

# Park Management As a Tool for Careful Industrial Land Use Planning



Paper for the 5<sup>th</sup> UPE Symposium, *Creating Sustainable Urban Environments*, Oxford UK, 23-26 Sept 2002

Pieter Hendrik Pellenbarg

University of Groningen, Faculty of Spatial Sciences

P.O.Box 800, 9700 AV Groningen, The Netherlands

*Email Address* [p.h.pellenbarg@frw.rug.nl](mailto:p.h.pellenbarg@frw.rug.nl)

*Tel.* +31 50 3633896, *Fax* +31 50 3633901

*Careful industrial land use* is a term that we use more and more in the Netherlands as a collective noun for sustainable, flexible and economic forms of land use, especially where the development of industrial and business sites is concerned.

Increasingly, the idea of careful land use is related to the concept of park management. In this paper I want to examine the problems and possibilities of park management as a tool for careful industrial land use.

In the Netherlands p.m. became a new tool for development and control of business sites only recently. The same is true for most other countries. In the US and UK it has been practiced much longer. The successful cases there served as an example for the Netherlands. P.m. is now generally regarded as one of the obvious instruments to realize careful land use on business parks. It is however a question whether local governments (which in the Dutch case are responsible for most land development schemes) are not going the wrong way to work in park management initiatives. My impression is that local governments are welcoming park management mainly as a just another way to impose new regulations on firm establishments.



## Park Management As a Tool for Careful Industrial Land Use Planning

- Definition
- Aspects
- Dilemma's
- Ladder of park management activities
- Organization
- Conclusions

This is the agenda of the presentation. I will start with a definition of what park management is, and which aspects of the concept can be identified. Then I will say a few things about the principal dilemmas of park management, and I will list the set of actions that could be part of a park management strategy. These actions can be arranged in a logical order on a ladder or staircase of activities. This order ranges from rather simple facilities serving individual firms' needs such as maintenance and security, to more complex cooperation projects between many firms in combined transport or energy supply, and ultimately lead to schemes for connecting material flows of production processes. In the successive stages of the staircase, different forms of process organization can be identified. Finally, we will draw some conclusions.



*product*

# Park Management: Definitions

*process*

a way of organizing the management of a business site (Hoogzaad 2001)

*a method to manage the entire process of design, development, distribution and management of both site and buildings of business locations (van Engelenburg et al 1998)*

*partners*

a method to induce different actors to organize the management and maintenance of public space (Van Leeuwen et al 2002)

*is a process dealing with the arrangement and management of both built and unbuilt spaces and the development and exploitation of both collective and individual facilities and services on business sites. Park management furthers cooperation between firms on such sites. The ultimate goal is a higher quality level of both public and private space (Ecorys 2002)*

*profit*

On this sheet I printed a few of the definitions that are used in recent Dutch articles about park management. Some of them are much shorter than others.

(de eerste twee voorlezen)

From these definitions, I think four different aspects of park management can be distinguished:

*Product*: which activities are part of p.m.

*Process*: what organizational model is used for p.m.

*Partners*: who are the participants in the p.m. process

*Profit*: who takes the largest interest, and benefits most

In the presentation, I will shortly deal with all four aspects. First partners and profits, then the product aspect, and finally the process aspect.

## Figure 1 Partners and Profits of Park Management

<p><b>GOVERNMENT</b></p> <ul style="list-style-type: none"> <li><i>Lower cost of site maintenance</i></li> <li><i>Positive image effects</i></li> <li><i>Improved competitive position</i></li> <li><i>Increase in number of jobs</i></li> <li><i>Decrease of pollution</i></li> <li><i>More (property) tax revenues</i></li> <li><i>Strategic instrument environmental policy</i></li> </ul>	<p><b>FIRMS</b></p> <ul style="list-style-type: none"> <li><i>Focus on core activities</i></li> <li><i>Influence on working climate</i></li> <li><i>Safe and pleasant work conditions</i></li> <li><i>Employees satisfied</i></li> <li><i>Improved competitive position</i></li> <li><i>Improved image</i></li> <li><i>Cost reductions by collective purchasing</i></li> </ul>
<p><b>INVESTORS/DEVELOPERS</b></p> <ul style="list-style-type: none"> <li><i>Higher value of real estate</i></li> <li><i>Real estate retains value</i></li> <li><i>New &amp; remunerative independent activity</i></li> <li><i>Improved image</i></li> </ul>	<p><b>SOCIETY/ENVIRONMENT</b></p> <ul style="list-style-type: none"> <li><i>Positive environmental effects</i></li> <li><i>Careful (economic) land use</i></li> <li><i>Joint use of facilities</i></li> <li><i>Increase of spatial quality</i></li> </ul>

Source: Ecorys 2002 (adaptation)

Of course we have the general difference between public and private partners. This may be differentiated further, as on this sheet, that shows the potential profits of 4 different parties. Cost reductions, revenue increases, environmental gains and image effects dominate the picture.

