Governance for Urban Heritage Preservation
Decision Making for Adaptive Rehabilitation and Development

Eduardo Rojas
Sources
Approach
Framework
Cases
Governance

The use of institutions, structures of authority and even collaboration to allocate resources and coordinate or control activity in society or the economy

Adaptive Rehabilitation and Development

The preservation of urban heritage areas is a special case of urban rehabilitation and holds a variety of values for society but presents special public-private cooperation problems.
The preservation of an urban heritage area becomes self sustained when

The urban heritage area is attractive for a variety of users

All stakeholders cooperate in the preservation effort

Demand for space for these uses in the heritage area mobilises private investment and drive real estate returns to levels comparable to other active areas of the city

The development drive is mostly in the hands of the private sector

Government funds are used mostly for public uses
there are key factors in the governance of the preservation process in urban heritage areas when based on the adaptive rehabilitation approach

- Values that prompt action
- The actors involved
- The processes
### Economic Values

<table>
<thead>
<tr>
<th></th>
<th>Use</th>
<th>Non Use</th>
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<tr>
<td>Direct</td>
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<td>Non Consumption</td>
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### Socio-Cultural Values

<table>
<thead>
<tr>
<th></th>
<th>Aesthetic</th>
<th>Spiritual</th>
<th>Social</th>
<th>Historic</th>
<th>Symbolic</th>
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</thead>
</table>

After Throsby (2002) and Mourato and Mazzanti (2002)
Actors

- promoters
- beneficiaries
- financing
Processes

- Scientific
- Political
- Market transactions
- Transactions in the elite
- Grass roots
Processes

- Scientific
  - Historic research
  - Aesthetic studies
  - Cultural analysis
  - Anthropological research
  - Education
  - Heritage preservation practices
Processes

- Political
  - Listing
  - Protection and land use regulations
  - Tax and fiscal incentives
  - Leadership
  - Coordination, sequencing and scale of interventions
  - Incentives system of stakeholders
Processes

Market transactions
- Rehabilitation of properties
- Sales and purchases of rehabilitated space
- Rental of commercial and residential space
Transactions in the elite

- Assessment of the PR value of urban heritage
- Negotiation with owners
- Granting of concessions from the government
- Securing partners for operation and maintenance
Grass roots

- Community involvement in support of urban heritage preservation
- Participation in NGOs and other organisations of the civil society
- Mass media dissemination of values and benefits of urban heritage preservation
stages in the concern for the urban heritage
the Latin American experience
initial stage
conservation is a concern of the elite

- isolated interventions
- financed mostly by private philanthropy
- decisions taken through transactions among the members of the cultural elite
- monuments devoted mostly to public uses
few values are at play

economic values

<table>
<thead>
<tr>
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socio cultural values

| aesthetic | spiritual | social | historic | symbolic |

few actors are involved

promoters
the cultural elite
conservators

beneficiaries
local community
tour operators

financing
central government
private philanthropy
<table>
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<tr>
<th>Actors</th>
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</table>
Eduardo Rojas

promoters

beneficiaries

financing

organisations of the civil society
conservators
scholars
students
community organisations
tourists
consumers
corporations
small enterprises
households
real estate investors
national government
regional government
local government
real estate investors
households
n
Eduardo Rojas
uses the traditional conservation process for urban heritage

heritage's value identified by conservation experts

preservation plans prepared by specialists

funding secured from different sources

preservation works implemented

use for the building found
results in an sporadic, selective and unsustainable heritage preservation process
more advanced stage
direct public intervention

- government leadership
- public financing
- decisions mostly in the political sphere
- sporadic involvement of private philanthropy
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<tr>
<td>historic</td>
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<td>symbolic</td>
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</tbody>
</table>

promoters
the cultural elite
conservators

financing
central government
private philanthropy

beneficiaries
local community
tour operators
still uses the traditional conservation process for urban heritage

heritage value identified by conservation experts

↓ preservation plans prepared by specialists

↓ funding secured from different sources

↓ preservation works implemented

↓ use for the building found
results in a more extensive but still unsustainable heritage preservation process
sustainable stage
the concern of all social actors

