

Successful public-private partnership practice in times of crises

An in-depth research consisting of a literature review, expert interviews, case studies of the spatial development projects and joint ventures of Hoog Dalem, the Spoorzone 013 and the Schieveste, and further theoretical embedding of its findings



M.J. Lambert



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Master thesis submitted to Delft University of Technology
in partial fulfilment of the requirements for the degree of

MASTER OF SCIENCE

In Complex Systems Engineering & Management

Faculty of Technology, Policy and Management

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To be defended in public on 22-03-2019

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Preface

Present thesis finalises my efforts and endeavours regarding the MSc-programme Complex Systems Engineering and Management, formerly know as Systems Engineering, Policy Analysis and Management. This master thesis completes my multidisciplinary study programme, which I structured around the socio-technical context of the built environment. Hence, my additional specialisations in the built environment and spatial development as well as infrastructure and environmental governance. I am glad to present this thesis, since, in my opinion, it is a worthy completion of my study programme. For me, this thesis entails a true personal increment in knowledge and insight.

Practitioners and scholars in the field of spatial development and PPPs are the targeted audience of this thesis. Furthermore, professionals in the field of process and project management, as well as general public management are intended as well. Given the contents of this thesis, this thesis can contribute in a twofold manner. Firstly, it provides a robust scientific elaboration on successful PPP-performance in times of crises in both a theoretical as well as a empirical fashion. And secondly, based on this scientific elaboration, it provides practical recommendations for the modus operandi of PPPs. Hence, this thesis can contribute to both practitioners as well as scholars from different backgrounds.

My heartfelt thanks go to all the people who supported me throughout this period of doing research and writing my thesis. Above all, I would like to thank the PPP-experts which contributed to this thesis: dr. Martijn van den Hurk, ir. Patrick Esveld, and Peter van Bosse MSc MRICS. Their input to this thesis was of considerable value. Furthermore, I would like to thank all my respondents which I interviewed during the case studies. Without their valuable input, I could not have completed this thesis. Without them I could not have bridged the gap between PPP-theory and PPP-practice which is the added value of this thesis.

I would like to thank my graduation committee for their input, guidance and remarks. I am grateful that they have allowed me to conduct my own research. For this reason, I can truly say that this thesis and its findings do embody my personal pathway of learning.

Lastly, I would like to thank my family and friends. They have not solely supported me throughout the timespan of this thesis, but throughout my entire period here at the Delft University of Technology. They have been a sounding board for me and their humour helped me along the way.

Den Bommel, 8 March 2019
M.J. Lambert

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Summary

Public-private partnerships (PPPs) are common in the field of spatial development. Central to this cooperation between public and private parties, are mutually shared development ambitions, as well as shared development risks and investments. It is generally believed that some important advantages stem from these partnerships between public and private parties. Some of them are, e.g., a higher spatial quality, lower development costs, opportunities for innovation and sustainability can be provided and end-users can more easily be reached.

When the financial and economic crises hit the Dutch real estate market, land values and prices of newly built dwellings declined significantly, thereby potentially putting the PPP-cooperation under stress. However, as stated above, PPPs are partially established in order to share risks, hence, PPPs can be potentially crises-robust development vehicles. In order to share these risks, clearly, the cooperative continuity of a PPP should be sustained. However, during the financial and economic crises, some PPP-arrangements were not durable. This can be societally problematic, given the previously stated advantages of PPPs. Furthermore, after the discontinuation of a PPP, usually the responsibility of the spatial development is rearranged to the municipality.

Therefore, the aim of this thesis is to give insight into what factors and mechanisms contributed to a successful joint venture for area development during or shortly after the financial and economic crises within the Dutch context, and to provide recommendations for future PPP-practice.

Based on a literature review and expert-interviews, a conceptual model is arranged as well as accompanying hypotheses which capture successful PPP-practice. Through the means of case studies of Hoog Dalem in Gorinchem, the Spoorzone 013 in Tilburg, and the Schieveste in Schiedam, these hypotheses were tested in order to assess the drafted conceptual model. As can be seen in the stipulated aim of this thesis, solely joint venture PPPs were scrutinised since they are considered to be the most far-reaching form of PPP-cooperation. The content of this thesis is divided into four parts.

Part I: Establishing a conceptual model, deriving dependent and independent variables for the case studies and stipulating hypotheses

As stated above, firstly, a conceptual model was arranged in order to capture the notion of successful PPP-practice. Based on scientific literature, it can be concluded that a PPP's success should be determined with regard to the reasons why the PPP was established in the first place, i.e., the realisation of spatial development through a sharing process of costs, benefits, risks and guardianship. Furthermore, a feature of a successful PPP is a certain alignment of public and private interests as stated by the scientific literature.

The scientific literature points at a multitude of factors which do have an effect this success of a PPP. Flexibility is a common aspect, particularly with respect to the development's phasing and building programme. Furthermore, clarity is regularly mentioned too, in particular regarding actors' and the project's performances.

The expert-interviews allowed to retrieve some valuable additional insights. The experts underline the pragmatic stance towards a PPP's success, namely, the realisation of spatial development. Furthermore, the value of clarity with regard to actors' and the project's performances was underscored just like flexibility in order to cope with dynamics. In that respect, monitoring processes are key in order to gauge and assess the dynamics and its impacts.

Based on the literature review and the expert-interviews, a conceptual model was established which can be seen in figure number 1.

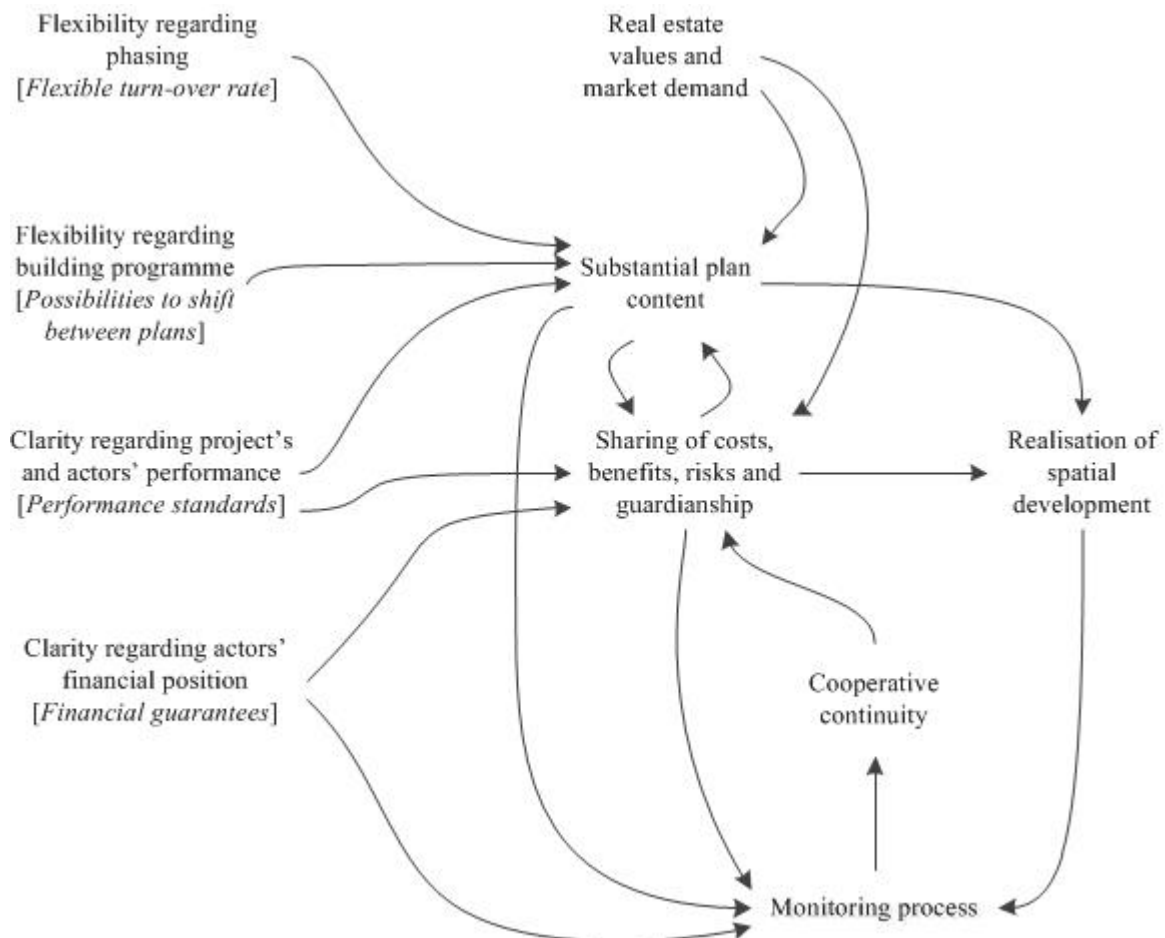


Figure 1 Conceptual model as drafted based on the conducted literature review and expert-interviews.

Based on this model, five hypotheses have been postulated:

1. A flexible building programme, in the sense of the possibility to shift between development plans with different spatial qualities, helps to ensure cooperative continuity by altering the building programme according to changes in real estate values and market demand.
2. A flexible phasing, in the sense of decreasing the turn-over rate during times of crises and increasing the turn-over rate in more prosperous times, helps to ensure cooperative continuity by aligning the spatial realisation with market demand.
3. Clarity regarding the project's and actors' performance, enables private parties to develop in accordance with the public interest, thereby aligning public and private interests which ensures cooperative continuity.
4. Clarity regarding actors' financial positions, and altering the contractual structure of the joint venture PPP accordingly, protects private parties' main interest – i.e., profitable development – thereby ensuring cooperative continuity.
5. A continuous monitoring process regarding market developments, substantial plan content, the contractual structure of the joint venture PPP and the actual spatial delivery, helps to align actors' interests and actions with the dynamic reality of spatial development, thereby ensuring cooperative continuity.

Part II: Empirical research by the means of case studies, gaining insight in the relations between the dependent and independent variables and testing of the hypotheses

The five postulated hypotheses have been tested through a case study approach. The development projects of Hoog Dalem and the Spoorzone 013 were researched. These development projects sustained their cooperative continuity during the crises. Furthermore, the development project of the Schieveste was researched as well. This joint venture could not sustain its cooperative continuity.

Flexibility of the building programmes

The case studies have shown that a flexible building programme contributes to a cooperative continuity within a PPP. The flexibility allows to align the building programme to the changed market by altering the supply of the development to the changed and decreased market demand.

It is noteworthy to underline that the operationalisation of flexibility was not in line with the findings of the case studies. Although the general aspect of flexibility is important, it was not formed through options to shift to another development plan. Rather, plan-led development was avoided, and a continuous organic development process took place based on yearly redefinitions of the building programme.

Flexibility of the project's phasing

The case studies have shown as well that a flexible phasing is important to adapt to the decline in market demand, thereby contributing to the cooperative continuity. These flexible phasings allow to adjust the supply rate of the development to the changed and decreased market demand. Once again, the initial operationalisation of the hypothesis was not valid. Rather, through decreasing the 'grainsize' of the development, i.e., organic development through small design increments, a certain turn-over could be maintained.

Clarity of project's and actors' performances

Clarity regarding these aspects turned out to be of importance with regard to a PPP's cooperative continuity. In particular, clarity should be provided with respect to a development framework which captures the 'common thread' of the development. This development framework should consist of a spatial quality plan, a general land-use plan, task-setting conditions and an urban master plan which consists of a building programme and an accompanying land exploitation. This development framework enables the needed flexibility with respect to the building programmes and the project's phasing. Its general nature provides room for flexibility, but at the same time, it provides guidance and anchorage for the organic development.

With respect to clarity of actors' performances emphasis should be put on actors' roles.

Clarity of actors' financial positions

The case studies have shown that clarity of actors' financial positions appear to be of no importance with respect to a PPP's success. No explicit or open communication mechanisms were in place to communicate one's financial position, neither in the cases of Hoog Dalem and the Spoorzone 013, nor in the case of the Schieveste.

The importance of monitoring processes

Monitoring processes were crucial in the performance of successful PPPs. Market developments, the substantial plan content and the actual spatial delivery were monitored in

the successful cases of Hoog Dalen and the Spoorzone 013. Most remarkably, the joint venture of the Schieveste – which was not able to sustain its cooperative continuity – had no monitoring processes in place.

Additional insights

The case studies allowed to retrieve valuable information beyond the scope of the five hypotheses.

As previously stated, the development frameworks are of crucial importance. They should capture the essence of the development in a general manner. This enables for directed flexible organic development. This development framework should be robustly based on market consultations, thereby ensuring an initially viable envisioned development, and a robust starting point for the development process.

Furthermore, during the case studies, it was emphasised that spatial development remains ‘work of man’. One cannot contractually agree upon liking one another. Parties need to concede things throughout the process and should enrich the ‘on the spot’ decision-making which takes place during the organic development. The differences between public and private parties should lead to a certain added value, rather than a barrier of misunderstanding and a lack of communication.

Based on the case studies, an adjusted conceptual model can be presented in figure number 2.

