**World Planning Schools Conference 2016**

TRACK 4: SPATIAL POLICIES AND LAND USE PLANNING

TITLE: Unlocking urban land values: comparing large-scale projects in Colombia and Brazil.

ABSTRACT:

Planning systems became instrumental to unlock land values and unleash the potentials for spatial fix. Indeed, there has been a great deal of attention to the impacts that state reform have been having on cities throughout the world. This paper exposes a crucial element of this process by exploring the contemporary experiences of land use planning in Colombia and Brazil. In specific, we compare the major instruments that promote great urban projects in the two countries and how they have been causing intense changes not only in urban space, but also in their planning institutional architecture. We argue that despite their different justifications and functioning, these new instruments end up producing similar results.

Great urban projects have become an important part of social and economic redevelopment of cities. They act upon a fragment of the urban territory, but that because of the conjunction of different strategies may have an impact in the city as a whole. This complexity means also the need for a specific management system that includes the diverse and diverging social actors that get the direct and indirect impacts of these projects. Finally, the importance of great urban projects derives from the context in which they were created, i.e. adapting cities to neoliberal globalization and more flexible instruments of planning in contrast to the previous modernist-keynesian framework. Hence, the urban transformations in Latin American cities required responding to the different yet intersecting challenges of democratization, decentralization, and globalization. In Brazil, the experience with land use planning reforms came already in the late 1970’s, justified by the great extent of urban informality, the inability of existing instruments to deal with the housing deficit and the scarce resources that municipalities had access in a context of economic instability. In Colombia, thought, the history of introducing changes to the planning system intensifies in the late 1980’s and early 1990’s related not only with the concern of dealing with land allocation for social housing, but more directly with the imperatives of embracing mayor’s popular elections, the introduction of a new political constitution and the decentralization process, i.e. devolving to municipalities’ competences over land management and urban planning, something that did not happen in Brazil.

In Colombia, “Partial Plans” (*Planes Parciales*) have been implemented as strategies to enable both urban expansion and redevelopment according to the Municipal Strategic Spatial Plans (*Planes de Ordenamiento Territorial*). Partial plans operations follow the constitutional principle of the equitable distribution of costs and benefits of the urbanization process embedded in the development of large-scale projects. In doing that, this land management tool has four main features. First, it promotes collective land readjustment as a self-funding mechanism of the public infrastructure through the profits of the privative land use and densities. It works under the assumption that by provoking an increase of land prices, the financial tools involved in the process would capitalize on value capture in the distribution of the costs and the economic benefits of the project. Second, partial plans require an integrated urban design to guide the land-pooling scheme resulting in changes in land subdivision and ownership. The transformation of the demarcated area is intended to be incremental to make each phase physically and financially viable. Third, partial plans could be lead by a multiplicity of agents. According to the legal framework, public, private and community organizations could lead the formulation. Finally, the fourth relevant feature of partial plans is that the political leverage resides on the mayoral power for approval. Even though the local planning authority’s regulatory competence sets the final agreement, the mayor’s municipal decree defines the legal basis of the tool. Thus, the functioning of partial plans rely on the alignment of land owners’ speculation, real estate investors interests and mayoral political leadership to activate the project according to the guidelines of the municipal plan.

In the Brazilian experience, conversely, “Urban Operation Consortium” (*Operações* *Urbanas Consorciadas*) are large scale projects that combine primarily land use and financial tools. The instrument is also based on four basic pillars. The first is the definition of a perimeter for the project, or the urban fragment that is considered in need of redevelopment, getting public and private investments. The second is the list of public interventions that will be accomplished in that perimeter, which may include infrastructure works, public spaces and social housing. This means that this list represents the collective benefit of the project and might be considered its main goal. These works are to be funded by the selling of construction benefits, which are the third pillar of the project. In the perimeter of an urban operation, floor area ratios and changes in uses, among other features, are sold to private investors in the form of financial bonds. These bonds are commercialized in the city stock exchange market and in secondary markets, connecting the production of space with local and international financial markets. This functioning of the instrument creates a speculative system that provides the resources for accomplishment the goals of the project. Ultimately, this means that to accomplish those collective benefits of the second pillar of the urban operation, there must be the individual interest in buying those financial bonds and investing in the perimeter of the project. Fourth, the project, the list of investments, their priority and the resources are supposed to be managed by a council that includes the representatives from public institutions, civil society and local residents. This management council is the final pillar in the functioning of an urban operation and it was supposed to provide transparency and social control. However, in contrast to the Colombian experience, the council was only established after several rounds of experience with the instrument and currently is accused of being only a form of tokenist participation.

In conclusion, we can identify that the Brazilian experience is more focused on providing the financial tools to promote land use change while it has a small impact on land readjustment. Redevelopment is based on individual parcels and on the investment capacity of each entrepreneur. Whereas in Colombia, great scale projects are based on the actor’s capacity of transforming the land parcel structure in order to enable the real estate investment to occur. Additionally, it depends on the leading agent’s negotiation maneuver to persuade local planning authorities and the mayor to approve the partial plans agreement. In common, though, both instruments have cumbersome formulation processes and limited citizens’ participation, becoming more related to their capacity to unlock land use values than to actually promote more democratic and inclusive planning system as intended on their original formulation.

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