- government leadership
- coordinated public and private financing
- decisions made in several spheres of interaction (markets, policy decision making, budget allocations, public forums)
- involvement of the community
<table>
<thead>
<tr>
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<td>use</td>
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Promoters

Beneficiaries

Financing
### Actors

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**use value: consumption**
### Actors and Processes

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</table>

### Multiple Values
- Consumption, inheritance,
- Existence, historic, aesthetic, spiritual, social

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**Note:** The table above highlights the interaction between different actors and processes, suggesting a framework for understanding how multiple values are managed across various stakeholders.
promoters
beneficiaries
financing

central government
regional government
local government

international organisations
conservators
scholars
students

organisations of the civil society
community organisations
tour operators
tourists

consumers
small enterprises
households

real estate investors
real estate investors

households

consumers

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sustainable conservation process for urban heritage

heritage value identified by conservation experts

- study of the demand for space in this type of asset
  - partner for preservation and use secured
    - preservation works executed with mixed funding
      - assets under sustainable use and well-maintained
urban heritage preservation process

**sustainable**
- heritage value identified by conservation experts
  - study of the demand for space in this type of asset
  - partner for preservation and use secured
  - preservation works executed with mixed funding
  - assets under sustainable use and well-maintained

**traditional**
- heritage value identified by conservation experts
  - preservation plans prepared by specialists
  - funding secured from different sources
  - preservation works implemented
  - use for the building found
urban heritage preservation process

sustainable

heritage value identified by conservation experts

study of the demand for space in this type of asset

partner for preservation and use secured

preservation works executed with mixed funding

assets under sustainable use and well-maintained

use for the building found

Historic preservation

Urban rehabilitation

Sustainable preservation

traditional

heritage value identified by conservation experts

preservation plans prepared by specialists

funding secured from different sources

preservation works implemented

use for the building found

Urban rehabilitation

Sustainable preservation

Historic preservation
The key conditions for sustainable urban heritage preservation and development

- involvement of all social actors in their most efficient capacity
- heritage assets devoted to uses with high demand either for social services or commercial and residential activities
- risks and returns assigned to the actors better suited to take them or shared by promoters, financiers and beneficiaries
Urban heritage preservation and development requires coordinated use of the analytical and operational tools of

- Historic preservation
- Urban rehabilitation

Institutional arrangements must allocate costs, benefits and risks among stakeholders that are best suited to take them
Eduardo Rojas
Oaxaca, Mexico
Quito, Ecuador
Salvador, Brazil
Valparaiso, Chile
Eduardo Rojas
Valparaiso
Chile
the city is part of a prosperous metropolitan region
Urban structure

**Urban units**

- Three horizons
- With a system of squares and public spaces
- Liked by a system of funiculars and pedestrian paths
INTEGRATED HERITAGE REHABILITATION AREAS (EPIS)

ENTORNO BARRIO FINANCIERO-Cº ALEGRE

ENTORNO PLAZA DE LA JUSTICIA-Cº CORDILLERA

ENTORNO PLAZA ADUANA-Cº ARTILLERA

ENTORNO BARRIO PUERTO-Cº SDO DOMINGO

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Decay and overcrowding of housing

Weak housing rehabilitation for
Week end use

Government investment in
Public spaces

Promote faster rehabilitation

PUBLIC SPACES
CHARACTERISTICS
- Deterioration of public spaces and houses
- Residential areas benefit from tourism potential

STRATEGY
- Promote integrated rehabilitation of tourism and housing areas
Eduardo Rojas
PUBLIC SPACES
AV. BRASIL
PLAZA BARON
TTOURISM AND RESIDENCE
HISTORIC TOURISM AND HOUSING
TOURISM AND RESIDENCES
GOVERNMENT AND UNIVERSITIES

CHARACTERISTICS
- Risk of migration of educational activities
- Congresses with little multiplier effects

STRATEGY
- Construct new venues for educational activities
- SEC SPACES
- EPI
AV. ARGENTINA
BORDE COSTERO
PLAN