Part III: Placing the derived conclusions from the empirical research in a wider theoretical context and proposing recommendations for successful PPP-practice during crises

The insights from the case studies do fit within a wider theoretical context. Spatial development is a challenging endeavour, due to its long timespan and the ever changing conditions wherein spatial development takes place. Hence, plan-led development, based on a conceptualisation in terms of costs, time needed and quality becomes void since spatial development aims to provide an answer to an unstructured problem. Hence a robust functional

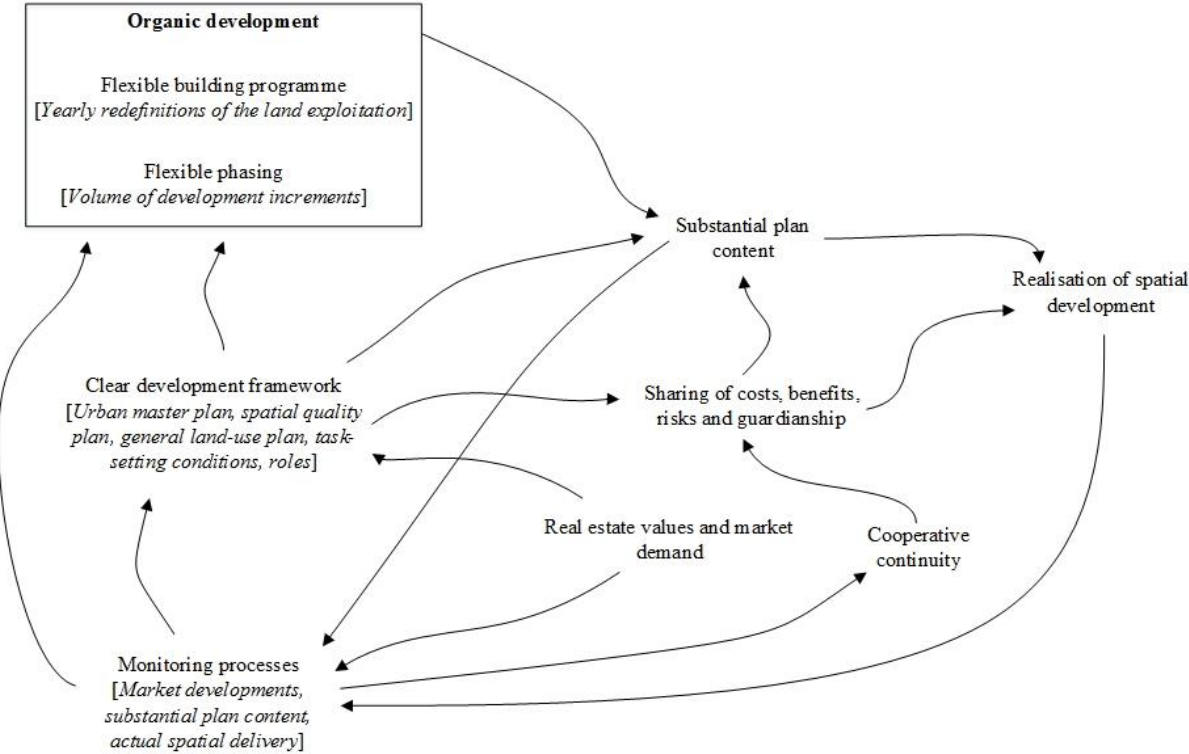


Figure 2 Adjusted conceptual model representing the successful mechanisms of joint venture PPP-practice in times of crises.

baseline is needed which captures the essence of the desired development. Furthermore, rather than a discrete hand-over from the design stages to implementation stages, a continuous process should be sustained which allows to revise earlier made decisions and to form policies and designs at several moments over time.

Therefore, four recommendations can be made for future PPP-practice. Firstly, elaborate on a feasible development framework consisting of a spatial quality plan, a general land-use plan, task-setting conditions and an urban master plan. This provides room for flexibility and anchors the organic development.

Secondly, given the long timespan of spatial development, it should be acknowledged that flexibility is needed. In other words, plan-led development ought to be avoided. By doing so, parties do not solely commit themselves to the agreed upon plan content, but rather to the development process and the relational aspects of the cooperation.

Thirdly, guided organic development should be deployed based on small development increments and informed ‘on the spot’ decision-making. This allows to fully deploy the expertise of both the public as well as the private parties involved in the PPPs. It is worthwhile to underscore the importance of monitoring processes in order to inform the ‘on the spot’ decision making. This allows to acquire up-to-date information with respect to market dynamics and stakeholders’ needs and requirements. Furthermore, the organic development should be guided by the earlier described development framework.

Fourthly, public and private parties should strive to complement each other. Social aspects of PPP-cooperation should be acknowledged. Parties should not solely convey their stances, but should enter in a discussion in order to materialise the added value of a cooperation between public and private parties.

Part IV: Overall reflections, evaluations and conclusions of the conducted research

Clearly, the case study approach – which is based on a limited set of cases and conducted interviews – has its limitations due to the choices made with regard to the case selection and the limited time respondents have available for conducting interviews. Most importantly is the comparability of the cases of Hoog Dalem, the Spoorzone 013 and the Schieveste. All these development projects had a joint venture as their development vehicle, and they tried to develop during the financial and economic crises. Hence, they are in essence comparable cases since variance is allowed to the factors affecting the PPP-performance, and variance was limited regarding the manner of cooperation between the involved parties. Important differences to note are the facts that, firstly, the development of Hoog Dalem was a greenfield development project, whereas the development projects of the Spoorzone 013 and the Schieveste were inner-city development projects. Secondly, the private party involved in the joint venture of the Schieveste was a constructor, whereas developers were the involved private parties in the spatial development projects of Hoog Dalem and the Spoorzone 013. However, it can be concluded that these differences do not have an unseemly bearing on the comparability of the cases and hence the results of the case studies since these aspects were not brought up during the case studies as being of importance.

Hence, it can be concluded that in essence, all postulated hypotheses do capture important mechanisms which contribute to a joint venture’s performance in times of crises, except for the importance of communicating actors’ financial positions. Organic development based on small design increments, ‘on the spot’ decision-making and monitoring processes, should be directed by a general development framework.

It is recommended to apply these conclusions in the practice of PPPs for area development, and to conduct further research based on this thesis by studying more cases.

Furthermore, other PPP-models can be studied as well, i.e., the building rights and concession model.

1. Introduction

Public-private partnerships (PPPs) are a widespread phenomenon which can entail a wide variety of arrangements between public and private actors. Regarding spatial development, these partnerships are based on publicly and privately shared development ambitions and risks and hence joint investments in spatial development (Sagalyn, 2007). By the means of PPPs, potentially, a higher spatial quality can be realised, alignment between end-users and developers can be improved, costs can be lowered and opportunities for innovation and sustainability can be provided (Rodriguez, 2018; PIANOo, n.d.).

In the period from 1993 to 2008, land prices and prices of existing as well as newly built dwellings were rising (Verwoerd & Zuidema, 2015). However, when the financial and economic crises hit the Dutch real estate market, the gross domestic product declined with 4.5%, the value of existing dwellings decreased with 7.1% and the prices of newly built dwellings declined with 10.7% (Van der Heijden et al., 2011: 298). Spatial development usually has a long timespan. If land is acquired for a certain price in order to be developed, and at the end of the time span, i.e., at the delivery, the developed land cannot be sold for a price which covers the costs stemming from acquisition and development, then, clearly, the development was not viable. This can put the cooperation between private and public parties and hence the durability of the relationship under pressure since parties might not get out of the cooperation what they initially expected, e.g., profit. However, as mentioned before, an important reason for entering into a PPP is the possibility to share and manage risks. The occurrence of the crises can be characterised as an external risk since the parties involved in the PPP have no control over it (Nicholas & Steyn, 2012). Then, this external risk can lead to an internal risk, i.e., delivering a product which does not meet the needs and requirements of the end-users, for instance regarding price levels, features of public facilities and dwelling characteristics. In order to manage these risks, the continuity and durability of the PPP have to be safeguarded. This is societally relevant given the examples of the non-durable PPP-arrangements of Meerstad, Blauwe Stad and Schuytgraaf, among others, which led to municipalities 'cleaning up the mess' and municipalities taking full responsibility again for the spatial development (GIC, 2010; Mak, 2013). This can be problematic, or at least less preferable, given the aforementioned advantages and potentials of PPPs.

Therefore, the aim of this thesis is to give insight into what factors and mechanisms contributed to a successful joint venture for area development during or shortly after the financial and economic crises within the Dutch context, and to provide recommendations for future PPP-practice.

Based on a literature review and interviews with experts, factors contributing to a PPP's success are derived, i.e., the variables which can be characterised as being more independent in nature. These factors influence the more dependent variables, i.e., the variables which capture a PPP's success. These dependent variables too, are derived from the literature review and the interviews with experts. The relationships and mechanisms between these factors, then, are examined by the means of case studies. Based on the case studies' findings, these mechanisms will be made explicit and recommendations will be provided for future PPPs in order to incorporate these mechanisms leading to a durable PPP-relationship.

As mentioned before, this thesis focusses on joint venture PPPs. This means that other PPP-forms, i.e., the building rights model and the concession model, are left out of the scope of this research. Furthermore, solely joint ventures which delivered between 2008 and the end of 2014 are included in the case studies, in order to capture PPP-performance during the financial and economic crises. Finally, there is limited time available for conducting this research, since this research has to fit within the time boundaries of a MSc-thesis.

In order to provide an answer to the main aim of this thesis, the report is structured as follows. Chapter 2 will provide a description of the research design, containing an elaboration on research questions and the research methodology and heuristic. Subsequently, the report is divided in four parts. The first part will elaborate on the concept of PPPs and will contain a literature review in order to distinguish the dependent and independent variables which will be used for the case studies. This literature review will hence contribute to an analytical framework. Furthermore, practical input from PPP-experts will contribute as well to the analytical framework. This framework will be used during the second part of this report, namely the empirical research by the means of case studies. The third part, then, will conclude the empirical research of this thesis by placing the case studies' findings in a broader theoretical context, and by providing recommendation for future PPP-practice. The fourth and final part will finalise this report with discussions and reflections on the conducted research and overall conclusions and recommendations.

2. Description of research design

The introduction shed already some light upon the research design of this thesis. This chapter will elaborate more on the methodology and the coherence of the research. Firstly, paragraph 2.1 will clarify the conducted research and will provide an overview of explicit research questions. Subsequently, paragraph 2.2 will provide a heuristic for the case selection.

2.1 Clarifying the research design

As mentioned in the introduction, the research consists of four parts. The first part results in a conceptual model which will be tested during the case studies in the second part. Firstly, the notion of PPPs is further elucidated, followed by a specific explanation of PPP-models for area development. Then, by the means of a literature review and expert-interviews, a conceptual model can be formulated which will be used to structure the case studies. The literature review is based upon sources stemming from the scientific search engine Scopus and documents drafted by, and in cooperation with, the Dutch national government. Furthermore, snowballing was applied. The literature review aims to derive variables which capture the notion of a successful PPP. These variables will be the dependent variables for the case study. Furthermore, the literature review also aims to derive independent variables which affect the dependent variables. These independent variables are of importance regarding a PPP's success during crises. The findings of this literature review, i.e., a set of independent and dependent variables feed into the composition of the conceptual model. Another important input to the conceptual model are the interviews with PPP-experts dr. Martijn van den Hurk, ir. Patrick Esveld and Peter van Bosse MSc MRICS from the University of Amsterdam, Akro Consult and Fakton respectively. These interviews provide practical information of the practice of PPPs during the crises, which too contributes to the composition of the conceptual model. A generic and abstract overview of such a conceptual model can be seen in figure number 3. Hypotheses will be put forward on order to be tested through the empirical research.

