



Downtown Idea Exchange

Essential Information for Downtown Revitalization

Partnerships and Place Management

By Jamie Licko

It's a complex challenge for our cities — governments are facing escalating budget deficits and financial challenges, while our urban areas are becoming more dense and populated. Resources to provide services are waning, just as the need for well-managed “place” in our cities is increasing. What's the solution? In the U.S. and increasingly around the world, emerging public/private partnerships are offering an effective and economical approach.

Every day we open the newspaper to stories of another financial crisis unraveling somewhere in the world. Globally, governments are facing significant economic challenges meaning finding the dollars to provide basic services, much less enhancements, is difficult. Meanwhile, our cities and urban areas are become denser and busier (nearly 50 percent of the world's population lives in cities today), and the demand for clean, safe and comfortable public spaces is increasing.

Place management isn't a new concept, but it's one that's increasingly gaining attention around the globe as a tool to keep cities vibrant and economically competitive, even as there are seemingly fewer resources to focus on such things. If you Wikipedia the term, it says “place management is the process of making places better.” Simple enough, but who does the work and how does it get done?

The concept of business district partnerships and Business Improvement Districts (BIDs) is a relatively established one here in North America. Canada and the U.S. have been utilizing informal

and formal organizational tools for some 40 years to fund and manage improvements to a revitalizing area. But increasingly, these partnerships are becoming more complex and more sophisticated. And today, the increasing pressure to provide a competitive “place” while slashing government budgets and serving increasing populations means local governments the world over are beginning to see the need for, as well as the tremendous benefits of, decentralizing services and control and empowering private-sector led place management organizations.

A growing need in North America

Private sector led place management isn't an entirely new story in the United States and Canada, but increasingly these organizations have seen a greater level of independence and influence. BIDs are now fairly pervasive throughout the US but changes in the economic landscape are making them increasingly important tools.

In Chicago, where private-sector led place management has historically failed to take hold because of former Mayor Richard M. Daley's strong involvement (and public sector investment) in downtown's evolution, the winds of change are blowing and reality is sinking in. With new mayor Rahm Emanuel in office and the City facing a \$600 million budget deficit, the City is bracing for significant service cuts and a “new era” that downtown stakeholders understand likely means a larger private-sector financial commitment to “place.” The upside? With this investment comes

greater control over how services are delivered and how downtown Chicago is managed. Stakeholders in Chicago's Loop are exploring the possible creation of a large BID to generate resources to ensure the district remains competitive through what are sure to be some challenging times, but they are also seeing some interesting opportunities to better partner with the city to decrease costs, increase levels of service, and be more responsive to the overall economic development needs of the stakeholders. It's a bold move for Chicago — a City that has always relied heavily on public sector dollars to take care of both the big stuff (e.g., Millennium Park) and the details (the gorgeous flower baskets that line the Loop's streets).

Other cities across North America are also making the move towards stronger partnerships — Boston just launched its first BID, for example — while established organizations in places like Philadelphia, Washington D.C., New York and many others across the states continue to increase their influence in building and managing place for a new generation. In California, interestingly, partnerships are likely to become increasingly important as the state's community leaders struggle with the loss of redevelopment dollars historically used quite abundantly to reinvigorate and invest in cities and downtowns.

Here in North America, public/private partnerships to manage place have established themselves and are recognized as important tools — and becoming increasingly so. The success of strategies here is carrying over to the rest of the world, where similar shifts are occurring.

Changes Abroad

Second only to North America in the success of place management is the UK, where more than 100 BIDs have been set up since the national BID legislation was established in 2004. The success of BIDs follow on the heels of a long-history of public sector funded "town centre management". For some twenty-five years there has been significant and widespread interest in different approaches to place management, and the focus has progressively broadened to the point where BIDs have taken hold and spread like wildfire across the country in places large and small. As the UK along with

much of Europe faces tougher austerity measures, BIDs are picking up steam as a tool to ensure competitiveness in not just commercial and town centers, but industrial estates as well. Additionally, the recently passed (December 2010) Localism Bill in the UK which aims to shift power from central governments back into the hands of individuals, communities and town councils is aiding in the development of not just BIDs but generally in the development of stronger and more complex public/private partnerships to manage place.

The UK's success in establishing effective place management efforts is beginning to take hold elsewhere in Europe as well, including in Ireland, Germany, the Netherlands and Italy where countries are strengthening government-led place management initiatives while developing their own national legislations to allow for formal BID-like tools to encourage private-sector participation and management. Beyond Europe's borders, South Africa continues to utilize their BID tools to strengthen both residential communities and business districts.

A Willingness to Explore New Approaches in Asia

Asia has historically not been considered fertile ground for establishing formal public/private partnerships to improve place. Strong authoritarian government structures have never really allowed partnerships to develop or flourish. Today, shifting economies and a vastly urbanizing population is changing even that. China, Japan, even Malaysia and India are exploring new approaches to managing place... but none is so far advanced as Singapore.

The city-state of Singapore today is undertaking significant steps to explore how to improve partnerships between the public and private sectors, and to develop and implement formal place management partnerships throughout the country, including exploration of a legislative BID-type model similar to those used in the US, UK and elsewhere.

The work is raising some interesting cultural challenges that are requiring both the public and private sectors to rethink their relationship. The private sector — heavily reliant on the public sector to make unilateral decisions about how a

place is developed — is timidly engaging in opportunities to have more control over how problems are resolved, solutions are developed, and the implementation of new approaches are managed. Meanwhile, the public sector is slowly getting comfortable with releasing responsibility for the management of place to a non-government agency. There are growing pains, to be sure. But the seeds of success are slowly starting to bear some fruit.

The impetus for this recent push to explore place management and public/private partnerships in Singapore hasn't been made precisely clear by the Singaporean government — they are guiding the partnership development effort — though there are some likely reasons; the Singaporean government is relatively young, but has grown quickly by planning, building, implementing and managing development with very little private sector influence. Managing quickly changing (and aging) urban precincts in a place that has developed at warp speed is becoming increasingly cost-prohibitive and human-resource intense. Long-term, the Singaporean government is beginning to see benefits as demonstrated by places like the US

and UK in putting the burden more squarely between the public and private sectors and generating revenue streams that alleviate their ongoing management costs.

Expecting More Changes Ahead

We're experiencing a rapidly changing global economy and cities that are growing denser — managing this growth and the urbanization of places, and funding the improvements necessary to keep our aging cities clean, safe and welcoming will require more than just public sector support. Place management models that bring together the public and private sectors to work together to both fund and manage improvements to place make economic sense, and arguably offer more effective solutions to creating healthier and better functioning places.

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