of the historical sea front in Genoa began during the second half of the Eighties, with projects realised on the occasion of the International Expo in 1992, known as the "Columbus celebrations". At the end of the Nineties, the Genoa City Council, the Liguria Regional Government, the Port Authority and the University signed an Agreement Framework. Thanks to it, it began a further requalification initiative for the sea front, aimed at the re-use of the dock known as Ponte Parodi, which up until then had hosted activities connected to the transport of merchandise and, from an architectural point of view, the port grain silo. The requalification intervention was carried out through a double grant. The first grant was released by the Port Authority and the Porto Antico Spa, an entirely public company shared by the Municipality, the local Chamber of Commerce and the Port Authority itself. The second grant was released by the Porto Antico to a private (sub-concessionary) entity subsequently selected via a public inquest procedure.

The requalification project's contents were selected via an international competition, where the call for tenders specified the required characteristics of the proposals, among which: maximising the positive effects on the historic city centre; maintaining the flyover road and part of the port as a cruising terminal and for docking tug boats; providing external spaces for public use without limitations during the day; the absence of residential buildings and hotels.

The preliminary plan winner of the international competition foresees a multifunctional citadel hosting recreational, sports and commercial activities, a pedestrian connection with the other sea fronts which had already been renovated and a new cruise terminal. This project was implemented by a group of businesses that had qualified as a "promoter" entity according to the National Regulations for Public Works in force (first Law 109/1994, now Legislative Decree 163/2006 known as "Public Contracts Code") with the aim of implementing the public works mentioned above according to the construction and management grants regime. Since no other private contender presented an offer, in 2007 the procedure was concluded issuing to the only promoter the planning permission and undersigning the "agreement plan grant" for the General Town Plan's Variant.

Surface of the intervention area, plot: 31,250 m², water sheets: 11,700 m²
 Cruises terminal: 3,750 m²
 All-purpose centre, integrated to the spaces for tourist use, which includes: auditorium (with seating for 700); play and sport activities; commercial activities; underground parking; spaces for public use; pedestrian pathway as a link with other parts of the sea front

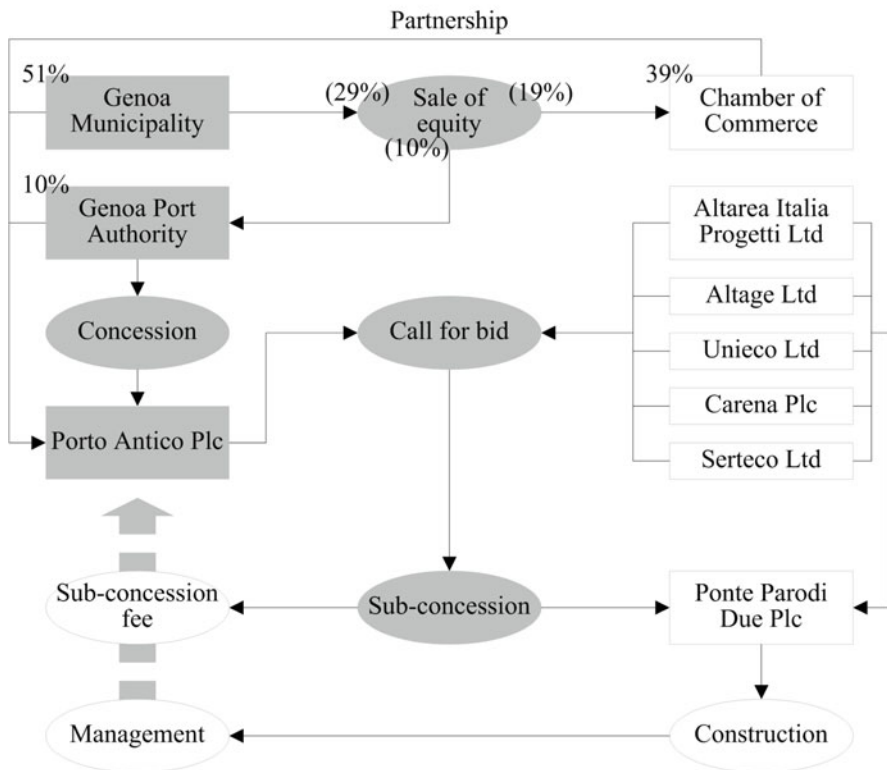
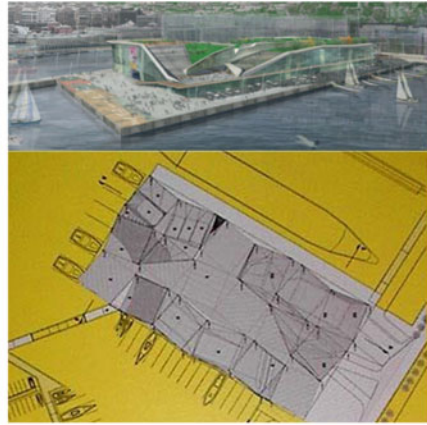


GEN - Nuovo Ponte Parodi (Genoa), urban renewal plan

Location of the intervention



Transformation project



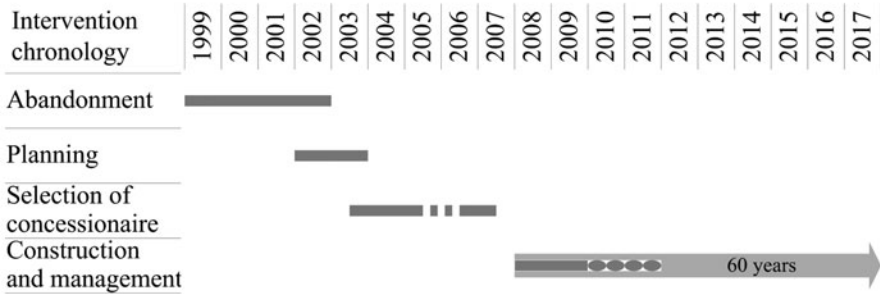
ROM - Ex Mercati Generali (Rome), urban renewal plan

The main old general market in Rome, based in the Ostiense district, had been permanently abandoned since 2002, after the transfer of the activities to the new "Food Farming Centre" located near Guidonia Montecelio Municipality. In view of leaving the area, in February 2002, a feasibility study began aimed at identifying the best strategies for its regeneration. During October of the same year, the City Council approved its destination for a "Città dei Giovani e dell'Innovazione" for culture, education, music and entertainment.

The intervention is located in the context of the largest City Requalification Plan for the Ostiense and Marconi districts, whose principal elements include- besides the requalification of the former general markets for creating "Città dei Giovani e dell'Innovazione" - also the re-use of the former slaughterhouse transforming it in "The City of Arts", the localisation of the new "City of Sciences" on the ex Italgas area and different interventions of infrastructural nature. The objectives which the Municipality intended to pursue with these interventions were the following: bringing about the qualitative recovery of the compound with the allocation of facilities at city level such as to generate positive effects for the entire Ostiense district; transforming the area into a space addressed to young people up to thirty years old, through the creation of a cultural and recreational meeting centre with spaces for music, culture, sports and multiethnic cuisine; identifying a qualified private entity in the position to invest in the compound's requalification and in its management for an established time, maintaining at the same time its public ownership.

The project presented by the enterprise group which was given the grant for construction and management was designed by the architect Rem Koolhaas. This project foresaw the creation of the following activities: multimedia and traditional library, theatre and open-air one integrated with recording studios as fundamental elements around which spaces dedicated to culture are organized; a kind of "modern thermal baths" with structures dedicated to hosting sports activities (swimming pools and gyms); multi-screen Cinema, public spaces and functional shops to financially sustain the project feasibility.

Surface of the intervention area: 85,000 m²; Existing volume: 154,000 m³ (of which to recuperate: 64,000 m³, to demolish and rebuild: 90,000 m³)
 Building area: 80,000 m² (of which culture and free time: 32,000 m², catering: 15,000 m², commercial tertiary sector: 28,000 m², tertiary sector executive: 5,000 m²); Parking: 101,000 m²; Public green areas: 32,000 m²; Municipal services (municipal civic centre, elderly, people's centre, health and social services centre, nursery and post office): 5,500 m²

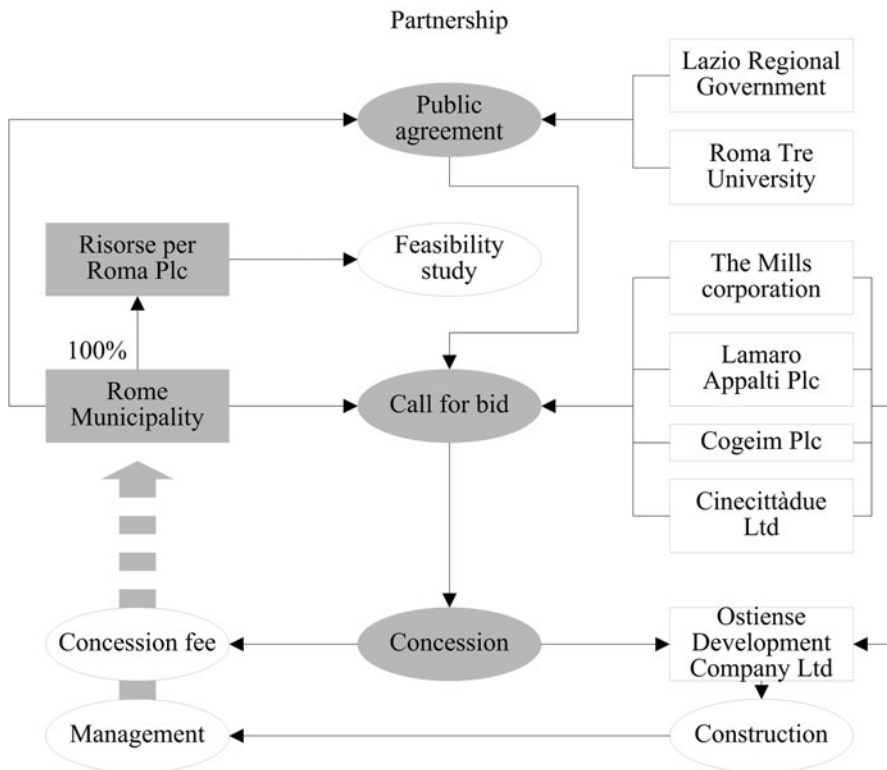
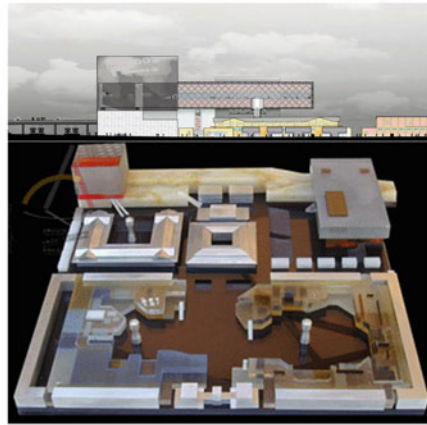


ROM - Ex Mercati Generali (Rome), urban renewal plan

Location of the intervention



Transformation project



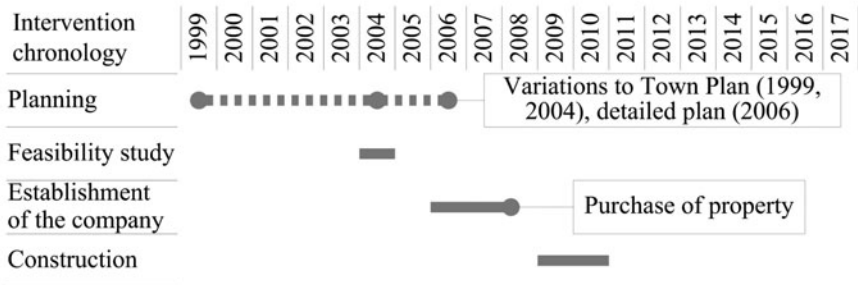
POR - Stu Mako (Pordenone), town transformation company

The Pianura Padana at the foot of the Alps in the Friuli, Veneto and Lombardia Regions is characterised by many cotton mills located close to waterways, built in the second half of the 18th Century most of which have fallen into disuse since the Second World War. In the case of the former Cantoni cotton mill in Cordenons, in Pordenone's outskirts, the complex began to fall into disuse in the 80s, and in 1990 the production activity completely stopped.

In 1999, with the Variant to the General Town Plan, the Municipality came up with its first strategies for the recuperation of the cotton mill area, which was classified as "Zona Elementare" n. 560, that's means de-structured zones/areas subject to configuration and evolution intervention policies on their morphological structures. At the same time, the green area along Noncello river was defined a "City Park". In November 2004, the City Council approved the variant n. 5 to the Technical Regulations for the implementation of the general urban planning instrument. As long as the "Zona Elementare" n. 560 is concerned, ex-cotton mill included, it was planned an increase in the residential building potential, if the intervention work provided for the restoration and re-use of the existing buildings. The General Urban Planning Instrument put off the definition of the intervention modalities and the localisation of the various facilities setting to the Detailed Urban Planning Instrument (in Italian, "Piano Regolatore Particolareggiato Comunale"), approved in 2006.

The intervention is aimed at setting up a new urban point of attraction, so to relieving congestion in the central part of the Town. The expected result is the creation of a centre where to host the administrative and educational services and as well as a meeting and socialization place usable for the whole day. The planning solutions, as far as the mix of building facilities was concerned, took on board the proposals suggested by different public entities and in particular, those of the Pordenone Province, the Territorial Agency for Residential Building (in Italian, "Agenzia Territoriale per l'Edilizia Residenziale") and the Agency responsible for managing the Local Public Transport (in Italian, Agenzia Responsabile per il Trasporto Pubblico Locale). The project previewed the demolition of the "superfetaation" and the original buildings' recuperation, which were considered an example of industrial archaeology, so to become homes, tertiary sector commercial and executive structures, school facilities and sites for museal activities. Furthermore, the construction of new buildings was foresaw in order to complete the town plan. As far as public and community spaces are concerned the following ones were planned: the reorganisation of the route between the town centre and the green area along the Noncello river so to define a new town-square; the regeneration of the underground spaces, for garages and car parks, so to satisfying the parking needs generated by the new urban facilities.