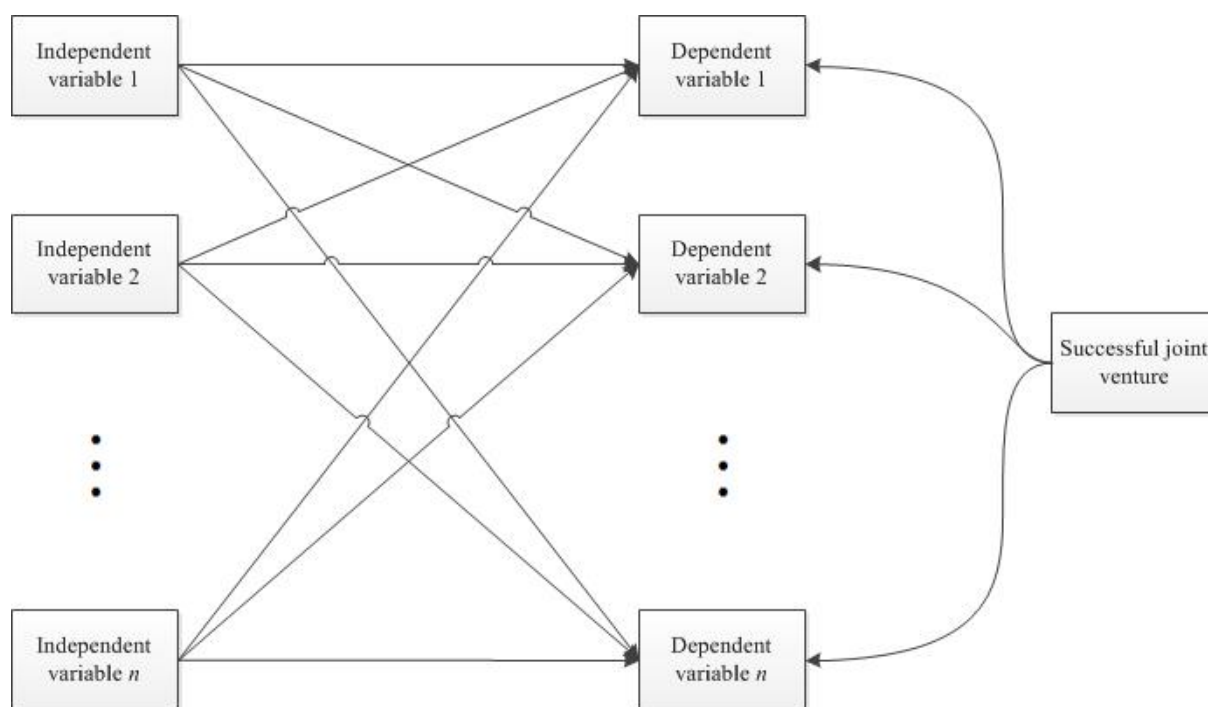


Figure 3 *Generic and abstracted overview of a conceptual model representing the independent variables influencing the dependent variables which capture the notion of a successful joint venture PPP during crises.*

The second part entails the empirical research of successful PPPs for area development during the financial and economic crises. Paragraph 2.2 will elaborate on a heuristic for the case selection. This second part of the research aims to gain insight in the relations between the independent and dependent variables within the conceptual model through hypotheses testing which were developed in part I. This will be done by conducting semi-structured interviews with key players such as involved developers, as well as responsible public authorities. Furthermore, desk-research regarding policy documents, and other publicly available documents will be conducted in order to capture the information which the interviews were unable to capture. The case study itself firstly entails a within-case analysis which aims to clarify and describe the relations between the dependent and independent variables within each case by the means of the earlier stated hypotheses. Then, subsequently, a cross-case analysis will be conducted to derive common mechanisms between the two classes of variables. This cross-case analysis serves to synthesise the findings which then can be used to provide recommendations for future PPP-cooperation.

The third part then concludes the empirical research. The third part aims to contribute to future PPP-formation. Based on the insights from the case studies, one can provide recommendations for future PPP-formation. The case study approach enables this, since it allows to specify the relations between the independent and dependent variables within their case-specific context, acknowledging the influence of this context on these relations, as well as the often unclear boundary between these variables with their in-between relations and their context (Stake, 2006; Merriam, 2009; Flyvbjerg, 2011; Cresswell, 2014; Yin, 2014).

Finally, the fourth and final part of the thesis reflects on, and evaluates the conducted research. It places the derived conclusions from the research in perspective and discusses its shortcomings and limitations, also with respect to the thesis' recommendations. Table 1 provides a brief overview of the research and its parts, aims and research questions.

Table 1*Overview of the conducted research, the main aims of the different parts, and the applicable research questions.*

| Research part | Main aim | Research questions |
|----------------------|---|--|
| Part I | Establishing a conceptual model, deriving dependent and independent variables for the case studies and stipulating hypotheses | <ol style="list-style-type: none"> 1. What are PPPs? 2. What variables capture the conceptual notion of a successful PPP? 3. What variables do conceptually affect a PPP's success? 4. What hypotheses can be stipulated? |
| Part II | Empirical research by the means of case studies, gaining insight in the relations between the dependent and independent variables and testing of the hypotheses | <ol style="list-style-type: none"> 1. What were the mechanisms between the independent and dependent variables per case? 2. What were the mechanisms between the independent and dependent variables over all the cases? 3. Can the hypotheses be accepted, or should they be adjusted? |
| Part III | Placing the derived conclusions from the empirical research in a wider theoretical context and proposing recommendations for successful PPP-practice during crises. | <ol style="list-style-type: none"> 1. How do the conclusions from the empirical research resonate with theories regarding designing in socio-technical systems? 2. How can these insights contribute to future PPP-practice? |
| Part IV | Overall reflections, evaluations and conclusions of the conducted research | <ol style="list-style-type: none"> 1. What are the shortcomings and limitations of the conducted research? 2. What are the conclusions of the conducted research? |

2.2 Heuristic for case selection

The selection of the cases has a significant effect on the case studies findings, and hence, the recommendations which will be based on these findings. However, it is unavoidable that a selection has to be made, given the limited amount of time available for this MSc-thesis and the nature of a case study research. Therefore, this section aims to describe briefly and clearly how a selection of cases will be made.

Preferably, a complete dataset of all the PPPs regarding spatial development in the Netherlands could be used for a case selection since, then, a longlist of potential cases could be drafted. Unfortunately, such a database does not exist. Therefore, alongside with their input into the conceptual model, the experts were asked too if they can a list of joint venture PPPs for spatial development which delivered between 2008 and the end of 2014. Then, if this list is considerably elaborate, once again the experts will be asked which PPPs would then be most relevant based on the conceptual model, i.e., which PPPs show the most variance regarding the independent variables of the conceptual model. By doing so, a shortlist with relevant PPP-projects can be constructed. Then, based on the availability of key players for interviews, cases are eventually included in the case study. Table 2 gives an overview of the heuristic.

Table 2

Overview of the heuristic for the case selection. Since no database exists which contains all the PPP-projects within the Netherlands, a heuristic is needed so that a selection can be made.

| Step | Purpose |
|------|---|
| 1 | Ask the experts for a longlist of joint venture PPPs which delivered between 2008 and 2014. |
| 2 | If needed, ask the experts which PPPs, then, are most relevant given the conceptual model. |
| 3 | Based on interview availability, cases are selected for the case study. |

The described heuristic entails a number of choices which will be clarified in this section. Firstly, as mentioned already in the introduction, this research focusses on joint venture PPPs. Although the other PPP-models for area development will be explained as well in chapter 4 in order to provide a complete overview of the PPP-practice in the Netherlands, solely joint venture PPPs will be included in the case study.

Secondly, the PPPs on the longlist delivered between 2008 and the end of 2014. This timespan is chosen since the crises started in 2008 (NOS, 2010; Baugnet et al., 2011). The end of the crises, however, is more difficult to pinpoint since, eventually, the financial and economic crises accumulated into the so-called Euro crisis. However, already in 2013, the Dutch Central Agency for Statistics published some figures which hinted at a slight recovery of the Dutch economy see, e.g., NOS (2017).

Based on the sale price of dwellings per square metre, as can be seen in table number 3, one can notice that from 2015 onwards the sale price levels of dwellings per square metre start to rise again slightly. Whereas during 2013 and 2014, the sale price was reasonably stable, or even decreasing as can be seen in table 3 from 2013 Q4 until 2014 Q4. This is in accordance with the findings of the Calcasa WOX database which estimates real estate values, see, e.g., Vereniging Eigen Huis (n.d.).

Table 3

Overview of the average sale price of dwellings per square metre, per quarter, in the Netherlands in k€ (CBS, 2017).

| 2013 | | | | 2014 | | | | 2015 | | | | 2016 | | | |
|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| 2.27 | 2.31 | 2.31 | 2.31 | 2.25 | 2.28 | 2.27 | 2.25 | 2.26 | 2.30 | 2.28 | 2.29 | 2.34 | 2.41 | 2.36 | 2.38 |

Furthermore, as table 4 shows beneath, when considering the amount of delivered dwellings per year, one can see once again, that from 2015 onwards, the newly built housing supply starts to increase again. This is in accordance with the figures in table 5 which represent the total amount of construction costs per year for newly built dwellings, exclusive VAT.

Table 4

Overview of the total amount of delivered dwellings in the Netherlands (CBS, 2018a).

| Year | Delivered dwellings |
|------|---------------------|
| 2012 | 51,449 |
| 2013 | 49,526 |
| 2014 | 43,180 |
| 2015 | 47,596 |
| 2016 | 54,177 |
| 2017 | 61,489 |

Table 5

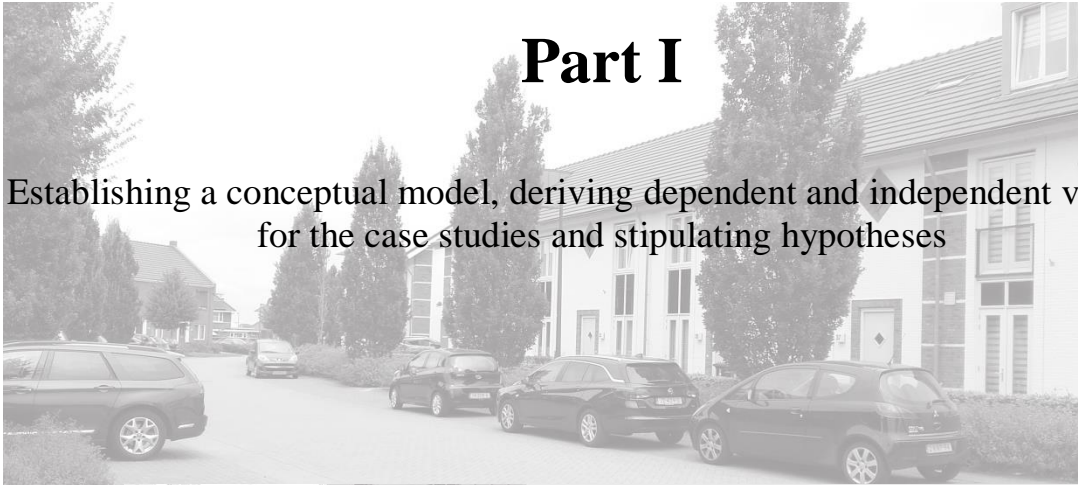
Overview of the total amount of construction costs per year for newly built dwellings (CBS, 2018b).

| Year | Construction costs [M€] |
|------|-------------------------|
| 2012 | 5,024 |
| 2013 | 3,482 |
| 2014 | 4,986 |
| 2015 | 6,668 |
| 2016 | 6,853 |
| 2017 | 9,445 |

Therefore, the applicable timespan of the crises for this research has been demarcated as from 2008 until the end of 2014, based on sale prices of real estate, particularly newly built dwellings, and the production of newly built dwellings.

Part I

Establishing a conceptual model, deriving dependent and independent variables for the case studies and stipulating hypotheses



3. Clarifying public-private partnerships

Ever since the inception of the Fourth Memorandum Spatial Planning Extra (*Vierde Nota Ruimtelijke Ordening Extra*, VINEX in Dutch) in 1991, the Dutch central government puts emphasis on locally governed spatial development in cooperation with private parties (Needham et al., 2000; Groetelaers, 2004; Van den Hof, 2006). However, already during the 1960s some PPP-experiments took place such as *Exploitatiemaatschappij Scheveningen* and *Bredero* in the city of Utrecht (Priemus, 2002b). It was believed that spatial quality could be realised by private parties as well, and not solely by public parties (Van den Hof, 2006). Already in 1988, by the means of the Fourth Memorandum Spatial Planning (*Vierde Nota Ruimtelijke Ordening*, VINO in Dutch), the potential of involving private parties and the European market into the practice of spatial development was acknowledged and even encouraged (Van der Wouden, 2011). This led to some PPP-test cases, such as the development of the *IJ-oever*s in Amsterdam, although these initiatives did not succeed. Locations for spatial development, which were stipulated by VINEX, were already known beforehand, which led to private parties strategically buying land (Rijksplanologische dienst, 1994). Because of this, municipalities were more or less forced into alliances with private parties, however, one should not forget that public-private partnerships were already encouraged by the Dutch central government (VROM, 1990; TNO Inro., 1998; VROM Raad, 1998b). So, it can be concluded that the practice of PPPs initiated from both the conditions and ownership distribution on the land market, as well as from national policies (Groetelaers, 2004).

The practice of PPPs for spatial development fits within a shift from ‘government to governance’ (Kickert et al., 1997; Edelenbos & Teisman, 2008). Central to this paradigm shift is the acknowledgement that hierarchical relations between public and private parties are less fruitful and effective in a network society (De Bruijn & Ten Heuvelhof, 2008; Bekkers, 2012). This network society implies that actors depend on each other and need each other in order to effectuate a certain change (De Bruijn et al., 2010). Besides, this approach fits within a neo-liberal context of urban development (Gordon, 1997; Sagalyn, 2007; Van der Veen & Korthals Altes, 2011b). This, then, would make publicly steering spatial development in a hierarchical and unilateral way less sensible. After all, there is a significant threat that other actors’ interests get harmed when steering in a hierarchical way, which could result in actors being reserved regarding their resource input, e.g., money, expertise, land or the bearing of risk. This would be problematic – or at least less preferable – since public parties often need private actors’ input for spatial development.

