APRILab

Investment Dilemma in South Harbour & Aalborg East, Denmark

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in a Living Lab Experience

Investment Dilemma South Harbour & Aalborg East, Denmark

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INVESTMENT DILEMMA DENMARK

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APRILab

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Investment dilemmas: Sydhavn Copenhagen and Aalborg Øst

Introduction

Hypothesis, target audience, research questions, research methods and report structure

This report focuses on investment dilemmas of urban planning in the urban fringe - tensions and benefits between supply-and demand-led logics related to issues of risk and income/expenditure management. The APRILab project frames these issues as a dilemma, indicating that each of these logics is complex, have their own strengths and weaknesses, and can be combined differently over time. With these reservations, however, the problem-definition is that current planning-practice is constrained by being too supply-led ((Savini, Salet, & Majoor, 2014), p.14).

Hence, the hypothesis tested out in this report is that as a consequence of both the 2008-recession and the permanent volatility of the property-development market, new types of more demand-led investment-models (or other combinations of supply- and demand-led logics) for spatial planning have to be developed; demand-led investment-models are in this report defined as projects that are realized through a novel diversion of risks, have qualities that are distinctive and tailored to end-users, and have a higher, or different, quality, than standardized, supply-led solutions. As planning authorities often play a crucial role in manipulating the variables that influence risk and investments, the investigation of the dilemma looks at what investment risks that spatial planning takes in order to enable urban development (Savini, Salet, & Majoor, 2014), p. 14).

Accordingly, this report explores these planning issues in fringe areas, in a context of austerity related to the 2008-financial crisis. In terms of scope, spatial planning in this chapter of the Danish cases is understood broadly: all major stakeholders involved in spatial planning. Background descriptions of cases can be found in previous reports.

In terms of target audience the report aims at making the Copenhagen- and Aalborg Øst-developments accessible for a European planning audience, so that other European planning authorities may learn from these. This implies that although data descriptions and analyses are based on data triangulation (interviews, validation of findings, policy documents), Danish planning professionals, developers and other local stakeholders may have knowledge of detailed events and activities not mentioned in this report. Further, the tentative conclusions and explorative analyses made throughout the report and in the summary section are to a high degree dependent on the completeness of narratives that informants have displayed through interviews, as not all of these are possible to validate by means of other data sources. As this report focuses on investments and, accordingly, touches upon delicate matters of money, market (investments,

profit) and contentious city politics, informants may have good reasons for presenting narratives which are safeguarding in nature and are positioning these informants in the best possible ways. Accordingly, some of the findings and reflections are based on an interpretation on such narratives and should be read with these reservations in mind.

In previous APRILab reports, the very different interventionist and regulative case contexts have been provided, as the two Danish cases are located in different municipalities in different regions:

- Sydhavn in Copenhagen Municipality (a case of post-industrial development in a metropolitan region)
- Aalborg Øst [pronounced 'oest', meaning 'East'] in Aalborg Municipality (a case of suburban development in a small city located in a rural region).

Concerning intervention-dilemmas, the first report (Savini, Salet, & Markus, 2014) stated which stakeholders were involved as part of strategic planning, whether the cases demonstrated a sort of self-organization amongst stakeholders (civil-society organizations, private actors, hybrid-combination of these) and explored the reasons why/why not. In both Danish cases, citizens and civil-society stakeholders are absent in terms of their strategic relevance. At best, citizens play a role as either consumers operating on a housing market or is being designated a counselling role, such as the Local Democratic Committees in Sydhavn Copenhagen. Further, citizens are given formal voice in procedures related to hearings as required by The Planning Act. Overall, citizens and civil society stakeholders are strategically absent when it comes to planning, the main dynamic taking place between municipality and landowners, developers, investors, housing organizations, regional/national bodies/agencies or funds. In this respect, neither Copenhagen nor Aalborg have managed to solve the difficult task of how to exploit citizens/civil society in a way that grant these parties a strategic capacity, while simultaneously not being a burden for physical planning. This intervention report also stated the difficulties with mobilizing citizen awareness of future plans for a new development area (Sydhavn), or sustaining citizens' involvement in times of strategic uncertainty (Aalborg Øst).

The regulation-dilemma report (Hansen, 2015) demonstrates how these planning processes have had specific consequences concerning regulative challenges. In Sydhavn challenges are confined to the professional realm of strategic actors, while citizens mainly carry the burden of uncertainty in relation to finalization of the area and the future urban qualities and functions. Instances of self-organized, sub-cultural interventions (such as the art community 'Illutron[i]') were remarkable few in number; the function of these for developers and landowners were to contribute to create middle-class awareness of the area in a transitional development phase and to provide cultural events. Accordingly, this instrumentalist usage of civil-society self-organizing has not been able to contribute qualitatively to business-case development. Such instances of civil-society self-organization prompts further systematic reflections in terms of how to use self-organization as a value-adding instrument in urban-fringe planning (altering market demand, create profit or new business cases, added layers of quality, identity-generating mechanism across development phases); currently (2015), the City has launched a development plan for Copenhagen Harbour, including Sydhavn, demonstrating the potential for temporary, citizen-driven activities; however, the development plan also describes several barriers, such as lack of municipal ownership of plots, a dependence on the goodwill of developers, complex ownership structures, By & Havn's lease level for activities along the

quaysides and lack of political will to invest in the Harbour[ii]. However, such Sydhavn experience do not point to the most contentious arena of self-organization. This arena is located within landowner-associations in Sydhavn. Regulative challenges in general were a mix of conflicts linked to the joint, expansionist urban-development approaches of municipality, landowners and developers, exacerbated by the 2008-financial crisis. Further, regulative conflicts are also related to the deployment of rather novel active regulation tools: providing municipal authorities with the legal right to require mandatory formation of landowner associations as a condition for local-plan approval and the obligation of these associations to produce and finance public-accessible facilities, such as urban space/recreational sites, sewers, canals and infrastructure. The limited experience with utilizing these regulative options resulted in some construction delay - but also a lack of service-provision; public transportation; public space; infrastructure in Sydhavn Copenhagen. This was a high-risk strategy made visible by the financial crisis, a crisis that prolonged the development by 3-4 years, according to informants.

In Aalborg, the consequences of the planning approach are more difficult to assess due to the fact that urban development is at a less advanced stage. Hence, the case has its strengths in scrutinizing the in-process assessments that actors make as the planning process unfolds. Although citizens in a fashion similar to Copenhagen are not granted a strategic capacity, the overall planning set-up is very different. This is due to the fact that investments and activities are already present and evolving in the Aalborg Øst district when urban planning is explicitly deployed 'on top' of these in 2011; the task for planning is not to radically *enable* or *trigger* urban development per se (as in Sydhavn), but rather integrating, unifying, enhancing and utilizing the investments and processes already going on. Accordingly, the planning setup developed and deployed by the planning department in terms of regulation is less strict and more focused on making broad political visions and plans that actors (administrations, strategic actors, politicians) can relate to and grant legitimacy to in a 10-15 year perspective. Consequently, some of the main regulative challenges for strategic actors are to navigate in such a visionary, open and collaborative planning framework, using strategic uncertainty as opportunities for influencing the outcome of planning efforts, public investments and business cases. Put differently, the challenge is how to let already on-going activities and visionary City strategies intersect. Because these intervention visions in a municipal plan or in an architectural competition are not immediately made solid by means a municipal plan frames or by means of visible budget decisions, it can become difficult for stakeholders to figure out what The City wants and when implementations of visions will take place.

Concerning financial dilemmas of Aalborg Øst, the context of this dilemma is likewise provided by previous reports (Hansen, 2015; Hansen, Savini, Wallin, & Mäntysalo, 2013). Concerning regulative dilemmas, these mainly related to planning norms of land-use planning in a collaborative fashion, of countering segregation and of making public space. Surprisingly, in contrast to Copenhagen, regulative conflicts amongst stakeholders at the municipal level were surprisingly few in number; most respondents instead voiced a unanimous support for the Aalborg Øst-development, focusing on all the positive things going on in the area. Accordingly, a small-city, local type of support and sense of interdependence seems to dwarf regulative conflicts; instead, regulative complaints were vertical in nature, voicing frustration about regulative decisions on regional and state level. The report explored regulative negotiations and conflicts by describing firstly, how land-use planning in an area with numerous sector-confined investments and

a collaborative planning approach generated confusion concerning planning discourse, hence demonstrating a challenge for such a facilitative, collaborative and semi-open planning practice in terms of how to both enable, but also harness and govern, such investments. A related conflict here was the interplay between a facilitative public governance approach and local-private leadership, implicating how local leadership of housing organisations, Aalborg University, Aalborg Port, Culture House Triangle, and Business Network 9220, used the not-yet defined planning discourse as a platform of influence; accordingly, local leadership utilised planning-discourse elements to generate further spin-offs and explore undiscovered activity/business potentials.

The table below provides an indicative overview of previous and present report findings and does also form the basis for policy recommendations based on the Danish case studies (Hansen, Savini, Wallin, & Enlil, 2016) :

Figure 1: Function of planning strategies: overview of Danish report findings

		Sydhavn Copenhagen	**Aalborg Øst, Aalborg**
Case facts	*Type of area*	Post-industrial, harbour, metropolitan region	Suburban, rural region
	Date of plan initiation	1999	2011
	Stage of development	Finalization (Complete in terms of local plans; 1/3 developed)	Implementation (completed municipal plan and strategies; initiating local plan-approvals)
Function of planning strategies	*Intervention*	Enabling; public-led; Economic crisis in municipality (influencing the market of urban development; saving city economy)	Enhancing; investment-driven (integrating on-going initiatives and investments)
	Regulation	Cost-Reductive; Implementing (Reducing public expenditures for infrastructure; allowing for an expansion of city-wide development activities; reducing metro-debt by means of land sale)	Vision-catalyst; facilitating collaboration (combining municipal plans/visions and private projects by means of mid-level design plans)
	Investment	Prioritized finalization; trickle-effect (Prioritize core public-services (schools, day-care) and metro-line. Sports facilities, transformation and recreational areas second priority. Exploring trickle-effect for disadvantaged area)	Transforming suburban infrastructure; trickle-effect (reduce car-traffic; densification along public-transportation corridors; exploring trickle-effect for disadvantaged area)
Type of learning		Output experience (joint consequences of planning strategies)	In-process experience (stakeholders' assessments and attempts of influencing place-making strategies)

In terms of research questions, the present report explores the following research questions, based on a shared APRILab research protocol. Some of these questions are commented upon throughout the report; condenses answers to the questions are provided in the end of the report.

How has the municipalities of Aalborg and Copenhagen managed the 2008-financial crisis? (a city-level question) Has this management had an impact on planning in Aalborg Øst and Sydhavn respectively? (fringe-level question)
How has public investments enabled urban-fringe development? Have private parties considered more demand-led models? What are the barriers or drivers for more demand-led business models?

These answers are based on a joint assessment going across case-specific dilemmas, three for each case, listed in next section.

Sydhavn Copenhagen: Investment dilemmas
The regulative set-up in Sydhavn triggers conflicts, disagreements and norm-negotiations related to land-use planning, public space and countering segregation. The financial aspects of these issues are further explored in this report and entail the following three planning dilemmas:

- Post-recession planning policy: enabling continued fringe-area development in Copenhagen in the wake of financial crisis and economic recession
- public space and public-resource allocation to Sydhavn by means of landowner-associations and a publicly owned (municipal/state) urban-development company (By & Havn)
- Fringe-area growth as a means to counter segregation

Aalborg Øst: Investment dilemmas
The financial dilemmas related to the above-mentioned intervention- and regulation issues are further explored in this report:

- Post-recession planning policy: Sector- and funds-confined investments as building blocks for strategy development
- Demand-led planning: collaborative, interdependent place-making
- Fringe-area growth as a means to counter segregation

Research approach: Operationalization and methods

The research approach of present report is less exploratory than the previous ones due the knowledge already produced in in the project. So, first step is to re-analyse much of the empirical material already produced such as previous APRILab reports as well as data already gathered (overview of policy- and strategy papers; planning documents; interviews conducted). Second step is to validate these findings by means of qualitative interviews with stakeholders, uncovering what is not stated in previous material and data sources. Finally, more interviews have been conducted related to developers and institutional investors. Accordingly, methods have been traditional qualitative methods: interviews and document analysis.

Structure

This report is structured as follows. First Sydhavn Copenhagen is analysed by means of the three investment dilemmas unique for this area, next follows Aalborg Øst in a similar fashion. Finally, brief answers are provided to the above-mentioned five APRILab research questions.

Sydhavn Copenhagen

Overview of investment dilemmas

Before pursuing the above-mentioned investment dilemmas in detail, I provide in this section an overview of investment dilemmas already hinted at in previous reports.

Firstly, in terms of public-planning related risk taking and enabling, Sydhavn Copenhagen was a development enabled by The City in the end of the 90s. Meagre public finances were pooled and used to prepare the post-industrial fringe area for development; for this purpose, a municipal, non-profit development company was formed in 2003, together with the now former Port Company. This development company developed the land and subsidized social housing in order to kick start the market. In parallel, a new municipal housing policy had been developed, being part of a broader strategy of making Copenhagen City an attractive place to live in for the middle-class families, thereby taking advantage of the emergent global trend of urbanization. Additionally, in terms of enabling fringe-development, the City, especially the planning chief Holger Bisgaard, put a huge effort into convincing market actors of the viability of a new Sydhavn neighbourhood comprising also dwellings, not only business domiciles for telecommunication-companies, investing much strategic, political and financial capital in this process.

A second dilemma for the City has ever since being balancing on a knife's edge in terms of how much to invest in Sydhavn Copenhagen for keeping development going. These investments concerns expenditure related to service (children & youth; culture & leisure), infrastructure, public space and reducing the risk of producing an isolated 'satellite'-district. This dilemma is part of a broader city-wide evolution towards a more market-based urban-development approach aimed at increasing the basis for citizen-taxation (i.e. attracting middle-class families). This is a development that Holger Bisgaard calls the 'second wave' in planning for 'resurrecting' Copenhagen (Bisgaard, 2010). As displayed in the previous APRILab Regulation Report (Hansen, 2015), new active regulation legislation adopted in the start-00s were deployed in Sydhavn. This deployment had the advantage of making private parties finance vital infrastructure (bridges, canals, infrastructure, public-accessible facilities). This was a crucial legislative option due to the fact that the City does not own any land in the Sydhavn area, making it very costly to produce such public facilities.

The national context of such legislation is of importance here. Denmark being a strong welfare state, much urban development has traditionally been the responsibility of municipality and state, having the implication that investment and upkeep of urban space are significant expenditures for municipalities. Recent waves of urbanization have only contributed to these municipal problems of enabling urban development and at the same time facing rising long-term problems of planning and maintaining infrastructure investments. However, despite these new regulative options, the development of Sydhavn has been both assisted and hampered by this regulative deployment. Sydhavn can be interpreted as a sort of guinea pig for a novel legislation and urban-planning practice institutionalized in Copenhagen City. Disadvantages have been slow planning progression due to problems of coordination within landowner-organisations and

2008-crisis; no major recreational facilities; lack of proper infrastructure and delay of services such as schooling.

Hence, public and administrative disputes concern whether the City invests too much or too little in Sydhavn development. On the one hand, the City has a great number of expenditures related to constructing public facilities (schooling) and providing public transportation such as an expensive metro line going through the area; on the other hand, the number of recreational and public facilities are few (i.e. parks, shops, business, city-life, bridges connecting the area to surrounding environment), although some of these deficits are perhaps made up for in the last local plan, the Enghave Brygge Local Plan 494, in which a park is an option. Spatial planning is here challenged by the long-term development horizon and the correlated uncertainty (municipal budgeting; market conditions) of when and whether the area will be fully developed and how attractive the area is going to be in the future.

For developers, landowners and investors, the co-financing of public-accessible facilities likewise generate dilemmas between collaborative commitment and individual obligations for financing such public facilities; different private parties have different financial means, investment strategies and positions related to different markets. Hence, disagreement of who should finance value-contributing infrastructure (such as a bridge) and when to do so become a problem. For investors, the uncertain future of expenditures also generates dilemmas: should an investor buy a project, although the future expenditures of landowner-financed public space has not yet been realized or designed? Further, should major developers pay for smaller landowners not willing to pay their part of shared infrastructure? The *diversity* among, and the rather great *number* of, landowners in Sydhavn exacerbate these dilemmas.

Obviously, such dilemmas have market-consequences for the end-users of the fringe area, such as residents, businesses and business-tenants. For instance, for future residents, it is a risk whether one should buy a rather expensive condominium in an area that perhaps never will be fully developed - or will be in a development phase for another decade, with noise, scarce public transportation, lack of service provision and lack of proper infrastructure as daily inconveniences. For business and companies, should one risk moving to an area which perhaps in an undefined future will have a 'failure-reputation', no urban-space assets and poor accessibility in terms of infrastructure and transportation?

In the next section, I describe three delineated dilemmas related to investment and the enabling of physical planning: post-recession impacts on planning policy; developer- and landowner practices in terms of risk-taking; growth as countering segregation.

Dilemma 1 - Post-recession planning policy: How to enhance the efficiency of market-based urban development

The questions guiding this section are:

How has The City of Copenhagen managed the 2008-financial crisis (city-level question)? Has this management had an impact on planning in Sydhavn Copenhagen?

How has The City of Copenhagen managed the 2008-financial crisis?

Several planning documents can be interpreted as indicating reflections on prior planning practice as a consequence of the Financial Crisis:

- Municipal Plan 2009; 2011; 2015 (appendix, draft version)
- An investment account ('Investeringsredegørelse') related to Municipal Plan 2009
- A so-called 'White book' that summarises hearing responses to Municipal Plan 2009 and 2011
- Altering of The Planning Order across municipal plans from 2005-2015

Further, interviews with city officials and planners point to consequences.

In the section below, these different data sources are analysed, focusing on identifying effects or challenges related to crisis in terms of investment, construction and market-responses.