TTOURISM AND RESIDENCE
HISTORIC TOURISM AND HOUSING
TOURISM AND RESIDENCE
TOURISM AND RESIDENCES
GOVERNMENT AND UNIVERSITIES
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<th>US$ millions</th>
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<td>Administration</td>
<td>3.22</td>
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<tr>
<td>Integrated Urban Rehabilitation</td>
<td>43.59</td>
<td>59.7%</td>
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<td>Road and public spaces improvement</td>
<td>18.73</td>
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<tr>
<td>Rehabilitation of public buildings</td>
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<tr>
<td>Rehabilitation of private properties</td>
<td>5.54</td>
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<td>Improvement of City Services</td>
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<td>Solid waste management</td>
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<td>Institutional Development Municipality</td>
<td>4.50</td>
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<td>Publicity and community involvement</td>
<td>1.90</td>
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<td>Financial costs</td>
<td>4.70</td>
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<td>Total</td>
<td>73.00</td>
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sequence by organising interventions in time

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<th>2</th>
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<td>Infrastructure</td>
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<td>Public spaces</td>
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<tr>
<td>Municipal services</td>
<td></td>
<td></td>
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<tr>
<td>Promote new economic activities</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Bring new residents</td>
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<tr>
<td>Private investment in new activities</td>
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Management of urban areas in Chile. Assignment of responsibility

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<td>Trunk roads</td>
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<td>Regional Secretariat of the Ministry of Housing and Urban Development</td>
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<td>Ministry of the Interior</td>
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<tr>
<td>Local</td>
<td>Ministry of the Interior</td>
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</table>
Support for the nomination

Tour operators

Tourists

Households

Small enterprises

Real estate investors

Organisations of the civil society

International organisations

Central government

Regional government

Local government

Promoters

Beneficiaries

Financing

World Heritage Site

Nomination WHL

Financing US$70m

Planning

Implementation

Political costs

Conservators

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incentives: members motivations for decision making

Directorate
Treasury ➔ Keep yearly expenditures within appropriations
Interior ➔ Ensure that procurement was legal, transparent and competitive
Municipality ➔ Capture as much resources as possible for “urgent” politically expedient expenses
• Institutional arrangements that led to
  - Continuos shifts in priorities
  - Decoupling of investments
    - losing coordination and sequence
    - losing focus on the integrated heritage areas
  - Shifting community involvement in the program
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First Phase
Public Investment
In Quito Historic Centre
urban heritage rehabilitation programs take a long time to get launched and mature

Quito Historic Centre Rehabilitation Timeline

Several Preservation Plans

Historic Preservation Fund (FONSAL)

Quito Historic Centre Corporation

Quito Urban Development Company

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with the late arrival of the private sector...

Quito Historic Centre Rehabilitation Timeline

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Eduardo Rojas
### Programmed Investments

US dollars (millions)

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<td>Social sustainability</td>
<td>1.2</td>
<td></td>
<td>1.2</td>
</tr>
<tr>
<td>Total</td>
<td>31.0</td>
<td>10.4</td>
<td>41.4</td>
</tr>
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• Public investment
  - Street improvements
  - Parking garages
  - Cultural facilities in historic buildings
  - Social sustainability
    + Low-income housing
    + Markets
    + Public safety
• Public private investments
  – Rehabilitation of buildings to demonstrate the feasibility to install and operate
    • Commerce
    • Residences
    • Offices
    • Recreational activities
  – The Historic Centre to offer a unique mix of services to compete with other centres in the city
Quito Historic Centre Corporation

• Mixed Capital Society
  – 90% of shares owned by the Municipality
  – 10% owned by the Caspicara Foundation

• Board
  – 12 members
    • 7 members come from the private sector
    • 5 members come from the public sector
• Capacities
  – Operate as real estate developer
  – Work in association with private sector
    • Land owners
    • Real estate developers
    • Cooperatives
  – Municipality can contract works directly with
    the Corporation
sources of funding

- Central Government
- Municipal budget
- IDB Loan
- Ministry of Housing
- Private sector

types of investments

- Monuments
- Infrastructure
- Public spaces
- Social housing
- Commercial real estate
Eduardo Rojas

promoters

beneficiaries

financing

organisations of the civil society
international organisations
scholars
central government
individuals
local government
community organisations
real estate investors
tour operators
tourists
consumers
small enterprises
households
corporations

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