Surface of the intervention area: 148,275 m² (of which cotton mill: 63,070 m², northern area: 25,140 m², green areas around Noncello river: 60,065 m²)
 Residential n. 70; Commercial tertiary sector: 2,750 m²; Tertiary sector executive: 2,050 m²; Public facilities: 9,600 m²

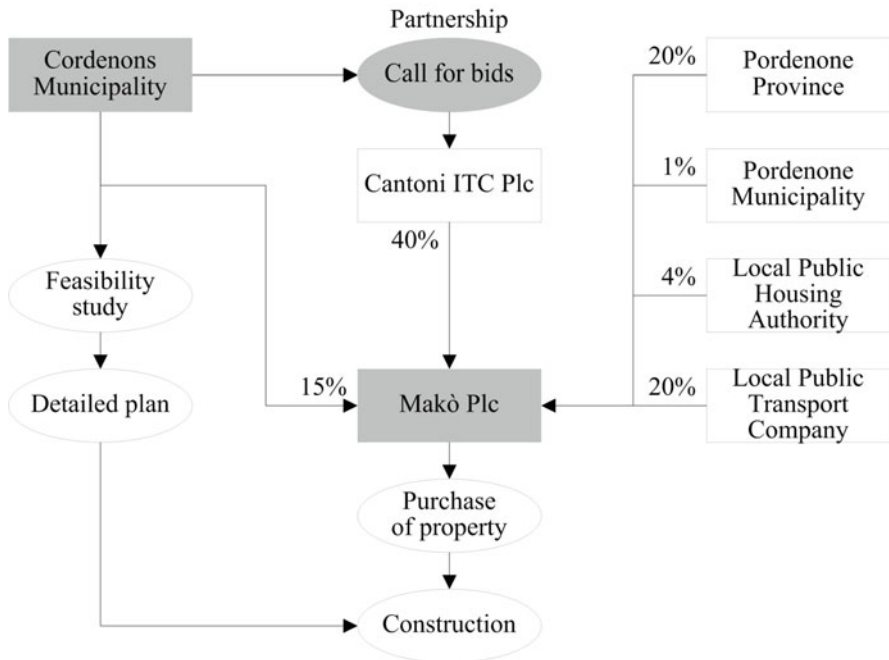
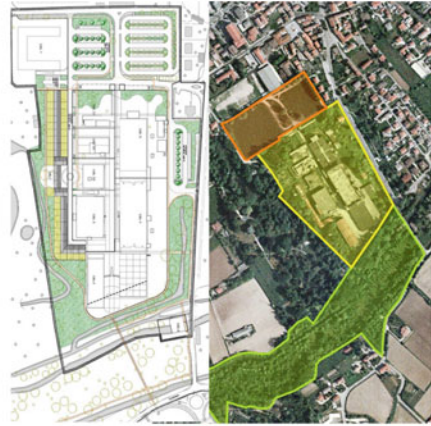


POR - Stu Mako (Pordenone), town transformation company

Location of the intervention



Transformation project

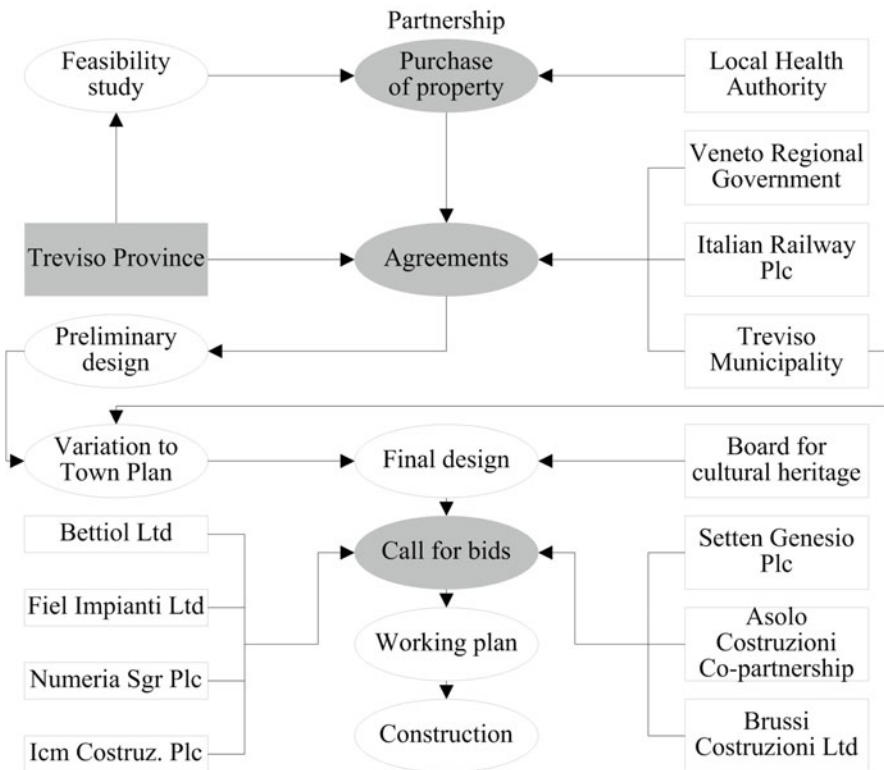
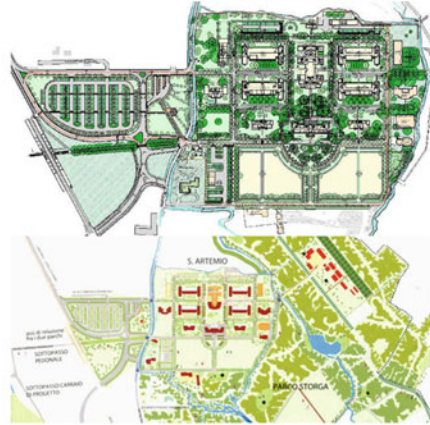


TRE - Sant'Artemio (Treviso), urban restoration of former hospital

Location of the intervention








Transformation project


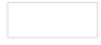








Legend

Intervention chronology

	Punctual and start or finish points for specific activities
	Progress made with the activities
	Discontinuity or interruption phases in the activities' progress
	Foreseen activities
	Project management phase duration

Partnership

	Promoters
	Partners
	Entities no longer existing or not yet involved
	Activity in progress or already carried out, which forms part of negotiation forms and of agreements among different entities
	Previewed activity not carried out yet, which is part of negotiation forms and of agreements among different entities
	Technical activity in progress or already carried out
	Previewed technical activity not carried out yet
	Financial flows which will take place in the medium and long term

3.2.3 General Considerations

Intervention models regarding the physical environment – Regarding the case studies' characteristics, it is first worth taking into consideration the type of areas destined to host the transformation and renewal activities (Fig. 3.8), and the intervention models chosen by the promoters.

The chosen transformation and requalification initiatives marginally involve disused industrial areas. This takes place, in actual fact, only in the case of Naples (the disused areas of Bagnoli recovered by the Bagnolifutura Urban Regeneration Company), Milan (dismissed industrial areas substituted by the Santa Giulia residential and tertiary settlements), and Cordenons (the Cantoni ex-cotton mill recuperated by the Makò Urban Regeneration Company).

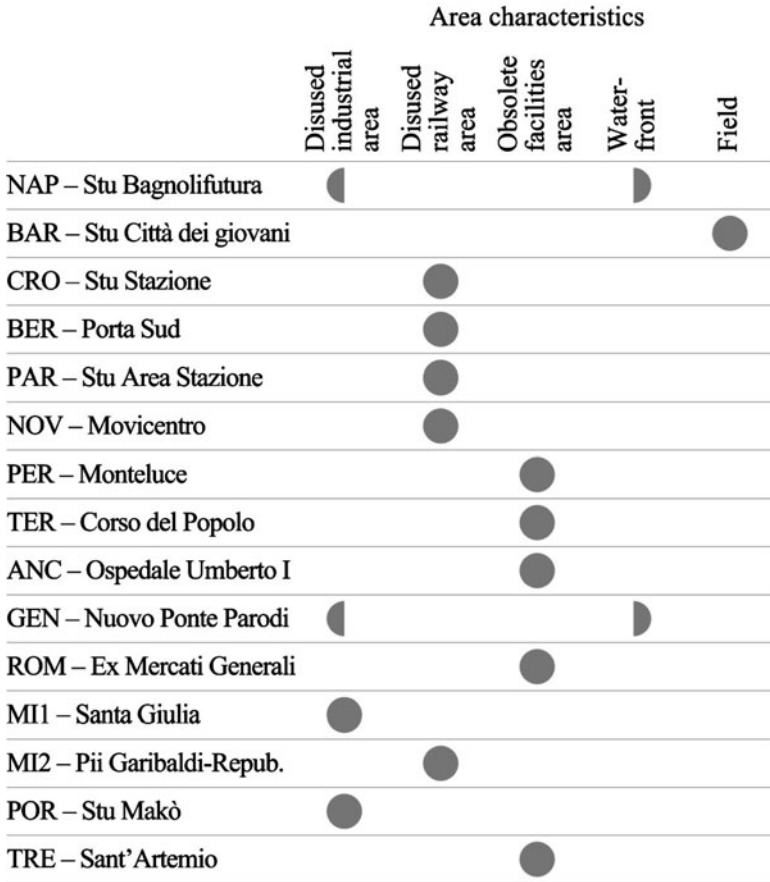


Fig. 3.8 Characteristics of the areas concerned by the cases studies

Dismissed industrial areas represent the first kind of zone which gained the attention of urban requalification plans during the 1990s and for which many important projects were prepared and carried out. As an example, some noteworthy cases in the metropolitan area of Milan should be highlighted, such as the recuperation and reconversion of the Pirelli plant in Bicocca, the regeneration of the ex-Alfa Romeo area in Portello Nord and the case of the dismissed Bovisa industrial sites; in Turin and in its conurbation the reuse of the ex-Carpano plant, the transformation of the Spina 3 areas (ex-Michelin, Fiat Savigliano, and Fiat Teksid, Iri), the ex-Limone foundry in Moncalieri and the ex-Ferrero steelworks in Settimo Torinese; in Genoa the reuse and regeneration of the areas where the Campi steelworks, the Ansaldo group assembly plant, and the Garrone refinery were sited.

After almost 20 years of research and experimentation on the requalification topic, Italy has achieved well-developed technical and administrative know-how. When the disused industrial areas are private property, and thus the restructuring

initiatives start from the private sector, this technical and administrative know-how usually applies the public–private partnership types, herein defined as “negotiated PPs”.

Nevertheless, in recent years local authorities and private capital have paid an increasing attention to other type of areas: those occupied by structures for railway transport, product yards which have become disused or that have to be transferred to areas outside the city, or areas occupied by buildings addressed to host public services which have become obsolete or which have to be transferred to other sites.

The Crotona, Bergamo, Parma and Novara case studies belong to the first category, where the restructuring project previews also to regenerate the main railway station and to install a mix of residential, administrative and commercial functions within the surrounding area. Also Milan project’s *Piano integrato di intervento Garibaldi–Repubblica* is included in this typology.

The second type includes the Perugia, Ancona and Treviso case studies, which refer to disused hospital sites, and the Terni and Rome case studies.

On the other hand, the Genoa case study exemplifies a further category of areas which, relatively recently have become the object of regeneration projects: the city seafont. Similar cases can be found in the cities of Trieste, Livorno, Bari, and Catania among others, without, as yet, relevant outcomes.

Finally, an atypical case study is exemplified by Baronissi, which concerns a mainly agricultural area. Nevertheless, it should be taken into consideration that the intervention area is adjacent to the old town center of Baronissi, near both the city of Salerno, and the new Salerno University campus.

The case studies highlighted so far, representing the transformation of publicly owned real estate, do not yet benefit from the advanced technical and administrative know-how that in Italy has been developed for the regeneration of disused industrial areas. The intervention tools used for publicly owned real estate currently fall either into the category of partnership forms known as “contractual types” or “institutional types.” The public ownership of the real estate and the consequent need for the partnership to be promoted by the public subject makes the intervention tools’ choice of crucial importance. However, political decision making and technical elaboration have not yet been able to clearly demonstrate some crucial aspects, in particular the role of the public sector in a market economy.

As far as the intervention models are concerned, it worth attributing the case studies to the models defined in the research program CoUrbIT (Fig. 3.9) operating on the distinction between the initiatives regarding the physical environment – via “recover,” “redevelopment,” “renewal,” and “framework” models – and those regarding mainly the community – via models defined as “gentrification,” “revitalization,” and “regeneration.”

As far as initiatives working on a physical characters are concerned, a large part of the case studies analyzed herein use solutions regarding preexisting settlements, the adopted interventions sometimes are radical (redevelopment) and consists in substituting the obsolete structures: industrial areas swallowed up by city growth and disused railway product yards are very often replaced by residential, administrative, and commercial buildings.

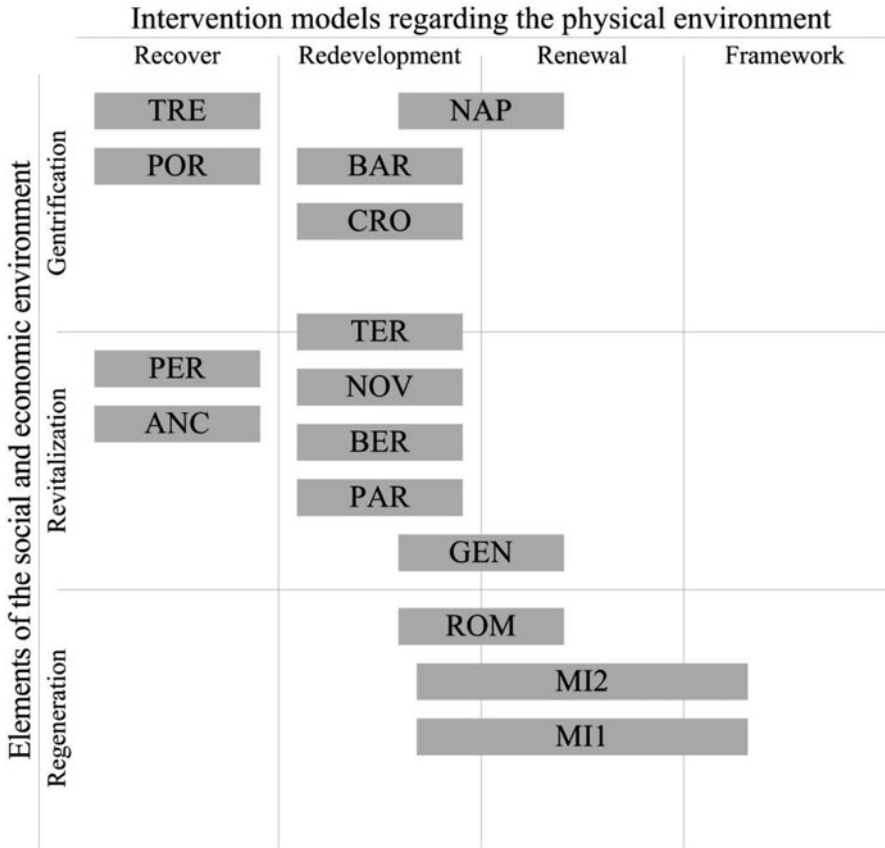


Fig. 3.9 Intervention models regarding the physical environment and the community

In cases regarding the regeneration of obsolete town facilities – for instance the hospital sites in Perugia (Monteluce), Ancona (Umberto I) and Treviso (Sant’Artemio) – the intervention does not radically change the nature of the preexisting sites and consists in the recovery of the building structures, in general restructuring with more portions restructured rather than demolished and reconstructed or with the addition of new buildings.