Investment Account

In the 'investment account' 2009[iii], a commission was made with the purpose of investigating future expenditures for investment in urban-development areas (p. 26); this account was expected to inform whether Municipal Plan 2009 should be approved. The account has to answer three questions:

1. Municipal expenditures and income in urban-development areas
2. Current status for these areas
3. When an urban-development area is in need of municipal investments

The assessment includes a joint overview of:

- Municipal expenditures to investments in infrastructure (road, sewage), welfare-infrastructure
- Municipal service-expenditure and tax income per inhabitant in each development area
- Financial sustainability concerning the development of new development areas
- Current status on service supply on infrastructure and welfare
- Number of inhabitants per welfare institution
- How many citizens that are needed if public investment are to be financially sustainable

The need for an Investment Account can be seen as both linked to the Financial Crisis and the impact of such crisis on physical planning – but it also an independent, substantial discussion of whether urban development really pays off. Concerning the former, public hearings related to the Municipal Plan 2009 touches upon the feasibility of current and future planning. The 'Municipal White Book 2009'[iv] contains an overview of public hearings related to Municipal Plan 2009. One of these was titled 'Citizen's meeting – Growth driver or Ghost Town?', and was arranged mainly to target developers and associations with relations to construction and development (p. 106). The background for the meeting was that The City is developing many areas at the same time; accordingly, in light of the Financial Crisis, the purpose was to discuss whether to continue enabling large-scale urban development or to lower this sort of activity. Further, the question to be discussed was whether the City's urban development is too expansionistic or whether such an urban development is a way out of the crisis (ibid.)? Several important people made presentations at that meeting, including Director of The Finance Administration (municipality), Director from developer-company NCC Property Development and the interest association for Danish Construction in the capital. The main message across presentation-slides was that the current crisis most likely will turn out to be temporary; that people will

continue moving to Copenhagen; that Copenhagen should continue driving national development, as most jobs is created in this region; but also displaying three strategic choices: demand-led urban development, maintaining the current diagnosis of people moving to the capital; to increase demands by means of municipal investments (p. 107-108).

Returning now to the Investment Account, (i.e. the latter topic of whether urban development pays off), the investment account explicitly states some dilemmas in the summary section. Private building owners are essential for constructing necessary dwellings to accommodate the forecasted increase of 48.000 citizens within 11 years (2009-2020); such development is dependent on municipal investments in terms of service provision; however, when and in what order should such service be provided: before or after a need is voiced (for instance, for schooling, day care, nurseries)? A main recommendation is that no matter which strategic approach selected, so-called 'action plans' should be made for each development area, displaying shortly and succinctly municipal budget decisions of investments, thereby enhancing investment security.

In terms of substantial findings, the Investment Account finds that the suggested investments proposed in the Municipal Plan 2009 are sustainable as these will balance in 2019, although at different points in time for each development area. Bare-field development (such as Sydhavn) is the most expensive due to large initial-investments in terms of schools. The overall investment need in a 11-year perspective towards 2020 is a total of EUR 740 m, half of these related to Children & Youth, EUR 134 m on Technical & Environment, EUR 120 m on Culture & Leisure, and EUR 67 m on social, health and employment (p. 8-9). The Account also takes into consideration a 30% reduction in tax-based income as consequence of the economic recession; still, housing construction has a positive effect for some types of housing (owner-occupied, cooperative dwelling, private leasehold), others are negative (social housing, youth housing). Part of the reason for this balancing of budgets is mainly that a rather complicated National-Municipal Equalization System exists, distributing budget surplus and deficit across municipalities, so that municipalities with structural problems, such as a high proportion of unemployed, immigrants, etc., are subsidized by other municipalities. As a result, The City of Copenhagen is granted some subsidization, although the capital region as such is transferring money to the rest of the country (Investeringsredegørelse, p. 15). This equalization happens in accordance with the Act of Municipal Equalization and general subsidizing for municipalities[v], an Act describing how differences in tax base, expected expenditures, general subsidization and specific subsidization are central issues for such equalization.

Thirdly, the investment account also demonstrates that business taxes contribute more than housing construction do, because housing construction also implies increased public-service expenditure, especially schooling, public benefits and day-care.

Finally, the Account specifies that in order to achieve financial sustainability, it is important to clarify above-mentioned choices related to budgeting and action plans as well as following the Planning Order in the Municipal Plan in terms of development.

For Sydhavn Copenhagen, the joint public investment need is estimated, as demonstrated in the copy-pasted table below, showing a total of EUR 115,847 m (863,785 m DKK); the first row is Children & Youth, the second Culture & Leisure and the third Technic & Environmental. As can be seen, Children & Youth is by far the largest post, followed by investments related to physical developments in terms of technical and environmental issues:

Figure 2: Overview of planned investments 2009 and onwards, Sydhavn, in 1.000 DKK

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	I alt
Børne- og ungdoms-området	10.098	195.438	174.749	0	0	0	0	24.600	49.200	24.600	0	24.600	503.285
Kultur- og fritidsområdet	0	5.000	11.000	17.000	12.600	9.200	9.200	3.000	3.000	3.000	3.000	0	76.000
Teknik- og miljøområdet	0	12.000	18.000	18.500	23.000	29.000	59.000	29.000	39.000	21.000	21.000	15.000	284.500
I alt	10.098	212.438	203.749	35.500	35.600	38.200	68.200	56.600	91.200	48.600	24.000	39.600	863.785

Tabel 5.4. Sydhavnen, 1.000 kr.

Source: Investeringsredegørelse, kommuneplan 2009, p. 45

Post-crisis municipal plans

In Municipal Plan 2009 and 2011, the Financial Recession and the derived economic recession are not given explicit attention. Browsing through the plans, using query words such as 'crisis', 'recession', 'financial', does not result in many findings; In 2009, these terms do not occur at all. In Plan 2011, the term 'financial crisis' occurs in relation to reduced congestion (p. 8), reduced construction waste (p. 403) and less retail trade (p. 65). Further, in 2011, the low growth in the economy is expected to lead to a reduction in housing units from 1600 to 1000 dwellings per year, as well as an assessment of low activity in constructing business due to a sizeable availability of this type of property, as the crisis implicates less consumption. In Plan 2011, the main ambition concerning housing is to use the Planning Order to make sure that urban sprawl in the Capital region is countered; development has to be condensed in certain areas, especially in the Capital, due to the fact that the increase of housing construction between 1994-2006 has been happening outside the City of Copenhagen (11, 3%), compared to 4, 7% in Copenhagen Municipality (p. 35, Plan 2011).

In terms of dependent variables related to the crisis, the terms 'dampening' is used in Plan 2009 in relation to construction work for business and housing, and further, that after a period with much housing construction, the expected rate of such construction is reduced in the current planning period (p. 62; 124). Municipal Plan 2009 identifies five main challenges:

1. Increased congestion and energy consumption
2. Increase of number of residents
3. A more divided city (socio-economic segregation)
4. The City is becoming less competitive in terms of knowledge-based economy performance
5. Development along eastern shore towards Sweden, the Coast of Øresund, in terms of recreational options, infrastructure and development areas

As can be seen, all of these problems are derived from dynamics of growth, not recession or austerity.

Municipal Plan 2011 likewise identifies challenges; however, these are not stand-alone challenges as in Plan 2009, but instead related to the strategic goals described in the plan. Plan 2011 operates on two levels: a cross-country regional level, the Øresund Region, encompassing the Copenhagen Metropolitan Region and the south-western part of Sweden, including Malmö City; a municipal level.

For the Øresund Region, the ambition is to making the region an engine for growth; challenges are the increasing number of inhabitants, less economic growth, better infrastructure, ambitious climate goals. In relation to lack of

growth, the Region is performing average/below average when it comes to innovation; more concerted action across the Øresund Region is needed if the Region has to be able to compete with other city regions in the world, in terms of attracting high-educated labour and creating growth.

On the municipal level, the headline is 'Green Growth and Life Quality', objectives being:

- a good everyday life
- knowledge and business
- The City as a metropolis of green growth

Related challenges are the increased need for welfare services due to the increase of residents; the need for more dwellings and mix of urban functions and type of dwellings in some areas; disadvantaged neighbourhoods with severe problems; increase in leisure options, culture facilities and recreational areas; experiences of unsafeness in non-housing, inner-city areas as well as in disadvantaged neighbourhoods; lack of qualified labour; inadequate physical conditions for business; lack of innovation and lack of collaboration between business and knowledge institutions; enabling more tourism and foreign investments; congestion; poor environment for entrepreneurship; tough competition concerning green growth; the need for a stronger clean tech sector; need for partnerships related to green growth; reducing carbon emission; congestion in The City.

None of these challenges relate explicitly to crisis or recession for planning.

Hearing responses: White book and Standing Committees of City Council

In the White Book hearing responses 2009, the term 'Finance Crisis' is mentioned in a response to a business who wants to expand; however, due to a revision of the Planning Order from 2005 to 2009, this expansion cannot be permitted. The argument is that urban development in specific areas of the city is a Plan objective, and, hence, the request for expansion is not met (Hvidbog Kommuneplan 2009, p. 83); likewise, retail wishes are also denied due to the fact that the financial crisis has dampened these activities, hence the need for further expansion of such facilities is not needed (p. 57). White Book 2011 does not mention recession or crisis.

The responses from the standing political committees in City Council with most at stake in terms of investments in urban development do not mention the Financial Crisis. However, comments and suggestions for improvements in MP2009 are visible that relate to the Planning Order for the future 12 years of physical planning. Children & Youth Committee comments that the proposed Investment Account does not include a wider calculation concerning a range of leisure activities related to youth, such as youth clubs and after-school centres; further, that such investment needs are to be registered and budgeted for much earlier in planning, and that budget for municipal land purchase also should include the open space related to such children and youth facilities[vi]. Culture & Leisure in the first round of comments rejected Municipal Plan 2009, noting that culture & leisure should, in relation to what Planning Strategy 2007 noted, include binding requirements concerning local planning, i.e. that culture and leisure facilities should be part of planning processes for local plans the same way as children & youth facilities (nurseries, schools)[vii]. Subsequently, in the hearing response that approves MP 2009, the Committee accepts the plan, noting that in MP 2009 and local planning, plots have to be confined to such activities, especially because new development areas, such as Sydhavn and Ørestad, do not have an adequate level of such facilities. It is stated that the City has a

comparatively low level of such facilities, and that expenditures to municipal land purchase are not part of the Investment Account[viii]. The Committee of Technique and Environment addresses issues of the crisis explicitly (p.6), noting that the crisis and recession are not explicitly addressed in MP 2009, and that this should be done in terms of defining how to deal with this challenge, especially so since this crisis will affect current urban development in the newly appointed development areas; the Committee recommends that the Crisis is countered by means of a quality-oriented approach and a tight targeting of urban planning, so that the new development areas are prioritised and fully finished, while simultaneously thoroughly preparing future development areas. Further, the Committee recommends that it should be reconsidered to alter the Planning Order.

Concerning MP 2011, Children & Youth emphasizes the need for future expansion of schools and nurseries, including land purchase for recreational areas in connection with such facilities. Culture & Leisure continues emphasizing the need for prioritising plots for recreational areas and upgrading of existing facilities, especially since the many new residents in the City involves children, emphasizing facilities for sport activities; further, that no schools should be built without also being accompanied by a gym hall and/or recreational areas, and that better access to water (beach, harbour) should be prioritized. Technique & Environment agrees on prioritized urban development and emphasizes increasing strategic merger of strategies for disadvantaged areas and development areas, and want more explicit attention concerning green growth and sustainability as part of urban development.

The Planning Order: Towards coordinated development and budgeting by means of 'Focused Urban Development'

To summarize the above, explicit crisis-strategies are not developed in The City, although debate and reflections of change in planning practice should be pursued. Instead of a radical break with pre-crisis planning, during the timespan 2006-2011 an institutional progression is visible in terms of how to coordinate service provision, land purchase and the construction of public facilities in urban development. Especially an administrative evolvement concerning how to merge sector-defined municipal budgets in order to enhance urban development areas – whether these designated urban-development areas should also automatically trigger municipal expenditures. These debates continue to date, Culture & Youth Committee arguing that current urban development results in a below-average production of such facilities[ix]. Another aspect of this institutional development is the deployment of The Planning Order ('rækkefølgeplan') in order to prioritize urban development by means of the municipal plan is crucial here, and so is the conceptual development of what is called 'Focused Urban Development'. Although no explicit connection is made between urban planning and Financial Crisis in the Municipal Plans, the joint institutionalized progression has elements that could be interpreted as a sort of adaptable investment-management tool, adjustable to volatile market conditions, and therefore is described accordingly in the following sub-sections.

The Planning Order

The Planning Act states that a Planning Order (in Danish 'rækkefølgeplan) has to be made. If such Planning Order is made part of the Municipal Plan Frames, the Planning Act provides municipalities with the right to deny any land development that would otherwise be in accordance with the municipal plan ((Miljøministeriet, 2008); otherwise, the municipality is obliged to further private wishes for a local plan as much as possible (in accordance with § 13 (3), The Planning Act). The Planning Order describes which areas are to be developed first, and which areas

that are only prospective areas; accordingly, it is a regulative option that municipalities can make use of in order to manage private parties' interests and to direct investors and developers attention. As the official 'Guidance for Municipal Planning' states:

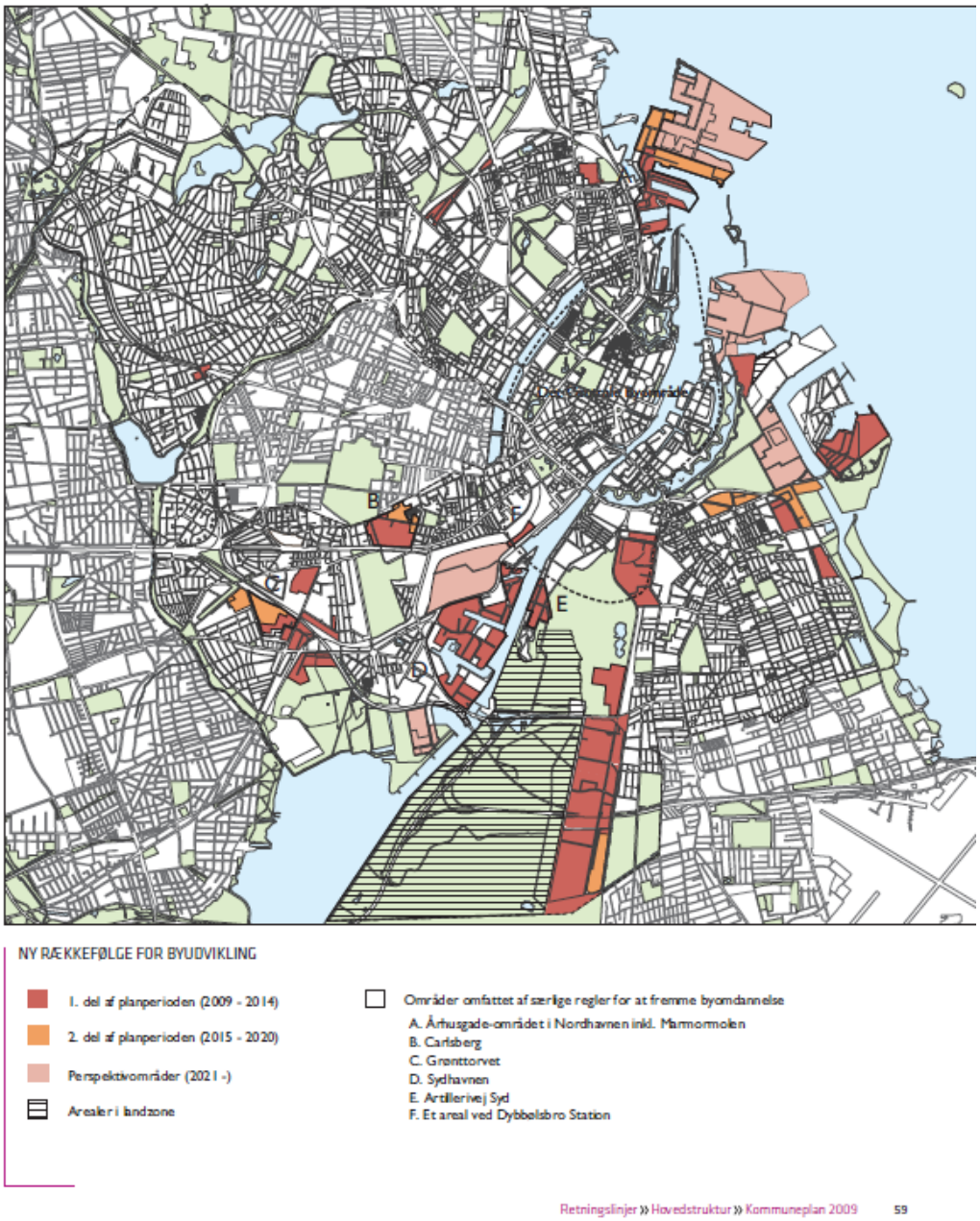
"*the municipal board can with Planning orders to some degree control that the development of new land and the conversion of older urban areas and the priority between new and older areas take place at a pace that ensures a reasonable urban development while taking into accordance financial possibilities of municipality and investors"* ((Miljøministeriet, 2008,), . p.48, my translation).

So, the Planning Order is not only strategic but has a regulative foundation. Importantly, the Planning Order provides the municipal board with the option of refusing to provide private parties with a local plan if the suggestion for a project is not in accordance with the order stated in the municipal plan, despite the fact that municipal frameworks are developed. Otherwise, the municipality would be forced to provide private parties with a local plan. Accordingly, the Planning Order is a strong regulative tool for controlling urban development. Further, the Planning Order can also be used as a means to expropriate a development area in accordance with the municipal plan (Planning Act § 47 (1) ((Miljøministeriet, 2008)).

For The City of Copenhagen, the Planning Order is a means to ensure that a balance is kept between development and public investments, according to a municipal plan addendum from 2006 (p.2)[x]; further, the purpose of the Planning Order is also to ensure that enough land is made available for development, and on the other hand, controlling that not all major plots are developed at once, or never is being fully developed (ibid.). Since Municipal Plan 2005, the Planning Order identifies development areas above 50.000 sqm. floor space, identified on the following conditions aimed at optimising the conditions for financial balance:

- Development of areas close to public-transportation stations
- The speed of development should be high if large infrastructure development has to be provided
- Areas without high-classed infrastructure should temporarily be postponed
- Investments in large service facilities is to be underpinned by fast housing construction
- Development should be prioritized as the municipal financial means does not enable the municipality to develop in many, large areas at the same time

Below is an example of the Planning Order from MP 2009, the dark red indicating first plan-period (2009-2014), the orange second plan-period (2015-2020), and the light red prospect areas (2021-). Consequently, the areas within first and second period are areas that are either the object of municipal attention in terms of investment and development, or are next in line:



Source: MP 2009 Copenhagen, p. 59

Focused Urban Development

In MP 2011, a new concept, 'Focused Urban Development' (in Danish, 'Fokuseret byudvikling') was introduced, already developed in 2010 in the Municipal Plan Strategy. The MP Strategy 2010,' Green Growth and Life Quality', has the subtitle of 'Investments and Actions in Copenhagen Development Projects'. The Strategy emphasizes that 'this vision only is possible if we get public and private investments in urban development to interact' (p. 3). In relation to urban planning, it is stated that the City already has prepared for the inflow of 60.000 new inhabitants, but that there is a need for prioritizing urban development, thereby enabling the city to grow in existent, or already laid-out, areas. Especially the new development areas, including Sydhavn, are prioritized. Further, in MP Strategy 2010, yearly action plans are introduced in order to create investor security by means of displaying overview of public investments (p. 27)[xi]. Further, development of the existing city is prioritized by

means of Metro construction and renewal of already existing public-sector facilities, such as hospitals. Further, temporary activities are supposed to engage areas not being currently developed, i.e. the prospect areas. The use of another type of rhetoric, of 'finalizing' development areas such as Sydhavn and Ørestad, is significant.

