



UNIWERSYTET GDAŃSKI



IN MARI VIA TUA

**Public private cooperation in sustainable city development  
- the case study of public-private partnership in railway  
station area regeneration project**

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***Study justification and background***

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- Degradation of urban areas is a typical problem of many cities.

The activities included in the process of regeneration are aimed at solving the problem in its:

- social,
- economic,
- urban planning dimensions.

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## *Study justification and background*

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The city is:

- a cultural space of different values,
- an area of business life,
- a product of planners and architects.

Successful regeneration:

- better quality of life for the residents,
- stimulate the economy,
- restore spatial order.



public-private partnership and social participation  
of the city stakeholders  
(local community, entrepreneurs, companies, local government)

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## *Study justification*

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1. Actual problems of cities:
  - shortage of investment funding,
  - deterioration of buildings,
  - social pathologies,
  - the citizens dissatisfaction of the amount and quality of infrastructure.
2. Potential represented by public and private sectors cooperation that respects the principles of sustainable development.

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### *Interrelated problems*

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- Limited public budget.
- Successful cooperation requires identification, understanding and respect of the partner's motives and behaviour.

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### *The aim of the article*

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- identify the dimensions of public private arrangements
- show their application in the process of urban regeneration on the example of two railway area regeneration case studies
  - in Sopot (Poland),
  - in Melbourne (Australia).

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### *Case study choice reasoning*

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- the type of the project (regeneration),
- procurement (public private cooperation),
- former use profile of the site (railway station)
- future use profile of the site (railway station and commercial facilities).

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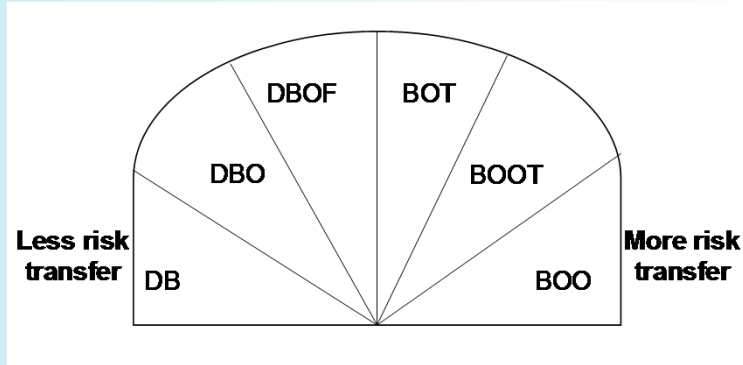
### *Presentation outline*

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1. Dimensions of private public cooperation.
2. International experience & opportunities of public private cooperation.
3. Focus on railway station area projects.
4. Public private cooperation in Australia.
5. Public private cooperation in Poland.
6. Summary and conclusions.

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## 1. Dimensions of private public cooperation



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## Dimensions of private public cooperation (cd)

Scope of contract	DB	DBO	DBFO	BOT	BOOT	BOO
<b>Design*</b>	private	private	private	public	public	public
<b>Build</b>	private	private	private	private	private	private
<b>Finance</b>	public	public	private	private	private	private
<b>Operate</b>	public	private	private	private	private	private
<b>Own</b>	public	public	public	public	private – throughout the contract	private

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## 2. International experience & opportunities of public private cooperation

Country/Sector	Roads	Urban railways	Heavy Railways	Housing	Accommodation	Sports & leisure
UK	C/O	C/O	-	C/O	C/O	C/O
France	C/O	P/C	P/C	-	P	P
Spain	C/O	P	D	-	P	D
Hungary*	P/C	D	-	P/C	P/C	P
Italy	C	P/C	-	P	P/C	P
Germany	P/C	D	D	-	P/C	P
Latvia*	P	-	-	P/C	D	-
Estonia*	D	D	-	P/C	-	-
Greece	C	-	-	-	P	P/C
Poland*	P/C	D	D	D	D	D
Czech Rep.*	P	D	D	P	P	P
Slovakia*	P	-	-	D	D	D
Lithuania*	-	D	D	-	-	P
Austria	P	-	P	-	D	-
Ukraine**	P	-	D	-	-	-