Table 6
Non-exhaustive inventory of resources of actors involved in spatial development.

| Public actor | Private actors | | |
|------------------------------------|---------------------------|-------------------------------------|------------------------------------|
| <i>Municipalities</i> | <i>Landowners</i> | <i>Developers</i> | <i>Contractors</i> |
| – Spatial planning authority | – Landownership | – Potential landownership | – Knowledge regarding construction |
| – Landownership | – Pecuniary contributions | – Knowledge regarding market demand | |
| – Site preparation | – In-kind contributions | – Knowledge regarding construction | |
| – Development of public facilities | | – Financial capacity | |

Table 6 gives a non-exhaustive overview of the possible resources of the actors involved in area development. As can be seen in this table, the actors’ resources are clearly related to one

another. Since municipalities are the spatial planning authority, they can change land-uses of plots of land, thereby influencing the pecuniary value of these plots. Then, in case of greenfield development, a certain value increment will be established. It is commonly accepted that municipalities are entitled to recoup at least some extent of this value increment when the plot of land is privately owned, especially when this captured value is used to achieve public planning or other community goals (Crow, 1998; Smolka & Amorski, 2000; Priemus, 2002a). Examples of these goals are the development of less-profitable projects or recovery of the costs stemming from site preparation. The Land Exploitation Act (*Grondexploitatiewet*) – as part of the Dutch Spatial Planning Act (*Wet ruimtelijke ordening*), which will be merged into the new Environmental Act (*Omgevingswet*) – provides the legal framework for the Dutch practice of value capturing by the means of exploitation plans and contracts. In case the plots of land are already owned by a municipality, then all the costs are recovered by selling the serviced land plots.

So, private actors often depend on the municipalities for the servicing of land and planning permission. On the other hand, municipalities depend on private actors to realise their public goals. Private actors, especially developers, have more understanding of the market demand compared to public actors. This can be important in order to deliver a product, e.g, a newly developed neighbourhood, which meets residents' demand and preferences. Moreover, if a private landowner is willing to develop his or her plot according to the objectives of the municipality, then this landowner cannot be expropriated. In such cases, municipalities depend on these particular private landowners in order to realise the public spatial goals and objectives.

It is important to note the resource input of actors and hence the cooperation between these actors can differ significantly from location to location due to the characteristics of the product of land and the land market itself (see, e.g., Korthals Altes, 1998; Groetelaers, 2004; Segeren, 2007).

3.1 Defining public-private partnerships

As mentioned above, the exact form of cooperation between private and public actors can differ from case to case. Because of this, a variety of PPP-definitions does exist. Very often, these definitions are stipulated quite broadly. Van der Meij et al. (2000: 10) state for example:

“A project can be called a PPP-project when public and private parties cooperate on a structural basis”.

Bovens et al. (2012: 217) characterise PPPs as:

“A cooperation between public and private actors, which is aimed at realising mutually agreed objectives. This cooperation is temporary, preserves the parties' identity and does not violate parties' objectives. Furthermore, the cooperation is aimed at risk-sharing”.

Klijn & Teisman (2002: 84 and onwards) describe PPP as:

“A more or less durable cooperation between public and private actors aimed at the development of joint works or services, whilst sharing risks, costs and profits”.

Kenniscentrum PPS (1999a: 21) – which is a knowledge resource centre regarding PPPs and part of the Dutch Ministry of Finance – provided a more elaborate definition of PPPs based on 5 points:

1. *“A committed interaction between public and private parties,*
2. *Based on an allocation of guardianship and control as well as costs and risks,*
3. *Aimed at establishing a synergy in order to realise converging objectives,*
4. *Entails both public and private features,*
5. *Provided that all parties maintain their identity and responsibility”.*

Lastly, Van Schilfgaarde et al. (1987: 6) defined PPPs as:

“A cooperation of public and private parties aimed at a mutually agreed objective. This relation is stipulated organisationally by one of the involved parties whilst maintaining actors’ identity and their own personal objectives. Parties bring in their own resources and accept to share risks. Equally so, parties agree to share the profits”.

De Wolff (1995) added to the definition of Van Schilfgaarde et al. (1987) that parties cooperate since they expect some amount of synergy, i.e., their cooperation should result in some added value. E.g., the added value for public actors consists of a cooperation with private parties which have a better market-knowledge than the public parties. Hence, by this cooperation risks can be assessed more robustly due to the knowledge of the private parties.

This brief overview shows that there is a certain amount of unequivocalness surrounding the definition of PPPs. However, one can derive some common themes throughout these definitions.

First of all, PPPs embody the relation between public and private actors which share a common and mutually agreed upon objective. In the words of De Bruijn et al. (2010), they wish to effectuate a certain change.

Secondly, this relationship has to be durable, i.e., it has to be robust in that sense that it must satisfy the objectives and identities of all the actors involved.

Thirdly and lastly, PPPs are based on sharing, i.e., the sharing of costs, profits and risks. Note that this last point can only be maintained if the first and second aspects are sufficiently safeguarded. I.e., if a certain change is not mutually agreed upon, or if this change negatively effects other objectives or interests – either public or private ones – then the relationship cannot be durable since the relationship’s aim will threat actors’ core values. As a result, parties will withdraw from the partnership and hence will not be able to share costs, profits and risks. Figure 4 provides an overview of this conceptual notion regarding PPPs.

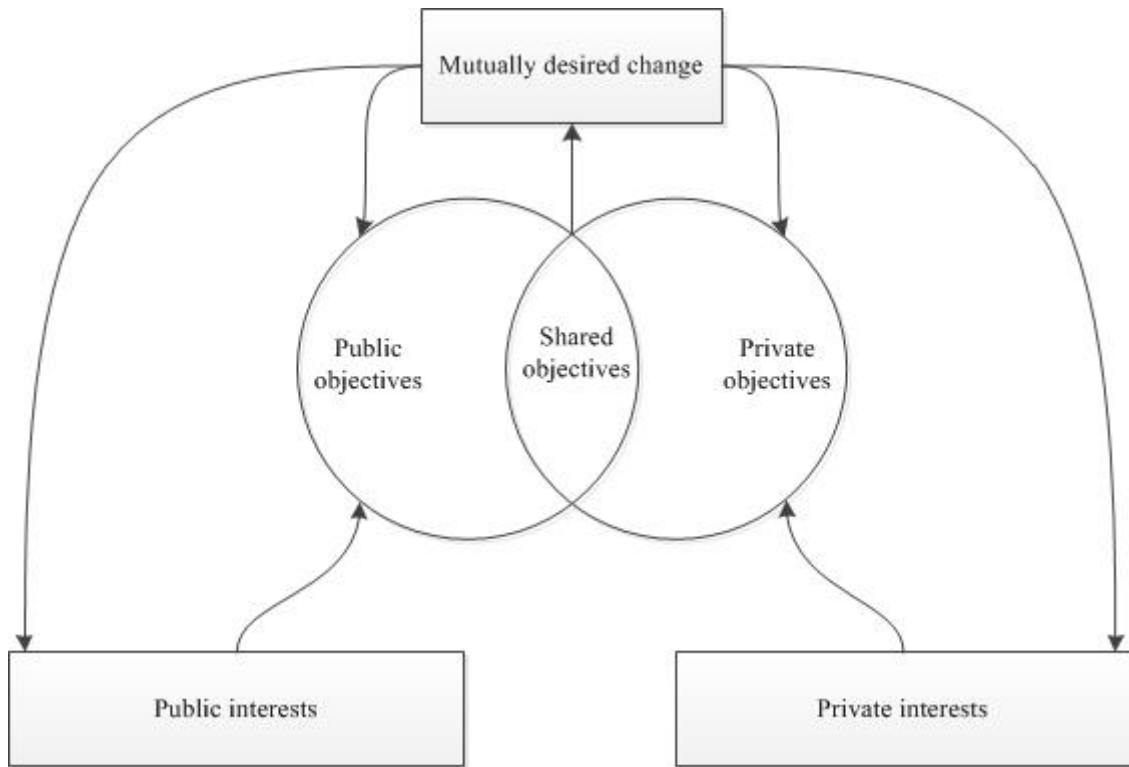


Figure 4 Conceptual model representing the essence of PPPs. Public and private actors have certain objectives which stem from their interests. If public and private actors share some of these objectives, then a mutually agreed upon change can be effectuated. However, this change must be in accordance with actors' objectives and interests.

4. Public-private partnership models for area development

As mentioned before, ownership distribution on the land market was an important reason for private and public parties to cooperate in order to realise spatial development. Because of this, traditional models for area development, i.e., either fully public or fully private development, are much less deployed (Kenniscentrum PPS, 2004). Public development being the situation that a municipality owns the land, changes its land-use, services it, after which a private party develops the buildings according to a certain construction programme. In this case, the municipality bears all the risks relating to the land exploitation. On the other hand, the municipality captures the entire value increments since it sells the serviced land to a private party for development and has full control when it comes to the realisation of the construction programme.

Private development is located on the other end of the spectrum. In this case, a private party owns the land and develops it in accordance with the spatial planning frameworks stipulated by the municipality. Site preparation and the development of public facilities can be done by the private party, or by the municipality which will then cover its costs by the means of an exploitation plan and contract as mentioned before. Note that the municipality has to put out a tender for the public works contract if the net value of the public works exceeds a threshold value of EUR 5.186.000¹. If a private owner is not willing to agree upon an exploitation contract with the municipality, then the municipality can impose a betterment levy on the private owner, however, this policy instrument is often perceived as being ineffective when it comes to cost recovery (Kenniscentrum PPS, 2004).

Next to these two traditional models for area development, exists a whole array of partnerships, each with their own characteristics and distributions of risks. Commonly, three models are differentiated: the building rights model, the joint venture model and the concession model (Kenniscentrum PPS, 2004; Groetelaers, 2004; Van den Hof, 2006; Priem, 2008). The following paragraphs will elaborate on these three models. Although this thesis focusses solely on joint venture PPPs, for the sake of completeness the building rights model and the concession model will be elaborated upon as well in this chapter. At the end of this chapter, table 7 will provide a brief overview of these PPP-models.

4.1 Building rights model

The building rights model resembles the traditional model of public development. Private parties hand in their acquired land in exchange for prepared land, i.e., in exchange for a right to build. Note that this does not necessarily entail an obligation to build and that the prepared land may be at another location than the land handed in by the private parties, i.e., the municipality does not necessarily prepare the land which is handed in by the private parties. By doing so, a municipality can deal with private parties' scattered land-ownership. The building rights PPP-model offers private parties the assurance that they will receive building rights as a result of their land-ownership (Kenniscentrum PPS, 2004).

By deploying this model, municipalities bear the risks regarding the land exploitation. On the other hand, they will have a major influence regarding the building development. By the means of a building rights contract, the municipality can stipulate the to-be developed building programme. However, this building rights contract is not a unilateral contract from the municipality towards the involved private parties. These private parties will have an

¹ See Section 2, Article 4 and Annex II Directive 2014/24/EU of the European Parliament and of the Council of 24 February 2014 on public procurement and repealing Directive 2004/18/EC.

influence as well, since the building programme determines the value of the to-be developed real estate and hence the profit of the involved private parties. Herein consists the ‘partnership’ between public and private actors, i.e., municipalities have to take into account the feasibility and profitability of the building programme in relation to the price of the prepared land, otherwise private parties will not agree upon the building rights contract and thereby not buying the prepared land from the municipality.

4.2 Joint venture model

The joint venture model can truly be characterised as a partnership between public and private parties. The municipality and the involved private parties set up a joint undertaking, which will be responsible for the spatial development (Groetelaers, 2004). The scope of the cooperation may solely be the land exploitation, but the scope can be extended as well so that it includes the exploitation of the buildings (Kenniscentrum PPS, 2004; Priem, 2008). Whether or not the development and exploitation of commercial real estate fits within the tasks and responsibilities of municipalities is a political question which may be answered differently by each municipality.

The joint venture acquires all the land within the planning area, thereby combining all the public and private land, or parties can hand in their land by the means of a commandite company, or limited partnership. This business entity allows the involved parties to remain land-owners of their plots of land. Commonly, the joint venture prepares the land for development. The venture is responsible for the plan-making as well. However, truly public affairs such as the stipulation of land-use plans will be performed by the municipality and not by the venture. Since the joint venture is responsible for the land exploitation, a sharing takes place between the involved public and private parties regarding costs, benefits, risks and control. By doing so, private parties take on their share of risk regarding the land exploitation – which normally would have been the responsibility of the municipality – but these private parties are now able to participate effectively in the plan making. Municipalities have to compromise their authority regarding the plan making, since they have to share this authority with the involved private actors. On the other hand, the sharing of risks of the land exploitation is beneficial for the municipalities.

The parties who buy the prepared land from the joint venture are, naturally, the private parties of the joint venture. Kenniscentrum PPS (2004: 28) points out an important aspect regarding the sale price of this prepared land. As a member of the joint venture, the private parties would like to have a higher price for the prepared land. However, as a purchaser of the prepared land, they would like to pay a lower price. Of course, when setting up a joint venture the selling price of the prepared land will be a crucial negotiation topic between the involved public and private parties, alongside the exact sharing ratios with respect to costs, benefits and risks (Priem, 2008).