In MP2011, the description of 'Focused Urban Development' is further specified, revealing another kind of logic than previously deployed. Not only control and priority of development, but also adaptability and synergy, is now part of this concept:

> *"By means of focused urban development urban planning can more easily be adjusted to economic, social, physical or environmental changes. Depending on where in the city changes are happening, because of demography, governmental or private investments etc., the municipal visions can become reality through a running selection of prioritized urban development areas. By supporting urban development in those areas already containing governmental or private investments, synergy can be achieved, so that the effect of these investments is being amplified by contributing with few municipal investments. Further, focused urban development provides investor confidence as the City shows the location of urban development as well as the municipal investments prioritized in those areas" (p. 41).*

In addition, it is stated that new areas will be selected on a yearly basis, meaning that focused urban development is a 'dynamic tool' (ibid.).

The action plans for each development area consists of tables of investment, made in a transparent way so that everybody knows when the investments are provided.

Obviously, introducing such new concepts on top of the already existing Planning Order generates some tensions, as the White Book for MP 2011 also demonstrates, although municipal Committees are less critical than previous years, signalling that the newly developed concept has contributed to coordinate budgets across municipal sector areas in an improved way; especially in terms of demonstrating how far developed these areas are (White Book MP 2011, p. 30). However, some Local Democratic Committees raise some concern whether development is put to halt in all other parts of the city (ibid. p. 41). In MP 2015-proposal, the rhetoric of finalization and 'focusing' urban development areas are continued, (p. 79). MP 2015 also introduces certain dilemma-ridden scenarios: on the one hand-side, if urban planning is focused (i.e. limited to certain geographical areas), housing prices may rise, but development areas are finished. On the other hand, if prospect areas are made open for development, more dwellings can be constructed; however, this would be at the expense of costly infrastructure and the risk of urban development areas not being fully developed. Consequently it is emphasized that the current laid-out areas in the Planning Order are to be maintained.

Has the Financial Crisis had an impact on planning in Sydhavn Copenhagen?

In the above section several city-wide findings relevant for Sydhavn are indicated:

1. the Financial Crisis has not received explicit attention in terms of urban planning in the City of Copenhagen
2. the City has been struggling with issues of how expansionist a development approach to deploy
3. The City has been struggling with doubts concerning whether urban development is sustainable financially
4. The City has internally had conflicts related to whether public recreational areas should be part of the investment account; if not, the risk is that urban development underestimates the total amount of expenditure, implicating a low level of culture services and recreational areas
5. developing urban fringe areas has proved to be costly and has led to difficulties of reconciling budgets from different municipal sector areas, in terms of infrastructure, schooling, nurseries, culture- and leisure facilities
6. The City has been struggling with risk in terms of investing public resources in fringe areas; if service is provided at the beginning of development, public facilities will for a long period of time not be utilized to the fullest. On the other hand, delaying these investments may create the risk that new development areas become unattractive, hence hampering full development of the areas
7. The City has been struggling with issues of market-led means of development versus neighbourhood- and city-level needs for recreational and cultural facilities; as much land is owned by private landowners, and as the City has to provide housing for the rather large inflow of residents (about 10.000-12000/ year = 1,7-2% increase/year), the City faces dilemmas between running the risk of hampering development speed if upgrading the standard of municipal investments too much vs. producing a dense and below-average performing city in terms of recreational areas and culture- and leisure facilities
8. An institutional evolvement has happened, facing the above challenges, leading to a less expansionist development strategy by emphasizing that development areas are to be fully developed before new areas are being planned for and invested in. The Planning Order (enabled by the Planning Act) combined with 'Focused Urban Development' (A Copenhagen concept accentuating transparent budget-coordination, as well as flexibility in terms of synergy of investments) is a way of dealing with these investment dilemmas.

To put it mildly, Sydhavn has been exposed to the full range of these struggles related to public investments. The City has adjusted the planning approach in the light of the experience with Sydhavn, both the positive and the negative. In a Danish publicly accessible and well-communicated assessment of Sydhavn development, some of the issues above are stated[xii]. As demonstrated in the APRILab intervention- and regulation reports, Sydhavn was one of the first fringe-development areas in Copenhagen to take full advantage of:

a. global tendencies towards urbanization emerging in the end-90s in Denmark, especially in terms of targeting housing areas for middle-class citizens and -families
b. exploiting the financial value of post-industrial harbour facilities to finance an expensive metro construction, using a state and municipally-owned urban development-company construction, By & Havn (in English 'City & Harbour), to sell and develop these harbour facilities for profit
c. utilizing new (post-year 2000) national active regulation tools as prerequisites for producing local plans, such as:
    - enforcing the constitution of land-owner organisations across landlords in brown-field urban areas

- requiring of these land-owner organisations to jointly produce public-accessible facilities and the necessary infrastructure
- Making use of voluntary development agreements between municipality and developers/landowners.

However, as also described in previous APRILab reports, the joint interaction of intervention and regulation has resulted in lack of coordination of private investments, hampering the construction of infrastructure and recreational facilities. An expansionist approach to development, according to developers, resulted in lack of finalization and fragmented public attention of certain parts of Sydhavn development; the ownership structure of the area, demonstrating huge differences in terms of landowner-size, land-owner roles (professional, large development company vs. industry/ small business) contributes to barriers of cross-plot solutions and synergy. Tendencies of incompleteness were further exacerbated by the financial crisis, as noted by developers, jeopardizing the entire development of the area, as investors and companies sought toward other, more complete, or promising, areas in which to locate business. As a result, the slowed construction speed furthermore resulted in less resident-inflow than expected, implicating poor service provision (public transportation, school) as well as continued incompleteness of those public facilities that private parties should construct (bridge, some recreational areas). As these obligations were hinged on the Planning Act and linked notions of voluntary, actual realization of construction projects (local plans do not force developers when to construct, only state how to construct), the market volatility of the Financial Crisis 2008 resulted in lack of completeness in certain parts of the Sydhavn area.

To summarize, the Financial Crisis cannot be used as the sole explanation for problems of incompleteness and prolonged planning processes in Sydhavn. However, the Crisis has severely paused development for years, a pause that was prolonged by city-wide developer-bankruptcy; therefore, a high surplus of cheap building rights had to be exploited before the Sydhavn development could continue (according to an interview with a developer). The risk of incompleteness and sub-optimization of public investments and service provision are central, as demonstrated above in terms of changed practice towards 'Focused urban development'. The Financial Crisis has at least in one instance resulted in a new local-plan addendum, reducing the amount of cultural facilities in the area, as investors have been paying property taxes for years, but not being able to fully construct their plots. Consequently, the austerity condition, combined with an area-development in which private parties have to finance costly infrastructure (canals, bridges), puts a negative pressure on urban quality and generates a less favourable negotiation climate for the City, making it more difficult to demand public functions in the area (see the Regulation report for a description of the 'Culture Square' ('kulturkajen').

The new concept 'Focused Urban Development', a strategic finalization-agenda and the current boom in housing prices in Copenhagen have paved the way for a completion of Sydhavn, the area now being fully planned in terms of local plans. In terms of investments and the problem of finalization of privately financed public facilities (bridges, infrastructure), investment changes related to planning has been made by the City, as these investments are now dealt with by means of Development Agreements and public-private contracting, making it possible for The City to control and coordinate the date of completion for construction. This can be seen in the development of the last large-scale development project in Sydhavn, that of Enghave Brygge (Local Plan 494, 2014[xiii]).

Dilemma 2 - Risk: Land-owner associations as efficient providers of public-accessible space and vital infrastructure?

A hypothesis of the APRILab project is that economic and financial austerity may push planning- and investment practice and planning interventions towards including civil-society based self-organizing actors in urban planning; or lead to other demand-led business models, demonstrating more creativity and mix of functions.

Sydhavn Copenhagen adds to these empirical findings by revealing instances of market-related processes of self-organization, although within the framework of tight regulation (local plans; municipally-approved rules for landowner associations). All land in Sydhavn is owned by private companies/landlords or has long-term tenancy agreement with institutional investors. This has resulted in a planning practice of harbour areas in which land-owner associations and/or large landowners and developers to various degrees are responsible for constructing property in a way that enables public-accessible space and public facilities (infrastructure). As a result, it is these joint private-public lessons with realizing construction that may result in more demand-led business models for producing urban space.

On this basis, the present Dilemma-2 section answers the following questions: Have private parties considered more demand-led models? What are the barriers and drivers for more demand-led business models? These questions are explored by means of describing the risks and risk management for strategic actors engaged in Sydhavn urban development. Condensed answers are provided in the summary.

Risk assessment and management

Municipal assessment of risk in relation to Sydhavn

The City has made several risk-taking investment decisions in relation to Sydhavn, as stated in previous APRILab reports. Second, in interviews with city planners, different risks related to the Sydhavn development are also mentioned.

In terms of municipal investments, the following investment and investment decisions can be interpreted as posing the greatest risk for enabling urban development:

- Sydhavn development was led by the City by means of a temporary land-development company (municipality and the Copenhagen Port) – 'Byggemodningsselskabet Sluseholmen P/S', in which the Port and The City shared the risk of cleaning, developing and selling Port sites in the Sydhavn Area[xiv]. Further, the co-financing of social housing was used to additionally convince market actors about the seriousness of the Sydhavn project (ibid., p. 16).
- The City invested much political capital in convincing market actors of the viability of investing and developing in this area
- Relying on land-owner associations to coordinate the construction of infrastructure and public-accessible recreational facilities
- Laying out large areas at the same time for development (Ørestad, Sydhavn, initiating Nordhavn)
- Making local plan (Local Plan 494, Enghave Brygge) with an optional scenario embedded for public recreational facilities: if the City within a specific set of years can finance the recreational facility, then the facility is realized; otherwise,

the land is sold back to land-owners. The risk is how citizens/stakeholders in the area will react if the recreational facility cannot be financed by city hall
- Deciding to plan a metro line through the area, thereby putting an additional debt burden on the By & Havn development company, consequently making future urban development dependent on land-sale of By & Havn land (quay-sides; Ørestad), implicating a possible risk of developing a very dense city with few recreational, green facilities.

In terms of risks, interviews with city planners and city officials display the following risks associated with Sydhavn development as such:

- A development highly marked by economic fluctuation and change in market - unprofitable construction for business/office space influenced housing-construction, as these office buildings were supposed to act as noise barriers for the heavy traffic surrounding the district
- The design of the district implies an orientation towards city centre, implying that the integration with the adjacent neighbourhood is not part of urban planning; infrastructure does not support this integration
- Lack of flexibility in terms of the housing-business ratio planned for in the area, making the area vulnerable as the market changes
- Lack of proper infrastructure, hampering the road traffic going in and out of the area
- Large domicile-tenants and companies moving out of the area during the financial and economic crisis
- Disappointing in-moving residents due to delayed of school-construction
- Facilities for sports-activities and sports-fields are not prioritized by politicians in budget negotiations, due to the high expenditures for schooling
- Lack of quality in urban space may run the risk of making the area unattractive for residents and business in the long run

Municipal management of risk

In terms of risk management, the City has handled risks related to investments and enabling urban development by means of the following approaches and processes:

- Initially enabling a market for business and housing by making a quality-oriented design manual and comprehensive plan for Sydhavn
- In a running fashion making assessments of planning experience from the first-developed neighbourhood of Sydhavn, 'Sluseholmen', leading to change of practice of how to ensure completion of infrastructure and of the privately constructed public-accessible recreational facilities
- Keeping the number of development areas in Copenhagen at a level that ensures:
    - completion of these areas
    - a financial balance in infrastructure-investments
    - a maximum utilization of public-service facilities (day-care, schools)
- Sustaining the completion of Sydhavn by means of two metro-stations
- Sustaining the integration of the 'new' Sydhavn development district and the 'old' adjacent district Kongens Enghave by means of a metro-line
- In recent local plans making use of contractually binding development agreements in order to ensure completion of vital infrastructure across private plots (such as bridges)
- For a period of time enhancing investor- and citizen certainty by means of 'Action Plans' that display when public investments are expected to be implemented[xv]
- Integrating Sydhavn and Kongens Enghave by means of area-based initiatives, metro-line, new retail-strategy for Kongens Enghave, engagement in a BID-like ('Business-improvement District') development project for Kongens Enghave;

Safe-Passage School paths for pupils, enabling these pupils to cross heavy-trafficked road that separates Sydhavn and Kongens Enghave

Stakeholders' assessment and management of risk

In Figure 3 below, private actors' assessments and management of risk are listed and explained. The risks mentioned relate both to the respective actors own project and the context of the risks. The level of risk is based on an interpretation of interview-information, based on the general assessment that informants have made of the Sydhavn area and their engagement – whether this was troublesome or not, and why. Accordingly, this is a qualitative assessment that I have made and may not reflect developers'/investors' own assessment. In terms of selecting informants, I aimed for a broad selection of private actors related to urban planning: institutional investors, developers, land owners and building owners. A special emphasis was placed on also interviewing land-owners and developers engaged in the Enghave Brygge development in order to explore the potential influence of post-recession on on-going property-business models. However, some institutional investors were reluctant to be interviewed, and so were most developers associated with the Enghave-Brygge project, the exemption being By & Havn and a minor investor, Kristoffer de Linde.

The figure seeks to provide an overview of the broad range of investment risks that private stakeholders run when being involved in urban development in a fringe area. However, the figure is not exhaustive in terms of the risks that other stakeholders also run: the City, social housing organizations and citizens. First of all, as described above, The City runs the risk of an incomplete area development and related investments in public services; failure of providing housing for the municipally-forecasted inflow of citizens; and disappointing citizens that have moved into the area. As have been described in a previous APRILab report on regulation (Hansen, 2015), citizens run the risk of uncertainty: as some citizens are living in an area that has been developed for 10 years, some of these have experienced poor and incomplete infrastructure, a school that was promised but was severely delayed, lack of recreational areas and poor public transportation. In this previous report it was furthermore described how social housing organizations were eager to expand their housing portfolio so that residents in this type of tender also can be provided an apartment in the new and attractive urban areas, and that a mixed-city strategy aiming at social-housing presence in all city-districts is supported by The City. With this in mind, building social housing in such areas is a bounded task; the main risk for these organizations was not related to failure to rent out apartments, as these have been highly attractive; but instead the rather demanding municipal call-for-tender procedures and national and EU-legislation concerning public tendering. This is leading to risks of wasted man-hours on producing complex bidding material in competition with other social housing organizations, as well as complicating cooperation with private actors due to lengthy public-tendering procedures.

Figure 3: overview of strategic actors with potential investment risks in Sydhavn

Name and sector	Type	Motivation for engagement	Risk level and actors assessment of risks/context risks	Management/risk reducing factors
By & Havn. Municipally- and state-owned public limited company	Developer; land-owner	Profit; long-term interests in harbour and urban development	*Non-low*. Change in project conditions due to long-term development-planning of Enghave Brygge (10 year); low-risk due to the overall development progression of Sydhavn; unclear responsibility for the upkeep of future public-accessible recreational areas that are privately owned and financed; next decline in housing market; difficulties figuring out a business case for Enghave Brygge due to power plant and gas pipes; delay in development due to involvement of politicians and civil-society criticism;	Favourable state-guaranteed loans; few and large professional landowners; several workshops amongst landowners related to the Enghave Brygge-local plan;
NCC. Private	Developer; Landowner	Profit; land purchase in the 90s	*Medium*. Difficulties completing The Green Wedge (privately-financed public-accessible recreational area); lack of local-plan and municipal-plan frame flexibility; voluntary contributions to vital infrastructure (bridge); a 'rag rug' of landowners, hampering coordination and infrastructure completion; lack of public investments; competition from other developing city districts (Ørestad); bad combination of public-service facilities and privately-financed roads, leading to poor mobility; poorly planned infrastructure to/from the area; no positive synergy between dwellings and businesses; rigid municipal planning; financial crisis hampering private willingness to finance and complete infrastructure; lack of municipal experience in coordinating privately-financed infrastructure; lack of area identity	Large landowner; highly active in local-plan and infrastructure development; founder of landowner-association and risk-reducing regulations; taking care of coordination-problems across landowners; increased use of private-development contracts with municipality

MT Højgaard. Private	Developer; Landowner	Profit (long-term rental yields for institutional investor (housing)	*High*. Lack of long-term attractiveness of district; disconnected development phases; lack of cross-plot- and infrastructure-coherence hampering plot-development; potential negative spiral; financial risks in relation to local-plan revisions; no established investor value-chain between commercial value and area attractiveness; overtly optimistic assessment of Sydhavn local-plan implementation; unclear division of public/private actors' responsibility for realizing recreational areas; infrastructure and recreational areas remaining uncompleted for a long period of time; no financial incentives for out-turned functions until area-completion; the uncoordinated production of shared facilities in landowner-associations increases risk for end-investors; new planning regulation concerning shared private financing of recreational areas may deter dwelling investors;	Plans have to be flexible in order to adjust for market fluctuations; large professional developers seek to increase development coherence; driving processes of development-coherence by means of local-plan-addendum proposals; seeking permission by forming sub-landowner association; increase attractiveness of recreational facilities.
Nordea Ejendomme. Private	Developer; Landowner.	Profit; long-term rental yields for institutional investor (housing)	*High*. Unexpected property taxation due 2008-crisis; difficulties finding investors; financial-crisis bank-legislation blocking for investments; risk related to future infrastructural needs and facilities in land-owner association; expenditures for noise reduction related to peak-period power plant; new planning regulation (social housing); vulnerable developer-position due to large size; regulative requirements; extensive administrative procedures related to local-plan approval; requirements of out-turned retail-functions are unprofitable;	Converting from office-space to housing construction; adaption of local-plans in light of changed market; clustering retail-functions; local-plan addendums instead of new local plan; communicating with municipal administrations and local-democratic committee; large volume of construction as safeguard against fragmented projects; below market-average size of rental housing; aiming for long-term attractiveness;
FB-Gruppen	Developer	Profit; long-term rental yields for institutional investor (pension-fund; housing)	*Low*. Sydhavn-area may fail in the long run due to lack of recreational facilities and have severe problems due to lack of infrastructure solutions. Municipal requirements fluctuates with market demand – the more demand, the higher requirements. Many local-plan addendums (time-consuming). Business-domiciles as developing into a ghost-town.	Explicit risk-minimizing of financial and finalization risk by means of national pension-funds and single-subcontracting with well-known construction companies. Metro-station as upgrading status of the area; smaller projects in the 00's. Prioritizing recreational areas related to property projects (e.g. court yards).