Some of the cases analyzed herein are in large cities open to international competition: Milan (Santa Giulia and Garibaldi Repubblica), Rome (Ex Mercati Generali), Genoa (Nuovo Ponte Parodi) and Naples (Stu Bagnolifutura). In these cases, the urban redevelopment helps to reposition the city within the European economic space qualifying some of its areas with high level facilities and it aims to renew the image of the city thanks to the fundamental contribution of architecture (*renewal*). In these cases, when the promoter is the local authority, the intervention works result from a design competition which involves internationally renowned architects.

The case study “Garibaldi Repubblica” (Milan) has some peculiarities which distinguish it from all the others. It contains aspects which can be described as

modernization of the city's spaces, thanks to the breadth of the areas concerned and the diffusion of the regeneration effects beyond such spaces, consequently it brings benefits to all adjacent areas and to the city as a whole. Besides it includes multiple intervention works of different natures and on different scales: from the realization of buildings for residential and tertiary use, to the construction and management of public facilities for the city – a park, the headquarters of the City Council – and for the metropolitan area – spaces in support of the fashion sector and the headquarters of the Regional authority. Even with these characteristics, the case in consideration does not cross over into the *restructuring*, typical of the postsocialist countries and it can be considered a combination between the radical transformation of the framework of the city (*redevelopment*) and the improvement of the city's image through the quality of the architectural design (*renewal*). Within this combination, a specific process is engaged, characterized by organizational autonomy (*framework*) and orientated toward the construction and management of new institutional headquarters for the Regional authority and the City Council Administration.

The other case study regarding Milan (Santa Giulia) is very similar to the case study examined before. Within this operation – which can be considered both as a form of city restructuring (*redevelopment*) and as a way of improving the city's image (*renewal*) – a specific housing plan has been set up by a network of firms (*framework*) aimed at realizing in the residential area flats to be leased out at controlled rents.

Intervention models regarding the social and economic environment – The diagram in Fig. 3.9 anticipates the theme represented by the intervention models regarding the social and economic environment. In the case studies examined it is difficult to distinguish clearly between the following: intervention work aimed only at regenerating the economic and social fabric of the city (*regeneration*), intervention work aimed at revitalizing the economy with effects also on a social level (*revitalization*), and finally, intervention work orientated at a wider valorization of the city both from an economic and social point of view (*gentrification*).

A deeper analysis of intervention work aimed at the fulfillment of public and community interests, however, allows pointing out some aspects. These interventions pursue two main aims, each of which is composed of two specific objectives.

The first aim lies in improving the living conditions and accessibility to town facilities. It regards both works with a moderate level of impact, such as implementation of new local infrastructures (for instance green public areas, pedestrian areas, car parks), and works with a high level of impact, such as the implementation and managing of public district services (for instance civic centers, health services, and nurseries).

The second aim concerns the production of public assets and services addressed to specific social categories, and it includes both the construction of social housing (for instance for students or for low income families) and the realization of specialized facilities (for instance spaces for students or for young people in general).

The following diagrams classify the experiences analyzed according to the aims before described. These cases are limited to those where there is enough information available on intervention methods regarding the social and economic environment.

In some of the cases in question – for instance, the “Stu Area Stazione” in Parma and “Santa Giulia” in Milan (Fig. 3.10) – the aim of improving the living conditions

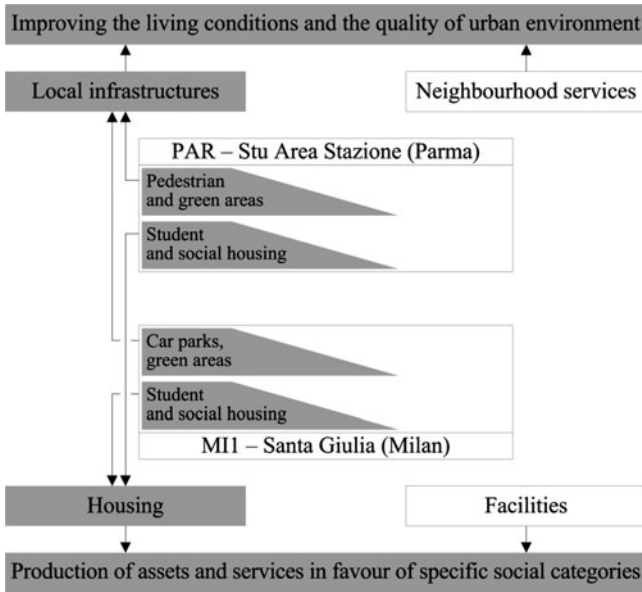


Fig. 3.10 Intervention method regarding the social and economic environment: “Stu Area Stazione” in Parma and “Stu Santa Giulia” in Milan

and accessibility to the town environment facilities and the availability of services in the city is mainly pursued providing more public facilities, than required by urban regulations (this is the topic of the additional community facilities to be taken charge of by the private promoter), while the aim of widening the social categories admitted to benefit from the intervention is reached with the building of residential housing partly assigned to students or to low income families.

In other cases – for instance, “Monteluce” in Perugia and the “Ospedale Umberto I” in Ancona (Fig. 3.11) – the improvement of living conditions and accessibility to the town environment facilities is not limited to the minimum standard requirements: the range of public works in addition to the minimum allocation required by urban law, compulsory for the promoter in the area subject to the regeneration, is widened to the building of district services, including civic centers and health clinics.

Furthermore, other cases – for instance, the “Stu Ex Mercati Generali” in Rome and the “Stu Città dei Giovani e dell’Innovazione” in Baronissi (Fig. 3.12) – pay more attention to the production of public property and services aimed at specific social categories. In these cases, less relevance has been given to the carrying out of residential social housing for permanent residents and a greater emphasis has been given to the construction of facilities for students and for young people in general.

The physical dimensions of the intervention work – The largest projects (Table 3.1) are those regarding disused industrial areas, that is, those in Milan (Santa Giulia) and Naples (Stu Bagnolifutura). The size refers both to the space occupied by the intervention area (over 1 million m²) and the building area (approximately more than 400,000 m²).

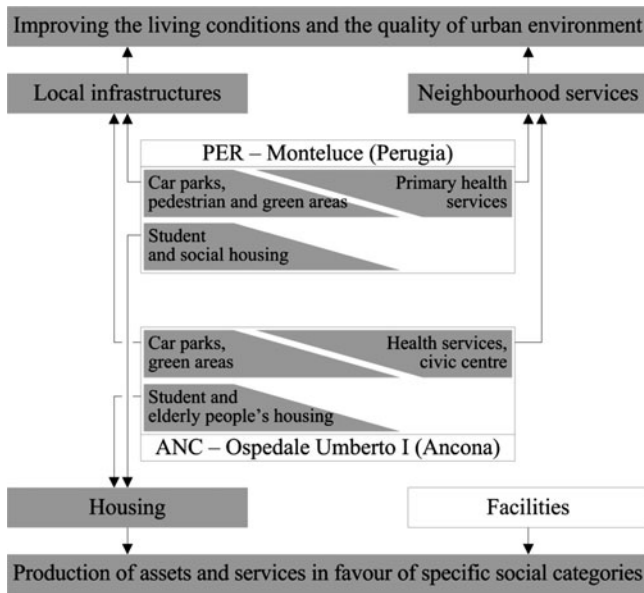


Fig. 3.11 Intervention method regarding the social and economic environment: Monteluce in Perugia and Umberto I in Ancona

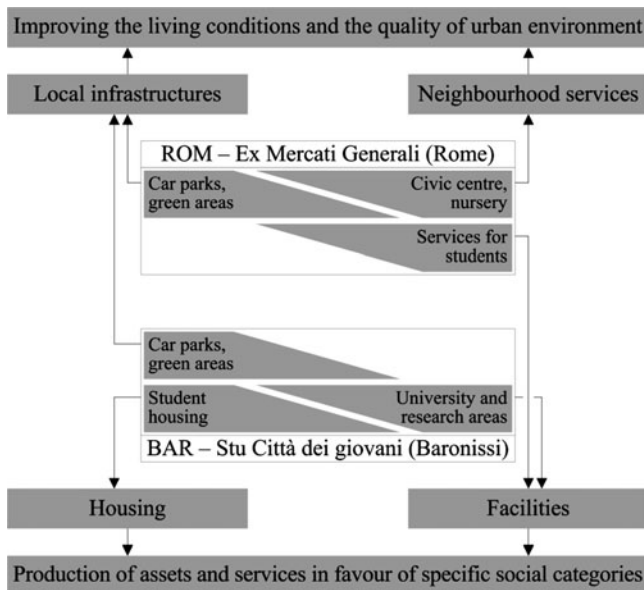
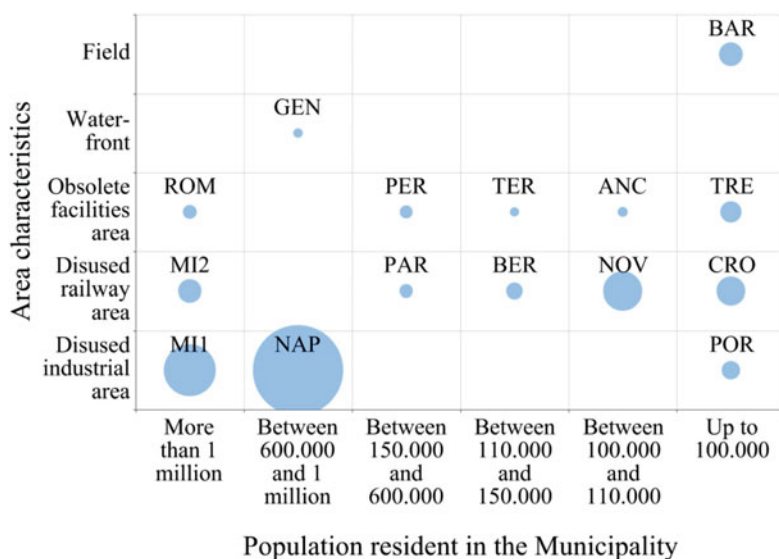


Fig. 3.12 Intervention method regarding the social and economic environment: ex-Mercati Generali in Rome and Stu Città dei Giovani in Baronissi

Table 3.1 Dimensions of the intervention areas in comparison with the demographic dimensions of the city

		Intervention's area dimension (m ²)	Population resident in the Municipality ^a (n.)
ROM	Ex Mercati Generali (Rome)	85,000	2,705,603
MI1	Santa Giulia "Città nella città" (Milan)	1,112,200	1,303,437
MI2	Pii Garibaldi – Repubblica (Milan)	230,338	1,303,437
NAP	Stu Bagnolifutura (Naples)	3,300,000	975,139
GEN	Nuovo Ponte Parodi (Genoa)	42,950	615,686
PAR	Stu Area Stazione (Parma)	80,000	177,069
PER	Monteluce (Perugia)	75,000	161,944
BER	Porta Sud (Bergamo)	120,000	115,645
TER	Corso del Popolo (Terni)	41,000	109,816
NOV	Movicentro e Stu Novara Futura (Novara)	629,916	102,595
ANC	Ospedale Umberto I (Ancona)	46,400	101,480
TRE	Sant'Artemio (Treviso)	193,232	81,763
CRO	Stu Stazione (Crotone)	345,480	60,673
POR	Stu Makò (Pordenone)	148,275	18,247
BAR	Stu Città dei giovani (Baronissi)	240,000	16,294

^aSource: Istat (National Institute of Statistics), official data on resident population in the Italian Municipalities, 1 January 2007, <http://demo.istat.it/>

**Fig. 3.13** Characteristics and dimensions of the intervention area in comparison with the demographic dimensions of the City

In general, the size of the projects that incorporate disused railway structures are smaller, even though these cases often cover hundreds of thousands of square meters, independently from the demographic size of the city that hosts them (Fig. 3.13). The figures range from around 230,000 m² for the area "Garibaldi Repubblica" in Milan, to around 345,000 m² for the "Stu Stazione" works in

Table 3.2 Dimensions of the intervention areas in comparison with floor area ratio

		Floor area ^a (m ²)	Intervention's area dimension (m ²)
NAP	Stu Bagnolifutura (Naples)	399,181	3,300,000
MI1	Santa Giulia “Città nella città” (Milan)	647,000	1,112,200
NOV	Movicentro e Stu Novara Futura (Novara)	394,047	629,916
CRO	Stu Stazione (Crotone)	105,890	345,480
BAR	Stu Città dei giovani (Baronissi)	116,000	240,000
MI2	Pii Garibaldi – Repubblica (Milan)	229,693	230,338
TRE	Sant’Artemio (Treviso)	127,466	193,232
POR	Stu Makò (Pordenone)		148,275
BER	Porta Sud (Bergamo)	116,000	120,000
ROM	Ex Mercati Generali (Rome)	80,000	85,000
PAR	Stu Area Stazione (Parma)	42,827	80,000
PER	Monteluca (Perugia)	65,000	75,000
ANC	Ospedale Umberto I (Ancona)	34,098	46,400
GEN	Nuovo Ponte Parodi (Genoa)		42,950
TER	Corso del Popolo (Terni)	23,706	41,000

^aFloor area for housing, tertiary sectors such as directional complexes, commercial buildings, accomodation facilities, research centers, universities, congress centers and services for the citizenships, parking areas excluded either underground and on surface ones

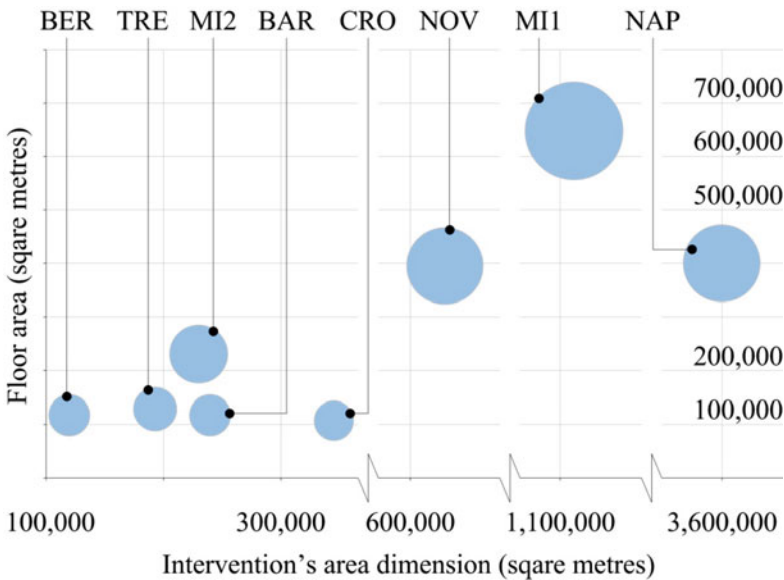


Fig. 3.14 Dimensions of the intervention areas in comparison with the floor area ratio

Crotone, to around 630,000 m² for the “Movicentro” and “Stu Novara Futura” project (Piedmont Region).

