



TCM - T&KE

*Town Centre Managers Training
and Knowledge Exchange*



Education and Culture DG

Lifelong Learning Programme

White Paper 'Town Center Management' (TCM)

Introduction

Organisations from different European countries that are professionally active in the field of 'Town Center Management' have during the past two years had occasion to exchange and compare their positive and negative experiences about what kinds of factors are determinant in defining the attractiveness of commercial town and city centres. The 'Town Center Management' project was made feasible through the offices of the European Commission's Leonardo da Vinci programme. The United Kingdom, Spain, Italy, Austria, the Netherlands, and Belgium (UNIZO), and 'City Managers' of large and well-known European shopping cities such as London, Florence, Salzburg, Seville, Breda,... but likewise of lesser known and smaller cities, have participated in this project. On 18 and 19 April 2012, Courtrai will play host to the European participants in the programme. Also the Flemish 'City Managers' from various cities are being invited to attend the Courtrai conference. In the course of the symposium, the findings and conclusions, amongst other sundry issues, arrived at during the project's two-year running term will be presented in the form of a SWOT analysis or, in other words, an analysis wherein the participants are to give a summary account of the current problematic and positive points detected in the urban shopping centres, as well as of the future opportunities and threats facing the traditional commercial centres in the European shopping towns and cities. At the closing of the conference, the European project partners will likewise formulate concrete action points designed to enhance the attractiveness of the European towns and cities as vital and viable shopping destinations.

SWOT analysis about the commercial sustainability of European shopping cities

1. Strengths

The great strength of the traditional commercial centres in the majority of European shopping cities is their attraction as an amalgamation of:

- a. various types of retail outlets (convenience, shopping, luxury,...);
- b. their variegated size and nature (major and internationally known chains, discount and small independent neighbourhood stores);
- c. mixed-in with other economic and socio-oriented functions such as the hospitality sector, offices, banking, and residential,... ;
- d. major urban centres additionally profit from their rich cultural heritage and varied tourist offerings (museums, historically noteworthy highlights, movie houses, theatres...);

In short, all aspects are present to offer visitors and consumers alike, ready at hand and even within the span of a brief stay (1/2 day, one day, week-end,...), a total package of

memorable experiences, all of it – and this is very important – realized in a natural, non-artificially contrived manner.

2. Weaknesses

At the same time, the project partners have exchanged their experiences with less successful inner cities or city districts or subjects that at some time or other in their lifecycle have had to cope with a commercial decline. This decline quickly results in store vacancies, property blight and crime. The weaknesses or problems connected with these commercial centres or districts are mostly associated with the following causes :

- lack of safety (crime, dangerous traffic conditions,...);
- filth, blighted properties;
- difficult access (by car, bicycle, public transit, or on foot) or inadequate or too expensive parking (or bicycle storage) facilities;
- proximity to peripheral shopping malls that offer a total shopping & recreational alternative to the traditional inner city facilities;
- the absence of sufficient private housing or office facilities (threat to personal safety, cleanliness, mobility,...);
- too expensive commercial leases so that only international chains can establish themselves, in consequence of which the top locations in almost all European shopping cities have assumed a uniform and identical character;
- inadequate recreational facilities (restaurants, cultural highlights,...);
- logistical impediments (delivery problems of merchandise to stores);
- all kinds of – and excessive – municipal taxes (tax on illuminated publicity signs, terraces, parking,...);
- absence of, or unprofessional, '*city management*' (inadequate projection of the commercial context on offer, inadequate promotional effort, shopping streets in competition with one another rather than working hand-in-hand to promote their city as a shopping destination,...);

3. Opportunities

There exist two kinds of opportunities that, in the future, can enhance the assets of these commercial centres. The first kind has to do with certain societal, and likewise social, trends; the second one is the growing awareness within a great number of shopping cities that 'City Management' is, indeed, an expert profession 'wholly its own' that needs to be practised out of a background of appropriately acquired knowledge and experience.

- a. There already exist a great many societal - and social - trends that during the coming decades will in most European cities enhance the attractiveness of the traditional commercial centres. A number of these opportunities relate to the fact that, after most families in the second half of the past century participated in a mass exodus from the city to more rural communities (larger families needed more room, the home and garden was affordable to the general family,...), we currently are witnessing the reverse trend, with the population migrating back to the city (because smaller families and the growing numbers of singles need less space, because people, ageing and of faltering mobility, prefer living closer to shops and stores, public services, schools, offices,..., and, because of rising prices of land in rural communities, people again look to buy older and smaller city properties that may possibly also make them eligible for renovation grants or subsidies,...).
- because of the greying of Europe, a growing need is felt for a varied gamut of shopping facilities in the immediate proximity of senior and less mobile residents. This will positively effect the demand for selectively adapted types of shops and stores within the traditional city cores and districts of the large, medium, and smaller cities;

- young families in turn are once again looking more and more for homes in the older city centres, as rural community residency in detached dwellings is getting to be beyond their means. As a result, there is renewed demand in those city centres for shops and stores catering to their particular needs;
 - the ever-expanding traffic congestion on the highways in most European countries is bound to make consumers avoid unnecessary travel by car and do their shopping at stores close to home and work;
- b. The European Leonardo Project demonstrates that within various European countries and, more specifically, within shopping cities, a growing awareness is being created towards achieving a very distinctive individual commercial identity as a shopping city based on professional '*city or centre management*'. Large, medium, and small cities are turning more and more attentive to the fact that they need to profile their shopping, hospitality, and cultural assets as one complete offering of amalgamated services vis-à-vis the consumer. In fact, a number of European countries are offering specific high-level training courses in this area. This growing professionalism will during the coming decades undoubtedly come to exert a positive effect on the commercial attractiveness of the traditional commercial centres in European cities.