XY Pension Fund (anonymized). Private.	Institutional investor	Profit; long-term rental yields (housing; office property)	*Low-medium*. Low risk on housing, medium on office property in the area; risk of tenant moving out of large domicile; rental yields low on housing due to metro and attractive developer project; lack of tenant-flexibility in existing building stock; the potential value of transforming/upgrading plot and surroundings is uncertain; municipal intervention in transformation as rigid;	Uses consultancy company for assessing needs of transformation of existing buildings and plot-surroundings as well as for use of materials in housing construction; engaged with quality-oriented developer; focus on long-term quality of housing and low maintenance; has a housing-portfolio due to its bonds-like character in terms low-risk yields; ensuring coherence in small-scale housing neighbourhood; metro-line as guarantee for full development of area; area-engaged due to several investments in the area;
Colliers. Private.	Real-estate agent company.	Profit. Selling abandoned, post-industrial buildings.	*None*. Sydhavn as a mediocre development area, no powerful identity,; post-industrial buildings attractive, easy to sell.	Selling property by highlighting the distinctiveness of Enghave Brygge in contrast to Sydhavn; call for tenders in order to increase sales value and decide who to sell to;
Kristoffer de Linde. Private.	Transformation; investor; private-leasehold	Profit	*High*. Contradictory municipal statements concerning future local-plan dispensation; Dispensation dependent on negotiations between land-owners concerning financing infrastructure; conflict concerning who should finance infrastructure; slowness in terms of dispensation and local-plan approvals; more expensive to build new office space than transforming;	In general a highly attractive area; expertise in building transformation

As can be seen in the table, I have made the interpretation that developers have assessed the area and the development process as rather risky (medium to high), especially those that have been part of both the first development period leading up to the financial recessions (2003-2008) as well as the second development from 2012 and onwards. The institutional investor interviewed assessed the risks as low-to-medium. However, as an interview with a smaller developer seems to indicate (FB-Gruppen), these risks depend on size of projects and risk composition.

The following factors enhance risk for developers, the legislative aspects described in more detail in the APRILab regulation report (Hansen, 2015):

- Lack of coordination
- Inflexible local-plans
- Diverse land-owner structure
- Lack of public investments
- Unclear placement of responsibility for infrastructure related to municipal services
- No incentives for out-turned functions on the ground floor (such as retail) due to incomplete area-development
- Shared-facility financing
- New legislation concerning social housing
- The 2008-financial/housing crisis
- Negotiations in relation to local-plan dispensations

For developers it has been difficult with the regulative set-up in which land-owner associations have to coordinate the financing of shared facilities (infrastructure, recreational areas), resulting in prolonged development and lack of completion. Local plans have not been flexible enough to foresee the post-crisis market-turn from office space to housing, requiring resource demanding dispensations. A highly diverse group of landowners and a large number of these have also made it difficult to coordinate area development. Furthermore, the impression from interviews is that the City has not invested enough in infrastructure in order to enable infrastructure completion, a practice that has currently been changed, so that the City has taken back the coordinative responsibility by means of development-agreements and contracts. Municipal requirements of out-turned functions on the ground floors in construction work in order to increase the number of functions in the area has also posed a risk as the market of retail is only profitable when the area is fully developed. The shared-facility financing has also increased the risk for developers because end-investors do not have full information of the upkeep of these and the costs related to the financing of other landowners' facilities. New planning-act legislation has also been a risk, as new legislation permits the municipality to require 25% social housing in future local plans, making it risky to suggest new, and more suitable, local plans. Finally, the financial crisis has displayed the risks related to owning land with building rights and an approved local plan because of property taxation. An additional risk is that large developers typically are pushed harder in negotiations with the municipality as the municipality may assess that these have special obligations due to their size and competences. Finally, as the publicly-owned urban development company By & Havn notes, an additional risk with long-running development projects is that local plans may take many years to develop; when they finally are to be politically approved, city hall may have changed their policy; for instance a shift in how quay sides-promenades should look like – from preserving their industrial past to displaying a 'green city'-image.

Developers have managed these risks by using their size to influence landowner-associations and their foundation so that coordination can be ensured and a flexible trade in building rights can be made within the landowner association. Further, developers seek to increase coherence across plots so that business cases can be generated and plots be activated for project development. Further, to use regulative options of seeking permission for local-plan addendums instead of new local plans, thereby avoiding the 25% social-housing risk; but also forming sub-landowner associations in order to increase investor security. Having large amounts of building rights and high volume of land increases the quality of plot-development because of increased control of project coordination and design. Aiming for high-quality projects also is a way of managing risks as such projects makes it possible to team up with institutional investors such as pension funds who wants a low-risk, steady yield on a long-term basis. Finally, initiating smaller projects and prioritising the recreational areas related to specific construction projects.

The risks for a small investor such as Kristoffer de Linde are different, due to the company's engagement with transformation of post-industrial facilities. Placed in a local-plan setting with large landowners, this buyer of three minor facilities related to the power-plant of Enghave Brygge has a weak negotiation position within the road guild of this local plan; as the facilities have been bought after local-plan 494 approval, the municipality has to provide a dispensation so that the Kristoffer de Linde's former technical-facility houses can be used for office space instead. However, as this dispensation hinges on consensus between members of the guild, and as the remainder land-owners want this company to also contribute with several millions of DKK for infrastructure development, such a small developer has difficulties upholding a business case. This negotiation position is further worsened as the publicly, mainly municipally, owned urban development company By & Havn, is also landowner; hence, By & Havn and the municipality may have overlapping interests that makes municipal intervention in negotiations related to a dispensation less probable, according to the informant. So what this narrative demonstrates is the difficulties and risks investors aiming at transformation of post-industrial buildings are faced with. As noted in previous sections and reports, Sydhavn design are distinctive in terms of having a 'Canal-City'-image and a related architectural master plan; however, the area is weak in terms of lack of urban functions and anonymous business domiciles and few industrial markers of the past. As a real-estate agency noted, parts of Sydhavn has no identity. Concerning post-industrial buildings, the challenge of these is that in the long run, having such buildings are attractive also for institutional investors and developers – everyone might benefit; however, the problem is who is able to finance their transformation.

For the institutional investor interviewed, a pension fund, the risks are different from the one mentioned above. The highest risk is associated with domiciles located in an area that have been built before the Sydhavn local plan 310 was made (mid 90s to start 00s), and that now demonstrate an inflexibility in their construction; some of these are made for large tenants and not being constructed in a way that take into account a future scenario with many small tenants. This risk assessment is also shared by The City[xvi]. The lowest risk is that related to private-rental housing in which it mainly is the developer that runs the risk of developing a proper project. As mentioned in previous sections and in the previous APRILab regulation report, some actors have mentioned the suburban, anonymous character of parts of Sydhavn, part of this generated by domiciles that do not interact with, or contribute to, the surroundings (fragmented, quick-and-dirty project sale and lack of creativity are also mentioned as highly contributing

factors). Accordingly, a central finding here is institutional investors have choices to make in terms of wanting to be engaged and contribute to a more coherent urban structure of the Sydhavn area; this may seem a curious finding as Sydhavn currently, 20 years since the first interventions, is only about 1/3 developed; however, due to a long development phase, parts of the area are already assessed by some actors as unattractive and out dated. Accordingly, although only 1/3 developed (2014/2015-data), small-scale urban-regenerative adjustments seem to be needed.

So, another finding here is that layers of rapid, massive development and considerations of regenerative interventions are co-existing. This is also a risk for institutional investors. How are these different risks managed? First of all, using consultancy companies specialized in facility management is one way of doing it; these companies have a vital role to play in terms of calculating and assessing the value chain from a redevelopment of an out dated domicile area to a rental market. Further, such companies are also vital in terms of assessing developer projects, especially ensuring that private-rental housing have a durable and high quality, so that upkeep can be kept to a minimum. Institutional investors such as the one interviewed have a vital role in teaming up with the right developer as developer position and competences have to match with the long-term, low risk yield that is required of pension funds. By means of such a combination of profit interests, high-quality business projects are possible. High-quality projects also have the advantage of being attractive despite new crises as such small-scale property has traits of being an independent neighbourhood, hence not being highly affected by slow area development.

Dilemma 3: Growth as a means to counter segregation – fringe-area development as driver?

Next to Sydhavn lies Kongens Enghave, a disadvantaged neighbourhood that since the rise of Sydhavn has been an object of dispute, political decentralisation initiatives, citizen empowerment initiatives and various investments. As described in previous APRILab reports, planning ambitions are visible both in plans and interviews concerning how to create synergy between Sydhavn and Kongens Enghave, such as enabling mobility across heavy-trafficked roads, giving residents in both neighbourhoods an increased access to recreational areas, schooling and consumption. The Danish regulation report (Hansen, 2015) describes how the ambition of ensuring a socially-mixed and coherent social fabric across city districts is pursued by The City by means of enabling social-housing construction in new development districts, so that rich/poor-segregation tendencies are countered.

In this respect, the objective of this section is briefly to explore a broad urban-planning agenda – how development in the urban fringe can contribute to counter segregation. I do this by describing how the City of Copenhagen deals with problems of disadvantaged neighbourhoods by means of a planning approach synthesising different investment policies and strategies. This planning approach is relevant for the research agenda of APRILab focusing on urban-fringe development; frequently these development areas are adjacent to run-down working-class/segregated neighbourhoods. In this respect, it is relevant for public authorities in Europe to gain knowledge of what type of synergies that can be created for disadvantaged areas when investments are targeting fringe areas by means of urban-development initiatives. Further, since such a planning approach

is emergent, it is relevant what type of reflections and processes such development triggers.

Former initiatives in Kongens Enghave

Kongens Enghave was part of one of the first-generation area-based programs in Denmark, the 'Neighbourhood lift' (Kvarterløft), from 1997-2003, an initiative of around EUR 31 m, the main investments being physical and related to housing and urban space. In national evaluations of these first-generation areas, Kongens Enghave is characterized as an interwar-period neighbourhood, having both severe physical and social problems[xvii], hence being one of the most disadvantaged areas in a Danish context. The assessment is also that Kongens Enghave has been one of the most suitable for an area-based kind of initiative, as the neighbourhood is fairly coherent in terms of being delineated by means of infrastructural divisions (heavy-trafficked infrastructure, railroad, harbour) as well as in terms of joint interests. Especially problems related to traffic and lack of recreational facilities have been dominant in this neighbourhood (ibid., p. 12). Furthermore, the neighbourhood was at the beginning of Neighbourhood Lift characterised by major problems such as having few jobs, drug abusers, emigrants, lack of place identity and poor reputation (p. 40). This Neighbourhood Lift had several positive influences, such as reputation, urban space, employment, and physical problems, and further, an almost 50% reduction concerning residents experiencing problems of theft, burglary or violence (p.53). However, the area in 2003 was still marked by having small apartments, lack of private recreational facilities and -services and major problems related to road traffic (p.17).

In parallel with this Neighbourhood-Lift program, an experiment with decentralised urban governance by means of City District Councils ('bydelsforsøg') was also tested out (1996), emphasizing local community empowerment, political capacity building and making an actual local administration. This experiment was four years later abandoned in Copenhagen[xviii]. Parallel with the Neighbourhood Lift, critical voices from Kongens Enghave were voiced in terms of problems with congestion and the heavy-trafficked roads running through the area, a phenomenon experienced by some residents as lack of inclusion in political processes, and perceived as a degradation of an otherwise green and popular neighbourhood in the 1960s; in this period the area were having the status as one of the best neighbourhoods for the working class to settle down[xix]. In this respect, Kongens Enghave and its relation to adjacent districts has been an on-going subject of debate in Copenhagen for years.

Current initiatives

The table below (Figure 4) lists the types of initiatives currently planned for in Kongens Enghave. These initiatives can be interpreted as being related to the Sydhavn Development.

Figure 4: Fringe-development activities that can have a counter-segregation impact

Types of initiatives	**Specific activities**	**Sources**
Overall policy development	Developing a municipal plan that emphasizes 'coherence' Making 'Development Plans' for	Municipal Plan strategy (2013) Municipal Plan 2015

	disadvantaged city districts Combining budget-priorities and policy goals for urban-development areas and disadvantaged neighbourhoods Adapting Business Strategy	-Policy for Disadvantaged Areas -Præsentation af Udviklingsplan for Kongens Enghave og Handlingsplan for Sydhavn (2013-93399)[xx]; Draft 2015[xxi] -Planning for Business Development in Copenhagen (2014)
Infrastructure coupling Sydhavn and Kongens Enghave	-metro line -Safe School passage -bridge (planned for, no budget) - State-financed Urban Regeneration of private property in Kongens Enghave, such as larger flats in order to maintain families with children in the neighbourhood; refurbishment of social housing in Kongens Enghave	-Municipal Plan 2015 -Neighbourhood Plan: Area renewal Sydhavnen -Action plan Sydhavn 2014
Area-based programs and urban regeneration	-liveability (metro, outward connections)	-Neighbourhood Plan: Area renewal Sydhavnen -Development Plan for Vesterbro. Focus Area Sydhavnen (2013)[xxii]
Local retail- and business development	- Business analysis - retail analysis and improvement -Local Business-Partnership intervention	-Planning for Business Development in Copenhagen (2014) - Byfornyelsens Forsøgsudviklings-pulje 2016[xxiii]
Social mix and social mobility by means of Aalborg University in Sydhavn	- stakeholders activated in Kongens Enghave (social housing organizations; local democratic committee) - adapting elderly-dwellings to student dwellings in Kongens Enghave (social housing organizations)	KAB organizational-board minutes[xxiv] Development Plan for Vesterbro. Focus Area Sydhavnen (2013)[xxv]

Overall policy development and policy framework

The policy development in Copenhagen has developed in the sense that two otherwise separate investment policies are beginning to interact.

In 2011, Kongens Enghave is selected as one out of six disadvantaged areas in the Copenhagen 'Policy for Disadvantaged Areas', a policy focusing on investments and cross-administrative strategy making and coordinated service- and project provision. In 2013, an implementation of this policy is demonstrated by means of

a ‘Development Plan’ for Kongens Enghave, being the main coordinated district plan for joined-up municipal activities, services and investments. In Municipal Plan 2015, ‘The Coherent City’, it is furthermore stated how disadvantaged areas should be the target of specific Development Plans so that a ‘coherent’ city is ensured. Accordingly, the urban-development investment policy and disadvantaged neighbourhood investment policy are interacting in the combined geographical area of Sydhavn and Kongens Enghave. As noted by head of planning in a research interview, The City is currently exploring how investments in urban development areas can benefit adjacent disadvantaged neighbourhoods. However, although a draft for a development plan for Kongens Enghave was made in 2013 and refined in 2015, this type of plan has not been fully developed nor approved. Accordingly, the policy development currently demonstrates a lack of an overall master plan for Kongens Enghave; instead, several ad hoc activities and policy interactions are pursued, partly influenced by The City’s ‘Planning for Business Development in Copenhagen’ (2014). According to my interpretation of the most significant activities in the table above, these are related to the activity types of infrastructure, area based programs and urban regeneration, local reatail- and -business development, social mix and social mobility.

Infrastructure

Infrastructure is one of the main means of coupling the new Sydhavn with Kongens Enghave; as is typical of former industrial fringe areas, these are placed in areas with heavy trafficked roads leading in and out of the city. A road leading to the highway, ‘Sydhavnsgade’, separates the two districts. In order to enable easier access between neighbourhoods and access to a close-by commuter-train station, ‘Sydhavn Station’, a bridge (MP 2015, p. 89) and a safe-passage-path for school children are suggested to enable such access (Neighbourhood Plan p. 8), but also for making better meeting places and urban space across districts (greenery, lighting)[xxvi].

Furthermore, a metro-line is budgeted for, running from city-centre, across Sydhavn and passing through Kongens Enghave, making access to and from Kongens Enghave and between districts easier.

Area-based programs

Currently, Kongens Enghave is subject to a second round of area-based programs, the so-called Area Renewal, managed by the City, the Technical & Environmental Administration, as well as a social comprehensive plan managed by social housing organizations.

In the newly approved (year 2015) Neighbourhood Plan for the Area Renewal (‘Kvarterplan Områdefornyelse Sydhavn’), the Mayor for Technical & Environmental Adminstration states that urban diversity is a good thing, and that Kongens Enghave should maintain its distinctiveness; however, the mayor also states that the poor life chances of children and the poor health of the residents are a municipal responsibility. This is the political motivation for engaging in Kongens Enghave. In the neighbourhood Plan, it is stated that the Area Renewal is part of a ‘big lift’ for the Kgs. Enghave, entailing investments for billions of DKK in the years 2014-2022, the main investment being the metro completed 2023. The Area renewal is supposed to be the local-coordinating mechanism for implementing the various initiatives. In the Neighbourhood Plan the area is characterised in the following way:

"amongst the problems in the area is an out-dated building stock, a lack of coherence internally in the district [of Kongens Enghave], few connections to the rest of the city, a large number of socially vulnerable citizens and a lack of green recreational facilities able to function as social venue points in the neighbourhood" (p. 12, my translation).

The Neighbourhood Plan has three themes of intervention, the first two mainly physical, the last focusing on culture and social challenges:

- Liveability: mitigating the physical transformations taking place within (mainly metro construction) and surrounding the district (new development areas, new infrastructure)
- Energy and environment: meeting City targets concerning energy efficiency and anti-flooding
- People and culture: development of community house 'Karens Minde', as well as mobilising local networks and stakeholders in order to target challenges related to health and social issues.