Generally, the areas occupied by obsolete town facilities or disused port structures do not reach 100,000 m² (Table 3.2; Fig. 3.14). The smaller comparable site

for these project sizes, even in terms of the building areas (from around the 24,000 m² at “Corso del Popolo” in Terni to the 80,000 m² at the “Ex Mercati Generali” in Rome), contributes to explaining the time required to bring them to completion. Indeed, if on the one hand the regeneration case studies for the disused industrial areas in Milan and Naples have taken over two decades, on the other hand, the obsolete town facilities have required up to 7 years for their preparatory activities (agreements, town planning, public investigation procedures) and up to 5 years to carry out the work (excluding possible management).

Other facts have emerged regarding the relation between the building floor area and the dimension of the intervention area. The regeneration cases concerning disused industrial areas are more contained in comparison with other situations: the floor area ratio (FAR) ranges from 0.58 to 0.12 m²/m² respectively, in the cases of “Santa Giulia” in Milan and “Bagnolifutura” in Naples. This is a consequence of the need to provide the city with areas equipped with features in line with the town planning standards, such as in particular car parks and green areas, making the most out of the regeneration interventions.

The aforementioned ratio is found to be higher in projects concerning the recuperation and reuse of obsolete town facilities and, in fact, the floor area ratio ranges from 0.73 and 0.87 to 0.94 m²/m² respectively, in the cases of “Ospedale Umberto I” in Ancona, “Monteluce” in Perugia and in the “Ex Mercati Generali” in Rome. The public ownership of the property and the public aim of the initiative plays a decisive role to that end.

Regarding the technical aspects, such a high building density occurs from the use of different tools. On the one hand, in some cases the possibility of increasing the existing volumetry was recognized before the renewal intervention, such as, for instance, at the Ex-General Markets in Rome where an increase of up to 30% on the preexistent 264,000 m³ was permitted. On the other hand, in other situations, activities which require a lower story height than the existing one have been installed within the volumetry which existed before the renewal intervention. For instance, in the case of the “Ospedale Umberto I” in Ancona, the existing buildings on the area had a volume of about 140,000 m³, which corresponded to a cadastral area of almost 26,000 m². The renewal intervention had a limited increase in volume (about 9,000 m³ more), but the floor area exceeded 34,000 m² and the ratio between the volume and the floor area decreased from 5.38 m²/m² before the intervention work to 4.38 after the renewal.

The highest building density was found in two cases regarding the transformation of disused station facilities: 0.97 m²/m² for “Porta Sud” in Bergamo and almost 1.00 m²/m² for “Pii Garibaldi Repubblica” in Milan.

The permission of such a high building density index comes from the need to find a satisfactorily compromise between two opposite interests: the land’s value improvement for the owners involved and the community’s expectations. This need comes from the amount of public and community works to be carried out, but above all from the market value of the requalification area (in the “Città della Moda’s” case, long time ago the area was sold off to a private company by Rfi, while in the “Porta Sud” – Bergamo’s case the most of the area is still owned by Rfi).

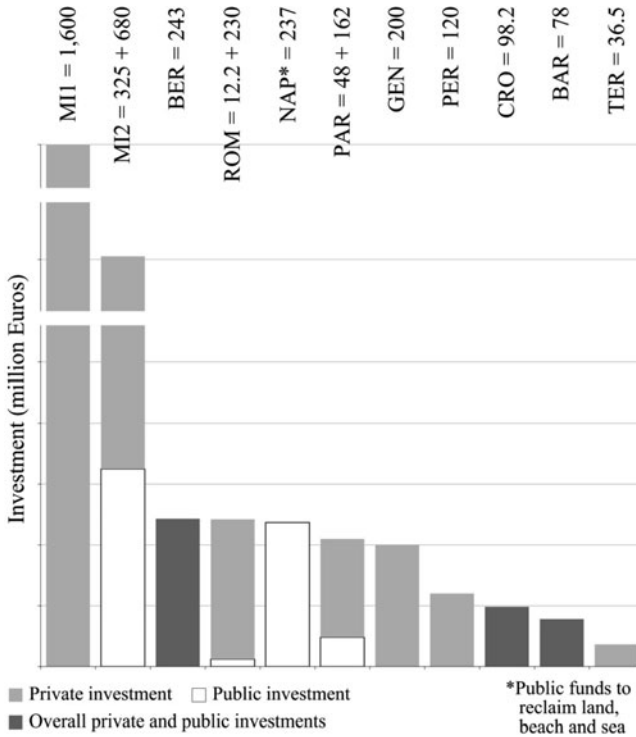


Fig. 3.15 Comparison between the investment dimensions

The interventions’ financial dimensions – The average size of the whole investment, in 10 of the cases with available information (Fig. 3.15), was over €370 million. However, this figure is strongly influenced by the presence of two cases on the city of Milan – “Santa Giulia” and “Pii Garibaldi Repubblica” – where the total investment was over a billion Euros. Most of the cases are focused on lower levels of investment: five of the cases are between €200 and €250 million of investment, while three others are between €78 and €120 million.

In the cases of “Porta Sud” in Bergamo, “Stu Area Stazione” in Crotone and “Stu Città dei Giovani” in Baronissi, the estimates regarding the investments sustained must be weighed in relation to the progress of the project activity. Furthermore, the percentage of involvement among public and private entities is not yet known, as the private entities have not been involved yet. Even “Stu Bagnolifutura” in Naples is not yet open to private capital: the amount of the investment refers to state and region’s funds allocated to complete reclamation activities of the land, the stretch of sand and the sea bed.

In some of the cases in question, the investment was completely under the responsibility of the private subjects involved, which also had to carry out the public works. For example, the €36 million invested in the case of “Corso del Popolo” in Terni included around €20 million for public works, which the private subject had

partly to manage and partly to give to the local authority; the €1.6 billion invested in the case of “Santa Giulia” in Milan included around €157 million needed for carrying out qualitative standards (schools and university housing) and extra public works (local infrastructures and congress center) agreed among the private owners and the local authority.

Finally, in three of the analyzed cases the total investment includes very different shares of public financial contribution: from the 5% for the “Ex Mercati Generali” in Rome, to the 23% for the “Stu Area Stazione” in Parma, up to the 33% of “Pii Garibaldi Repubblica” in Milan. Nevertheless, these last two cases are, above all, those that are worthy of being studied more in detail.

The Urban Regeneration Company, known as “Area Stazione” in Parma, opened a tender with the aim of implementing both private and public works, for a total amount up to €108 million, which was the equivalent of around half of the total investment estimated in €210 million. The public funds in hand of the local authority and, thus, of the Stu company in order to covering the investment’s costs, approximately totalled up to €45 million; the remaining part was represented by the value of the real estate valorization and by the resources attainable selling the private works. In other words, the undertaking of the city’s requalification works was in larger part funded selling future assets.

Considering the “Pii Garibaldi Repubblica” case study in Milan, instead public funds to be invested in the area’s renewal will not be given to the private subjects presently involved. As a matter of fact, in this case the involved local authorities – i.e., the Milan City Council and the Lombardy Regional authority – will use these funds to build new properties for hosting their respective headquarters; this will be achieved through distinct and autonomous building initiatives even if in the context of an overall regeneration intervention. This will take place through “an integrated tendering procedure” – i.e., a procedure including the executive design and the buildings’ construction – as far as the Lombardy Regional headquarters are concerned, and applying the project financing as far as Milan City Council is concerned.

3.3 Role of the Partnership in the Case Studies

3.3.1 Public–Public Partnership

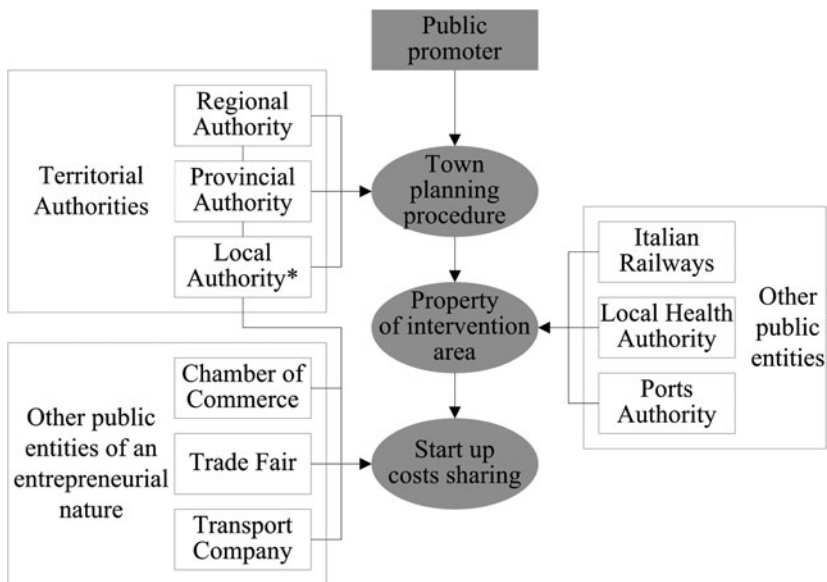
In most of the cases discussed in the previous section, a public subject assumed the role of driver of change. In 10 out of the 15 cases examined, the promoter entity is the local authority (Stu Bagnolifutura in Naples, Stu Young People’s City in Baronissi, Stu Station in Crotone, Porta Sud in Bergamo, Stu Area Station in Parma, Movicentro and Stu Novara Futura in Novara, Corso del Popolo in Terni, Pii Garibaldi Repubblica in Milan, Nuovo Ponte Parodi in Genoa and Ex-General Markets in Rome). In some cases, this takes place because the main core of the investment regards local authority’s public property, in other cases because the assets

at the center of the intervention belong to state-owned companies and the local authority deems to have a great decisional power.

Furthermore, in four of the examined cases, the initiative is pushed forward by other public bodies: regional local authorities and universities in the cases of Monteluze in Perugia, provincial local authorities in the case of Stu Makò in Cordenons and Sant’Artemio in Treviso, hospitals in the case of the Umberto I Hospital in Ancona. Only the Santa Giulia case study in Milan is an example where the promoter is private.

Apart from the legal status of the renewal process’s promoter, almost in all the case studies the partnership setup follows a common model: upstream the roles’ subdivision among public and private subjects and their investments’ share, there is always the need to structure partnership forms involving several public bodies. This need can be explained taking into consideration three main reasons (Fig. 3.16).

The first reason concerns town planning procedures to be completed in order to start the regeneration process. Many projects are not coherent with the urban plan’s rules, so that it is necessary to revise them. Consequently, in order to shorten the time usually needed for modifying the urban plans according to the ordinary procedures, the project’s approval is sanctioned on the basis of a program agreement between the public bodies competent in town planning matters: first the city council, second the regional government, and in some of the cases also the provincial local government. The experiences in Monteluze (Perugia) and in the Umberto I Hospital (Ancona) are different in comparison with the other analyzed



*Local Authority is promoter or one of the public partners

Fig. 3.16 Public–public partnership

cases. In both, the promoter is not the local authority, and the partnership among the public subjects involved is necessary, not really to change the provisions contained in the general urban plan, but to develop the executive planning.

The second reason for creating public–public partnerships comes from the fact that the public promoter of the initiative is not always the owner of the intervention’s areas. For instance, if the public promoter is the city council which wants to regenerate the dismissed railway areas, it needs to involve the “Italian Railway Network” (Rfi – Rete Ferroviaria Italiana) which, even if formally being a private company, is completely under the control of State Railways Ltd; the latter is in turn totally shared by the State via the Economics and Finance Ministry. In the same way, for seafront regeneration works, it is in general necessary to involve the local port authority.

It is to be stressed that the ways in which the areas subject to renewal works are made available by the abovementioned subjects are not uniform. For example, it happened thanks to the establishment of a joint company in the case of Porta Sud in Bergamo, also with Rfi’s participation, while in the case of Nuovo Ponte Parodi in Genoa there is the port authority’s participation. Finally, in the Stu Area Stazione in Parma and Stu Stazione in Crotone’s cases the ownership of Rfi’s areas were transferred. It is to be enlightened that in the cases of Movicentro and Stu Novara Futura in Novara plans of action have yet to be defined.

The third reason which leads to the creation of partnership forms among several subjects in the public sphere is suggested by the need to collect enough financial resources for covering the start up costs. Therefore, the explanation to the establishment of partnerships among regional or provincial authorities (as in the case studies concerning Stu Bagnolifutura in Naples, Stu Città dei Giovani in Baronissi and Porta Sud in Bergamo) and the Chamber of Commerce (again, regarding Porta Sud in Bergamo, and the Movicentro and Stu Novara Futura and Nuovo Ponte Parodi in Genoa case studies).

The diagram in Fig. 3.17 puts the case studies in relation with the reasons leading to partnership forms involving several public subjects. The Ex-General Markets in Rome, the Corso del Popolo project in Terni, and the Sant’Artemio project in Treviso have been excluded: in the first two cases the city council modified the urban plan applying standard procedures; in the third case it was not necessary to modify the urban plan forecasts.

3.3.2 From Public Partnership to Mixed Capital Firm

In 12 of the 15 analyzed cases, the partnership among several public subjects is of great importance. Furthermore, in 8 of these 12 cases the public–public partnership is carried out with the creation of a corporate company.