Not all profit categories are undisputable. Especially the conclusion that local governments may profit from park management as a new strategic instrument of environmental policy is debatable and in fact constitutes one of the development dilemma's I want to discuss in this paper. This relates to the question whether the public or the private partners will dominate the p.m. process. The most successful business parks in the UK show private forms of park management that were initiated and controlled by the firms on the park. But in the Netherlands it is rather common that local governments play the dominant role in the establishment and organization of park management. The reason for this is that in the Dutch situation local governments usually develop the sites, not private companies.

Figure 2 Theoretical Options of Influence

	STIMULATION	REPRESSION
COMMUNICATIVE	<i>Advice</i>	<i>Propaganda</i>
ECONOMICAL	<i>Subsidy</i>	<i>Levy</i>
JURIDICAL	<i>Agreement</i>	<i>Command, Prohibition</i>

Source: van der Doelen (1993)

I do not intend to speak too long about this sheet, but I want to indicate the danger, that in a country such as the Netherlands, where local governments tend to be the dominating partners in park management, the same local governments consider forms of park management that tend to cross the border between a stimulating and a repressing policy. I would advise against the latter. Basically, local governments face the question here how intensive there involvement in park management should be. This is clearly one of the development dilemma's that are indicated on the next sheet.

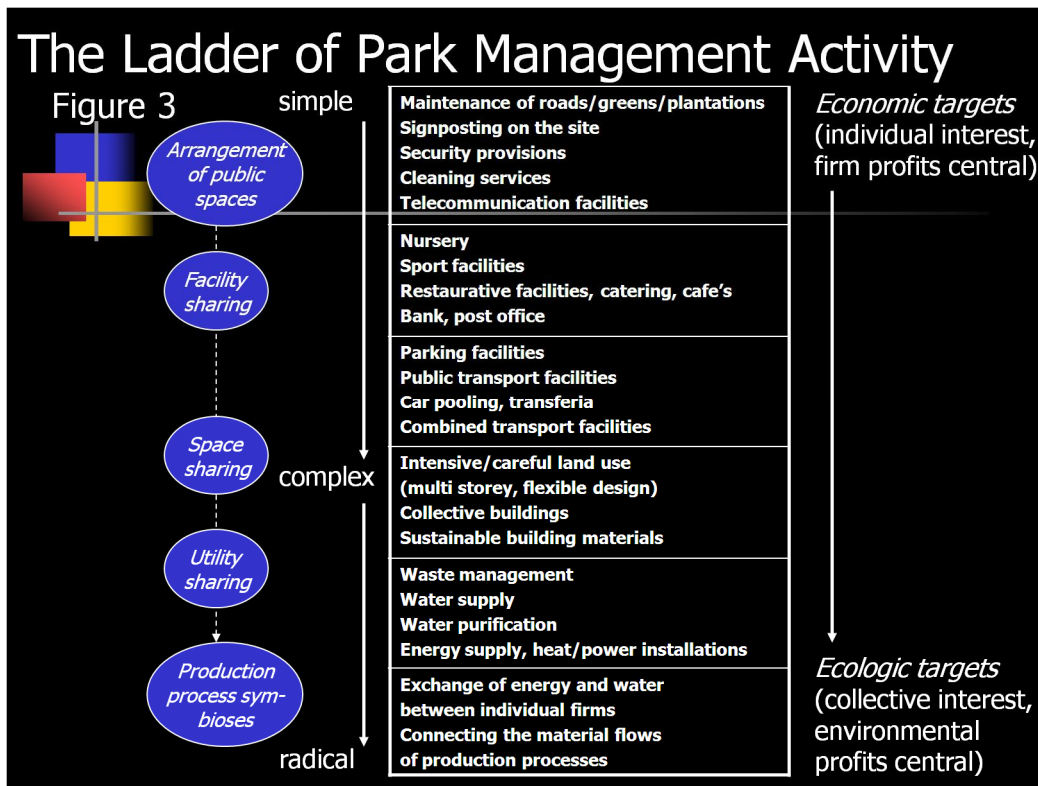


## Park Management: Dilemma's

- Who is the principal actor?  
Whose interest comes first?
- Rules for admission: strict or loose?
- Categories of participants:  
"park management packages"