The district is composed of two sub-districts, an area renewal targeting each sub-district, 'The Gate of Sydhavn' and 'the Green Sydhavn', the former being composed of mainly social housing, having a great number of citizens whose social conditions are far below the Copenhagen average. In total, the Area Renewal is a small-scale project of around EUR 6, 7 m. However, other physical projects are planned for, in terms of housing refurbishment so that larger flats for families with children can be made, opening up of recreational areas, such as a cemetery, noise-reducing pavement, anti-flooding, minor school refurbishment, development of community house, a 24-hour emergency institution for drug-addicts, safe school-passage for children to the new school in the new Sydhavn, etc.

The social comprehensive plan for Kongens Enghave, called 'doing Sydhavn together'(year 2013-2016), is managed by two social housing organizations, having a budget of EUR 2 m. This comprehensive plan especially targets single-people households and families, seeking to enhance the cross-administrative work between housing organizations and municipal administrations. This plan is focusing on vulnerable groups, children, youth and families; education and employment; health. Problems identified in the plan are an overrepresentation of disadvantaged youth with no leisure options, malfunctioning families and parents with poor parenting skills (p. 3). Furthermore, the health condition in the neighbourhood is very low, related to smoking, alcohol, lack of exercise and poor diet.

Local-business development

The City and social housing organizations in Kongens Enghave are currently initiating projects to boost the local retail demand across Sydhavn and Kongens Enghave. A state-funded project is inspired by a Business-Improvement-Districts-like intervention, exploring how to make strategic, binding commitments across local retail, landowners and landlords; analyses of local residents' retail need are being analysed, so that the low quality of retail in Kongens Enghave can be upgraded. Otherwise a serious threat the district is that most local retail, including a pharmacy, will shut down due to lack of customers. In addition, large social housing organizations in Kongens Enghave likewise is testing out new integrated ways of leasing out office space, so that a higher quality of these can be made, and so that local departments of the social housing organizations can get help in order to attract high-quality retail and business to the district.

These experiments with retail and business are part of a bigger problem with businesses in the area as such, as the joint area of Sydhavn and Kongens Enghave currently faces challenges due to large, inflexible domiciles but also suffers from 'lacking publicly-managed railway transportation, heavily trafficked area and no urban functions" (Planlægning for Erhvervsudvikling i København, 2014, p. 47). Until the metro arrives, the challenge is to maintain the large domicile tenants in the area (ibid.).

Social mix and social mobility

Aalborg University entered the Sydhavn area in 2012 and thus overtook large business domiciles from a former telecompany giant, Nokia, a domicile otherwise difficult to lease. Since Sydhavn is now having a more out-ward oriented tenant with several thousand daily students contributes to activate stakeholders in Kongens Enghave, especially The Local Democratic Committee and the social housing organisations. Theses stakeholders see an opportunity for making student dwellings in Kongens Enghave, thereby contributing to change the demographic composition in the area, and hopefully create a more vibrant neighbourhood both in Kongens Enghave and Sydhavn, boosting attractiveness and consummation.

Aalborg Øst

Overview of investment dilemmas

The first dilemma is that the development of Aalborg Øst[xxvii] is highly based on external funding (non-municipal investments), and that these types of external funding often are beyond the direct control of Aalborg Municipality. Accordingly, in terms of the APRILab overall research objective of exploring whether urban-fringe development entail a specific public investment strategy for enabling urban development, the Aalborg East case demonstrates how such enabling is both constrained and enabled by external funding.

This first dilemma leads to a specific risk distribution, indicating the second dilemma: that collaborative, interdependent place-making triggers a broad composition of risks. The City has chosen a planning approach that is strategic in a collaborative fashion, involving municipal administrations, politicians as well as stimulating entrepreneurial initiative from strategic actors in the Aalborg Øst district. This approach is to some extent a consequence of the 2008-financial crisis and the economic recession, but also a consequence of a national reform of merger of municipalities, two factors that stimulated a more strategic, narrow and focused growth strategy. An APRILab objective is to explore whether the financial crisis has resulted in other, and more demand led, business models. In this respect, the Aalborg East case demonstrates how a municipality as a consequence of financial crisis pursues a more narrow, strategic growth agenda in terms of policy and governance; however, this is an agenda that is dependent on collaborators engagement and contributions; the investment-analysis of the Aalborg East case below displays which types of strategic actors that operate within such a framework, their motivation, as well as describing whether and why these strategic actors contribute to a type of urban development that not only concerns their own plot and core activities but also improves the quality of the area.

The third dilemma is to explore how an urban-growth agenda can be combined with an ambition to counter segregation. In the Aalborg Øst-district, large units of social housing exist. These units have previously had a poor reputation as this type of housing often is occupied by people of a low socio-economic position. As these socially segregated areas are not part of the narrow 'growth-axis'-strategy for the area, the dilemma is how to on the one hand side focusing growth, while on the other hand side not decoupling this part of the Aalborg Øst-district from development. In order to manage this sort of risk, two strategies can be identified. The first strategy is confined to municipal activities and investments: To involve the welfare administrations of the municipality, using the facilities of these administrations in a strategic fashion to enable development in areas unattractive for construction and business. So, this is a highly emergent and explorative strategy that aims at discovering whether synergy between public investments and planning strategies can be generated to generate improved residential well-being. The second strategy is confined to the urban-development sector: To explore how the above-mentioned public investments, enhanced by external funding, can stimulate a positive spiral in terms of creating business cases attractive for private investors. The aim of both these strategies is to increase the social mix in the area, to increase the quality of public space and to break the isolation of the social housing areas by generating more mobility and more functions (work places, retail). All in all a strategy aiming at creating another type of narrative and

identity of this socially segregated area. In this report these dilemmas are described and analysed on the basis of the urban-planning ambitions for the district, i.e. the plans for physical-territorial development and the aspects related to such development.

Dilemma 1 - The financial 2008-crisis: Sectorial investments as building blocks for strategy formation

How has Aalborg City managed the 2008-Financial crisis?

The impact of the financial crisis 2007-2008 has not in itself led the City of Aalborg to develop specific crisis- or resilient strategies, at least not strategies explicitly mentioned in municipal plans (2009, 2013), or Plan Strategies (2007, 2011). The Figure below summarises key plans and intentions[xxviii]:

Figure 5: overview of political, strategic and financial decisions

Year	***Events (political and financial decisions; land-use planning)***[xxix]
2007	*Merger of municipalities in Denmark; regional decision of making one super-hospital in northern part of Jutland.*
2008	*Process of producing new municipal plan for the now merged municipalities of Aalborg, Nibe, Sejlflod og Hals*
2009	*Joint municipal plan for merged municipalities; new City Council. The region of Northern Jutland decided to place the new super-hospital in Aalborg East.*
2010-2011	*Reframing planning strategy in a political sense. Plan-strategy approval 2011: "Plan Strategy 2011 "Northern Denmark's Growth Dynamo", as part of municipal-plan revision focusing on creating growth due to the recession.* *Identifying the 'Growth Axis' in Aalborg City. New understanding of planning as a pertinent, cross-administrative agenda.* *Joint political understanding in municipal council. Identifying The City of Aalborg as the growth engine in the region of Northern Jutland.* *Launching the 'City-in-Between' competition as part of a national context, suburbs of the future. Identifying Aalborg Øst as crucial part of the Growth Axis.*
2012	*Announcing the winner of the City-in-Between competition*
2013	*Revision of main structure of municipal plan: Physical vision 2025 [Fysisk Vision 2025]; initiating the process of unfolding Physical Vision 2025, specifying the vision in more detailed plans, triggered by specific building and development activities.*
2014	*City Council approves of the light rail. Government decides in the Budget to co-fund the light rail in Aalborg with 40% of the total cost (DKK 840 million).*
2014	*Focus on involving the welfare administrations in the planning process. Identifying the Light Rail and The Astrup Path as the main infrastructural components that are to be connected and that are vital*

	sites for future development and municipal investments.
2015	*Planned production for a 'structure plan' for Aalborg East, having status as municipal-plan addendum (delayed) ;beginning the process of supplementing the growth perspective of previous plans with more strategic emphasis on sustainability, smart cities, integrated solutions and the human/welfare dimension. Strategic investments across municipal administrations.* *Adapting the City-in-between focus, excluding the smaller up-land towns and instead including the business harbour in the city-district of Aalborg East.*
2015 September	*The new right-wing government cancels previous agreements related to the co-funding of the light rail. The light rail is abandoned, City Council (December 1) decides to opt for a bus corridor instead, a Bus Rapid Transit-solution (BRT)*[xxx] *still dependent on state funding*

In Plan Strategy 2007, the emphasis related to growth is two-fold. First of all, the objective is to strengthen the global positioning of Aalborg City and thereby driving growth in the region (p.4). The Strategy states that Aalborg City is developing positively, having a dynamic education- and business environment, as well as providing a broad range of cultural options; however, in a comparative perspective, population- and business growth rates are rather moderate. The urban experience has to be enhanced and also settlement and business. Second of all, the Strategy describes the challenges related to the Danish Municipal Reform 2007 ('Strukturreformen'), merging four municipalities into one single Aalborg Municipality; the interplay between the new cities in the municipality has to be clarified in terms of settlement and business development (p. 9).

In Municipal Plan 2009 (MP 2009) some of the tensions of the Plan Strategy are resolved. MP 2009 states that the overall implication of the plan is that 'urban growth is densified and in general is improved by being brought together in corridors along the overall infrastructure' (p. 27). In overall, the political ambitions are to densify Aalborg, whereas the surrounding towns are defined as residential areas with more 'open' and low-rise construction (p. 14). Aalborg as the capital city in the region has to be densified, increase variation and enhance urban qualities and street culture, thereby driving the development for the entire rural Region. In MP 2009, it is expected that the previous 10 year-growth is to continue. The City is expecting a moderate, yet stabile, citizen growth of roughly 700 citizens/year (p. 48), about 0,6 %[xxxi]/year.

In Plan Strategy 2011, the 'Growth Axis' as a joint investment and growth object is constructed. Emphasis is on enhancing the growth already present along this axis running through Aalborg City, a strategy that aims at narrowly focusing growth instead of making scattered investments (p. 2). Three targets are selected:

- Infrastructure
- An attractive city
- A liveable city

In the Plan Strategy, the ambition is to create a sound basis for a long-term development. The strategy focuses on involving politicians, on working across administrative boundaries, on making the plan strategy a strategy for the entire city, including politicians, private parties, planners and citizens, and on working with a 'very' long-term strategy (p. 7).

‘Physical Vision 2025’, the formal Main Structure for MP 2013, approved in year 2013, states that even during the financial crisis, the City have had a high level of activity, in terms of settlement and in terms of a ‘wealth’ of construction- and refurbishment work, the main driver for this being the current wave of urbanization in Aalborg as such, but also the surrounding towns. Being a growth dynamo for the region, the overall vision is to create sustainable urban politics by means of comprehensiveness between welfare and growth.

So, in this context, the importance of the 2008-financial crisis is dwarfed by factors such as global city competition, the challenge of creating a joint strategy for the new, merged municipality related to the Municipal Reform, and, related to this, identifying spots of competitive weakness such as lack of urban qualities.

In conclusion, despite the absence of an explicitly communicated crisis strategy, the crisis seems to have coincided with other factors. Accordingly, the 2008-crisis impact has contributed to strategy consolidation and narrowing down strategic focus. As a planner note in an interview, because of the crisis, the prime political discussion moved from focusing on distributing growth between former municipal units, a necessary political agenda in order to enable the smooth merger between these, to actually creating and boosting growth. As the planner note, it was this political discussion that led to an analysis of where growth was actually taking place, and, accordingly, the ‘Growth Axis’ as a strategic concept and as joint policy object was identified and constructed. The ‘Growth Axis’ (yellow shape) is running through the Aalborg-East district (marked below, orange ellipse), from the airport in the NW through city centre towards the East Harbour in the South East.

Figure 6: Growth Axis running through Aalborg Øst District

Source: Adapted from Letbanesekretariatet/COWI (2012), p. 6

According to current plans, growth should take place along infrastructure lines, a light rail connecting city centre with a future university hospital in the South East, running through the university campus. Further, Aalborg Port in the north-eastern part of Aalborg East also demonstrates success, even during crisis, and is currently planning to expand its industrial activities. In this respect, the current Aalborg Øst-district display a mix of settlement policy, of industrial development, of business development and strong elements of a knowledge based economy due to the presence of university, a future university hospital and a privately-owned science park devoted to high-technology development.

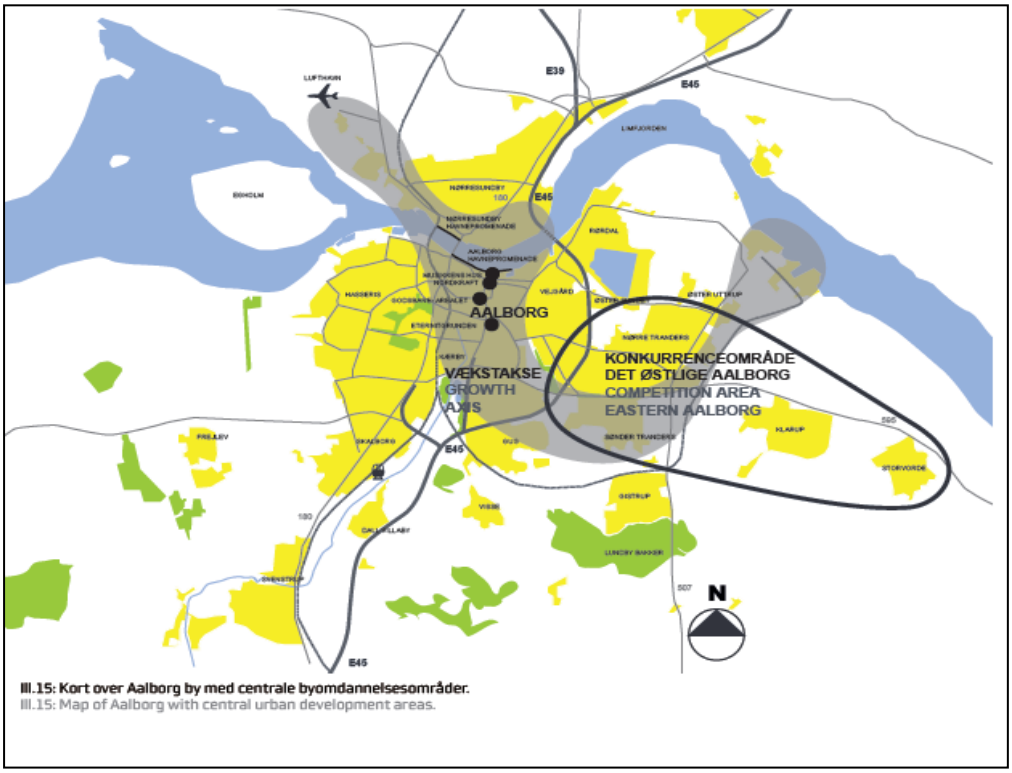
Altogether, the crisis, interacting with 1) the process related to implementing the Municipal Reform, 2) municipal assessments of mediocre city-performance internationally, 3) processes of urbanization, has resulted in a push towards consensus across parties in city hall, resulting in the selection of Aalborg East as the main growth district in the City of Aalborg and in the region.

Has this crisis-management had an impact on planning in Aalborg Øst?

As a consequence of the above mentioned factors, Aalborg East was discursively constructed *as* a potentially coherent district by means of an externally, philanthropically funded competition, City-in-Between (see Figure 5). In this Competition, the ambition was to make connections across functionally diverse enclaves in this suburban area (business, university, social housing area, rural towns). So, in terms of post-crisis planning, Aalborg Øst as an urban development project is partly related to the 2008-crisis; especially so because a large-scale refurbishment of a social-housing area was moved forward as part of a national agenda to stimulate growth in times of crisis.

Later on, the City-in-between district was revised, focusing more on the growth of heavy industry near the East Harbour, managed by Aalborg Port, abandoning the small rural satellite towns Klarup and Storvorde as part of the district (according to interview with planner). The figure below shows the City-in-Between Contest district, in which the ambition was to somehow connect the Growth Axis (grey area) with the more remote rural towns in the south-east; furthermore, in the City-in-Between context, Aalborg Port in the north East was not part of the development area. However, this has currently changed, partly due to the increased political and strategic awareness of Aalborg Port. So, in current planning, the Aalborg Øst/City-in-Between is more closely related to the Growth Axis, whereas the rural towns to the south east are being disconnected rhetorically and strategically from the Growth Axis (according to interview with planner 2015).

Figure 7: the Growth Axis of Aalborg City as displayed in The City-in-Between contest (grey area)



Source: City-in-Between contest program

In terms of investment, EUR 1,34 billion is invested in the Aalborg Øst area, municipal investments marked with an asterisk:

- a new hospital
- university-campus development
- major refurbishment of the social housing stock 'Kildeparken'
- a private science park development (Novi)
- a high-classified public transportation system* (light rail, bus-corridor)
- a health- and community house
- infrastructure to enable increased traffic for the new hospital and expected expansion related to the eastern harbour* (Egnsplanvej)
- placing and adjusting public facilities related to day care, schooling, elderly and disability care in the area*
- renovation of an existing culture house* (Trekanten)
- a north-south bound mobility line (the Astrup Path) [xxxii]
- 5000 youth dwellings in order to spur increased densification along the Growth Axis*[xxxiii] and to kick-start development as well as supporting university expansion.

Accordingly, the main municipal expenditures are traditional investments related to infrastructure, service provision, service adjustments, some of these depending on regional co-funding (such as infrastructure for the regionally funded hospital; expansion of infrastructure to the eastern harbour), as well as state co-funding (the projected light rail).

In terms of public investments launched to enable urban development in Aalborg Øst, infrastructure is the most expensive, the purpose being transforming commuting in the suburban area:

- a light-rail/bus-corridor/alternative public-transport solution that is supposed to provide easy access to university and future hospital to/from city centre and airport, and in general support development along the Growth Axis[xxxiv] (approx.. 1623 M DKK[xxxv])
- a major road expansion south of the Aalborg Øst-area (Egnsplanvej), enabling car traffic to directly access future hospital and Harbour without being a burden for the future, densified Aalborg Øst (between approx. DKK 325 million municipal investments[xxxvi], newer numbers estimated DKK 257 million excluding VAT[xxxvii]).

Aalborg City has put much effort in making urban planning a strategically relevant agenda for key stakeholders (municipal administrations, politicians, strategic local partners, the Region) by means of the City-in-Between contest, Plan Strategy 2011 and Physical Vision 2025. This strategic consolidation has resulted in two specific investment dilemmas. One of these is related to the character of the investments in the area. Although impressive in terms of total amount, most of these are externally funded, to some extent beyond the direct control of the municipality; however, despite being beyond direct municipal control this is also the investment set-up that made it meaningful and necessary to define Aalborg Øst as a strategic development area in the first place. The second is related to segregation in the Aalborg-Øst district, since the main segregated neighbourhood is outside the narrow focus of the Growth Axis.