A large part of these companies have set up in the form of Urban Regeneration Companies, institution provided for by national legislation on the basis of the experience gained by the French *Société d’économie mixte* in the second half of the 1990s. In six of the examined cases – Naples, Baronissi, Crotone, Parma,

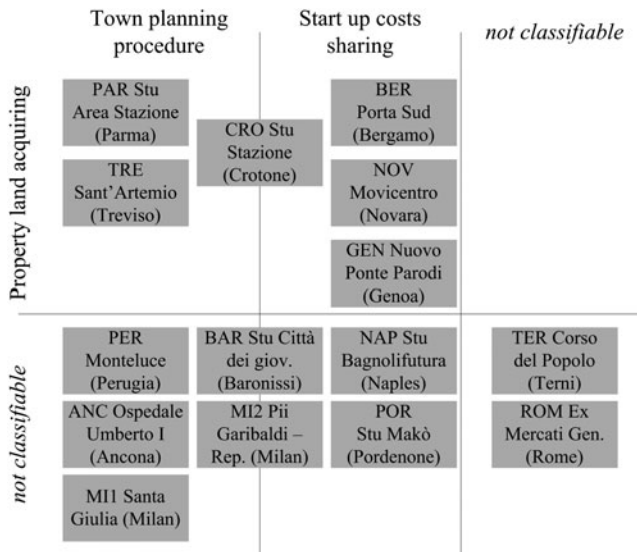


Fig. 3.17 The case studies with respect to the reasons for public-public partnership

Novara, and Cordenons – the partnerships were formalized by the setting up of an institutional company structure based upon the Stu legislation. However, Italian Local Public Bodies can implement works applying the private law regime through ad hoc legal entities (public limited companies or limited liability companies); this is also why for the Bergamo and Genoa projects’ partnerships were formalized incorporating companies so to carry out urban regeneration and renewal works, even if it is not been applied the law founding the Urban Regeneration Companies.

The collaboration among several subjects carried out through the foundation of joint stock companies has been defined as an “institutional” type of partnership in the Green Paper published by the European Commission. The distinguishing mark of an institutionalized PPP has been identified in the fact that “it implies cooperation between the public and the private sectors within a distinct legal entity.”

The Italian examples of intervention works on the urban structure using joint stock companies raise strong doubts about whether they are a real collaboration among local authorities and private entrepreneurs. In fact, seven of the eight examples of town transformation companies indicated above are involving only public partners (Fig. 3.18). Furthermore, in five cases the involvement of private partners was foreseen upon setting up the company, but it has been put back and still not yet carried out.

More specifically, “Stu Bagnolifutura” was established in April, 2002 by Naples City Council and only public bodies were involved (i.e., the regional and provincial authorities, in addition to the municipality); Naples City Council foresaw to transfer most of the share to private subjects (around 60%), nevertheless, when and how to transfer it have not yet been defined. The “Stu Città dei Giovani e dell’Innovazione” was established in December, 2003 by the Baronissi City Council and a limited share was also undertaken by the Province of Salerno. The reduced initial allocation

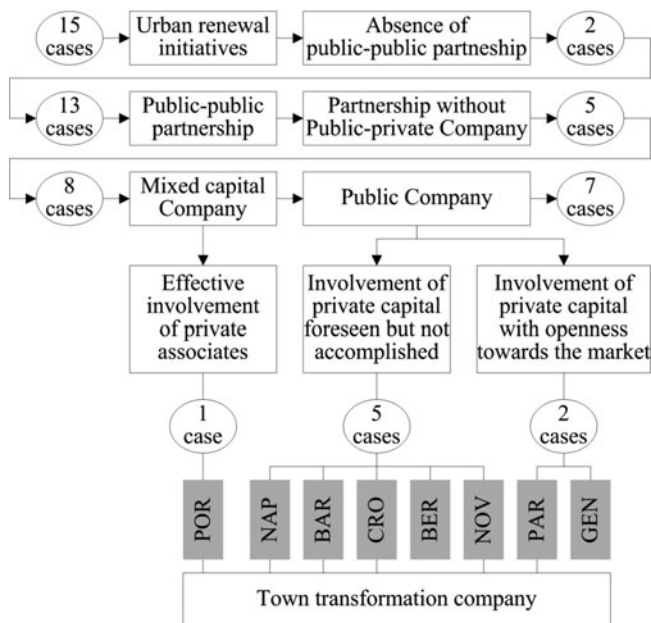


Fig. 3.18 Hierarchical chart: from public–public partnerships to joint companies

of capital from the public bodies, in the absence of private entrepreneurial partners, was not enough for bearing the core start up costs (legal, administrative, planning expenses, etc.). Consequently, several times the local bodies have been forced to recapitalize the company, with considerable difficulties due to the public balance sheet restrictions, that required extraordinary and unforeseen fundraising.

“Stu Stazione” in Crotone and “Stu Novara Futura” were set up more recently, respectively in February and May, 2006. Also in these cases, when and how private partners’ involvement in the company would happen has yet to be defined. Finally, “Porta Sud” in Bergamo has among its partners the Italian Railway Network (Rfi), a company entirely controlled by the state. Rfi is formally considered a private subject, being a limited company, but it was involved in the company without undertaking any public inquest procedures.

In all of these cases the requirements that the European Commission identifies as characterizing for the PPPs are lacking: the project financing methods, the relevant role of the economic operators of and an adequate share of risks between public and private partners.

Regarding the previously outlined framework, three examples can be considered exceptions. In the case of “Stu Makò” in Cordenons, the tender for private subjects was published at the beginning of 2006, at the same time as the companies were set up. In the examples of “Stu Area Stazione” in Parma and “Nuovo Ponte Parodi” in Genoa, both the companies which led the intervention work were made up only by public partners. Nevertheless, these companies involved private partners, through public inquest procedures, in order to implementing and managing the works.

3.3.3 *Negotiation Methods Between Public and Private Subjects*

The analysis performed has highlighted that partnerships among several public bodies represent a kind of steady characteristics in urban regeneration interventions, being deeply rooted to the complexity of these projects themselves. Nevertheless, it has also emerged from these projects that public–public partnership does not always develop into forms of public–private partnership, even if this is planned – often even hoped for – at the beginning of the process.

On the other hand, in the situations where forms of public and private partnerships take place, the paths which lead to interentities cooperation come in different forms and they are articulated through different modalities of tendering and negotiating, as explained in the diagram (Fig. 3.19).

The top part of the diagram shows the evidence coming from the experiences discussed in the previous paragraph: it shows a partnership formed by the involvement of different public bodies in a company (*organization*) entirely shared by public capital (i.e., “Stu Bagnolifutura” in Naples and “Stu Stazione” in Crotona), sometimes preceded by town planning procedures (*town planning*) and which reach an overall agreement (“Stu Città dei Giovani2” in Baronissi, “Porta Sud” in Bergamo and “Stu Novara Futura” in Novara). However, the partnership has not still developed enough to involving private partners.

The central part of the diagram represents those case studies that, after the elaboration of regeneration projects (*town planning*) and eventually the definition of an agreement and the starting up of a company (*organization*), shared only by public bodies, open to the cooperation with private entrepreneurs (*market*). The partnership is a contractual one: the private partners, chosen via public inquest procedures, get a concession for building and managing the public works (for examples, “Stu Area Stazione” in Parma, “Nuovo Ponte Parodi” in Genoa).

Nevertheless, in the examples where the municipalities are not owners of all the properties subject to the renewal work, or of the majority of them (“Monteluca” in Perugia, the “Ospedale Umberto I” in Ancona) and therefore, they are not directly interested in the valorization of the assets, the negotiation among the public subjects mostly concerns the contents of the executive urban plan (*town planning*) and the private and public works to be built. The public partnership does not develop into a joint mixed company, but it immediately opens to private partners (*market*), via competitive tendering. The private partners get the opportunity to carry out both the private and the public works previewed by the executive urban plan.

Finally, the bottom part of the diagram pertains to those case studies where the projects do not originate by partnerships among different public entities, but directly by public and private ones. This takes place, as far as town planning aspects (*town planning*) are concerned, when the private partners hold a relevant quota of the property to be regenerated (i.e., “Santa Giulia” in Milan) or of the building rights (“Pii-Garibaldi Repubblica” again in Milan). When, on the other hand, the property to be transformed and regenerated is mostly public, and there are public or

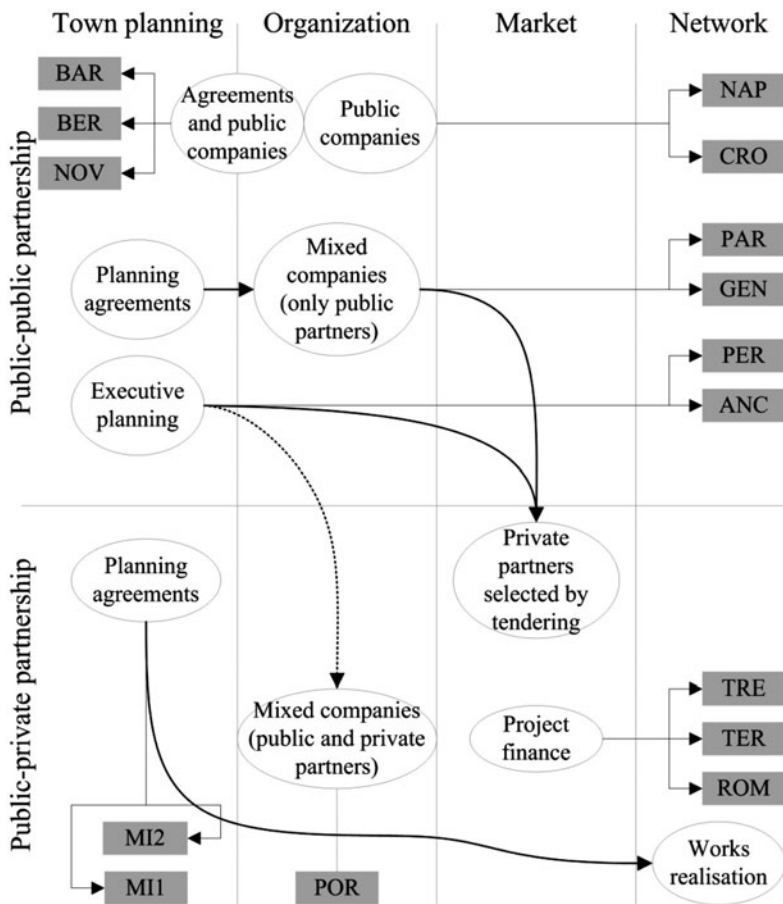


Fig. 3.19 Different methodologies of negotiation in the frame of public–public and public–private partnership

community works to be carried out and managed over long time (“Ex-Mercati Generali” in Rome, “Corso del Popolo” in Terni and “Sant’Artemio” in Treviso), then the involvement of private entities (*market*) takes place through project financing.

3.3.4 Characteristics of Private Partners

A large part of the cases described in the lower part of the diagram (Fig. 3.19) presents common key characteristics: the implementation of the renewal works takes place through the creation of one or more special purpose project companies.

The advantage deriving by the constitution of a new legal entity can be explained with the term “*ring fence*,” that is the legal and economic separation of the assets needed to carry out the project from the promoter’s ones. In other words, the risks related to the project are limited and taken apart with respect to the other activities managed by the promoters. Consequently they keep an autonomous debt capacity. In the case of failure, the financing subjects cannot assert their rights on the promoters’ assets not involved, under the legal point of view, in carrying out the project itself.

This is true in all those cases in which public–private partnerships take place through contractual relationships, as it was in the case of the following special purpose project companies: “Corso del Popolo” Plc in Terni, “Ponte Parodi Due” Plc in Genoa, and the Ostiense Special vehicle company Ltd for the “Ex-Mercati Generali” in Rome.

In these situations, the project’s companies became the hinge pin (Fig. 3.20) around which are structured the relationships among the local authority grantor, the private entities with an entrepreneurial character, i.e., the promoters, and the entities financially involved.

The special purpose project companies collect their equity from the private promoters. They raise funds, in the form of debt capital, from the subjects active in the credit sector. Endowments for the special purpose project companies can also derive directly from public contributions in the form of support given by the local authority grantor. In the case of “Corso del Popolo” in Terni and of the “Ex-Mercati

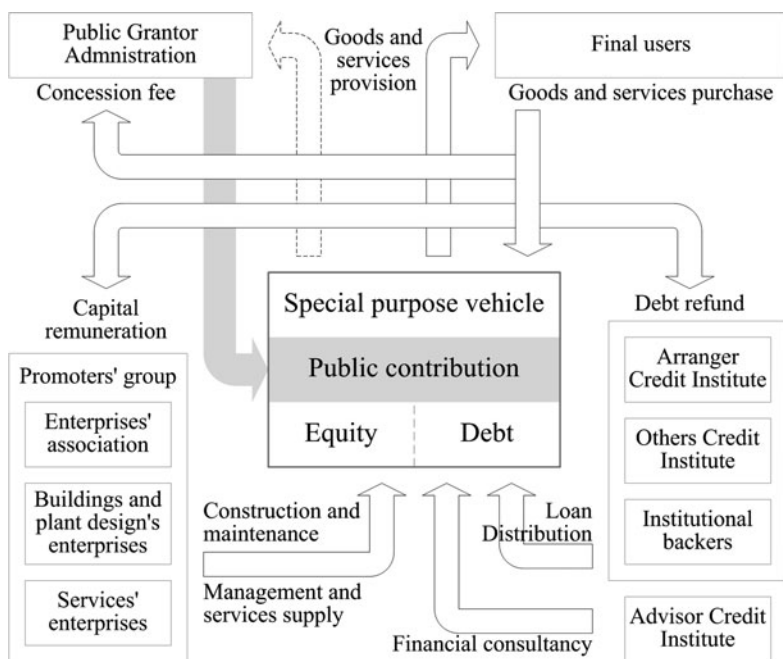


Fig. 3.20 Articulation of the relationships around the special vehicle company

Generali” in Rome, for examples, the special purpose project companies received contributions, respectively, in the form of building areas (in kind contributions) and money (financial contributions). Public contributions have not been foreseen in the case of the “Nuovo Ponte Parodi” in Genoa.

The promoters also give their entrepreneurial capacities, in order to produce goods and services for the market to the special purpose project companies or to be directly offered to the public bodies. Thanks to its activities the special vehicle company gets revenue which ought to allow it to pay the concession fee to the public bodies, to reimburse the debts made with the financial subjects, and to give back the capital invested by the private promoters.

The creation of special purpose project companies in order to managing the regeneration process also took place in some cases where project financing or construction and management concessions were not applied, such as, for instance, in the case of two Milanese projects. In “Santa Giulia” case, for example, it were set up new companies with their own legal status (Santa Giulia Plc and Santa Giulia Residenze Ltd); the same happened in the case of “Pii – Garibaldi Repubblica” (Caprera Ltd). In these cases, however, the special purpose project companies does not have direct relations with the local authority and they are principally responsible for fund raising and for works’ implementation, even involving third parties.