4. Threats

1. One of the major looming threats to the liveability of the traditional commercial centres is the development of large-scale artificially contrived shopping centres far away from the city cores and near highway access and exit ramps:
 - The ROI per m² for real estate projects oriented towards the 'retail' trade by far exceeds that of other commercial purposes. Not surprising then that real estate developers express a preference for these sorts of projects, their interest divorced from other, generally societal and social, considerations that are concomitant with such commercial undertakings.
 - Shopping centres are being developed in a manner so as to offer a total shopping experience and recreational alternative to the traditional form of commercial inner city centres. The total area in square metres for shopping and recreational facilities (restaurants, cinema,...) not infrequently exceeds that in nearby cities. It has become the experience of shopping cities that only top commercial locations in major cities are capable of competing with these mega-shopping plazas, while less developed shopping streets, commercial centres, and locations in medium-size cities are waging a losing battle against these kinds of peripheral hyper-shopping malls.
 - These peripheral shopping centres are being professionally 'managed' by marketing specialists, offering free parking, creating a solid feel of safety and security by means of providing permanent surveillance, and inspiring confidence by keeping the premises clean and well maintained.

Fortunately, many shopping centres located in the traditional city core provide adequate evidence that they too can offer substantial added value within the classic shopping cities.

Conclusions and concrete action points as drawn by the participating 'TCM' partners

The European Commission is currently in the process of drawing up a "*European Retail Action Plan*". This initiative is a follow-up to the Commission's Retail Market Monitoring

Report (RMM Report) *"Towards more efficient and fairer retail services in the internal market for 2020"* (COM(2010)355) adopted on 5 July 2011. Moreover, following the adoption of this RMM Report, on 5 July 2011, the European Parliament (EP) adopted an own-initiative report on a more efficient and fairer retail market. The EP Report calls on the Commission to prepare, in consultation with the retail sector, a comprehensive European Retail Action Plan in order to set out a strategy, building on achievements and addressing outstanding issues, with sector-specific recommendations. The EP would like to see the actions contained in the Action Plan presented and debated at the Retail Market Roundtable that will be set up by the EP.

The European Parliament made on 5 July 2011 a resolution with following articles which are important on behalf of 'City Management':

19. Recognises that the Member States are responsible for their shop location policies and that sustainability, mobility, regional planning and core consolidation are major factors which must be taken into account in deciding on the admissibility of new shop locations

20. Takes the view that incentives to renovate the urban building stock, also by using the Structural Funds, could enable rents to be reduced (public-private partnership) and could facilitate the return of businesses, particularly local ones, which are instrumental to economic and social development

The participants in the 'TCM' Leonardo Project have, on the basis of this SWOT analysis, proposed the following concrete action points:

1. In function of the *"European Retail Action Plan"* they wish to send a very clear and unequivocal signal to the European Commission that the construction and establishment of hyper-shopping malls needs to be conducted in a well-considered and purposeful manner in order to prevent any further dislocation of the traditional commercial central cores in the cities. Any adverse interference with the commercial inner-city attractiveness will seriously compromise the general sustainability and liveability of the cities in casu (store vacancies lead to property blight and crime), and likewise adversely affect the general mobility. EU Member States need, as stressed emphatically by the European Parliament by way of the Resolution of 5 July 2011, to retain the power to reject peripheral shopping centres on the grounds of urban requirements, a policy of city-core enhancement and reinforcement, and spatial and urban development planning. The 'TCM' partners hence plead with the European Commission to unambiguously underwrite the viewpoint expressed in article 19 of the Resolution of the European Parliament.
2. The end result of the first Leonardo Project is that, aside from an exchange of experiences and the SWOT analysis for attractive shopping cities resulting from it, the various European participants have outlined a competency profile that ideally harmonizes with the professional qualifications demanded of *'Town Center Managers'*. The aim is to continue this process in a follow-up project, thus to contribute to the further professionalization of the Town Centre Management within the European shopping cities. In this respect, an important observation, and intention, expressed by the TCM partners is that especially the lesser known and major urban centres stand in need of, and be provided with, professional *'Town Center Management'*.

In conclusion, it is the aim of the TCM partners, in a follow-up project, to also exchange information and experiences concerning best practices such as 'PPC' (Public/Private Cooperative) projects. At the same time, paradigms of shopping cities that are redeveloping industrial or other ageing sites into core-enhancing shopping or cultural activities, thus creating a positive effect on the

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