The following two sections explore these dilemmas by describing how stakeholders assess and manage the risks related to the implications of these municipal urban-development strategies.

Dilemma 2 - Risk: collaborative, interdependent place-making

Risk-taking Stakeholders in Aalborg Øst

In terms of identifying stakeholders to interview on the related risk of urban development in Aalborg Øst, the following selection criteria were chosen:

- Investments that in a plausible fashion were related to the urban-planning overview described above, in other words, private and public actors whose choices of investment would be directly influenced by municipal plans, strategies and regulations
- Investments that in a plausible fashion were related to the secondary strategy of countering segregation by means of synergy

That being said, selecting respondents for this type of risk analysis is potentially wide in scope. Because the Aalborg-municipal investment strategies are explicitly based on, and dependent upon, collaboration across societal sectors (private/public) and administrations, in order to allow for maximum impact in the 'Growth Axis'-area, the investment strategy for Aalborg Øst influences almost everyone:

- most politicians (pro/against the municipal plans and plan strategies)
- most businesses (those within/outside the 'Growth Axis'-area)
- most land owners (those within/outside the 'Growth Axis'-area)
- citizens in Aalborg City who own property (those who financially benefit from improved/upgraded service and infrastructure/those who do not)
- social housing organisations (those with a huge part of housing portfolio located with the Growth Axis area/those not)
- etc.

These research challenges also mirrors a European[xxxviii] as well as Danish general tendency[xxxix]: As urban-development projects are to some extent increasingly being framed as strategic on a collaborative cross-sectorial level in order to make projects as coordinated, coherent and durable as possible, the number of relevant stakeholders are increased.

So, in order to further narrow down the number of stakeholders to be interviewed, additional criteria were selected:

- Those stakeholders who have economic assets located within the Aalborg Øst-area and who is often mentioned as one of the important strategic partners
- Those stakeholders with on-going and/or realized projects.

The last criterion was selected out of ethical and practical concerns, since negotiations between landowners and municipality are currently taking place, hence making it difficult and contentious to locate developers and potential investors.

Informants have been asked how they assess the risks in Aalborg Øst, how they manage these risks, whether the municipal investments or plans influence risk taking and management, and whether risk taking and investments area influenced by, or dependent on, municipal strategic plans and way of regulating.

The figure below lists the number and type of informants, as well as their engagement in the Aalborg Øst-area.

Actors directly related to primary investment strategy ('Growth Axis')	**Actors directly related to the counter-segregation strategy ('Astrup Path'; social- housing refurbishment)**
Land owners and developers currently active and 'project-visible' in Aalborg East: - Bygningsstyrelsen (national agency responsible for managing the facilities of state-funded institutions, such as the University Campus in Aalborg Øst) - Freja Ejendomme (a state-owned public limited company, responsible for selling state-owned facilities, such as University buildings in Aalborg Øst) - A. Enggaard (land owner, development/total enterprise company) - Aabo Sørensen (land owner, developer) - Huscompagniet (development company, project sale of private houses) - Aalborg Port (municipally-owned public limited company, land-owner in Aalborg Øst, facilitator of Business Network 9220 as well as numerous projects with strategic	Realdania (philanthropic fund) Himmerland (social housing association) Public managers and civil servants from the following municipal administrations: - Schooling - Financial (Facility management) - Family and employment

partners in the area, such as the University, local businesses, municipality, housing organisations) Municipal informants[xl]: - Planners from the dept. of City and Landscape - City architect	

In the remainder of this section I describe how actors related to the 'Growth Axis/City in Between'-strategy assess and manage risks.

Risk assessment and management

Municipal assessments

According to the City Architect, the main risk associated with the Aalborg Øst development is whether stakeholders want to contribute. State and regional co-funding is essential, so the City argues, in terms of supporting infrastructural development, especially when operating in a huge development area the size of other minor Danish cities. The municipal decision on planning with a light rail/the bus-corridor solution is crucial for enabling future development of the area; this is a serious risk, as history now shows – in 2015 a new-elected government decided to discard previous government decisions of supporting the light-rail project, also jeopardizing plans of a cheaper BRT-solution (Bus Rapid Transit). On the other hand, state investments in terms of university-campus expansion and regional and state plans for placing a new hospital in the area are crucial state- and region investments for developing the Aalborg-Øst area in the first place. So in that respect, state and regional co-funding is in the Aalborg Øst-case a double-edged sword, since these investments are means that both enable municipal urban development but also pose a serious strategic risk.

In terms of other initiatives, Aalborg City also applied for a EU Horizon 2020-Smart City project; however, this application and strategic orientation is neither something that according to the City Architect in itself has been a strategic risk, nor an investment risk, and so the Smart City-ambition for Aalborg City is an ambition that will be pursued again in the future.

Municipal management[xli]

In terms of municipal management of risks, the City has been running the Aalborg Øst-development in a facilitative way, as also described in the APRILAB Regulation report (Hansen, 2015). In terms of regulation, the City has strived to spur engagement of strategic partners in the area, and, accordingly, has strived not to update or make anew strict plan frames for Aalborg Øst. Instead, the following initiatives form the core of such a facilitative strategy:

- An overall design- and mid-level plan for Aalborg Øst is to be developed, a so-called Structure Plan
- A charter of ambition and visions have been launched and communicated across administrations and political committees
- A Think Tank was formed
- A strategic and political vision for Aalborg City has been developed as the Main Structure of the current Municipal Plan (i.e. Physical Vision 2025)
- The City-in-Between contest has been made
- Business Network 9220 has been formed (primarily championed and developed to by Aalborg Port to begin with)

- Hiring in new staff to engage private parties in cross-plot solutions
- Setting up a cross-municipal task-force to coordinate cross-administrative activities and priorities

This management has, according to the city architect, been a way of alleviating risks, as the Aalborg Øst project becomes a shared development responsibility. Accordingly, Aalborg City does not run the risk of being the sole responsible partner if, for instance, state co-funding is withdrawn.

So, this facilitative approach does seem to have some pro's in terms of spreading risk and responsibility for urban development, hopefully generating more comprehensive cross-plot solutions and projects as well as making strategic alliances around joint visions. But it also is a risk management strategy that in itself triggers new risks.

The major risk is that planning ambitions are mainly being implemented by means of new types of communication and facilitative involvement of investors and strategic partners; much hinges on these parties' own ideas and projects, backed by strategic consensus in City Hall. This stands in contrast to planning of a more traditional 'local-law' nature, in which the municipal plan describes and legally limits what types of development projects that are to be permitted. This facilitative approach also implies greater tolerance towards uncertain futures, as possibilities are developed as the urban-development project unfolds, instead of being planned for in advance.

Other risks related to this type of planning is first of all that state-agency authorities do not agree with Aalborg City that their Main Structure (Physical Vision 2025) actually *is* a main structure –they assess it as a plan strategy. So, a risk with this sort of facilitative planning is whether it is regulative enough to be regarded as a Municipal Plan Main structure. A second risk is that since the approval of Physical Vision 2025, new members of city hall have been elected, some of these disagreeing about some decisions being stated in that document. So, another risk with this sort of highly strategic and political-involving type of planning is an increased vulnerability in terms of political, short-term interference in planning issues, making long-term planning more difficult.

So, the management of place-making and coordination are two central aspects of such a collaborative urban-development strategy.

Land acquisitions and place-making in Aalborg East

As mentioned above, the City's place-making strategy is trying to create urban spaces with mixed functions that attract and stimulate public city life at street level. For this to happen, the City's position is that developers have to put aside the idea that their projects are automatically approved, and instead develop projects in close dialogue with all public and private stakeholders operating in the area.

> *"Shortly after the light rail decision was made public it said "swup", and all land of potential interest was purchased by local developers, especially around Gigantium, next to the university, and between Øster Uttrupvej and Humlebakken. Instantly we initiated a dialogue with buyers to make sure that our plans for urbanizing Aalborg East were made very clear. For instance, we*

> *would like developers with land parcels next to one another to think in terms of common urban functions, and to contribute to the development of shared urban spaces with quality" (head of department).*

The Aalborg East process signals a change in the city's traditional planning approach. Normally, the planning agency would accommodate investors' interests quite readily, adopting existing local plans to investors' projects. In relation to Aalborg East, the signal was different:

> *"We will not make 'your' plan right away. As a city we have some ideas, and we want a comprehensive approach in which all stakeholders work with the larger picture. Also, this is our political mandate; the new city council's policy is to emphasize a holistic approach, not to automatically accommodate investors' short term interests. Everybody recognizes that we have to work this way: Local governments are short of money, and if we want to realize our plans and ambitions, we have to work in integrated and comprehensive ways" (head of department).*

In the traditional approach, it is a planning challenge to create attractive, lively and well-functioning urban spaces. Normally, the city has to accept certain compromises dealing with developers, just to make sure that job-creating and growth stimulating projects are realized. The construction of residential and commercial properties typically do not include well-functioning public spaces, and developers' favourite projects, gas stations and McDonald stores, tend to aggravate the spatial planning challenges of the classical suburb: *"McDonalds and gas stations are the most profitable projects, they could be on every street corner if we agreed to it"* (head of department). On this background, Aalborg Municipality uses the planning instruments to gently force developers and investors to adopt a different and more collaborative approach in which they incorporate better municipal guidelines for a more dense and well-functioning urban space.

Co-ordination of public resources

To stimulate private investment in Aalborg East the city administration has established a task force that seeks to coordinate the prioritization of municipal resources in Aalborg East. In the classical Danish local government model, each sector department (environment, youth, integration, culture etc.) has its own funding streams reflecting specific policies adopted by the city council. With budgets tied to sector functions, strategic processes typically operate within the boundaries of individual sectors, and they are tied to sector specific projects and initiatives. In practice, this system acts as a barrier to integrated solutions and strategies that operate across and integrate the activities of different city departments.

As a consequence, the activities of the many different municipal agencies in Aalborg East are quite autonomous. With the municipal task force this practice is challenged, now city officials seek to coordinate public resources from an area-perspective:

"Now, we bring together all sectors around a table and say "we will really like to make coordinated efforts here, and we have channelled our resources out here to do it here. What about you?""(head of planning department)

In the next section, stakeholder's assessment and management of risk is analysed.

Stakeholders' assessment and management of risk

In Figure 8 below, an overview of strategic actors is provided. The table is describing name and sector, type of actor, motivation, risk and risk management. The table is partly based on informants own responses, partly on my interpretation. In terms of interpretation, this primarily concerns motivation, risk level and sort of risk. In this respect, the table should be understood as merely indicative. Furthermore, 'risk' should here be understood in a broad sense, not only financial.

Only a limited number of stakeholders are described; this is partly because of the stage of development that Aalborg Øst is currently in. In terms of communicating about informants and projects, municipal and private respondents have been secretive as sale of land and negotiations between investors and developers and municipality are currently going on, making the number of already-approved of projects rather limited. So, these research challenges of finding respondents also reveal something about the trajectory and the current stage of the Aalborg Øst-development. As I have stated in Figure 5 above, the Aalborg-Øst development project is a result of a mix of municipal strategic consolidation, combined with the City's and the Region's skill in attracting the investments for a future new hospital, expansion of a University Campus, refurbishment of a large social-housing area, Kildeparken, supplemented with hopes for state-co-funding of costly infrastructure. Accordingly, after approx. 6 years, the 30-square kilometre-huge Aalborg-Øst district is now at a project-stage in which different sub-parts of the area are about to be defined functionally and in terms of ambitions of quality and aesthetics.

Figure 8: overview of strategic actors with potential investment risks

Name and sector	Type	Motivation for Aalborg Øst engagement	Risk level and sort of risk	Management
Freja Properties. Public-private (state)	Sale of state property	Profit through high-quality project development	None/low. Highly local property market	Thorough project development; comprehensive solutions
Aabo Sørensen. Private	Landowner; developer; property rental	Owner of farming land close to Growth Axis	Low/medium. Fuzzy municipal signals; municipal indecisiveness	Local leadership; communicating with neighbours; creative housing concepts; adapting to municipal visions
A Enggaard. Private	Landowner; developer; total-enterprise/design-and-build-contractor	Owner of land close to Growth Axis; owner of rental property (flats)	None-low. Demand for private-rental housing	Assessment of demand
The National Building Agency (Bygningsstyrelsen). Public (state)	Purchase, construction, lease and maintenance of state property	Managing the property leased to different state institutions; responsive to Aalborg University's considerations to expand.	None/low (did not want to respond to issues of risk)	Uses comprehensive plans as a dialogue tool to assess whether land purchase and building construction is necessary in the future.
Aalbort Port (Aalborg Havn). Private-Public (municipally-owned public limited company)	Port management; business attraction; business catalyst;	Port in the area. Expansion of activities.	None-low. Short-term municipal perspectives. Disconnection from policy discourse	Enhancing area qualities. Increase political awareness of the importance of industry. Network facilitation. entrepreneurship
The House Company (Huscompagniet). Private	Development and Project sale of single houses	Profitable market for bungalow/single-family houses	Low. Municipal architectural demands; quality of plot (soil; archaeological)	Conditional contracts; highly professional negotiator; detailed market information
Aalborg University. State	University	Commitment to Aalborg's development; high-quality, urbanized environment; strategic stakeholder for local businesses/industry	None/low. Lack of municipal investments in infrastructure; state-investments in facility construction require 10-20 year university lease contract	Enhancing area qualities; Adapting to municipal visions; comprehensive-plan development for campus; Engaged in many networks.

Aalborg Kommune Facilities (AAK Bygninger). Municipal office	Facility management of municipal property portfolio	Municipal properties are essential for urban development, service provision, and synergy between administrations, The Astrup Path/Kick-start Tornhøj	None/low. Difficulties of harmonizing administrative needs and facility efficiency; mismatch between administrative assessments of facility refurbishment/construction and actual costs of project-realization; a minimal risk of underinvestment in the Aalborg Øst-area; divergent opinions across politicians and administrations concerning municipal-investment behaviour (pro-active/standardized)	To continue enhance cross-administrative strategy processes so that each administration can see the benefits in harmonizing strategic investments
Himmerland Housing Association(Himmerland Boligforening). Social-housing organization	Property rental; social responsibility	Dependent on attractive environment and increased number of functions, social mix and mobility in the social-housing area	Low. Process delay in collaborative/private housing construction; continuous poor reputation; collaboration with retailers;	Highly engaged in networks; development of new housing concepts and ; sale of plots to developers/investors; transformation of image through massive refurbishment and social-economic projects; attracting municipal service-activities; comprehensive plans;
The municipal administration of schooling	Public-service provision	3 schools in Aalborg Øst; Local school (Tornhøj) engaged in development activities; exploring cross-administrative possibilities; assessment of pupils' leisure needs; infrastructure in relation to schools; how new local-public space can enable new way of teaching and learning (Kick-Start Project); ensuring high-quality facilities;	Mismatch between administrative strategies: potential school closure vs. urban-development/forecasted population-increase in Aalborg Øst. Overload of ambitions for the schooling-policy field (e.g. sustainable pupil behaviour in relation to smart city)	Coherence in actor-strategies; engaging in the cross-administrative local-work; focusing on core school activities for the entire Aalborg Municipality

The municipal administration of family and employment (children & youth)	Public-service provision	Ensuring interplay between urban development and service provision; specific refurbishment and relocation of day-care institutions; synergy between Kick-Start Project and public-service provision; school-benefits of relocating day-care institutions;	None (minimal pro-active investment behaviour)	Engaged in cross-municipal working groups, initiated by planning department; bilateral cooperation with School administration (facilities; comprehensive schooling strategy). Continually monitoring socio-economic needs and mobility patterns related to day-care services.

In terms of *sector and type* of investing actors, the table demonstrates the very different types of stakeholders present, especially the many quasi-public/public investments and interests in the area. However, private interest in the area is great, but has not been in a stage in which actors were possible to interview.

In terms of *motivation,* these are rather diverse. Of course, the private developers and landowners, as well as Freja Properties, have an ambition of making profit, exploiting the different type of options they do have on the Aalborg-Øst market. A very rough market overview based on informants' perspectives would be that the Growth Axis identifies the primary areas of strategic attention; as respondents agree, the main area of interest in terms of dwellings for private developers, investors and landowners likewise are along the West-East part of the Growth Axis, running from the Gigantium sport-and event-facility close to the highway in the West, towards the future University Park and future hospital in the East, as well as the area just South of this area. As respondents note, this is the primary market, light rail or not, because in this area, the facilities and major investments can be trusted: Gigantium, university, and Hospital. This market is further enhanced because the City wants to avoid urban sprawl, and accordingly has the ambition of densification along the Growth Axis, estimating a market capacity of 20.000 citizens[xlii]. The mid- and northern parts of the area are not attractive for the construction of dwellings due to the social-housing areas. Another market is the North-Eastern part of the Aalborg Øst, in which Aalborg Port has ambitions of expanding their industrial activities.

A contextual characteristic of the market is, as one informant noted, that it is 'highly local', and that there is an pervasive understanding that local developers should be the first one to be contacted in terms of business proposals; the informant assesses that this local market is highly efficient and responsive in terms of being engaged in project development and business opportunities. The private landowners, Aabo Sørensen and A. Enggaard are both motivated to further the Aalborg Øst development as these landowners several years before the 'birth' of Aalborg Øst/City-in-between had been buying land in the area. However, as this land is primarily farm land with no or few local plans developed yet, this land does not entail great risks in terms of taxation or contracts. The House Company are motivated to exploit market options as this company can see the potential of the area for single-detached housing: people want to live close to Aalborg, but few houses are available.