The entrepreneurial subjects taking part to the special purpose project companies are mainly firms, either from abroad or participated by international holdings. Some of these firms are active in the property development and real estate management mostly in the trade sector (as in the cases of “Nuovo Ponte Parodi” in Genoa, the “Ex-Mercati Generali” in Rome and “Pii-Garibaldi Repubblica” in Milan). Others are general construction firms focused on the national market (both in the case of the “Nuovo Ponte Parodi” in Genoa and the “Ex-Mercati Generali” in Rome) or also on the overseas ones (i.e., in the case of “Corso del Popolo” in Terni).

The financial subjects which have relations with the special purpose project companies are mainly national banking groups, sometimes supported by overseas credit institutions.

3.3.5 Multidimensional Analysis: The Rough Sets Approach

The first part of this report have outlined the research hypothesis upon which the present contribution has been developed and the study cases selected are discussed as examples of the Italian experience of urban regeneration carried out applying PPPs, i.e., forms of collaboration between public and private subjects. The previous paragraphs, in particular, deepened various aspects which characterize the public–private partnerships’ forms examined in the case studies. A study so accurate has brought into light some characteristics of the collaboration among Local authorities, at different levels of territorial government, other public entities with sector competencies and private subjects with business or financial nature.

In particular, the importance of the following characteristics has emerged: the nature of the collaboration among different public subjects aimed at the definition of urban planning procedures, at acquiring the real-estate object of the intervention, or at sharing the start up costs; the peculiarity of institutionalized partnerships that in many Italian cases are slow to open up to private entities; the methods and procedures for the involvement of private entities through tendering and negotiation, and many others.

Nevertheless, some questions still remain. How significant are the characteristics peculiar to each case study? Do they all assume a not distinguishable level of relevance or could various grades of importance be identified? And moreover, how far can each characteristic explain the results progressively reached in the urban regeneration experiences? In other words, is it possible to identify on the one hand a causal relationship among the territorial context where the case studies are based, the partnership forms are implemented, the tools are adopted, and on the other hand the results achieved?

In order to find exhaustive answers to these questions, it is necessary to pass from a qualitative analysis, whose experiential evidence has been discussed in the previous chapters, to a quantitative one using more formal procedures, such as, for example, the factor analysis, the cluster analysis or the multiple regression statistical analysis. There are, however, different obstacles to the application of these techniques. In particular, the limited number of case studies, with respect to the number of data usually required as database of the statistical procedures, prevent the possibility of getting significant results with the application of techniques such as, for example, multiple regression. Furthermore, since a large part of the case studies' characteristics taken into consideration could not be measured using technical or economic units, but they can only be expressed in qualitative terms, it is not possible to fall back on traditional statistical classification techniques based on the concept of "distance."

Such limits considered, it is deemed appropriate to use an analytical procedure enabling both small-sized databases, and data expressed mainly in the form of categories without any preferential order. Such an analytical tool is known as "rough set." Introduced a relatively short time ago by Pawlak (1991), *rough set* analysis has since been applied in several study settings, including urban renewal (Nijkamp et al. 2002). For a deeper study of the mathematical aspects at the base of the *rough set* analysis, that a significant part of the literature on the subject includes among its multicriteria decision-support techniques (see Doumpos and Zopounidis 2002; Figueira et al. 2005), the reader can find all necessary information consulting the suggested literature and the bibliography on the topic at the end of this chapter.

3.3.6 *Experiential Evidence: Classification of the Case Studies*

An interpretation of the results produced by the application of the *rough set* analysis, usually takes place using a formula such as "if...then..." in way of example: if the explanatory variable *a* adopt the value *a1* and at the same time the explanatory variable *b* put on the value *b2* then the result variable *r* put on the

value $r3$. This kind of interpretation applied to the analysis outcomes does not seem completely appropriate for the cases under examination. Indeed, the identification of such rules as “if... then...” is based on the assumption of a close cause–effect relationship among the explanatory variables and the variables expressing the results. As we can see, such a causal relationship does not always seem to be justifiable in reference to the cases examined. Indeed, it is sometimes possible to put forward alternative interpretations on the causality link among the explanatory variables and the result variables, even with an inversion of what represents the cause and what brings about the effect.

Therefore, it was considered appropriate to represent the analysis’ outcomes through groups of case studies that have in common particular combinations of the variables that explain and of those that illustrate the final results. Those groups, as displayed in the following charts, allowed us to fully classify the case studies. In other words, the application of the *rough set* analysis took place so to enabling the identification of the relationships providing an exhaustive representation of all the case studies with respect to each of the result variables.

Figures 3.21 and 3.22 represent the compound of the case studies formed in relation to the variable describing the results as project’s implementation.

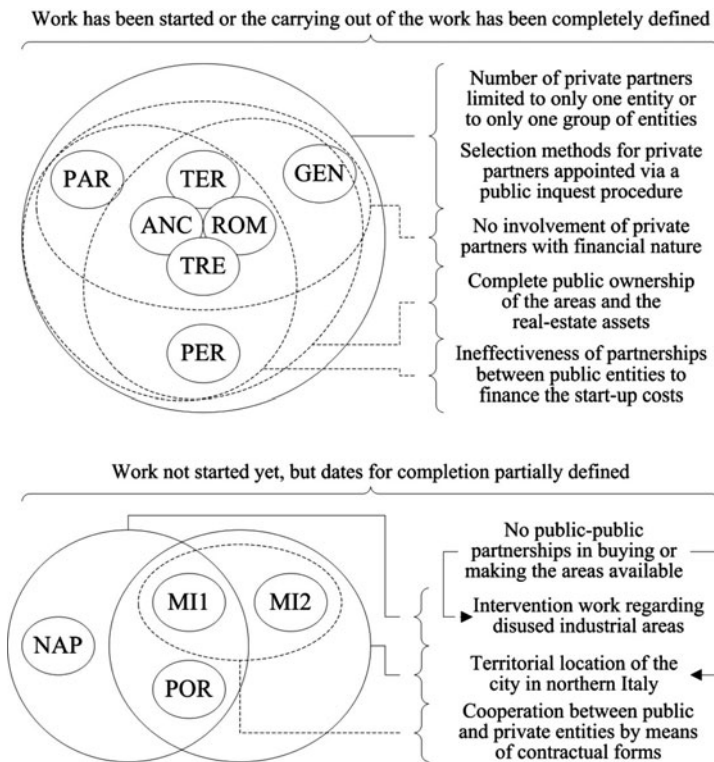


Fig. 3.21 Compound of cases with respect to the results in terms of completion (first part)

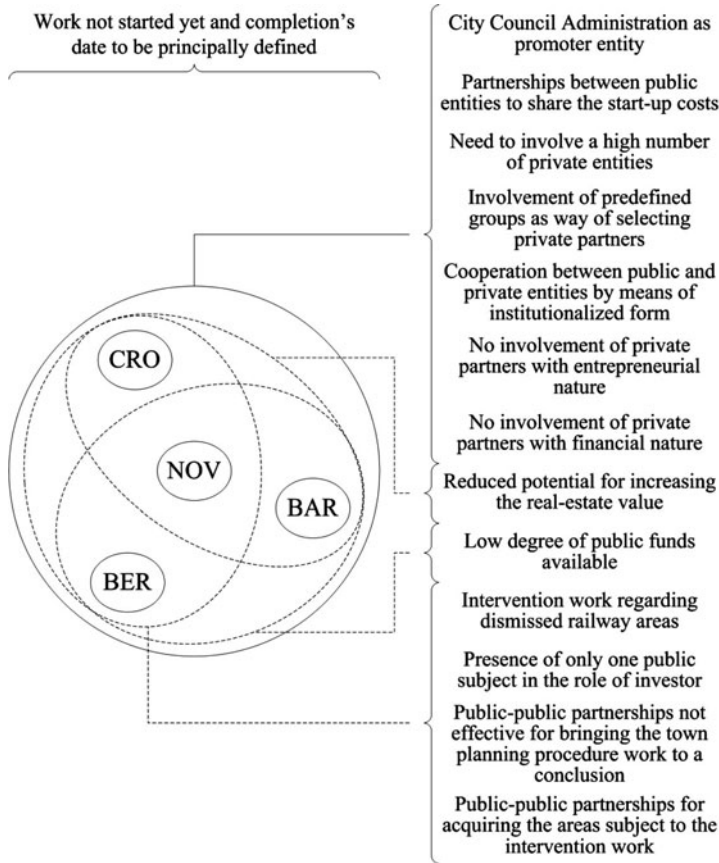


Fig. 3.22 Compound of cases with respect to the results in terms of completion (second part)

A large part of the cases where the urban regeneration works have been started, or where the chronological program relating to the work's implementation has been completely defined, is distinguishable because of the following characteristics: the reduced number of private partners, either involved or yet to be involved, limited to only one subject or to only one group of subjects, and above all, the methods of selection applied for those partners, as they are always appointed through a public inquest procedure. Within the compound just described, three subcompounds can be identified. The cases relating to Terni, Ancona, Rome, and Treviso represent the main core of the examined compound, since they are included in all the subcompounds. On the other hand, the cases relating to Parma, Perugia, and Genoa are only found in certain subgroups. The characteristics describing the three subgroups are listed below:

- From the beginning, the total public ownership of the areas and the real-estate properties involved in the intervention works

- The ineffectiveness of the recourse to partnership forms among different public subjects in order to financing the start-up costs
- Lack of involvement of financial private partners

In other four cases, works have not been started yet, but the dates for their completion have been already partially defined. These cases, represented by Naples, Pordenone, and the two experiences located in Milan, are articulated within three interwoven compounds. The absence of recourse to public–public partnership forms in buying or making available the areas to be regenerated represents a common element, while the differentiating elements are the following:

- Works regarding dismissed industrial areas (Naples, Santa Giulia in Milan, Pordenone)
- Location in northern Italy (Pordenone and the two cases in Milan)
- Cooperation between public and private subjects by means of contractual forms (this is the element differentiating the two Milan’s case studies to all the others)

Another significant element as far as the project’s implementation results are concerned, has been provided by the characteristics of those case studies where not only the works have not been started yet, but also the completion’s dates are have not been defined yet. These cases all form part of a single compound defined by multiple characteristics; among those the Municipality as promoter, the partnership’s setting up among different public entities to share the start-up costs, the need to involve a high number of private entities, even including predefined groups, but still without the involvement of any entrepreneurial or financial partners.

Among the characteristics common to all the cases included in this compound, there is the choice of an institutionalized partnership (joint company) as a method for activating cooperation between public and private entities. It follows that a large part of the case studies (“Stu Città dei Giovani e dell’Innovazione” in Baronissi, “Stu Stazione” in Crotone, “Movicentro” and “Stu Novara Futura,” “Porta Sud” in Bergamo) in which joint corporate companies were used in order to regulate the relationships between the public and the private sectors’ subjects show unsatisfactory progress in the projects’ implementation.

Within the described framework, three groups without sharply outlined boundaries emerged: the Novara case makes up the central core of them as it belongs to all three subgroups, while the Baronissi, Crotone, and Bergamo cases are aggregated to the first in two out of three subgroups. The characteristics describing each of the three subgroups are the following:

- A moderate degree of public funds available
- A reduced potential for increasing the real estate value due to the lower than average value of the real estate assets
- The intervention work regarding dismissed railway areas, the presence of only one public subject in the role of investor, public–public partnerships not only for the success of the urban planning procedure, but in particular for acquiring the ownership of the areas involved in the renewal process

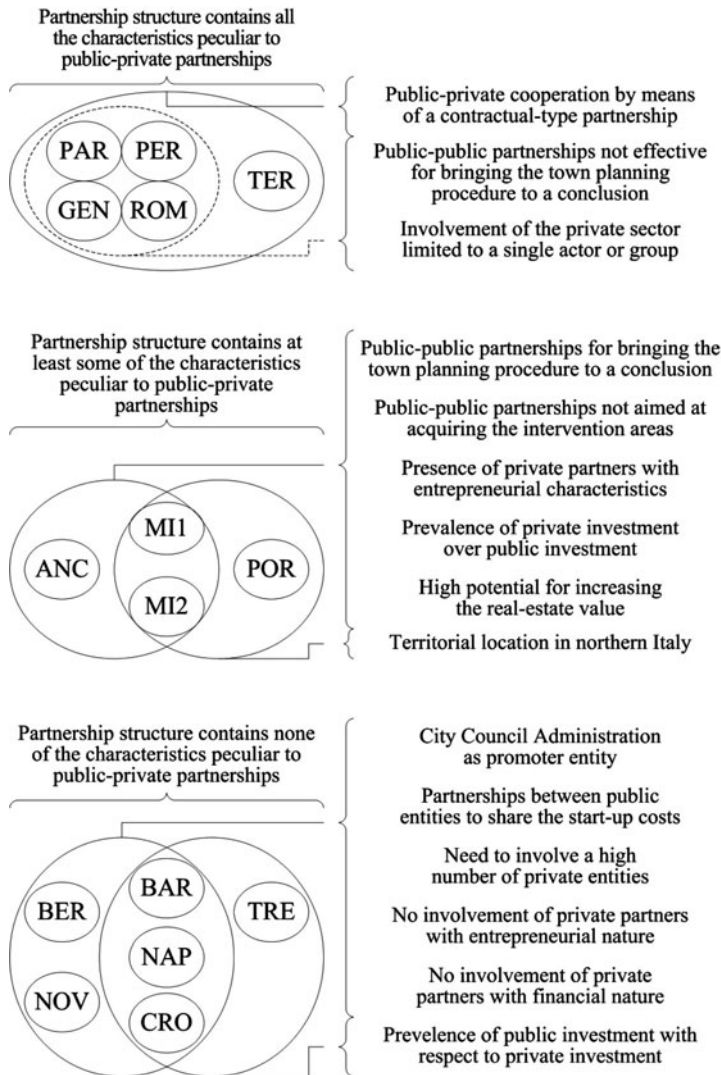


Fig. 3.23 Compound of cases with respect to the results in organizational terms

The diagram in Fig. 3.23 represents the compound of cases formed taking into consideration the variables describing the results under the point of view of the organization.