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## 2. International experience & opportunities of public private cooperation

Country/Sector	Roads	Urban railways	Heavy Railways	Housing	Accommodation	Sports and leisure
United Kingdom	C/O	C/O	-	C/O	C/O	C/O
France	C/O	P/C	P/C	-	P	P
Spain	C/O	P	D	-	P	D
Hungary*	P/C	D	-	P/C	P/C	P
Italy	C	P/C	-	P	P/C	P
Germany	P/C	D	D	-	P/C	P
Latvia*	P	-	-	P/C	D	-
Estonia*	D	D	-	P/C	-	-
Greece	C	-	-	-	P	P/C
Poland*	P/C	D	D	D	D	D
Czech Republic*	P	D	D	P	P	P
Slovakia*	P	-	-	D	D	D
Lithuania*	-	D	D	-	-	P
Austria	P	-	P	-	D	-
Ukraine**	P	-	D	-	-	-

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## *International experience & opportunities of public private cooperation (cd)*

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Country/Sector	Roads	Urban railways	Heavy Railways	Housing	Accommodation	Sports & leisure
Australia	C/O	P	C	P	P	P/C
Canada	P/C	P	-	-	P	P
Japan	D	D	D	P	C	P/C
United States	P	P	D	D	-	D

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## *International experience & opportunities of public private cooperation (cd)*

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- without particular PPP legislation:
  - United Kingdom, Germany, Slovakia, Austria, Australia,
- the legislation has been proposed:
  - Italy, Lithuania, Estonia, Hungary,
- the comprehensive legislation or sector specific legislation:
  - France, Czech Republic, Latvia, Poland.

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### 3. Focus on railway station area projects

Country/ financing	Central budget	Local budget	Private funds	European Union funds
Austria	yes	-	yes	-
Czech Republic*	-	yes	yes	-
France	yes	yes	yes	-
Germany	yes	yes	yes	-
Poland*	yes	yes	yes	yes
Slovakia*	yes	-	yes	yes
Hungary*	yes	-	yes	-

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### 4. Public private cooperation in Australia



Goggle maps

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## *Southern Cross Station*

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*Exploreaustralia.net.au*

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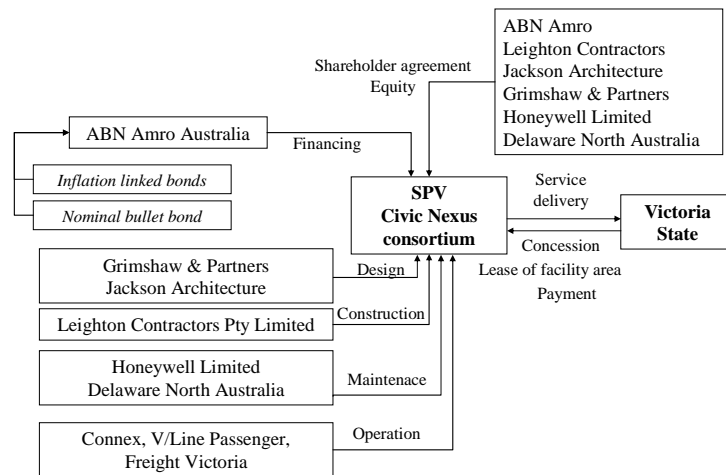
## *Project scope and financing*

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- rail modifications,
- signaling upgrade,
- commercial development (shopping plaza, a supermarket, offices, apartments and a hotel)
  - with proper care of heritage issues
- 430 milion euro