4.3 Concession model

The concession model is characterised by limited public involvement and private parties which bear the majority of the risks (Groetelaers, 2004). Publicly owned land will be sold to private parties. These parties then, will prepare the land for development alongside the development of public facilities. Note that here, once again, the public works should be put out for tender if the value of the works surpasses the value of EUR 5.186.000. The

municipality only provides the spatial planning and/or spatial quality frameworks for the development.

The concession model can take on two forms. The first one being the municipality selling their land to private actors for development, as described above, and the second one is applicable when private parties own significant portions of land. Then, the municipality can allow them to develop the plots needed for the building programme. This second form entails a smaller land transaction compared to the first form, since the first form involves a complete land transaction from municipality to the private parties, whereas the second form only entails a transaction of the land needed for realising the building programme (Kenniscentrum PPS, 2004).

Since the municipality only provides spatial planning frameworks and oftentimes spatial quality frameworks for the development, private parties have more freedom with respect to designing the actual building programme, and hence, the profit they will make out of the development. It is therefore important that municipalities effectively stipulate the public goals and requirements of the spatial development beforehand (Van den Hof, 2006; Priem, 2008). After all, the influence of the municipality will be considerably limited after the concession is granted by the means of a realisation or concession contract (Van den Hof, 2006).

Through this model, spatial quality and public objectives will be realised by the market, i.e., the private parties, since these parties will compete on costs and quality in order to win the concession to develop (Wetenschappelijke Raad voor het Regeringsbeleid, 2000; Van den Hof, 2006).

Table 7

Overview of area development models and their characteristics. Based on Priem (2008: 11), Kenniscentrum PPS (2004), Groetelaers (2004), Van den Hof (2006) and Van der Weerd (2007).

| | Public development | Building rights model | Joint venture model | Concession model | Private development |
|------------------------------------|---------------------------|--|--------------------------------|---|---|
| <i>Land acquisition</i> | Municipality | Municipality | Joint venture | Municipality | Private party |
| <i>Land supply</i> | Municipality | Municipality | Joint venture | Municipality | Not applicable |
| <i>Site preparation</i> | Municipality | Municipality | Joint venture | Private party | Private party, or municipality based on exploitation contract |
| <i>Plan making</i> | Municipality | Municipality, involvement of private party | Joint venture | Private party in accordance with the municipal spatial planning framework | Private party in accordance with the municipal spatial planning framework |
| <i>Risks land exploitation</i> | Municipality | Municipality | Joint venture | Private party | Private party |
| <i>Risks building exploitation</i> | Municipality | Private party | Joint venture or private party | Private party | Private party |
| <i>Control</i> | Municipality | Municipality | Joint venture | Private party | Private party |

5. Literature review regarding a PPP's success

This chapter further specifies PPPs and the notion of a successful PPPs by the means of a literature review. This literature review aims to elucidate the variables which will subsequently construct a conceptual model representing successful PPP-practice. In order to address this aim, the literature will be assessed on the following questions:

1. *What variables capture the notion of a successful PPP?*
2. *What variables do affect a PPP's success?*

The first research question of this literature review, then, will provide an overview of the dependent variables for the case study, whereas the second research question will result in an overview of the independent variables.

By conducting this literature review, an up-to-date overview can be presented with regard to the state-of-the-art literature regarding PPPs and their successful mechanisms.

5.1 Search strategy

The literature was found on the electronic database Scopus from the earliest possible date, up until the moment of the literature retrieval which was 9 April 2018. No start date was chosen in order to include all relevant and fundamental papers.

The following search string was used to retrieve the literature: TITLE-ABS-KEY (("private-public partnership*" OR "public-private partnership*") AND ("spatial development" OR "area development" OR "land management" OR "urban project*" OR "spatial project*")). This broad search string was used so that all relevant papers, which describe PPPs in relation to spatial or area development, land management and urban or spatial projects, could be included. This search string yielded 54 documents. All 54 documents were evaluated on their suitability. Research papers were only included in the review process if they described PPPs in a context which was similar to the Dutch context, i.e., papers focussing on PPPs in Asia and Africa were excluded. Furthermore, documents researching PPPs for infrastructure delivery were also excluded, as well as PPPs aiming at land management for ecological or agricultural purposes. Eventually, 13 papers could be included in the to be reviewed corpus of literature.

During the review process, three papers were retrieved as well by the means of snowballing, two of these were retrieved based on their authors and the other one was retrieved based on the references made to this particular paper. The paper of Verweij et al. (2017) was one of the papers which were included through snowballing based on its authors. Although this contribution covers infrastructure PPPs, its content deals with management responses to unforeseen events and their effect on the eventual PPP-outcome. Hence, due to its relevant and applicable content to this research, the paper was included in the literature review process

Finally, two documents drafted by, and in cooperation with, the Dutch national government were included as well in the literature review process. An overview the retrieved papers and their content can be seen in tables 8, 9 and 10.

5.2 Data-extraction

From the 18 retrieved articles data was extracted, and specifically searched for by the means of the aforementioned literature review research questions. The information is extracted by thoroughly reading the literature corpus. The data was not yet interpreted or assessed. Each research question has been answered, even if the literature did not explicitly answer a particular research question. However, albeit sometimes implicitly, each document could provide an answer to the presented literature review research questions.

Table 8

Overview of the retrieved papers and their content. The papers are retrieved from the Scopus database.

| Source | Content |
|--|---|
| Bavay (1997) | Comparison between the redevelopment projects of the region Bruxelles-Capitale and the London Thames Gateway. |
| Priemus (2002b) | Overview of current opinions regarding PPPs in spatial investments. |
| Van den Hof (2006) | PPPs in relation to spatial quality. |
| Priemus (2007) | System innovation in Dutch spatial planning. |
| Edelenbos & Teisman (2008) | Management strategies of cooperation in PPPs in spatial planning. |
| Van der Veen & Korthals Altes (2011a) | The use of contracts to promote public goals such as sustainability. |
| Van der Veen & Korthals Altes (2012) | The relationship between contracting and learning. |
| Marmolejo-Duarte & Ruiz-Lineros (2013) | Future users' preferences on the design processes of real estate developments. |
| Zanon & Verones (2013) | Innovation in the form of energy planning in relation to spatial planning and the effectiveness of plan implementation mechanisms in Italy. |
| Calabrò & Della Spina (2014) | The thematic of public-private economic negotiation in the realisation of urban regeneration programmes. |
| Jansen (2015) | Urban design and planning processes regarding the Amsterdam waterfront developments. |
| Napoli (2015) | Morphogenesis of projects' characteristics involving PPPs in Italy. |
| Gozalvo Zamorano & Muñoz Gielen (2017) | Non-negotiable developer obligations in Spain. |

Table 9*Overview of the content of the retrieved papers through snowballing.*

| Source | Snowballing based on | Content |
|---------------------------------------|--------------------------------------|--|
| Sagalyn (2007) | Van der Veen & Korthals Altes (2012) | Synthesis of case-based PPP-research aimed at providing insights for planning, deal making and performance. |
| Van der Veen & Korthals Altes (2011b) | Authors | Guiding principles for the negotiation and drafting process of development agreements based on a relational perspective. |
| Verweij et al. (2017) | Authors | Aimed at infrastructure PPPs, researches management responses to unforeseen events and their effect on the eventual PPP-outcome. |

Table 10*Overview of evaluating documents regarding PPP's performance drafted by, and in cooperation with, the Dutch national government.*

| Source | Content |
|---|---|
| Van der Meij et al. (2000) | Failure and success factors of PPPs. |
| Deloitte Real Estate Advisory & Partnerships (2017) | Overview of experiences and knowledge regarding PPP-practice before and after the crises. |

5.3 Analysis of the literature based on the research questions

This section provides an overview of the literature corpus structured by the presented research questions for this literature review. A comprehensive table presenting all the documents, their database from which they were retrieved, and the answers to the presented research questions can be found in Appendix A. This appendix provides additional tables as well, presenting applicable information retrieved from the reviewed documents. The following paragraphs will elaborate on the answers to the research questions

5.3.1 Notion of a successful PPP

In the corpus of literature, the notion of a PPP's success is not oftentimes dealt with in an explicit manner, i.e., the success or the performance of the PPPs is scarcely the main subject of the scientific literature. However, this is understandable given the fact that a PPP operates at a local level, having spatial development at a certain location as its object. This means that what constitutes its success is locally determined as well and might, hence, differ from location to location.

Therefore, the literature appears to take on a pragmatic stance towards a PPP's success. This means that a PPP is considered to be successful in case a PPP results in a certain product. Within the scope of this research and the reviewed literature, this product could be spatial quality, a delivered spatial project, spatial development, spatially added value, place-making or urban quality, see, e.g., Van der Meij et al. (2000), Van den Hof (2006), Edelenbos & Teisman (2008), Van der Veen & Korthals Altes (2011a), Van der Veen & Korthals Altes (2011b), Van der Veen & Korthals Altes (2012), Marmolejo-Duarte & Ruiz-Lineros (2013), Zanon & Verones (2013), Jansen (2015), Napoli (2015), Deloitte Real Estate Advisory & Partnerships (2017) and Verweij et al. (2017). These products basically represent the reason why a PPP is established between public and private parties.

Another reoccurring theme within a PPP's success appears to be the distribution of risks, costs, benefits and guardianship between the involved parties (Priemus, 2002b; Van den Hof, 2006; Priemus, 2007; Sagalyn, 2007; Edelenbos & Teisman, 2008). This too reverts to the essence of a PPP, as numerous scholars and authors have put this 'sharing element' central to their definition of PPPs, see, e.g., Van Schilfgaarde et al. (1987), Kenniscentrum PPS (1999a), Klijn & Tijlman (2002) and Bovens et al. (2012). It is remarkable that the distribution of risks, costs, benefits and guardianship between the involved parties seems to be important to determine the success of a PPP before the occurrence of the crises. It appears as if after the crises, the focus shifted towards realising spatial values, as discussed in the previous paragraph.

Furthermore, and too in accordance with the essence and definitions of PPPs, the literature elucidates that the alignment of public and private interests is an essential aspect of a successful cooperation between public and private parties (Sagalyn, 2007; Edelenbos & Teisman, 2008; Calabrò & Della Spina, 2014; Deloitte Real Estate Advisory & Partnerships, 2017). This alignment is the foundation whereupon a certain spatial change is effectuated as argued in chapter 3. Participating in a PPP which fundamentally acts contrary to ones' interest and objectives does not fit within the theory of a rationally acting agent which aims to maximise his or her utility. Table 11 provides an overview of the notions of a successful PPP and the times they were mentioned as being important by the reviewed literature.

Especially noteworthy are the contributions of Priemus (2002b) and Edelenbos & Teisman (2008). Priemus (2002b) proposes that a successful PPP could serve as a development vehicle by getting both profitable as well as non-profitable project elements realised by the means of a project envelope. Thereby using the profits of certain elements to finance the deficits of other elements. This approach, then, results in an integrated form of development, i.e., the entire scope of both profitable as well as non-profitable project elements. So, PPPs can serve to enable integrated development. Besides, PPPs can enable spatial development as well in cases where the ownership distribution might be scattered over different private and public parties. Due to self-realisation clauses in the Dutch Expropriation Act, a private party cannot be expropriated of its landownership if this party is willing and able to develop the desired function and purpose of the plot of land. Hence why some PPPs can originate from the land positions of private parties, simply because the public party cannot expropriate them. As Priemus (2002b) mentions in his article, without proper arrangements between private and public parties, or if value capture instruments are not at hand, then there could be a chance that the involved private parties are only willing to realise profitable development. This would threaten the public interests, since often the less profitable project parts contribute the most to the public objectives and values, e.g., social housing and green areas. Bringing the public and private parties together in a PPP could be an effective means to align private interests to the public ones, i.e., realising integrated spatial development which serves both public and private interests while at the same time these interests enable each other to be developed. Once again, this line of reasoning can be reverted to the definitions of PPPs as discussed in chapter 3.

Edelenbos & Teisman (2008) do mention that a robust basis for sustainable collaboration is needed between private and public parties. Once this collaboration ceases, or when this basis does not exist or ceases to exist, then the added value and synergy of public and private cooperation diminishes. This could result in parties less willing to share knowledge and expertise, or, more severely, parties withdrawing from the partnership. This would rearrange the distribution of risks, costs, benefits and guardianship entirely back to the public party. While this provides the public party again with full control and the possibilities to change, for example, building programmes and arrangements of public space, it comes at the expense of full responsibility for the development. Usually, this is not favoured by the

public party, after all, PPPs are partially initiated to share these risks. Remarkably, Edelenbos & Teisman (2008) were the only article within the reviewed corpus of literature to point out that such a sustainable or robust basis for cooperation is part of a successful PPP rather than a factor influencing a PPP's successful performance. Edelenbos & Teisman (2008) stated that such a basis is needed in order to realise the spatial development by the means of the PPP and to effectuate the sharing process of risks, costs, benefits and guardianship. Edelenbos & Teisman (2008) do primarily discuss this sustainable basis from a management perspective using both project and process management.