Five cases (“Stu Area Stazione” in Parma, “Monteluca” in Perugia, “Corso del Popolo” in Terni) show a partnership structure characterized by all the aspects considered peculiar to the public–private partnerships. These cases have in common the fact that the cooperation between public and private subjects takes place by means of a contractual-type of partnership (project finance or building and

management concession). The Parma experience is peculiar as far as regards the results, where the constitution of a mixed-capital firm (an Urban Regeneration Company, in Italian STU – Società di Trasformazione Urbana) substantially represents an externalization of activities with respect to the organizational structure of the municipality and, while the private partners are selected via a public inquest procedure, it is not foreseen their involvement in a corporate company. Furthermore, in four out of the five cases belonging to this compound, it is not necessary to start up public–public partnership in order to manage the urban planning procedures and the involvement of the private sector is limited to a single actor or a single group.

In another four cases, the partnership structure contains at least some of the characteristics considered peculiar to public–private partnerships. These form two interwoven compounds and the two Milan cases (“Santa Giulia” and “Pii Garibaldi Repubblica”) are placed in the space common to the twos. One of the two compounds is only characterized by its location in northern Italy. On the contrary, the other compound (in addition to the Milan cases, it involves the “Ospedale Umberto I” case in Ancona) has multiple characteristics: the partnership among different public subjects aimed at managing the urban planning procedures, but not at acquiring the intervention areas; the presence of private partners with entrepreneurial characteristics; the prevalence of private investments over public investments and a high potential for increasing the real estate market value.

Finally, 6 out of the 15 cases analyzed showed a partnership structure in which there were none of the characteristics peculiar to public–private partnerships. These cases created two interwoven compounds, and three urban regeneration companies are placed in the space common to the two: “Stu Bagnolifutura” in Naples, “Stu Città dei Giovani e dell’Innovazione” in Baronissi and “Stu Area Stazione” in Crotone. These cases, together with the “Sant’Artemio” case in Treviso, are noteworthy for the prevalence of public investments with respect to the private ones. Furthermore, these three specific cases together with the “Porta Sud” experience in Bergamo, “Movicentro” and “Stu Novara Futura,” are characterized by the following aspects: the promoter of the initiative is the Municipality; partnerships among different public subjects are created in order to share the start up costs; the participation of several private entities is considered necessary, even if partners either of an entrepreneurial nature or of a financial one have not been involved yet.

The diagram in Fig. 3.24 represents the case studies’ compounds formed in relation to the variable describing the project’s quality in terms of social level. With respect to the empiric evidence discussed thus far, at least two peculiarities emerge: on the one hand, there are no compounds with not defined boundaries or intersection areas, but on the contrary all the compounds are sharply defined by the common characteristics; on the other hand, there are three cases which form self defined compounds and, therefore, they have unique characteristics or groups of characteristics.

A unique compound – formed by three cases (“Bagnolifutura” in Naples, “Nuovo Ponte Parodi” in Genoa and the “Ex Mercati Generali” in Rome) – corresponds to a “high social quality of the project.” This compound presents the

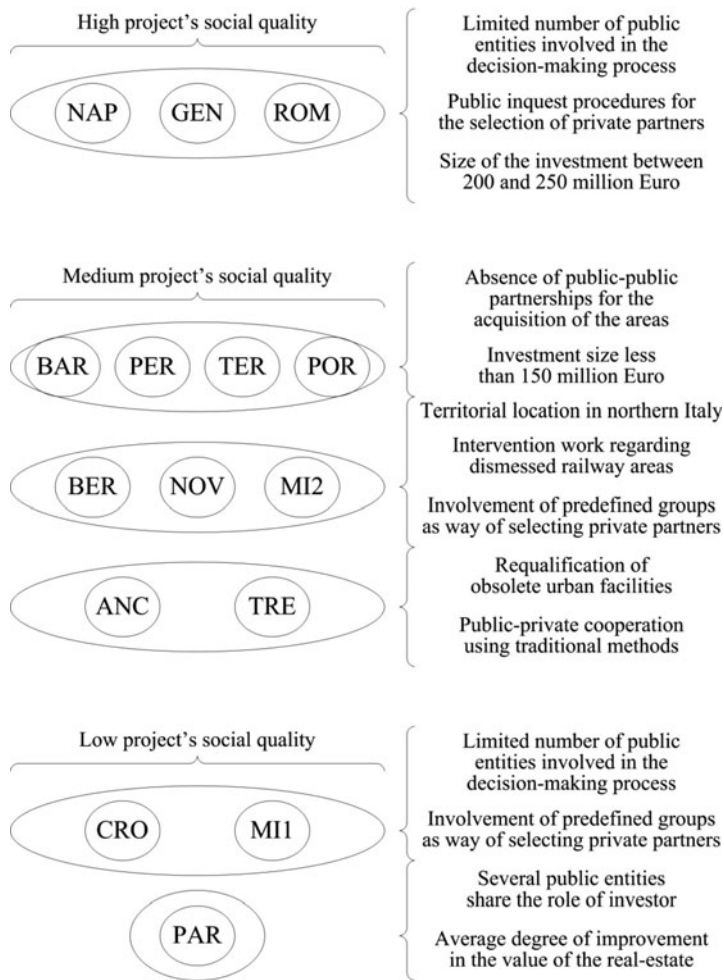


Fig. 3.24 Compounds of cases with respect to the social quality of the project

following characteristics: a limited number of public entities involved in the decision-making process for reasons different from the carrying out of public investment; the recourse to public inquest procedures for the selection of private partner; the size of the investment between €200 and €250 million.

Three separate compounds, made up respectively of four, three and two case studies, corresponded to “mid social quality projects.” They are the following:

- “Stu Città dei Giovani e dell’Innovazione” in Baronissi, “Monteluca” in Perugia, “Corso del Popolo” in Terni and “Stu Makò” in Pordenone have in common two characteristics: the absence of public–public partnership forms for the acquisition of the areas involved in the regeneration process; the lower investments’ size (less than €150 million).

- “Porta Sud” in Bergamo, “Movicentro,” “Stu Novara Futura” and “Pii Garibaldi Repubblica” in Milan, on the other hand, are all concentrated in northern Italy, and they all concern the regeneration of disused railway areas and till now the private partners’ selection has mainly taken place via the involvement of predefined subjects or groups.
- “Ospedale Umberto I” in Ancona and “Sant’Artemio” in Treviso concern the renewal of obsolete town facilities and in these cases the cooperation between public and private subjects has been developed using traditional methods (auction or public tendering).

The last three of the 15 examined cases correspond to a “low social quality project.” These cases are “Stu Area Stazione” in Crotone, “Santa Giulia” in Milan and the “Stu Area Stazione” in Parma. The latter forms a compound by itself, because it has unique characteristics distinguishing it from all the other analyzed ones: several public entities share the role of investors and average is the degree of increase of the market value of the real estate. The cases of “Stazione” in Crotone and “Santa Giulia” in Milan, on the other hand, have in common two characteristics: a limited number of public subjects taking part to the decision-making process and the involvement of predefined groups as mean for selecting the private partners.

3.3.7 Experiential Evidence: Analysis of the Global Results

The charts in Figs. 3.25 and 3.26 show the compounds where the case studies related to the variable describing the global results are placed.

The four most relevant case studies (“Monteluca” in Perugia, “Corso del Popolo” in Terni, “Nuovo Ponte Parodi” in Genoa and the “Ex-Mercati Generali” in Rome) all have in common the following aspects: cooperation among public and private subjects through contractual partnership forms (project financing or building and management concession), and public ownership of the whole real estate object of the regeneration works. Furthermore, these four cases are articulated within three subgroups, among which the Monteluca case is always included while the others are associated in pairs.

The three subgroups have the following characteristics:

- The location in central Italy, the intervention work on obsolete town facilities and the uselessness of a partnership among several public subjects for the acquisition of the areas (other than for the Perugia case, it is also true for the Terni and Rome cases).
- The sharing out of the public and private investments with a prevalence of the last ones, and a high flat area index (this is the case for Perugia and also for Genoa and Rome).
- The implementation of the regeneration work without public funds support (again Perugia and also Terni plus Genoa).

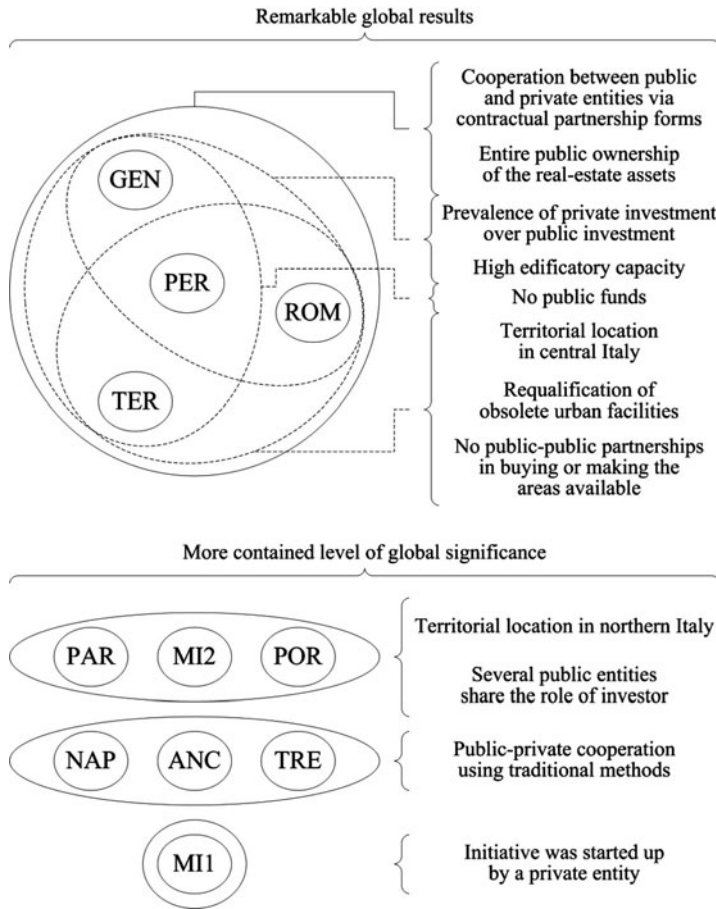


Fig. 3.25 Compounds of cases with respect to the global results (first part)

Seven cases present a more contained global relevancy. They are articulated in two compounds, each of them groupings three cases, leaving apart one case. This latter case is represented by “Santa Giulia” in Milan, the only one in which the initiative was started up by a private promoter. The “Stu Area Stazione” project in Parma, “Pii Garibaldi Repubblica” in Milan and “Stu Makò” in Pordenone, on the other hand, have in common their location in the north of Italy and the presence of several public subjects as investors. Finally, the “Stu Bagnolifutura” in Naples, the “Ospedale Umberto I” in Ancona and the “Sant’Artemio” in Treviso are characterized by the cooperation form adopted among public and private subjects, centered on a traditional kind of partnership.

It is also interesting that the investigation on the several characteristics which mark the remaining four case studies, that is: “Stu Città dei Giovani e dell’Innovazione” in Baronissi, “Stu Stazione” in Crotona, “Movicentro” and “Stu Novara

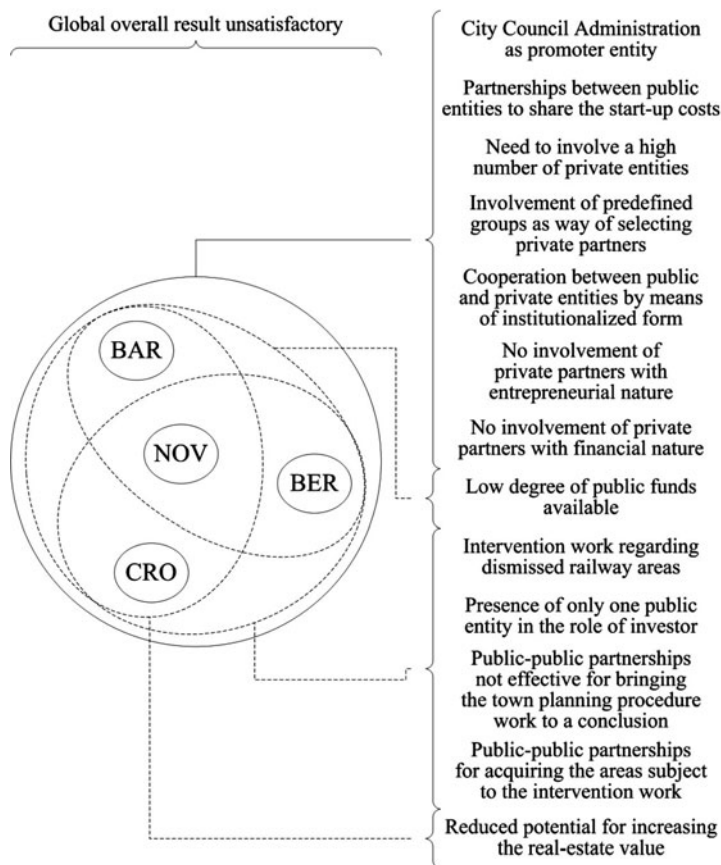


Fig. 3.26 Compounds of cases with respect to the global results (second part)

Futura,” “Porta Sud” in Bergamo, whose global result is overall unsatisfactory. In all of these cases the promoter is the municipality, and different public subjects join to sharing out the start-up costs. Furthermore, in all these cases the involvement of several private actors or groups has been proposed, in particular predefined groups. The definition of public private relationships is ruled through an institutionalized type of partnership (joint companies, in particular “urban regeneration companies”). However, no entrepreneurial or financial partners have been involved yet.

In the context considered, three subgroups can be identified:

- The Crotona, Novara and Bergamo cases have in common the typology of the real-estate subject to intervention (disused railway areas), the presence of only one public entity investor and the partnership among different public subjects not addressed to manage the urban planning procedures, but to acquire the intervention areas.
- The Baronissi, Novara and Bergamo cases are similar as far as the low amount of public funds available are concerned.

- Finally, the Baronissi, Crotone and Novara cases are characterized by the reduced potential of increasing the real estate market's value.

3.3.8 Summary Considerations: Merits and Limits of the Rough Sets Approach

The approach used for verifying the research hypothesis brought to important confirmations concerning the analysis framework presented and discussed in the previous sections of this chapter. Many of the core elements of our attention have provided a relevant contribution for classifying the case studies in relation to the results which they have obtained or which they intend to obtain.

A first demonstration concerns the role of the partnerships among public promoters and other public territorial bodies, or other entities of various natures coming from the public sphere. When these types of partnerships are formed in order to sharing the start-up costs, or to acquiring the real estate object of the intervention works, the results are more unsatisfactory in terms of works' organization and implementation, other than in terms of global results. Therefore, it is reasonable to affirm that public–public partnership forms, which are very common among the analyzed cases, are themselves a clue of the difficulties to be faced by urban regeneration projects. These difficulties cannot be overcome by only a partnership among public subjects.