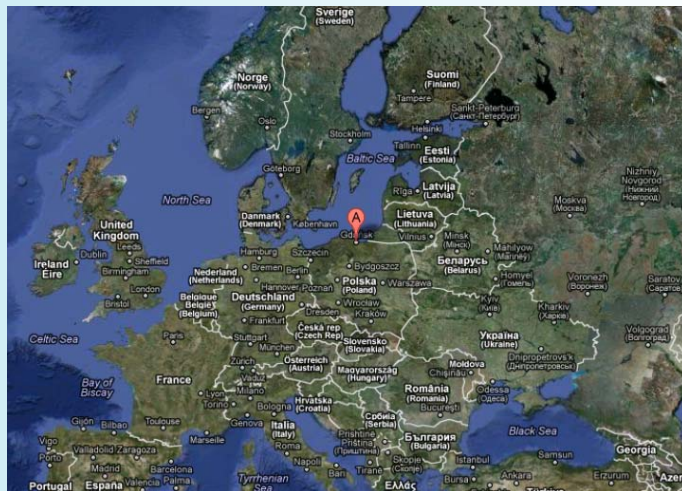
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## Southern Cross Station project



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## 5. Public private cooperation in Poland



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## Sopot

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*Tripadvisor.com*

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## Sopot Railway Station

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*Mojsopot.pl*

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## *Project scope and financing*

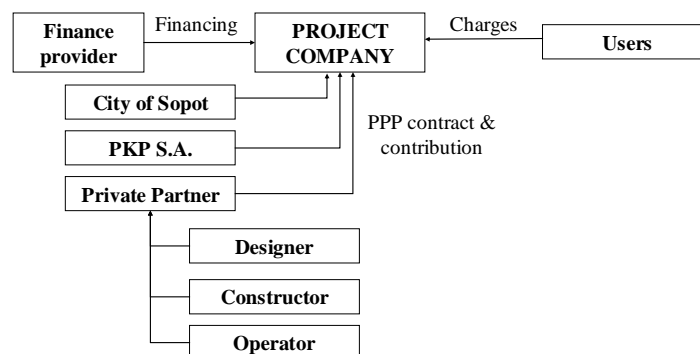
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- building twin-storey **underground car parks** with access roads and a street-level car park,
  - modernizing the existing **road network**, including the construction of two roundabouts,
  - redeveloping the **green areas** and landscaping the roof surface of the underground car parks
  - building a two- or three-star hotel and another six facilities (**retail and services**).
- 60 million euro

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## *PPP organization with SPV*

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## ***6. Final conclusion***

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- Worldwide, public private partnership projects are growing in size as governments cannot afford to finance all necessary investment.
- The financing of investment projects and operations of railway stations should be diversified:
  - state budget, carriers' fees or the resources of the managing entity,
  - proceeds generated by commercial operations within the passenger terminals, local government subsidies and public-private partnership.

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## ***Final conclusion (cd) - legislation***

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### **Sopot CS**

- The relations between the local authority and the private investor are largely based on procedures resulting from the Polish system of legislation.

### **Melbourne CS**

- There are guidelines, which focus on whole-of-life costing and full consideration of project risks and optimal risk allocation between the public and private sectors.

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## *Final conclusion (cd) – scope of project*

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### **Sopot CS**

- cover a number of different tasks varying in terms of the risk involved in financing them
- Each individual task within the project carries a different risk and it may be difficult to find an investor and a lender ready to accept the entirety of such risk?

### **Melbourne CS**

- Involved multiple different real estate and have been completed within single SPV.

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## *Final conclusion (cd) – financing*

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### **Sopot CS**

- highly geared
- debt and European Union funds
- 60 milion euro

### **Melbourne CS**

- loans and bond issues
- 430 milion euro

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## *Finally closure of the presentation*

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- The different countries, different legal and financial determinants lead similarly to public private cooperation, however the detailed solutions have been different.
- In both cases the regeneration have been perceived as:
  - a chance to respond to the strategic status of the transport and
  - to be a catalyst to encourage city sustainable development that comprise economic, social and environmental concerns.

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**Thank you for the attention.**



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