Table 11
Overview of the notions of a successful PPP.

| Notion | Times mentioned |
|---|------------------------|
| Should work according to market mechanisms | 2 |
| Realises spatial development | 15 |
| Shares risks, costs, benefits and guardianship | 5 |
| Financially successful | 1 |
| Alignment of public and private interests | 4 |
| Delivers in alignment with demand and preferences | 2 |

5.3.2 Factors affecting a PPP's success

There exists a broad range of factors affecting a PPP's success, as mentioned by the reviewed corpus of literature, see table 12. There appears to exist roughly three categories of success factors, the first category entails the important concept flexibility. The second category puts emphasis on clarity. The third category contains an array of other factors.

It is noteworthy that regarding the 'pre-crises' subset of the reviewed corpus of literature, which entails six publications, solely two papers mentioned the importance of flexibility. Bavay (1997) states that flexibility regarding the development possibilities is important in order to come to a successful PPP, and Sagalyn (2007) underlines that flexible planning with small design increments contributes to a PPP's success. Furthermore, Sagalyn (2007) also indicates that, given the nature of spatial development and its long timespan, both the political environment as well as the spatial project itself will change over time. This change should be planned for according to Sagalyn (2007), i.e., planning should be flexible. Considering the twelve articles within the corpus of literature which were published during or after the financial and economic crises, six of them mentioned flexibility as an important success factor. It, then, appears as if flexibility became a more important issue after the occurrence of the crises. The contribution of Deloitte Real Estate Advisory & Partnerships (2017) explicitly derives the importance of flexibility directly from the lessons learned during the crises.

Another important reoccurring theme throughout the PPP success factors is the concept of clarity. Eight of the eighteen reviewed papers mentioned that clarity is important. Four of them, i.e., Priemus (2002b), Van den Hof (2006), Edelenbos & Teisman (2008) and Gozalvo Zamorano & Muñoz Gielen (2017) emphasised more in detail that clarity is important regarding private actors' performance and requirements of the to be delivered spatial product. Priemus (2002b) assigns the responsibility for the stipulation and elaboration of the requirements to the involved public party. Edelenbos & Teisman (2008), in accordance with Priemus (2002b), also mention that the involved public party should guarantee some quality standards, mostly to protect the public interest.

Related to this aspect of clarity regarding private actors' performance and the requirements of the project, are the aspects of clarity regarding project demarcation and the

functional baseline as mentioned by Van der Meij et al. (2000) and Priemus (2007) respectively. A poorly demarcated project can lead to scope creep as indicated by Nicholas & Steyn (2012: 169). Once the scope of the project is not clear, some deliverables can be added to the scope, thereby putting stress on budgets and time schedules. On the other hand, in other occasions, enlarging or optimising the project's scope can make the total project viable, e.g., by the means of the earlier discussed project envelopes, see Priemus (2002a; 2002b).

Priemus (2007) argues that a clear functional programme of requirements must be drafted by the public partner. This functional programme, or baseline, should safeguard the whats and whys of the development, as mentioned by Faulconbridge & Ryan (2014: 17). The merit of such a baseline is threefold. Firstly, it enables private parties to implement the programme, secondly, this baseline can serve as a safeguard to protect both public and private interests, and thirdly, this functional baseline can serve as a robust basis upon which building programmes or other specifications can be re-stipulated if necessary.

Related to these aspects of performance and requirements is the important aspect of obligations, as mentioned by Bavay (1997). After all, a PPP is a business-like relationship between public and private parties which should include some enforceable obligations for the involved parties. These obligations are often related to the realisation of a certain performance which meets the stipulated requirements.

The third category of success factors contains a variety of aspects, as can be seen in table number 12. Interactive plan making, as mentioned by Van den Hof (2006), Callabrò & Della Spina (2014) and Jansen (2015) should take place between the parties involved in the PPP as well as with the civil local community.

Van den Hof (2006), Sagalyn (2007) and Deloitte Real Estate Advisory & Partnerships (2017) emphasise the importance of a focus on the interests of the involved parties. This, again, helps to protect the alignment between the effectuated spatial change and the parties' objectives and interests. Remarkable in that respect is the contribution of Van der Veen & Korthals Altes (2011b) which underscores the importance of the project's interests, which should prevail the interests of the involved parties in contracts. However, Van der Veen & Korthals Altes (2011b) place the relational aspects between parties at the centre of attention too, i.e., once this relational dimension has been specified, the focus should then shift towards the project itself.

Another important success factor as mentioned by the literature is the financial dimension, consisting of an analysis and financial guarantees (Sagalyn, 2007; Van der Veen & Korthals Altes, 2011a; Napoli, 2015; Deloitte Real Estate Advisory & Partnerships, 2017). It appears as if this success factor gained popularity and significance after the occurrence of the economic and financial crises, given the publication dates of the aforementioned references.

Trust among public and private parties is another reoccurring success factor (Van der Veen & Korthals Altes, 2011a; Van der Veen & Korthals Altes, 2012; Jansen, 2015). This concept of trust can refer to a multitude of forms. For example, trust is important regarding private parties' long-term commitment to the project (Van der Veen & Korthals Altes, 2012). Jansen (2015) describes trust as the state and quality of the cooperation, e.g., when trust is lacking, parties are less willing to share risks. As mentioned by Van der Veen & Korthals Altes (2011a), some aspects, e.g., reputations to uphold and possibilities for future cooperation, do contribute to this aspect of trust among parties. When parties experience that the trust amongst them is not of a sufficient quality, parties might be tempted to stipulate their development contracts in detail. Thereby formalising the notion of trust in the form of obligations and requirements. It might be interesting to introduce in this context the principle of good faith within civil law systems. This principle anchorages trust in a legal manner. The

Table 12*Overview of the PPP's success factors.*

| Success factors | Times mentioned |
|--|------------------------|
| <i>Flexibility</i> | |
| Overall flexibility | 3 |
| Regarding development possibilities | 2 |
| Planning based on small design increments | 3 |
| Plan for change | 2 |
| Agreements which cater for learning | 1 |
| <i>Clarity</i> | |
| Regarding obligations | 1 |
| Regarding project demarcation | 1 |
| Regarding performance and requirements | 4 |
| Regarding a functional baseline | 1 |
| Regarding development contracts | 1 |
| <i>Other factors</i> | |
| The presence of a long-term spatial vision | 2 |
| Cooperation based on knowledge and expertise sharing | 1 |
| Acknowledge exogeneous factors | 1 |
| Interactive plan-making | 3 |
| Focus on interests of the involved parties | 3 |
| Focus on the project's interests | 1 |
| Commitment | 1 |
| Leadership, marketing and promotion | 1 |
| Risk management | 2 |
| Financial analysis and guarantees | 4 |
| Process management during implementation | 2 |
| Trust | 3 |
| Experience | 2 |

principle specifies that objective norms play an important role, even during pre-contractual negotiations (Van der Veen & Korthals Altes, 2009). This legal provision captures aspects such as fairness and honesty which are hard to stipulate in a contract. In that sense, the principle safeguards general norms of justice in contracting practice (Van der Veen & Korthals Altes, 2009). The presence of this principle, then, may discourage public and private parties to formalise and stipulate their contracts in detail. Thereby providing room for flexibility and adaptability as well.

Surprisingly enough is risk management not a common theme throughout the literature. Solely the contributions of Sagalyn (2007) and Priemus (2002b) do explicitly underscore the importance of risk management. Furthermore, Van der Meij et al. (2000) do identify the recognition of exogeneous factors as a success factor. Exogeneous factors or risks can lead to internal risks such as not fulfilling needs and requirements or flawed decision-making due to changes or inaccuracy regarding assumptions and estimations (Nicholas & Steyn, 2012).

5.4 Synthesis of the literature

It can be concluded that it is difficult to capture the notion of a successful PPP. The literature review has shown that the success of a PPP should be determined regarding the PPP's objective, i.e., the reasons why a PPP was established. These reasons are locally determined and do often entail sharing of costs, benefits, risks and guardianship and the realisation of a

certain spatial goal. Furthermore, a successful PPP ensures an alignment of interests between public and private parties. Once these interests diverge too much, the shared basis for cooperation in order to effectuate spatial change becomes less robust and less durable.

The scientific literature distinguishes a multitude of factors which affect this PPP-success. It can be concluded that flexibility is an important factor, both regarding phasing as well as regarding the building programme. On the other hand, clarity is important as well, especially regarding private actors' performance and the requirements of the deliverables. The existence of a functional baseline or plan regarding the spatial project can contribute to both the flexibility as well as the clarity PPP-success factors.

It is important to emphasise the ambiguous distinction between the derived dependent and independent variables since the literature does not seem to distinguish clearly between a PPP's success and factors affecting or establishing this success. One might, for example, argue that a successful PPP is flexible with respect to phasing and deliverables. This narrative would attribute 'flexibility' to the notion of a successful PPP. However, one might argue as well that flexibility is a certain factor or mechanism which contributes to the ultimate success of a PPP. This line of reasoning, then, would suggest that 'flexibility' is a success factor rather than a notion or feature capturing the success of a PPP. It is this last perception which is applied throughout this literature review. Since, in the case of flexibility, this variable does not capture the actual performance of a PPP, rather, it is a way of working together which ultimately results in a certain performance. However, as mentioned before, this distinction can be perceived as being ambiguous.

Furthermore, the notion of a successful PPP – the dependent variables within the case study research – is rarely the subject of scientific research. Therefore, the answers provided by the literature to the first literature review research question were oftentimes implicitly mentioned throughout the texts. Because of this, interpretation plays an important role when providing answers to the literature review research questions. Besides, this leads to the derived dependent variables being relatively broad terms.

6. Experts' input regarding PPP-practice and performance

As the previous chapter has shown, the notion of a successful PPP and its success factors are complex aspects. For this reason, semi-structured interviews were conducted in order to complement the literature review and to further specify the literature review's findings. The semi-structured interviews were structured around four themes:

1. *PPP-practice in the Netherlands, especially regarding joint ventures for area development which originated from private actors' land positions.*
2. *Characterisation of a successful PPP, the dependent variables of the case study.*
3. *PPP's success factors and mechanisms which contribute to a PPP's success, the independent variables of the case study.*
4. *A longlist of joint venture PPPs which existed between 2008 and the end of 2014.*

After contacting a variety of experts, dr. Martijn van den Hurk of the University of Amsterdam, ir. Patrick Esveld of Akro Consult and Peter van Bosse MSc MRICS of Fakton were available for the interviews. The interviews took place the 3rd of May, the 16th of May and the 28th of May respectively. The retrieved information from the interviews are discussed in the following paragraphs. Appendices B, C and D provide an elaborate overview of the conducted interviews.

6.1 Interview dr. Martijn van den Hurk, University of Amsterdam

The interview with dr. Van den Hurk took place the 3rd of May 2018. Van den Hurk started with outlining the context of PPP-practice in the Netherlands, and with respect to joint ventures in particular. He emphasised that the success of a PPP is locally determined. Which means that a successful approach in one case, might lead to unsuccessful outcomes in another. Van den Hurk continued by mentioning that joint venture PPPs for area development were especially popular before the crises of 2008. Nowadays their popularity is significantly reduced.

The major reason for parties to enter into a PPP is the fact that at some locations, parties cannot develop without one another. Within the context of 'new public management', PPPs can serve as well as a means to hold parties accountable and responsible during the development process.

This accountability aspect is crucial to the characterisation of a successful PPP, according to Van den Hurk. This means that within a successful PPP, parties can hold each other responsible and that the PPP does not neglect the communication with its context. Friction and tension with a PPP does not directly make a PPP unsuccessful. PPPs are business-like relations between parties and should be acknowledged as such. However, this should not lessen the importance of good relationships, openness and transparency.

As mentioned by Van den Hurk, the business-like relationship within a PPP is aimed at realising a certain spatial goal. This meta objective should be central to the discussion about, and the practice of, PPPs. This means that PPPs are not an end in itself, they should rather serve as a vehicle in order to realise spatial development.

Furthermore, Van den Hurk emphasised the importance of the acknowledgement of unexpected situations. A successful PPP should be able to alter the cooperation relationship if necessary, given the occurrence of uncertainties and risks.

Van den Hurk then continued with the PPPs' success factors. Van den Hurk brought up two important categories of these factors, being structure and agency.

With respect to structure, Van den Hurk underscored that the functions of the PPP-contracts should be clear. This means that mutual responsibilities and sanctions should be clear, that work and tasks should be clearly divided and that flexibility and adaptability with respect to unexpected circumstances should be included. Regardless of the contract type, either classical, neoclassical or relational, it should be clear for the parties involved what is agreed upon, and why it is agreed upon.

Regarding agency, the quality of the PPP's staffing is crucially important. Furthermore, ambition is an important success factor as well. Highly ambitious staffing makes it more likely that cooperative continuity within the PPP is safeguarded and that, ultimately, the project will become a success.

These ambitions should not solely be based on pecuniary rewards. For private parties too, contributing to spatial quality is an important objective as well. Besides, staying committed to a spatial project as a private party, even when profits are not as high as expected, can have a positive influence on a private party's reliable and trustworthy reputation. This reputation, then, can be advantageous for any future forms of spatial development cooperation.