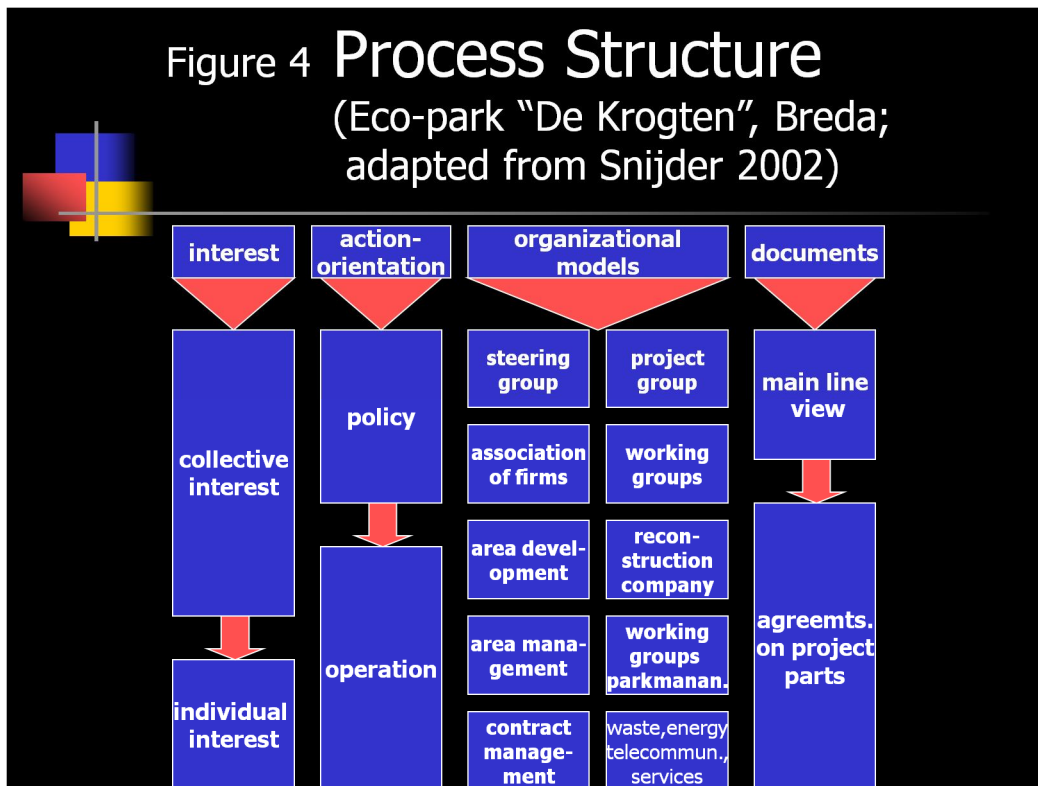
The position of the actors and the weight of their interests are the first dilemma to be faced. The second dilemma is about the rigour of the rules to be applied. Rules for admission on the park and rules applying to operations on the park can be few or numerous, simple or radical, more or less binding. This is an important dilemma, and directly related to the chance of developing a successful site. Setting the admission rules too high holds the risk of emptiness. But setting the targets too low means abandoning possible profits. Making the regulations less binding will attract free riders.

Choosing a middle position in such dilemmas is not always the best possible strategy. Creative solutions must be found to maximize outcomes. I.e. coordination of land policy between local governments on a regional scale may reduce unnecessary local competition and thus increase the chance of success of strong p.m. rules. Allowing firms to take part in the process of rule-writing may further the acceptance of rules. One of the most creative ways to choose position in the dilemma of rules is to make a difference between categories of participants by offering optional "packages" of rules.



This brings me to my next sheet. Packages may be small or big, easy or difficult. Now look at this scheme. The list of possible pm activities is in fact a mounting series of services and arrangements rising from rather simple provisions to very complex regulations implying real forms of industrial ecology. The sheet pictures this idea in the form of a scheme: the “ladder of park management activities”. The order is from simple to radical, which also corresponds to an ordering from individual interests and economic targets to collective interests and ecologic targets. In between the simple spatial arrangements and the radical production process symbioses are categories of p.m. that can be characterized as facility sharing, space sharing, and utility sharing.