The public/public-private actors have broader sets of motivation than private actors. These actors are mainly tied to Aalborg Øst as a place with higher qualities, thereby demonstrating more visionary ambitions for the area, and in this respect affecting their own activities in the area. These investors also have long-term ambitions. Aalborg Port, for instance, has at its core mainly a role of managing the port and servicing the companies located there as efficient as possible; however, as this also entails expansion of infrastructure (roads, railroad for goods) as well as satisfying new customers' need of a an attractive environment for employees, the Port has an interest in making Aalborg Øst a vibrant place to live for families as well. Further, as the Port is an independent, yet municipally owned, public-limited company, the Port also has an interest in

supporting Aalborg City's business strategy; accordingly, the Port has been, and is, highly engaged in Business Network 9220 (9220 is the postal code of Aalborg Øst). Aalborg University likewise plays a crucial role for the City and for the businesses in Aalborg, especially in Aalborg Øst, having close ties both to Aalborg Port and Novi, a privately driven, high-technology science park, having more than 100 companies located close to Aalborg University. Accordingly, as the University plays a crucial role in this Danish region in terms of attracting and educating people, the university has an ambition of fast access to the University Campus in Aalborg Øst and easy commuting between its facilities located in city centre and the campus area in Aalborg Øst. The University also plays a crucial role as the new hospital is a university hospital, and furthermore wants to remain an attractive place to study. In order to reach this aim, Aalborg University has an ambition of contributing to a more vibrant city district, and in general to contribute to a better image of Aalborg Øst. The university is doing so by means of a large-scale campus-expansion, that is to accommodate the rapid increase of students over the last couple of years.[xliii]Furthermore, the campus plan for Aalborg University in Aalborg Øst implicates an increase in functions: not only facilities for teaching and research, but also housing for students and guest researchers, as well as knowledge-based business, shops, restaurants, leisure, hotel, conferences, international day-care institutions, etc. (ibid., p. 35). The main approach for this restructuring of an otherwise fragmented university area is an urban corridor (or band) running through the campus. Himmerland Social Housing Organization has a large part of its housing located in Aalborg Øst, and has, accordingly, overlapping interests with Aalborg Port, Aalborg University and Aalborg Municipality in trying to develop the somewhat poor reputation of the social housing stock in the area. Himmerland is doing so by means of various activities: new housing concepts for university-student entrepreneurs; a health care-house with various activities, including a café, gym, and specialised physician health centre, a large-scale refurbishment of the out-dated building stock, various cultural projects, experimenting with attracting private investors and developers for housing construction on their land in order to increase the social mix, social innovation etc. Himmerland has furthermore developed a comprehensive plan for their part of the building stock, the main aim being developing a sustainable, multifunctional and attractive housing environment. In this respect, Himmerland both informs Aalborg-Øst branding as well as being adaptive to municipal ambitions of sustainability, a knowledge-based economy and a Smart City-strategy for Aalborg City.

In terms of *risks*, the general impression is that the Aalborg-Øst development is a non-to-low-risk investment market for most actors. There seems to be two reasons for this. Firstly, as this section and the previous ones have been describing, the main driver for growth is a mix of public investments, either by means of municipal investments (infrastructure), regional (new hospital) or state (campus development, university). This impression of Aalborg Øst being public led is further enhanced as quasi-public/quasi-private companies are also driving development. For instance, Aalborg Port is municipally owned, and, accordingly, does not have private shareholders who want to pull out yearly profits; Freja Properties is a public company who sells state property for profit but who stands in a favourable position in terms of making high-quality local plan proposals/projects, because revenue is first of all paid back to the state and second of all, because Freja has a public responsibility for developing sound projects; Himmerland Social Housing Organization does have an independent economy, and do have a lot at stake in trying to once and for all transforming its Aalborg-Øst building stock into a well-reputed neighbourhood; however, as the social

housing sector in Denmark is organized in a solidary fashion, the main grant for refurbishment is provided by The National Social Housing Fund.

The second reason for the low-risk perception of Aalborg Øst is that municipal plans and strategies for the area are very loosely connected with investing actors in the area. The investing actors that were interviewed either have already been buying land years ahead of municipal plans, or are bound to the area, and so are forced to engage in activities in order to deal with reputation or the physical and environmental qualities. In this respect, the Growth-Axis/City-in-Between strategies are, as previously mentioned, strategies that seek to *enhance* already on-going investments and activities, not heavy-investment, enabling public strategies meant to create something entirely new, such as the Sydhavn-Copenhagen case demonstrate. The most notable exception was the municipal ambitions of co-financing a light rail, a public investment that suddenly increased the investment attractiveness of plots for close to this line[xliv]. However, across AAØ-informants, the overall assessment is that the abandonment of the light rail wasn't something that had notably affected their projects. This loose connection between plans and investments also means that for some of the private developers/investors, their projects are not dependent on municipal plans and visions for the Aalborg Øst-area (i.e. possible futures), but more dependent on the current demand of citizens.

If we go into more detail about the risk of each actor, the overall picture is diverse. For the private parties (Aabo Sørensen, A Enggaard, The House company) the risk these parties face are very different, as these stakeholders vary in size, type and whether they are place-bound or not. However, each of them assess that their risk is rather low. This is so either because that their financial condition in terms of land purchase are favourable or because that they manage the risks associated with land purchase very efficient and swift, combined with conditional contracting. Aabo Sørensen and A Enggaard belong to the first category, having both bought farm land cheap years ahead of the Aalborg-Øst development, and both of these have other sources of income as well, and so are not fully dependent on project development in Aalborg Øst. The House Company has according to the informant about 30%+ of the market of single-detached housing in Denmark and have a detailed knowledge about this market in Aalborg Municipality as such. Further, The House Company has bought farm land of a farmer, but only on the contractual conditions that the quality of soil is good enough, that no archaeological barriers will arise, and only on the condition of local-plan approval. However, in terms of the risk these actors face, these differ because of developer-size and professionalism.

Aabo Sørensen is the most place-based (or locally attached) developer, with only four employees, and so does not have the ability to produce standardized housing (in contrast to the House Company). Aabo Sørensen accordingly does not have access to other markets, and so are highly dependent on an efficient cooperation with the municipality in terms of local-plan approval. Aabo Sørensen is also highly receptive towards municipal visions for the area; however, according to an informant, the greatest risk is the municipal ambivalence concerning the primary housing market close to Gigantium along the light-rail/BRT-corridor. Despite several attempts of, for instance, developing new, innovative housing concepts, such as sustainable housing placed in a small-scale forest in the area, this developer experiences that the municipality has difficulties with taking decisions about the future of the area. Part of this ambivalence concerns the rather open, facilitative approach to regulation that the City has launched, implicating that a Structure Plan for Aalborg Øst was to be produced. As the informant note, 'first we got the message that we were to wait for the Structure Plan, then we were told

that the Structure Plan didn't matter, because the Municipality already knew what it wanted to do with the area'. Accordingly, Aabo Sørensen has difficulties understanding why the development of the area has to be so slow, despite the fact that the company is engaged with numerous conversations with other land owners, with Gigantium, and the close-by university, in order to facilitate cross-plot solutions. Further, Aabo Sørensen also is somewhat puzzled by the fact that the function of this part of Growth Axis is not better defined by the City, for instance, what the future should be for the Gigantium sports facility, and what the guiding principles should be for the housing market in this the most promising housing market along the Growth Axis in Aalborg Øst. So, for such a small company, the slowness of the development in Aalborg Øst is a considerable risk had the company not had any other source of income.

A Enggaard is also a place-based, total-enterprise company, but much bigger, around 400 employees (this number includes associated companies), and is a family-owned company originating from Aalborg, and also has a division in Denmark's second-biggest City, Aarhus[xlv]. In terms of risk assessment, the company finds it difficult to talk about Aalborg Øst as a market, as this area name mainly is associated with the disadvantaged social housing neighbourhoods in the Aalborg Øst-area. The company finds that in the Growth-Axis area the opportunities for profit are good, and that with all the other public facilities in the area, something will definitely happen in the area, making it suitable for development, either in terms of dwellings or construction for companies. The company has invested in developing private-rental apartments in the South West part of Aalborg Øst, the so-called Da Vinci Park, which has been a huge success, but does not assess that this construction project is part of Aalborg Øst, more a neighbourhood in itself.

Finally, for the House Company, development in Aalborg Øst mainly has affected their ambitions of producing single-detached housing because the City has required that part of their project should have an expression of densification; accordingly, The House Company sold this part of the plot to other private parties. The Company assesses that there is a huge demand for housing in Aalborg, people do not want to live in the suburbs. Due to this demand and the attractiveness of the area, this investment has been a low-risk one.

For the public/quasi-public/quasi-private actors (Aalborg Port, Himmerland Housing Association, Aalborg University), the risks are located at different levels:

1. at the level of the core business activities (servicing port-dependent companies; avoiding non-income tenancy, ensuring efficient facility management; attracting students)
2. at the area level related to the quality of place in Aalborg Øst
3. at the municipal level, contributing to create public value

In terms of risk management, a crucial means to manage risks related to core business activities (Level 1) is to ensure that Aalborg Øst, including the plot and property of the actors, becomes a more attractive area to live, work, commute and invest in (Level 2), all the while living up to standards of creating public value (quality of life, sustainability, creating jobs, growth – level 3). All three stakeholders are making attempts (level 1) of improving the immediate coherence of their own plots in terms of highly ambitious and positive comprehensive plans (Aalborg University; Himmerland Housing Association; ambitions of Port expansion plus improved infrastructure), emphasizing symbolic words that mirrors municipal plan-ambitions such as 'sustainability' (Himmerland), 'urbanity

and densification' (Aalborg University) and 'growth and expansion' (Aalborg Port). At level 2, these dominant actors in Aalborg Øst are involved in various types of network activities and synergy-enabling projects (business networks, cultural projects, small-scale housing-concept development, sustainability, energy provision). Now, in terms of specific risks, Aalborg Port is occupied with ensuring that the future development of Aalborg Øst is in accordance with the 2050-forecasts made by the Port; the risk is that the Municipality has a short-term horizon, and that decisions are made that may later on hamper port development. As an example, the Port wants to expand to both of quay sides with 1 M sq. meters; this is necessary as future industrial facilities require lots of space, and because it often takes about 10 years to attract a customer. Since such development of the Port has to be accepted by environmental state agencies, the Port stands a better chance if these land-use ambitions are written down in the municipal plan. Another risk has been to be disconnected from policy discourse. When the City-in-Between was made, the Port was not part of it; as the informant mentions, in this competition, the Port was not even figuring on maps. Subsequently, the Port has been working on making itself more visible, and is now the end-point of the Growth Axis, which has giving the Port more municipal attention. For Aalborg University, the risks are few, according to an informant. The university is primarily dependent on a more efficient and fast type of infrastructure in order to allow commuting to university and between university facilities; in this respect the University is dependent on a solution to replace the abandoned light rail, but is confident that another type of solution will show up, as the high-classed public transport system, light rail or not, has already been integrated in current planning and comprehensive plans, as well as forming the core of municipal infrastructure investments. Second of all, the University is dependent on improved infrastructure for some of the roads. In this respect, the personal assessment of this university representative is that the City does not invest enough and fast enough in Aalborg Øst, and that it remains highly uncertain when municipal investments are being implemented. For Himmerland Housing Associations, the risks are greatest when involved in activities involving other actors, such as making retail in some of the ground-floor flats, or making mixed types of tenure, i.e. ensuring investors for development on social-housing land. However, these are risks mainly related to delaying of processes; for retail, risks are managed by means of contracting. The remaining activities are not dependent on municipal strategies or plans, but are activities that Himmerland would have been undertaking anyways. As a representative mentions, the organization is forced to try to develop the area due to the large part of social-housing dwellings in the area. Further, the refurbishment grant is an investment of such a size that the municipality is forced to support in some way, so the risk of a non-supportive municipality is not there.

Some of the welfare administrations have also been engaged in the Aalborg Øst development. According to informants from the administrations of Schooling, Children & Youth (Administration of Family and Employment) as well as a facilities-management office located in the Financial department (The Mayor's administration), the assessment of risk are less tangible. Both administrations are related to the Aalborg Øst-development because the Planning Administration has been inviting administrative stakeholders. Accordingly, these welfare administrations are motivated to participate because they want to coordinate activities, especially discovering synergy between urban development and how this can enhance the quality of their service provision, for instance, by being granted access to new types of learning environments in urban space, by meeting the leisure needs of pupils, by supporting a rather low-performing and

non-attractive local school by placing new day-care universities close by, and in general providing better service by means of better and more attractive facilities, surroundings and infrastructure. In terms of risk, neither of these administrations are front-runners in development, e.g. investing in a pro-active fashion in new, attractive institutions; however, the School Administration has decided to maintain three schools in the area. Accordingly, their financial risk is non-existent. However, a risk that is sought to be managed by means of engaging in cross-administrative networks and working groups is lack of coordination between administrative strategies; further, the School Administration often is faced with numerous administrative and political wishes for how school policy should be developed, for instance, by supporting Smart-City political strategies, implicating that teachers have to be upgraded and pupils have to change behaviour; accordingly, the risk of an overload of ambitions do exist. However, most of these risks are managed by means of either cross-administrative working groups or by means of already existing administrative routines – such as closely monitoring population increase and change in socio-economic parent profile for children in day-care institutions. A further risk-reducing factor is, as an informant mentions, the rather great overlap of strategies for Aalborg Øst – most stakeholders want the same.

Dilemma 3 – combining different investment strategies: growth as means to counter segregation

As in Copenhagen, the Aalborg Øst-case demonstrates an urban development in which a large-scale, highly strategic, investment- and growth strategy is further reflected on and explored by strategic actors, focusing on somehow creating a sort of synergy for people and strategic actors located in an adjacent, socially segregated, disadvantaged area. Accordingly, a more emergent, low-scale investment strategy is emerging in Aalborg Øst, using other kinds of means to create value for this segregated area. The focus of this investment-dilemma section is not to make an analysis of how segregation as such is handled in Aalborg Øst; instead, the focus is on how initiatives that aim at handling social segregation issues are *enhanced* by means of a close-by urban development process. The investments and initiatives undertaken are explored shortly in this section.

The table below provides an overview of some of the most noteworthy achievements and investments made so far in terms of countering segregation. Such a table may be disputable, because it is difficult to assess what really is an *additional* spin-off, and what would have happened in the disadvantaged area anyway. For instance, according to an informant from Himmerland Social-Housing Organization, the municipality has in a dialogue with the housing association emphasized that the construction of private housing on social-housing land should be pursued by the housing organization. How does such a negotiation possibility arise? Would it have occurred in the mind of municipal staff and politicians if the 'Growth Axis'-strategy hadn't been formed? Further, Himmerland Social Housing Organization ('HSHO') is among strategic actors often mentioned as highly entrepreneurial. Would HSHO had been so to the same extent had it not been for the possible future of revitalizing and rebranding the entire Aalborg Øst by using the different municipal plans and strategies as lever and entry point? Complicating matters further are of course the strategic, financial and political context of such matters, in which the same initiatives have multiple functions. Some activities are easier to categorize in terms of strategic function, such as the massive refurbishment or social-comprehensive plan in HSHO-territory, as these initiatives are crucial drivers for synergy, but nevertheless

initiatives that were already formulated or would have been made, independent on municipal planning ambitions.

Despite these difficulties with categorizing what is synergistic and what is not, an attempt is being made in the table below: Initiatives marked with an asterisk '*' are those that with some certainty can be said to synergistic in the following sense:

- Initiatives that amongst stakeholders are articulated as being born out of collaboration spurred by the Aalborg Øst-development strategies (i.e. Growth Axis, City in Between, Physical Vision), aiming at addressing segregation issues
- initiatives that are being pursued because of the possible futures that these development strategies create

	Investments/Activities	**Synergistic Processes**	**Place-making contributors**
Municipal/public	Maintaining Tornhøj-School*; relocating day-care institutions*; placement of municipal work places in the Kick-start-area*; housing for municipal clients*; upgrading Culture House Triangle ('Trekanten')*; Astrup Path comprehensive plan	Cross-administrative work groups; City-in-Between-Competition; Astrup-Path comprehensive Plan;	Municipality,
Private/quasi-private	Private housing on HSHO-land*; new rental-housing concept for upstart-entrepreneurs*; Health House*; Refurbishment*		HSHO;
Collaborative	Kick Start Suburbia*;	Business Network 9220	Aalborg Port; Realdania;

In terms of municipal, or public, investments made to enable further development in the socially segregated area, these range from a coordinative, small-scale nature, as described in the above section (relocation of day-care institutions; sharing facilities, cancellation of previous decisions of shutting down school/culture house) – to initiatives of a more proactive investment strategy, such as placing municipal work places in the area, such as a dementia nursing home[xlvi], as well as placing dwellings for disabled people in the area, as part of the comprehensive plan for the Astrup Path[xlvii]; these are initiatives emphasizing the Astrup Path as strategic mobility objective for urban development[xlviii].

As described in the APRILab Regulation Report, HSHO vigorously engages in many different activities, the major one a physical refurbishment; but also exploring whether social mix can be increased by means of making a business case for private housing, either condominiums or private rental for seniors who want to live in a sort of housing collective; new housing-concept for upstart-

entrepreneurs; a health-house; engaging in collaboration of developing the Astrup Path and the option of having a light-bus running on the Path; all with the aim at densifying the area, as well as attracting more people to the area (increased mobility) in order to reduce anxiety and fear.

Finally, as also described in the Regulation report, a philanthropic fund and the municipality have agreed to co-finance a kick-start-project on one of the designated urban-space points on the Astrup Path, hopefully being able to revitalize a shopping centre and make urban space across the road 'Humlebakken'.

In a more indirect fashion, several strategic stakeholders contribute to the positive image of the entire Aalborg Øst; these images constantly communicated, also in interviews, could be just as important in the long run for changing the image of Aalborg Øst and the segregated areas as the specific initiatives. The municipality contributes to place-making by designating the area as primary growth area, emphasizing the need for making urban space along the Astrup Path, as well as currently supporting Himmerland refurbishment. Aalborg University contributes to increase the quality of its surroundings in general – as a planner from Aalborg University notes, an option would be to more progressively brand the 'Aalborg Øst'-area, for instance by changing the city district that the university belongs to, from Nørre Tranders to Aalborg Øst; HSHO communicates its visions of sustainability through numerous activities and engages in many networks in order to attract people and functions to the area; and Aalborg Port also wants to contribute to a more positive image and well-functioning services and qualities of the area in order to attract customers to the harbour; Realdania, a large philanthropic fund, contributes to suburban development by developing new business models and ways for strategic actors to collaborate.

To summarize, this investment dilemma demonstrates a municipal investment strategy that in comparison with Dilemma 2 uses less muscular financial means to enable development in a segregated area. Instead, development is enabled by means of coordinated, pro-active public investments; by means of strategic and political attention and visions; by means of an incremental implementation strategy of the Astrup Path-implementation, starting out at the Tornhøj-area.

Report Summary

Five questions have been raised in this report:

1. How has the municipalities of Aalborg and Copenhagen managed the 2008-financial crisis (a city-level question)
2. Has this management had an impact on planning in Aalborg Øst and Sydhavn respectively? (district-level question)
3. How has public investments enabled urban-fringe development?
4. Have private parties considered more demand-led models?
5. What are the barriers or drivers for more demand-led business models?