Further confirmation regards the problems affecting the institutionalized type of public–private partnerships, represented by the urban regeneration companies. The case studies included in the sample register unsatisfactory results both in terms of the work's implementation and in global terms. Furthermore, the involvement of private partners, either of entrepreneurial or financial nature, proceeds generally very slowly in these cases of institutionalized partnership.

On the contrary, the contractual type of public–private partnerships are more often associated with satisfactory results, i.e., regarding either the organizational point of view or in global terms. The “Stu Area Stazione” case in Parma and the “Nuovo Ponte Parodi” case in Genoa are outstanding. Even though they represent an entirely public corporate company, they have generally shown satisfactory results: both in organizational terms and in work's implementation, the Genoa case also as long as the social quality of the project and the global results are concerned. In these two cases, the setting up of the corporate companies represents a purely instrumental factor: in Parma the company is an expression of the Municipality promoter of the requalification initiative, while in Genoa the company is functional to a strict cooperation between the two main public bodies promoting the regeneration work, i.e., the municipality and the port authority. In other words, the setting up of the corporate company can be interpreted as a first step toward the further opening to the market and the involvement of privates, which are then assigned to contractual partnership forms.

Finally, the empiric evidence outlined above stimulates a reflection on the, analytical procedure used, because it brings to focus one of its limits. This consists of the univocal identification of the causal relation which binds the results' explanatory variables and the expressive ones.

For example, looking at the empiric evidence, it seems that there is a relation between the choice of organizing the public–private partnerships in an institutionalized way and the lack of satisfactory results obtained on the one hand, and the choice of organizing the partnership in a contractual form and the reaching of meaningful results on the other. Nevertheless, it is necessary to note that for the case studies characterized by institutionalized forms of public–private partnerships, the difficulties in obtaining meaningful results in a reasonable amount of time were generally known from their start-up, and the public promoters of the initiatives were themselves fully aware of it.

In way of example, in Naples “Bagnolifutura” was established to carry on the environmental clean up activity which had been started up by a previous public corporate company (Bagnoli Spa), even while not being certain either about the availability of the public funds necessary for such an objective, nor that further funds to carry out the intervention work would have been available. Also, in the “Movicentro” and “Stu Novara Futura” cases and in Bergamo “Porta Sud,” the establishment of the corporate company came about in the context of uncertainties on the dismissal and the transfer times of the railway yards, and on the urban planning functions to be settled. Similar considerations are also valid for the “Stu Città dei Giovani e dell’ Innovazione” in Baronissi and the “Area Stazione” in Crotone.

On the basis of these considerations, an alternative interpretation could be put forward, that is, the choice of creating a joint company was suggested by the understanding of the difficulties existing in some urban renewal initiatives, as well as with the intention to aggregate first and foremost the public subjects involved, rather than immediately opening toward collaboration with private subjects. In other words, the unsatisfactory results which some case studies show would not be an effect brought about by the choice of the institutionalized partnership procedure, as much as one of the reasons, known from the start-up of the initiative, which led to making such a choice.

3.4 Final Considerations

In Italy, as in other European countries, the belief that the recourse to public private partnership forms are the only reasonable approach for successfully dealing with complex town regeneration problems really are widespread. In the frame of the cultural debate on this issue, the main motivations given in support of the partnership approach are the same of those that the Green Paper attributes to PPPs of solely contractual type and of institutionalized type, i.e., to the evolutionary forms of the traditional public works tendering procedure. The above mentioned motivations

can be listed as follows: the balance sheet restrictions that the public entities have to respect, the scarcity of public financial resources and, consequently, the need to integrate them with the private ones, the opportunity to benefit from the private sector's *know how* and operational methods (Commission of European Communities 2004, 2005, 2006).

The view that the State should modify its role in the economic sphere, evolving from that of direct operator to organizer, regulator and controller, seemed to be taking hold through the last mid decade, but in recent years this view has lost the centrality gained in the debate on the national economic policy. The importance of the partnership approach to projects addressed to increase the competitiveness of the Italian cities, and therefore, to produce added value for the whole community, in the end, has been acquired in academic circles, but arguments of this nature do not appear to have gained weight at local authority policy decisions level, which, conversely, are very sensitive to the immediate effects on the communities involved.

The analysis of a case studies' sample has deepened the knowledge of public-private partnerships' different aspects of the city renewal's Italian experience. The study has confirmed the validity of the adopted interpretative framework, and that is, the need to anchor the analysis of public-private partnership forms to the characteristics that the local authority and the private sector present in the specific context of every city and, consequently, to the relations established between the two sectors.

In other words, the cooperative relations between the public and private sectors in the field of city regeneration are connected indeed to the possibilities offered by the legislative framework, but they also concretize with the definition of tools and activities affected by many variables. Among them, the most relevant is the combination of the local authority's governing capacity and the private sector's entrepreneurial capacity. The observation that the feasibility and the effectiveness of the partnerships forms are affected by "various local factors, such as the will to cooperate or the institutional decision-making methods" (Nijkamp et al. 2002) is thus confirmed by the Italian experience. Furthermore, the partnerships forms, that today are able to integrate the cultural differences existing among public and private partners, in Italy as in the rest of Europe, feel the effect of the possible change, over the course of time, of the partners' initial position (Van der Burch 2000).

One aspect strongly emerged from the analysis of the Italian experience, was the "multiple actors" connotation of the public sector: in Italy the public sector is made up of several entities, each different from the other because of its own *mission* and its own competencies, and, therefore, because of the strategies pursued by them in the field of city transformation. At the beginning of this essay, in a simplified way and in line with the literature of the sector, the attention was focused on Local authorities. This subject is, however, only one of a multiplicity of players acting in the public sphere: these actors may have only decision-making competencies (e.g., state or regional administration), others intervene as investors (e.g., Chamber of Commerce), while others play a double role of decision-maker and investor

(i.e., municipality). The creation of public–public partnership forms therefore represents, in Italy, the first phase of the cooperative process. It is a compulsory step, of crucial importance, since the following steps in the projects' fulfillment are influenced by the outcomes of the agreements defined in the first phase among the public sector entities.

The ambiguity with which the literature usually takes into consideration the PPPs, it has made necessary to clarify firstly the legal and operative nature and characteristics of the different existing partnership's forms (Hodge and Greve 2007). In the international debate on public private partnerships, for example, PPPs are often identified only in the negotiation and agreement processes related to urban regeneration investments done by private promoters (Newman and Verpraet 1999). Therefore, the reflection on PPPs is limited to simply dealing with the specific characteristics of this type of partnership. Starting so from the wide range of different PPPs' forms, three fundamental reference models have been identified and characterized. This operation has permitted to develop more articulated and precise analyzes and evaluations.

Regarding "purely contractual partnership types," in Italy, too few experiences have been gained in the field of town regeneration, so to allow any general conclusions. Only the increase in the number of these partnership forms will permit to verify to what extent these are exposed to the critical aspects identified in the literature referring to other countries' experiences (Hodge and Greve 2007).

Differently from other partnership forms, in the "purely contractual" PPPs the decision regarding the choice of the project and of the private partner, considering its technical and economic connotations, does not take place in town governance's processes involving several players consulting the citizens. These decisions are carried out by technical committees in charge of the selection process who secretly manage the comparison of the competitors. One of the limitations of this form of partnership has thus been identified as the lack of public participation and transparency (Siemiatycki 2007).

As far as construction and management contract is concerned, in many cases, in the mid and long term the outcomes did not respond, under different aspects, to the initial public expectations. In particular, there were not confirmed in a significant number of experiences the envisaged opportunities to allotting for other social policies the financial resources freed up from the infrastructure sector; to obtaining relevant savings of resources in comparison to traditional methods of financing public works; to transfer the risks to the private sector.

In the case of institutionalized type of PPPs, the experiences examined in Italy brought into light the public sector's difficulty of evolving from the role of operator, to organizer, regulator and controller. Government-controlled culture and protectionism are, indeed, still very common in the Italian local authorities. These aspects are negatively influencing the time needed to carry out projects applying the public–private partnerships' approach. Therefore they have a negative impact on the projects' capacity to satisfy the community's expectations. Obviously, the national overview presents many good practices concerning the involvement of the private sectors and the achievement of established objectives. Nevertheless, the

before analyzed cases demonstrate that if the PPPs' best benefits are "flexibility, speed, cost efficiency and, in general, a reduction in transaction costs" (Nijkamp et al. 2002), then several are the PPP's cases not able to reach the typical benefits theorized by the specialized literature for the PPPs' approach. This highlights the importance of conceiving PPPs not as "curealls," but as a "cloth" to be tailored to each specific situation.

There are several projects in Italy which have applied the negotiated partnerships form. Only two of the largest ones have been analyzed in detail in this study. They confirm the validity of the weaknesses stigmatized in the international literature (Newman and Verpraet 1999).

The first criticism pertains to the context in which the decisions are taken and the division of the benefits among the private and public partners are defined. The starting condition for these partnership forms is established by the private ownership of the real estate involved in the urban regeneration and by the subsequent redaction of a private proposal to be submitted to the local authority. The public body, holding the planning powers, has wide discretionary powers on the attitude to assume. The negotiation between the two parts, by definition, takes place in an imperfect competitive market, taking the form of a bilateral monopoly. Not only do the asymmetrical information conditions distinguishing the players' behavior form an obstacle to reaching the best project's solutions for both parties, the lack of transparency and of general reference criteria, as far as the public body is concerned, bring about weakly legitimate decisions, and therefore they are highly exposed to the risk of being questioned.

The second criticism, which has not yet emerged from the Italian situation's evidence, is the discriminatory character of those urban regenerations' interventions based on negotiated partnerships. These are carried out via the vertical integration of several subjects and competencies in relation to specific projects, referred to defined and circumscribed locations. As long as the spatial aspects are concerned, the decision-making process turns out to be fragmented and the city planning as a whole is weakened. Since priority is given only to some projects, only specific parts of the city benefit from the investments decided following this approach.

The discriminatory character of negotiated PPPs emerges as even more evident, if one takes into consideration different cities from the point of view of the real estate market value, and thus from the point of view of the increase in the value of the land involved in the project. In the cities where the profits' level and of the real estate capital gains are high in comparison to the first value assessed for the real estate involved in the regeneration investment, the accumulated benefits sharable among the public and private partners are also high, and thus it is the amount of the public works feasible in the partnership's frame. This mechanism allows significant increase to the level of the services offered by some cities and, consequently, these cities reinforce their position in the international competition. At the same time, however, the same mechanism cannot efficiently operate in cities where real estate value is lower, and consequently these cities are not able to improve their facilities. As a consequence, cities which are already in unequal positions widen their gaps in terms of attractiveness and competitiveness.

The third aspect pertains to the risks' share among public and private partners. Apparently, the risk related to the investment's realization, and therefore also the risk linked to the construction of the public works, is wholly transferred to the private entity. In point of fact, the community benefits, both in terms of public works and services' production and in the form of urban regeneration, are generally affected by the positive completion of private works. Experience has proved that the market difficulties encountered in developing the private part of the project have a direct impact on the public part.

On the whole, the analysis of the Italian cases has provided a differentiated framework about one of the questions most frequently debated in the PPPs' international literature. Given the fact that the public and private sectors have different characteristics and objectives, and also assuming the thesis which recognizes PPP as a strong driver of change, there is no doubt that the setting up of any partnership form makes sense only if the public and private sectors manage to transfer into the selected partnership form their best characteristics and if they are able to maximize them in a complementary way.

For example, local authorities can transfer their own knowledge on the community's needs and its planning powers into the PPP, while the private partners can bring in it their own competencies in organization and finance. Depending on the context, both partners can bestow the real estate ownership object of the intervention, and so on.

Nevertheless, within the international debate exists a school of thought based on different experiential research, which denies the assumption that PPP should necessarily bring synergies and therefore, the deriving benefits (Vaillancourt Rosenau 1999; Ball et al. 2003). For this problem, an articulated answer could come from the analysis of the Italian cases, which nevertheless, do significantly confirm the doubts put forward. Therefore, it is possible to agree on the fact that PPPs are not themselves a virtuous organizational method, but that partnership forms have to be constructed in order to make it possible. Consequently, it is of vital importance to plan how the partnership is formed and to support the PPPs' establishment by evaluation activities.

Recently in Italy, the spread of PPP partnership forms has gone with a significant evaluation activities' development – within feasibility studies, economic and financial plans, complex urban programs – and with them, also the communication and accountability activities. The crucial importance assumed by the evaluation activities for defining public private partnerships is bringing direct consequences both in terms of new professionalism's creation, and in honing the involved techniques. However, today the public and private entities involved in the setting up of partnership forms have sufficient knowledge only of some of the PPPs' key elements, such as of the project's financial feasibility, of the identification and sharing of short-term advantages, of the acquisition of social consensus.

Other key elements, for example, the low level of competitiveness in the markets where partnerships are formed, the sharing of the prospective advantages in the medium and above all in the long term, the transfer of the risk from the public sector to the private sector, have not been adequately perceived yet (Adair et al. 2003).

Therefore, they do not yet assume a central position in the requested evaluation activities. In addition to this, the need to have qualified and independent evaluators is starting to be felt only within those city contexts where the local administration's governance capacity is more developed and at the same time in the private sector the entrepreneurial culture is more advanced.

3.5 Glossary (Alphabetical Order)

Word/expression in English	Word/expression in Italian	Acronym
Agreement framework	Accordo quadro	AQ
Design	Progettazione	–
Detailed plan	Piano particolareggiato	–
Detailed urban plan	Piano urbanistico particolareggiato	PUP
Executive plan	Piano attuativo	–
General urban plan	Piano regolatore generale	PRG
Integrated intervention plans	Piani integrati di intervento	PII
Integrated territorial projects	Progetti integrati territoriali	PIT
Neighborhoods agreements	Contratti di quartiere	CdQ
Planning	Pianificazione	–
Program agreement	Accordo di programma	AP
Public inquest procedure	Procedura di evidenza pubblica	–
Public private partnership	Partenariato pubblico privato	PPP
Special vehicle company	Società di progetto	SPV
Town regeneration and sustainable development of the territory plan	Programma di riqualificazione urbana e di sviluppo sostenibile del territorio	PRUSST
Urban recovery plan	Piano di recupero urbano	PdR
Urban regeneration/renewal company	Società di trasformazione urbana	STU
Urban requalification plan	Programma di riqualificazione urbana	PRU

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