The site developer may of course counter-balance the firm’s package choice with a higher or lower land price, or other compensations. I.e. the larger the package, the lower the price of the land. Or a lower price may be accorded for a more sustainable package. The development of p.m. packages definitely constitutes a useful enlargement and innovation of the p.m. concept



After the product, the process aspect. How is p.m. best organized? This sheet shows an example, taken from the industrial site of De Krogten in Breda, the Netherlands. As in the p.m. ladder, the process structure shows a course from collective to individual interests. In this case this course doesn't represent a spectrum with 2 extremes but a timely sequence. Collective interests dominate at the start and in fact continue until the final phase, when one needs a more permanent management structure in which private interests have to be served. In the process the accent is first on policy formulation: memoranda, main line views on the project. In the second part of the process the action orientation shifts from policy to operation. Main line views are elaborated into separate agreements on different parts of the project. The middle section of the figure shows the organizational forms in the different stages of the process. In the policy phase a steering group is formed to take the lead in the process, and an association of firms is being set up. Project and working groups may be engaged with separate planning activities. In the operational phase the actual development work starts, for which partners may set up a reconstruction company. Area development changes into area management and finally into contract management relating to whatever p.m. packages may be on offer, possibly prepared by p.m. working groups.



## Figure 5 Process Design Within Planning Methodologies



	Ecoclassification syst.	Environmt. point syst.	Sustainabi-lity scan	Handout system	Roadmap/ Quicksan	Developmt. vision
<b>Process initiative:</b>						
- top-down (municipality)	X	X	-	-	X	X
- bottom-up (firms)	-	-	-	-	-	-
- joint action (mun.+ firms)	-	-	X	X	X	-
<b>Role in identifying options</b>						
- consultants	X	X	X	X	X	X
- firms	-	-	X	X	-	-
- municipalities	X	X	X	X	X	-

Source: Van Leeuwen et al (2002) p. 29

Speaking about the process aspect, I want to return to the issue of which partner has the lead in the process. Is it normal, as in the Dutch situation, to have local governments in this position? In the paper, I quote van Leeuwen's suggestion that local governments seem to consider p.m. as a very welcome new policy instrument, next to the present instruments of destination plans, long lease and other forms of land policy. True, but not without dangers.

This sheet shows the results of van Leeuwen's comparison of six different p.m. models that are now used by many local governments in the Netherlands. Top-down approaches are dominant, bottom-up is non-existent! It is also interesting to note the influential role of consultants in the positioning of local governments in park management development. They are the inventors of the park management models that they sell to municipalities. Small wonder that they put their clients in positions that give them influence in the process. Interestingly enough, the consultants also put themselves in positions of influence, thus creating permanent revenue.

The role of the firms is much too small in many pm models!!



## Park Management: Conclusions

- PM: broad range of activities
- PM: careful industrial land use
- PM ladder: logical sequence, related to complexity and nature of interest
- PM ladder: basis for “packages”
- PM process: different models, different positions for the PM partners

The concept of p.m. covers many different activities. Although in varying degrees, all of them are of potential importance for careful industrial land use. The p.m. ladder puts the activities in a logical sequence and unfolds a relationship with public and private interests. A practical application of the ladder emerges where it is used as a basis to define p.m. “packages”.

For the p.m. organization process different models are conceivable, but the evidence from the Netherlands suggests that if local governments have the lead in site developing, they also tend to dominate in p.m. and are very much tempted to use p.m. as a new form of regulatory power.

In my opinion a too strong dominance of park management by local governments is not to be recommended. It leads to a under-utilization of the potential benefits and ignores evidence from practice which shows that p.m. is most successful when organized by private parties, or at least with a heavy involvement of private parties. And I would say that a more balanced process-design, offering space for both public and private participation would also be more in line with the modern interaction-oriented approach in planning theory.



## Park Management: Conclusions

- Local governments shouldn't dominate the PM process:
  - *under-utilization of benefits*
  - *ignoring the evidence from practice*
- PM shouldn't be a domain for regulatory planning
  - *consensus planning*
  - *collaboration, negotiation, persuasion*
- Park Managers need room for action to develop market-oriented products

Regulatory planning is a concept of the past. We have observed a gradual shift in planning theory from a more technically oriented approach in the early 20th century, via a comprehensive rational planning approach in the 1950s, to more interaction-oriented types of planning now. Woltjer characterized this inter-action- or communication-oriented planning as “consensus planning”.

[At present the communicative planning approach is still coping with the problem how to take social dilemma's between public and private interests sufficiently into account (Voogd 2001)]. Still, the benefits of the new planning paradigm have sufficiently been shown. A modern approach of p.m. should be based on the insights of consensus planning rather than on the old fashioned and one-sided technical-regulatory approach. Also, park managers who want to develop a market-oriented product need room for their actions. Their hands shouldn't be tied too much by prefabricated packages and accessory regulations. An open planning process with a sufficient degree of private participation in an early stage of the process is a necessary precondition for successful park management.