Crisis management and the impact on planning in Aalborg Øst and Sydhavn

In Copenhagen, the 2008-crisis has led to reflections concerning the finance-balance of urban development as well as reflections about more transparent and cross-administrative budget procedures, budget investments and easily-accessible templates for investors and politicians. The decision is made to maintain the number of development areas; important signals to stakeholders are communicated in 2009 and onwards by means of municipal plans introducing a 'finalization'-rhetoric in municipal plan, indicating that the crisis has led to an uncertainty about the future development of partly developed urban areas. The impact of this crisis management has led to more investor- and citizen certainty since finalization to some extent is ensured by not further expanding the number of urban-development areas until the areas under development are completed. In some instances, the local-plan requirements for developers have been reduced by means of local-plan addendums. In order to deal with previous coordination problems within landowner-associations, the coordinated construction responsibility of privately financed infrastructure has been taken back by the municipality by means of development-agreement contracts, sustaining a speeding up of area-development and infrastructure completion.

In Aalborg, the 2008-crisis has led to a strategy formation identifying the most relevant growth areas in the municipality; this strategy formation was not only a result of crisis, but also of municipal merger and mediocre international performance. Jointly these factors resulted in municipal analyses identifying a so-called growth area running through Aalborg City, the 'Growth Axis', a metaphor that since 2011 has had high symbolic and discursive impact. On this basis, municipal planning efforts have focused on how to enhance this already on-going growth. This has been done by positioning land-use planning as a unifying strategic framework for the city council, and by making visionary municipal plans and architectural competition that formed the foundation for 'Aalborg Øst' as the primary growth area of the city. A trigger-condition for this designation of Aalborg Øst was the municipal success of attracting a new hospital to the Aalborg-Øst area as well as a large fund-grant to a social housing-refurbishment in the area. In this respect, Aalborg Øst as an urban-development project is partly a result of the 2008-crisis.

So, a general finding is that in no of the cities has the 2008-crisis as a single, independent factor triggered a radically new planning practice, since both cities experience growth in population. However, in Aalborg the crisis contributed to a break with pre-crisis planning, since existing growth was in need of enhancement. Accordingly, a process has been triggered resulting in much more focused, strategic and politicized land-use strategies and municipal plans. In Copenhagen, the impact of the crisis was more negligible. The crisis led to reflections concerning whether it should stimulate further urban development by expanding the number of development areas; however, this would have involved the risk of prolonged incompleteness of areas being developed. As a result, the impact of the crisis was a pause in Sydhavn development for about 3-4 years in which demand was low and a surplus of cheap building rights were available in the City due to large amounts of bankruptcy of small developer companies as well as rising governmental demands for obtaining bank loans. Further, the crisis mainly resulted in less ambitious local plans, as developers had suffered losses throughout this pause, and further hampered private actors' willingness to finance infrastructure and recreational facilities with business cases quickly going towards zero. In confidence that the crisis would end sometime, no radical redesign of the area was made, and no new planning practice developed as a result of the crisis. In a more indirect fashion, however, the Crisis revealed some deficits of existing planning, notably that a market-based development with devolved responsibilities for coordinating infrastructure and public-accessible recreational areas was extremely vulnerable.

Municipal enablement

In Sydhavn, development was enabled by kick-starting market-orientation towards targeting middle-class families. This was achieved by means of municipal- and Port owned, non-profit development company, that developed the part of the land; however, also huge efforts of the City to disseminate its new housing strategy involving Sydhavn was crucial, in this respect trying to alter prevalent market logics. Subsequently, the City has by means of regulation placed responsibility for infrastructure and public-accessible recreational areas on landowners, limiting investments to investing in service provision at the most fundamental level (school, day-care). In the wake of the 2008-crisis, the Lord Mayor made the decision of enhancing the attractiveness and finalization of the area by means of an expensive metro-line running through the area; this investment had the added value of integrating Sydhavn with an adjacent and somewhat isolated segregated, disadvantaged district, 'Kongens Enghave'. As Sydhavn in 2015 was finally planned for, development happening at high speed, attention has turned outwards: on how to integrate Sydhavn and Kongens Enghave in order to create spill-over effects for both areas. Besides continuing the metro line through Kongens Enghave, this counter-segregation strategy has been pursued by a joint retail-and business strategy for the two districts, by focusing on social mix in Kongens Enghave, physical refurbishment, area-based initiatives and a bridge.

In Aalborg Øst, enablement has been achieved by placing enhancement-visions and plans on top of already on-going investments in order to create future coherence; in this respect the City has signalled unanimous political and administrative support for the Aalborg-Øst development. A cornerstone for coherence and enhancement has been the pursuit of external co-funding (state, regional) for infrastructure investments, such as light-rail and roads leading traffic

around the Aalborg Øst-area; in this respect, a general typological transformation is pursued: from fragmented, car-based suburbia to urbanised, dense, mixed-function, public-transportation based area with instances of urban space. In terms of collaborative enablement, the City has championed the formation of collaborative platforms (think tank, business network); in addition, the planning administration and the City Architect have in a novel fashion aimed at including the welfare administration in the Aalborg Øst-development. These administrations play a crucial role in countering segregation. Adjacent to the designated Growth Axis-area of Aalborg Øst, other segregated areas exist, composed of social housing. Accordingly, these administrations have agreed on locating work places in the area and engaging in a dialogue in a pursuit of facility synergy, e.g. added value for school pupils; but also increasing mobility along a mobility path going through the segregated area, so that urban space, retail and modest business cases for investors can be made. The City further supports such activities by a co-financed intervention, based on partnership with a philanthropic fund 'Realdania'.

So, municipal enablement of urban development model is highly different in the two cases studied, partially because the outset of the area-development is each other's direct opposite. In Aalborg Øst, numerous activities and investments were taking place already, making planning an integrative enhancement exercise, using a unique window of opportunity for redesigning and rebranding the Aalborg Øst-area entirely. Accordingly, the case is ripe with a production of metaphors, images and visions of a dynamic city council and planning strategy, of activities, of sustainability, urbanity, densification, of a growth axis, of urban corridors, light rail, increased number of jobs in the area - all elements forming a discourse of entrepreneurship, optimism, growth, expansion, industry, knowledge-based SMART-city economy and numerous spin-off growth opportunities. This outset stands in stark contrast with Sydhavn, a development project that was born in a gloomier context – as a part of a municipal strategy for saving city economy, attracting the middle-class and kick-starting development by means of a risky public strategy of developing parts of the land itself and bending market logics. Around the millennium, images of Sydhavn as a 'canal-city' were produced by Dutch architects by means of a master plan , inspired by the Netherlands. In the mid-90s, telecommunication companies had already entered the area, signalling a new future for the obsolete area of Sydhavn. However, ever since, these two images have been the only ones produced, and both seem to be somewhat fading in attraction, especially so when thinking about the future of the area and the IT-crisis of the 00s. Since the watershed is the sole recreational area in the district, barring small strips of greenery running through the area here and there, it is an open question whether this district in the long run will be able to compete against other neighbourhoods. So since the crisis, the planning rhetoric has been focused on reducing the severe risk of an incomplete area and the additional risk that the Sydhavn area would enter a negative spiral. An enablement that the cities share is their synergistic approach towards segregation-areas adjacent to the investor-prioritized urban development areas. In both cities, planning officials are fully aware that on-going urban development can be used as a unique lever for rebranding and sustaining development in ill-reputed disadvantaged neighbourhoods, neighbourhoods in which previous attempts of pure area-based initiative projects haven't been able to create such change.

Demand-led models – barriers and drivers

One could reasonably assume that as a consequence of housing-market volatility and the 2008-crisis, private parties would be forced to develop new projects in a creative fashion demonstrating added value for a city, future residents, its business

tenants and/or the general public. This could come about by a creative mix of functions, other diversion of risks, involving other stakeholders, aiming at creative cross-plot solutions, etc. Projects of such a type falls within the generic definition of 'demand-led' made in this report.

However, in Copenhagen no attempts (or very few attempts) have been made at developing more demand-led models, neither by public policy or private actors, although municipal planners fight from local-plan to local-plan to increase the quality of these. The main reason for this is that private parties either have no need to develop more refined, non-standardized plot-projects because the inflow of citizens to Copenhagen is steady, according to city statistics; or in times of crisis, the risk strategy that generates the lowest loss of revenue is simply to wait until market conditions change. However, several drivers can be identified in this and previous reports, drivers that nevertheless improves the *probability* that demand-led models can be developed. As the Sydhavn case demonstrates, municipal requirements in local-plan negotiations can have impact on developers (such as preserving old industry facilities); municipal-led processes leading to design master plan (Sydhavn as 'Canal City') can result in some unique dwellings who can form part of an identity basis for Sydhavn as a neighbourhood and investment object. Size of development plot and developer size means greater developer control of project development and, hence, greater cross-plot coherence and quality in terms of infrastructure, retail efficiency and privately-owned, public accessible recreational areas[xlix]. A developer of considerable size (such as NCC) ensures a capacity for founding and running landowner-associations, increasing cross-plot coordination of construction projects and a flexible trade with building rights. A professional developer (such as MT Højgaard) also makes it possible to run processes aiming at optimizing the plots of obsolete and vulnerable business domiciles and fragmented businesses, so that greater coherence and quality of urban space can be generated within the geography of a landowner association. Developer-run projects such as these are one out of three examples that come closest to resemble an actual viable demand-led business model. The second example is pension funds entering the investor market; since this type of investor has an interest in a long-term and low-risk yield, the projects that developers have to construct have to have a high quality (both property and recreational area). The third example is an increasing demand for post-industrial facilities for small business tenants; these can grant the area a unique identity, although the business cases for such transformation projects are difficult to make, especially for small investors due to costs related to infrastructure financing. Outward-oriented business tenants can also drive demand-led business-case development, in this instance the presence of Aalborg University overtaking an inward telecommunication-company domicile; this can result in other flows of consummation/retail, dwelling demand and urban-space activities. Finally, high-profiled and expensive public investments, such as a metro-line, can change the market and alter the general prestige-level of the area, making it more accessible and attractive to invest in. All these drivers seem to increase the quality of development, although these drivers jointly still is far from being a creative suggestion for demand-led business models.

One of the main barriers for demand-led models is the large number of landowners and the diversity of these. Poor market conditions weaken municipal requirements as well as developers' business cases, resulting in less ambitious and creative projects. The level of attractiveness is also central: Sydhavn is placed in a low-status part of the city, making incomplete area-development a serious risk for both the City, developers and investors. Accordingly, short-term finalization ranks higher in priority than issues of long-term quality and attractiveness of the area.

Devolving the coordinative responsibility for infrastructure completion also reduces the attractiveness of the area, as accessibility within the area and to/from the area decreases the value of the area, and accordingly makes it less attractive to invest in. Further, Sydhavn was designed in a historical period with less emphasis on urbanity and urban functions, a condition that in a prolonged development phase seems to gain in significance. Finally, although the City emphasizes out-turned urban functions on the ground floor (retail), the incentive to produce these is currently not strongly present until the area is fully built.

In Aalborg, attempts of generating demand-led business models are present. That being said, it is almost entirely the City and quasi-public actors that drive this development, a small developer (Aabo Sørensen) a sole exception. This is mainly so because these actors are bound to the area. The development of the Aalborg Øst-area is only now entering a phase of implementation. It is therefore difficult to assess who in the future will drive demand-led development. Examples are Aalborg Port who positions itself as an integrative leadership, championing business networks and place-based qualities in order to ensure that future customers and their employees have access to an attractive area (long-term development opportunities and expansions, high-quality living conditions and public facilities). Another example is Aalborg University and the related University Hospital that have overlapping interests with the City in terms of faster public transportation to the somewhat remote Aalborg Øst-area and the urbanity aspirations in order to attract students; hence, the University has produced design plans that supports an urban corridor, public transportation and out-turned public functions on the future university campus. A third example is Himmerland Social Housing Organization that uses its capacity and large-scale refurbishment as means to change the physical structure of the neighbourhood and the activities within the area; further, the housing organization seeks to attract investors for private rental in order to increase social mix and in order to generate a more urban and dense expression of the area, and have furthermore produced a Health Community House demonstrating a novel mix of functions and a new architectural expression. Finally, a small developer and landowner, Aabo Sørensen, has a position on the market that makes experimentation and novelty imperative in order to generate a business case. In a more abstract fashion, one could assess that the entire Aalborg Øst as a development *object* is a product of a public-private discourse that in itself has stimulated demand of a different kind: urban, dense, sustainable, coherent. So, drivers are public investments, collaborative-enabling attempts, (visionary plans and strategies; collaboration forums), changes in municipal planning practice and requiring cross-plot solutions of developers. The current one-shot opportunity of utilizing current strategic attention on Aalborg Øst to change the reputation and attractiveness of the huge area is also a driver, and so are dense local networks with a mix of different, interdependent actors, that demonstrate traits of place-based local leadership, though mainly semi-public actors.

Barriers are difficult to assess due to phase that the Aalborg Øst-development is in. The medium-attractive market seems to spur investments in housing, but since the area is not a top-attractive area, the business case for distinctive construction work is weak, according to a developer. What also seems to impede demand-led investments are fuzzy municipal signals: some stakeholders experience a wealth of municipal ambitions and visions, but a lack of overview of specific elaboration and translation of these in the form of investment overviews and prioritized intervention and design principles; the delay of a promised mid-level plan, the so-called 'structure plan', have contributed to such fuzziness.

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[xxiii] http://byfornyelsesdatabasen.dk/forsoegogudvikling/0/5/8696771
[xxiv] Minutes 2012: http://www.kab-bolig.dk/Files/Filer/KAB_bolig/Beboere/Boligorganisationers%20referater/Boligselskabet%20AKB,%20K%C3%B8benhavn/20120425_Dagsorden_organisationsbestyrelsesm%C3%B8de_Boligselskabet_AKB__K%C3%B8benhavn.pdf
[xxv] http://www.kk.dk/sites/default/files/edoc/c7bf62b4-a03c-45fd-889a-ade473ee70ab/f23add1a-fcb3-4e14-8427-c6bc809a98a1/Attachments/94936f98-de16-44ef-a0ec-f055acc3edc5.PDF
[xxvi] Rambøll (2012): Sikker skolevej til Teglholmen

[xxvii] By Aalborg Øst is meant the large district described in the 'City-in-Between' contest described in previous reports, encompassing both the Port, future hospital, Aalborg University, Gigantium, business district, not Aalborg Øst in the sense of a social-housing neighbourhood.
[xxviii] The Table is a slightly modified version of the one presented in the APRILAB report: Hansen, J.R. (2015) APRILab: Regulation Dilemma in South Harbour & Aalborg East, Denmark

[xxix] The table is based on interviews with planners, the City Architect, and the City Architect's, Peder Baltzer Nielsen's debate paper: Baltzer Nielsen, Peder (2014)"Fra Dispositionsplaner til digitale kommuneplaner. Eller planlovens dilemmaer – og muligheder". Byplanhistorisk Udvalg under Dansk Byplanlaboratorium, seminar 2014.
[xxx] http://www.aalborgletbane.dk/nyheder/2015/12/byraadet-vil-have-brt-loesning
[xxxi] Based on my own calculation: no. of inhabitants start-2016 = 112.194, according to Statistikbanken BY1; 700/112194 = 0,0062
[xxxii] http://www.kubenman.dk/media/2787749/Aalborg_KICKSTART-forstaden.pdf, p. 6; https://erhvervsstyrelsen.dk/sites/default/files/Aalborg_Kommunes_baggrund_og_undersgelser.pdf, p. 3; http://www.aalborg.dk/media/394764/Infrastruktur_-AalborgOest_Havneomraadet.pdf, p.22; Interview with City Architect primo 2016.
[xxxiii] Subsidized by the municipality with between 7 and 14% of the construction cost if constructed by social housing organizations, according to the Social Housing Act
[xxxiv] http://www.aalborgkommuneplan.dk/planredegoerelse/hele/r_h031.aspx
[xxxv] Based on information from the Letbane website: 1730 M DKK for construction, 758 M DKK for technical equipment and trams, state grant 815, regional grant 50 M DKK.
[xxxvi] http://nau.rn.dk/Om-byggeriet/Se-Nyt-Aalborg-Universitetshospital/Baggrund/~/media/Rn_dk/Sundhed/Til%20sundhedsfaglige%20og%20samarbejdspartnere/Nyt%20Aalborg%20UH/Baggrund/Tilg%C3%A6ngelighed%20til%20et%20nyt%20sygehus%20i%20Aalborg%20%C3%98st%2019.12.2008.ashx, p. 4
[xxxvii] Niras Egnsplanvej, Præsentation 25/06/2015,
[xxxviii] See, for instance, the following EU-reports, strategies and articles proposing or commenting such coherent 'place-making' strategies: Böhme, Kai, Philipe Doucet, Tomasz Komornicki, Jacek Zaucha, Dariusz Świątek (2011):How to strengthen the territorial dimension of "Europe 2020" and the EU Cohesion Policy. Warsaw: European Union –European Regional Development Fund; Barca, F. (2009), "An Agenda For a Reformed Cohesion Policy. A place-based approach to meeting European Union challenges and expectations", Independent Report prepared at the request of Danuta Hübner, Commissioner for Regional Policy, Brussels.

[xxxix] See the Danish Regulation report, for an overview of contemporary Danish planning debates
[xl] Some of these are previously conducted interviews
[xli] Based on my interpretation of interview with Aalborg City's City Architect
[xlii] Aalborg Kommune(2014): Aalborg Griber Fremtiden, p. 4
[xliii] Bygningsstyrelsen (2015): Helhedsplan for Aalborg Universitet, p. 25.
[xliv] http://byensejendom.dk/article/investorer-vil-bygge-langs-aalborgs-kommende-letbane-15724
[xlv] http://www.enggaard.dk/Firmahistorie
[xlvi] http://www.aalborg.dk/nyheder/alle-nyheder/2015/04/informationsmoede-om-fremtidens-demensplejehjem
[xlvii] http://www.kubenman.dk/media/2787758/%C3%86HU-indstilling-Bilag.pdf
[xlviii] http://www.aalborg.dk/om-kommunen/byplanlaegning/byudvikling/det-oestlige-aalborg/city-in-between-og-astrupstiforbindelsen

[xlix] Examples of this is the Enghave Brygge Local Plan (494) and the Nordea Property/Pensam Pension Fund-project at Teglholmen/Frederiks Brygge (Sub-area VII in Local Plan 310-addendum 1&2, p.4; 310 addendum 4 and 5)