Van den Hurk was able to provide five cases of joint venture PPPs which existed between 2008 and the end of 2014. Three of them were able to cooperate during the crises, namely the projects of Eemkwartier in Amersfoort, Spoorzone 013 in Tilburg and Zuidkade in Helmond. Two cases ceased their cooperation, which were the Schieveste project in Schiedam and the Belvédère project in Maastricht. Table 13 provides an overview of the interview's findings with dr. M.H.H. van den Hurk.

Table 13

Overview of the data derived from the interview with dr. M.H.H. van den Hurk of the University of Amsterdam with respect to the four themes.

| Theme | Answers provided by the expert |
|--------------|--|
| 1 | Success is locally determined, joint ventures not as popular nowadays as they once were. Parties enter into a PPP since they need one another in order to realise spatial development. PPPs, then, are a development vehicle which can serve to secure accountability among parties. |
| 2 | Within a successful PPP, parties can hold each other responsible. The PPP is not a closed entity but communicates as well with its context. The PPP should be aimed at realising spatial development and should acknowledge uncertainties and risks. |
| 3 | Clear responsibilities, sanctions, distributions of work and approaches towards unexpected circumstances. Quality of PPP's staffing and their ambitions. |
| 4 | Eemkwartier (Amersfoort), Spoorzone 013 (Tilburg), Zuidkade (Helmond), Schieveste (Schiedam) and Belvédère (Maastricht). |

6.2 Interview *ir. Patrick Esveld, Akro Consult*

The interview with *ir. Esveld* took place on the 16th of May 2018. Esveld started off by describing the PPP-practice within the Netherlands. He underscored that PPPs and the development practice by the means of PPPs are never easy. The long timespan of spatial development is an important contributor to the difficulty of spatial development by the means

of PPPs. Within this timespan, market and politics are likely to change. A successful PPP should be tailored towards this change.

A PPP is successful, according to Esveld, if the PPP is able to realise spatial development within the agreed upon financial and qualitative frameworks. These kind of PPPs are able to manage expectations, after all, due to changing market and political conditions, the ultimately delivered spatial product may be different from the envisioned spatial development at the start of the project.

Esveld elaborated extensively on the PPPs' success factors. Firstly, contractual flexibility is needed so that market and political changes can be addressed properly, e.g., by the means of exit strategies and flexible building programmes. Trust is needed between parties so contracts which stipulate every possible event can be avoided. Esveld emphasised that the reality of spatial development is unruly and uncontrollable. Especially when markets are going downwards, in detail planned development is not successful.

At the same time, clarity must be provided regarding performance and objectives. How these performances and objectives will be realised ultimately, is part of the flexibility. Once again, trust is here a crucial factor between public and private parties.

Organisational flexibility is needed as well. An equilibrium has to be found between public and private parties based on a shared objective. Predominance of a party should be avoided. Monitoring is key so that the alignment between the development process and actors' interests stays protected over the long timespan of the development. Also changes within the joint venture organisation have to be expected, i.e., staffing will change over time and this can have an effect on the 'soft-side' of a PPP's success such as ability to cooperate and chemistry between people.

Another important success factor as mentioned by Esveld is the simultaneous acknowledgement of a short-term spatial concretisation alongside a long-term vision. People involved in the joint venture PPP tend to focus on the short-term since in that time period spatial results are being made. However, potential problems, e.g., regarding unprofitable development, should not be postponed to the future. Problem communication is key, according to Esveld. If this in-time problem communication is lacking, parties' interests might diverge, risking that the gap between these parties' interests could become irreconcilable.

Furthermore, one's financial capacity and strength should be clearly stated at the beginning of the PPP-cooperation. By doing so, it becomes clear for all parties involved how many risks or deficits a party can bear. Furthermore, private parties usually use financial years, thereby excluding the possibility to compensate between profitable and unprofitable years. However, within a joint venture, parties can agree upon using compensation between years, rather than using fiscal or financial years.

Esveld subsequently elaborated on the importance of expectation management. Monitoring is important so that expectation can be adjusted, both regarding the parties involved in the PPP, as well as stakeholders outside of the PPP. According to Esveld, it may be wise to slightly downsize expectations instead of aiming for profit maximisation.

Esveld provided four cases of joint venture PPPs which existed between 2008 and the end of 2014. One of them was able to secure a cooperative continuity during the crises, namely the Hoog Dalem project in Gorinchem. Three cases ceased their cooperation, which were the Schuytgraaf project in Arnhem, the Waalsprong project in Nijmegen and the Meerstad project in Groningen. Table 14 provides an overview of the interview's findings with ir. P. Esveld.

Table 14

Overview of the data derived from the interview with ir. P. Esveld of Akro Consult with respect to the four themes.

| Theme | Answers provided by the expert |
|--------------|---|
| 1 | PPP-practice is never easy. Markets and politics are likely to change during the long timespan of spatial development. |
| 2 | A successful PPP delivers within agreed upon financial and qualitative frameworks. Expectations are managed regarding the actual development. |
| 3 | Contractual flexibility in order to cope with changing conditions. Clarity is needed regarding performance and objectives. How these are ultimately realised, is part of the flexibility. Predominance of a party should be avoided, and monitoring is crucially important. Short-term development must take place within a long-term vision, and this should be monitored as well. Problem communication is important and should not be postponed. Clarity regarding one's financial capacity and strength and expectations should be managed. |
| 4 | Hoog Dalem (Gorinchem), Schuytgraaf (Arnhem), Waalsprong (Nijmegen) and Meerstad (Groningen). |

6.3 Interview Peter van Bosse MSc MRICS, Fakton

The interview with Peter van Bosse MSc MRICS took place the 28th of May 2018. Van Bosse focussed primarily on the financial aspects of PPPs during the interview. He emphasised the characteristic of spatial development that revenues are being made at the later stages of the development, whereas expenses are being made in the earlier stages, e.g., regarding site preparation and land servicing. Based on residual counting, the market value of the developed plots is connected to the value of the land itself. The financial and economic crises caused the market values to drop, which means that costs could not as easily be recovered since the land price was estimated at economically preferable times. There exist several options to cope with these diminished revenues, such as increasing the number of dwellings within the area or developing less public facilities. Furthermore, increasing the timespan of the development could be convenient as well, since cost fluctuations can be compensated considering that money devaluates over time.

Van Bosse mentioned that joint venture models for area development were commonly used before the occurrence of the crises. Furthermore, he distinguished three phases of development, namely preparation, execution and completion. Regarding the crises, PPPs were commonly discontinued during the preparation phase. During the execution phase, PPPs continued, and during the completion phase, the PPPs were often dismantled by buying out the public party.

If relations between parties were good, a re-appraisal of the building programme would not often turn out to be problematic, albeit that these reappraisals were not expected. Note that reappraisals are needed in case of lacking flexibility.

According to Van Bosse, a PPP is successful if the cooperation is sustainable regarding objectives, revenue models and public-private relations. The PPP-cooperation should be effective development vehicles, and the crises has shown that, generally, joint venture models are not the most effective model to apply.

Van Bosse characterised an even distribution of costs as a success factor. Loans, for example, were primarily secured by the public party in the practice of joint ventures, since for these parties the interest rates are generally lower. Such finance structure could accrue costs to the

public party, and hence undermine the even distribution of costs. Stemming from this point, public parties must be aware, and should be capable of, fulfilling their private role.

Another important success factor, according to Van Bosse, is flexibility regarding the project's cash flow and regarding the project's turn-over rate. This means that the development must always be able to shift to another development plan of another quality. The flexibility regarding the turn-over rate entails the phasing of the project, i.e., developing incrementally or more plots at one time.

Lastly, Van Bosse emphasised the importance of clarity regarding the joint venture's management mandate, i.e., clarity regarding their room for action. This too entails reporting back to the municipal council at a regular basis.

Due to confidentiality issues, Van Bosse was not able to provide a longlist of joint ventures which existed during the crises. Table 15 provides an overview of the interview's findings with P. van Bosse MSc MRICS.

Table 15

Overview of the data derived from the interview with Peter van Bosse MSc MRICS of Fakton with respect to the four themes.

| Theme | Answers provided by the expert |
|--------------|---|
| 1 | Costs precede the revenues in spatial development. The market value of the developed land is connected to the value of the land itself. Joint ventures were popular before the crises. During the crises, joint ventures in the preparation phase were oftentimes discontinued. However, during the execution phase the generally continued. During completion phases, oftentimes the public party was bought out. If relations between parties were good, then a reappraisal of the building programme followed. |
| 2 | A successful PPP is sustainable regarding objectives, revenue models and public-private relations. The PPP-model should be an effective development vehicle. |
| 3 | Even distribution of costs over the parties involved. Public parties must be aware and capable of fulfilling their private role. Flexibility regarding the project's cash flow and turn-over rate is important. Furthermore, the joint venture's management mandate must be clear and the municipal council should be informed at a regular basis. |
| 4 | - |

7. Establishing a conceptual model

This chapter synthesises the findings of the literature review and the expert's interviews by establishing a conceptual model which aims to reflect the coherence of the retrieved dependent and independent variables, while at the same time, making these variables more explicit so that they, and their interdependent mechanisms captured in hypotheses, can be tested during the case studies.

It can be concluded from the literature review and from the expert-interviews, that the success of a PPP and its success factors cannot be determined unambiguously. Important aspects such as flexibility and clarity have to be further specified, whereas normative concepts such as a PPP's success have to be specified as well in order to construct an analysable conceptual model. This inevitably means that the conceptual model will be an abstraction of reality, thereby simplifying the actual mechanisms between variables. However, this does not mean that such a conceptual model cannot give substantial insight in successful mechanisms leading to a satisfactory and successful PPP-performance during crises.

This chapter is structured around four paragraphs. The first paragraph elaborates on specifying a PPP's success, whereas the second paragraph focusses on the PPP-success factors and their specification. Subsequently, the third paragraph will present a conceptual model entailing the relations and mechanisms between the aforesaid success factors and the analysable variables capturing a PPP's success. The last paragraph will postulate hypotheses based on the constructed conceptual model. These hypotheses will be tested during the case studies.

7.1 Specifying a PPP's success

It followed from the literature review that the success of a PPP is generally pragmatically approached by scholars and scientists. This means that the success of PPP should be determined regarding the substratum why a PPP is established in the first place. This entails the sharing process of costs, benefits, risks and guardianship in order to realise spatial development. This cooperation takes place based on an alignment of public and private interests.

The experts' input provided a slightly different perception towards a PPP's success. Although acknowledging the aforementioned characterisation of a PPP's success, the experts added that parties should be enabled to hold each other responsible and that there must be proper communication with the PPP's environment. Furthermore, the effectuated spatial change should be realised within agreed upon financial and qualitative frameworks and should be sustainable regarding parties' objectives, regarding revenue models and public-private relations.

Within this research, the success of a PPP, and particularly a joint venture, is conceptualised by the following variables: sharing of costs, benefits, risks and guardianship, realisation of spatial development and cooperative continuity. An overview of this conceptualisation can be seen in figure number 5.

The sharing process of costs, benefits, risks and guardianship is central to

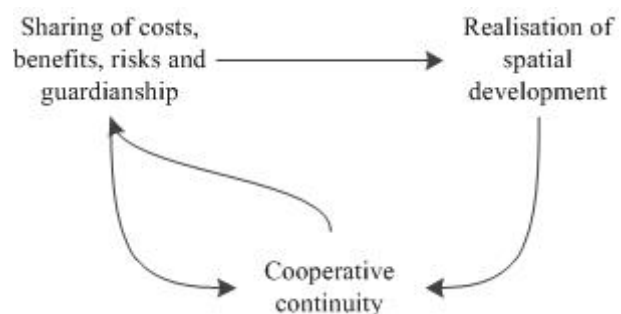


Figure 5 Conceptualisation of the success of a PPP.

successful PPP-practice (Priemus, 2002b; Van den Hof, 2006; Priemus, 2007; Sagalyn, 2007; Edelenbos & Teisman, 2008). This sharing process enables the realisation of spatial development, i.e., the expected synergy and added value which stems from this sharing aspect between public and private parties, amongst other aspects, results in the realisation of spatial development. This realisation of spatial development is considered to be an aspect of successful PPP-cooperation by both the scientific literature – see Van der Meij et al. (2000), Van den Hof (2006), Edelenbos & Teisman (2008), Van der Veen & Korthals Altes (2011a), Van der Veen & Korthals Altes (2011b), Van der Veen & Korthals Altes (2012), Marmolejo-Duarte & Ruiz-Lineros (2013), Zanon & Verones (2013), Jansen (2015), Napoli (2015), Deloitte Real Estate Advisory & Partnerships (2017) and Verweij et al. (2017) – as well as the expert-interviews with M.H.H. van den Hurk, P. Esveld and P. van Bosse, see appendices B, C and D. The sharing aspect of costs, benefits, risks and guardianship which enables and leads to spatial development, is analysable and identifiable since it is agreed upon, e.g., within the joint venture structure, the public party services and prepares the land, whilst the private party develops the buildings, or the joint venture develops the entire plan in total. Furthermore, the aspects of costs, benefits, risks and guardianship are often interrelated, i.e., when these aspects are divided rather than shared, then a party will often be responsible for the risks from a certain development whilst at the same time collecting the accompanying profits from this development.

This sharing element within the joint venture PPP enables the spatial development. Especially when private parties have acquired land positions, PPPs can serve as an effective development vehicle. The conceptualisation that spatial development stems from the sharing process of the aforementioned costs, benefits, risks and guardianship between public and private parties is an important feature of public-private development. When this sharing process does not take place, then the development is either public or private.

Furthermore, there has to be a cooperative continuity between the public and private party within a successful PPP, otherwise the cooperation ceases and then there will not be a matter of public-private cooperation. This stance was particularly supported by expert P. van Bosse of Fakton. The individual public and private considerations regarding the cooperative continuity, i.e., the alignment between the cooperation structure of the joint venture and the ultimate development on the one hand, and the individual public and private objectives and interests on the other hand, are not included within the conceptualisation since they are difficult to analyse by identifiable factors.

Clearly, this conceptual notion of a PPP's success is a significant abstraction and simplification of the difficult and normative concept of success. In accordance with the scientific literature, this conceptualisation takes on a pragmatic stance towards a PPP's success, i.e., it is tailored towards achievement of spatial objectives. Due to the conceptual model's significant abstraction and simplification of a PPP's success, one could argue that the model essentially represents the basic performance of a joint venture PPP, rather than a particularly successful cooperation. One might ask, then, where the success is represented within this conceptual model, and question whether or not the abstraction has gone too far. After all, 'success' often has a connotation which entails 'some added value', or 'something extra', not just a basic performance. However, given the severity of the financial and economic crises, just a basic PPP performance could be considered to be successful. As mentioned by Peter van Bosse of Fakton, potentially no PPP survived the crises without any problems, see Appendix D.

7.2 Specifying PPP-success factors

The literature review and the expert-interviews showed that there exists a wide variety of PPP-success factors. As described during the literature review, flexibility and clarity are important success factors regarding a PPP's performance. This too, was underscored by the expert-interviews.

Flexibility entails the ability to adapt to changing market conditions, given the impact of the crises. As mentioned by Patrick Esveld of Akro Consult, there are a lot of options to deal with changing circumstances, see Appendix C. For this reason, flexibility is further specified into two important factors, namely flexible building programmes, as well as a flexible phasing. These two factors stem from both the literature review – see e.g., Bavay (1997), Sagalyn (2007), Van der Veen & Korthals Altes (2011b), Van der Veen & Korthals Altes (2012), Jansen (2015) and Deloitte Real Estate Advisory & Partnerships (2017) –, as well as the expert-interviews – see appendices B, C and D – and are analysable and identifiable through the existence of possibilities to shift between development plans and flexible turn-over rates respectively.

The aspect of clarity can be applied to a wide variety of aspects regarding spatial development by the means of joint venture PPPs and PPPs in general. Once again, the aspect of clarity is further specified into two factors. Especially from the literature review's findings, clarity regarding private actors' performance and the requirements of the spatial product appears to be of significant importance, see e.g., Priemus (2002b), Van den Hof (2006), Edelenbos & Teisman (2008) and Gozalvo Zamorano & Muñoz Gielen (2017). By providing sufficient clarity regarding the requirements of the spatial product and regarding what is expected from the involved private partners, these private parties are enabled and motivated to develop by providing an image or vision about what could be, see Hopkins (2001). As underscored by Patrick Esveld – see Appendix C –, Guttenberg (1993) and Hopkins (2001), these requirements and actor's performance do not signify a specific course of action, thereby providing some amount of flexibility regarding how the spatial goals are eventually realised.

The second specification regarding the aspect of clarity, is clarity regarding actors' financial positions. As emphasised by Patrick Esveld, see Appendix C, clarity is important concerning parties' financial strength and capacity, whilst Van der Veen & Korthals Altes (2011a) and Deloitte Real Estate Advisory & Partnerships (2017) underline the importance of financial guarantees provided by the involved parties which show parties' strength to bear financial risks. The involved actors' financial positions are likely to change over time, especially during crises, and therefore need to be monitored over time. Providing clarity, then, regarding actors' financial positions, is an important element of communication between public and private parties involved in the joint venture PPP. Peter van Bosse underlined this aspect of communication as well in relation to the municipal council, see Appendix D. Table number 16 provides an overview of the conceptualised success factors and how they can be identified and analysed.

Table 16

Overview of the specified success factors.

| Success factor | Identifiable through |
|---|--------------------------------------|
| Flexibility regarding phasing | Flexible turn-over rate |
| Flexibility regarding building programme | Possibilities to shift between plans |
| Clarity regarding project's and actors' performance | Performance standards |
| Clarity regarding actors' financial position | Financial guarantees |

This conceptualisation and specification of a PPP’s success factors is clearly a simplification and abstraction of reality, just like the previously mentioned conceptualisation of a PPP’s success. The literature review and the expert-interviews have shown that there exist a wide variety of factors affecting a PPP’s success, furthermore, each development is likely to have its own locally determined success factors. However, the defined success factors of flexibility and clarity were derived from the scientific corpus of literature, and were subsequently further specified through the same literature and the expert-interviews. Therefore, it is likely that the specified success factors do have an effect on a PPP’s success, however it is impossible to capture all applicable success factors within a conceptualisation.

7.3 Arranging a conceptual model

This paragraph describes the coherence between the factors capturing a PPP’s success and the derived success factors. By doing so, the mechanisms between these factors are explained which gives insight in successful joint venture PPP-practice, especially during the financial and economic crises. Figure number 6 below, represents an overview of a conceptual model entailing both the conceptualisation of a PPP’s success as well as its success factors.

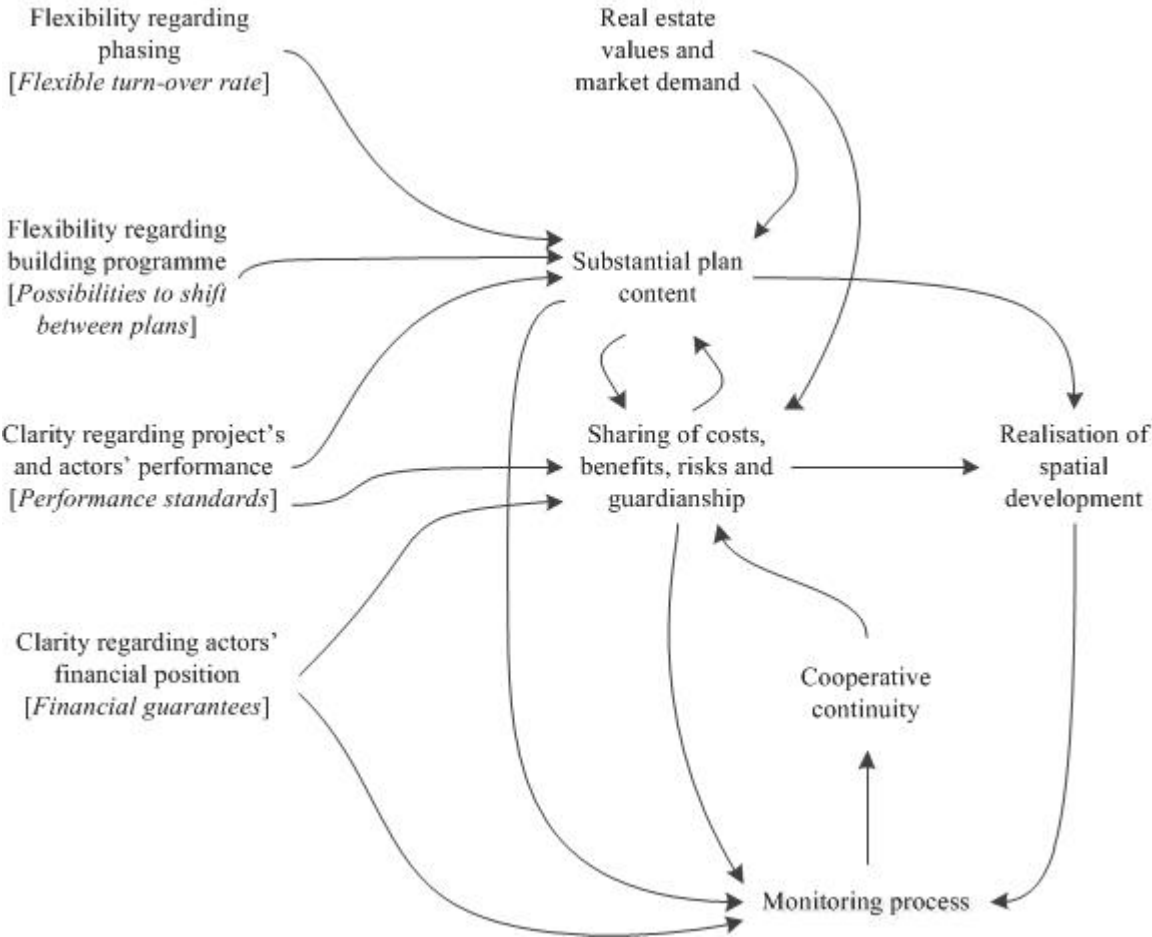


Figure 6 Conceptual model visualising success factors influencing the successful performance of a joint venture PPP.

As discussed in paragraph 7.1, the sharing process of costs, benefits, risks and guardianship enables the realisation of spatial development. Herein consists the added value of PPP and the synergy between public and private parties, namely that through public-private cooperation spatial development gets realised. The progress and substance of the spatial development, as well as the contractual structure whereby the spatial development gets realised, i.e., the sharing of costs, benefits, risks and guardianship, have an effect on the cooperative continuity of the joint venture. The variable *cooperative continuity* entails the individual public or private considerations regarding the performance of the PPP and its alignment with the involved parties' objectives and interests, as discussed in paragraph 7.1.

The substantial plan content and the sharing of costs, benefits, risks and guardianship have a mutual effect on each other. The substantial plan content ought to be realised through the sharing of costs, benefits, risks and guardianship. Therefore, these two variables need to be aligned. Consequently, the substantial plan content should also be taken into consideration with respect to the cooperative continuity, just like the sharing process of costs, benefits, risks and guardianship.

The variable *real estate values and market demand* is added to the conceptual model. This variable has not been discussed before within this chapter. This variable is crucially important, especially within a context driven by a financial and economic crises. As mentioned by Patrick Esveld and Peter van Bosse – see appendices C and D – spatial quality is affordable when markets are going upwards. However, when real estate values drop and when market demand diminishes, the substantial spatial plans and oftentimes the mutual contractual relationship as well, should change accordingly in order to keep the development feasible. Note that this change is often not the case when markets are going upwards, since then, problems regarding profitability and turnover are not likely to occur. Once again, whether or not this change is in alignment with actors' individual interests and objectives has to be individually determined by the actors involved and will result in cooperative continuity or discontinuity.

This ability to adapt to market changes is represented by the specified success factors of a flexible phasing and a flexible building programme. This flexibility can be deployed in order to alter the 'spatial solution' so a certain spatial need. This spatial need is an unstructured problem, which means that there is no unequivocal substantive solution to it due to the dynamics regarding market conditions and interests over time (De Bruijn et al., 2010). So, a stipulated spatial plan and building programme with an accompanying PPP-contract today, might be obsolete at a later date within the timespan of spatial development. De Bruijn et al. (2010) therefore argue that a continuous process is needed in order to align – in this case – spatial needs and substantial solutions in accordance with actors' interests and objectives. This conceptual model in figure number 6, represents this mechanism by the relations from the variables *flexibility regarding phasing* and *flexibility regarding building programme* to the variable *substantial plan content*.

The fact that the substantial plan content should be flexible, does not mean that the plan is ambiguous or unclear. In fact, clarity regarding the spatial project's performance is important to enable private actors to develop, as mentioned earlier. Another important variable is *clarity regarding actors' financial position*, see the expert-interview with Patrick Esveld in Appendix C. At the start of the cooperation process, parties should provide clarity regarding their financial position and should provide guarantees proving that the parties can bear the financial risk. However, as circumstances change over time, actors' financial positions should be monitored and communicated within the joint venture and will hence affect the cooperative continuity. As mentioned by Patrick Esveld, waiting too long before communicating problems may result in an irreconcilable gap between public and private parties' interests.

7.4 Postulating hypotheses

Based on the proposed conceptual model, this paragraph will postulate hypotheses which will be tested during the case studies. The hypotheses will describe successful mechanisms for PPP-practice by the means of joint ventures.

7.4.1 First hypothesis: flexibility of the building programme

The first hypothesis reads as follows:

A flexible building programme, in the sense of the possibility to shift between development plans with different spatial qualities, helps to ensure cooperative continuity by altering the building programme according to changes in real estate values and market demand.

This hypothesis is visualised by figure number 7 below. The financial and economic crises led to decreased real estate values and market demand, thereby making the initially stipulated development plan and accompanying building programme potentially obsolete, unprofitable and non-effective. A flexible building programme, then, could adjust the spatial development to the appropriate real estate values and market demand, in accordance with the objectives and interests of the parties involved. This mechanism acknowledges that any spatial need is an unstructured problem and that a predefined solution will not be the most effective response to it. This mechanism, therefore, fits within a process management approach (De Bruijn et al., 2010).

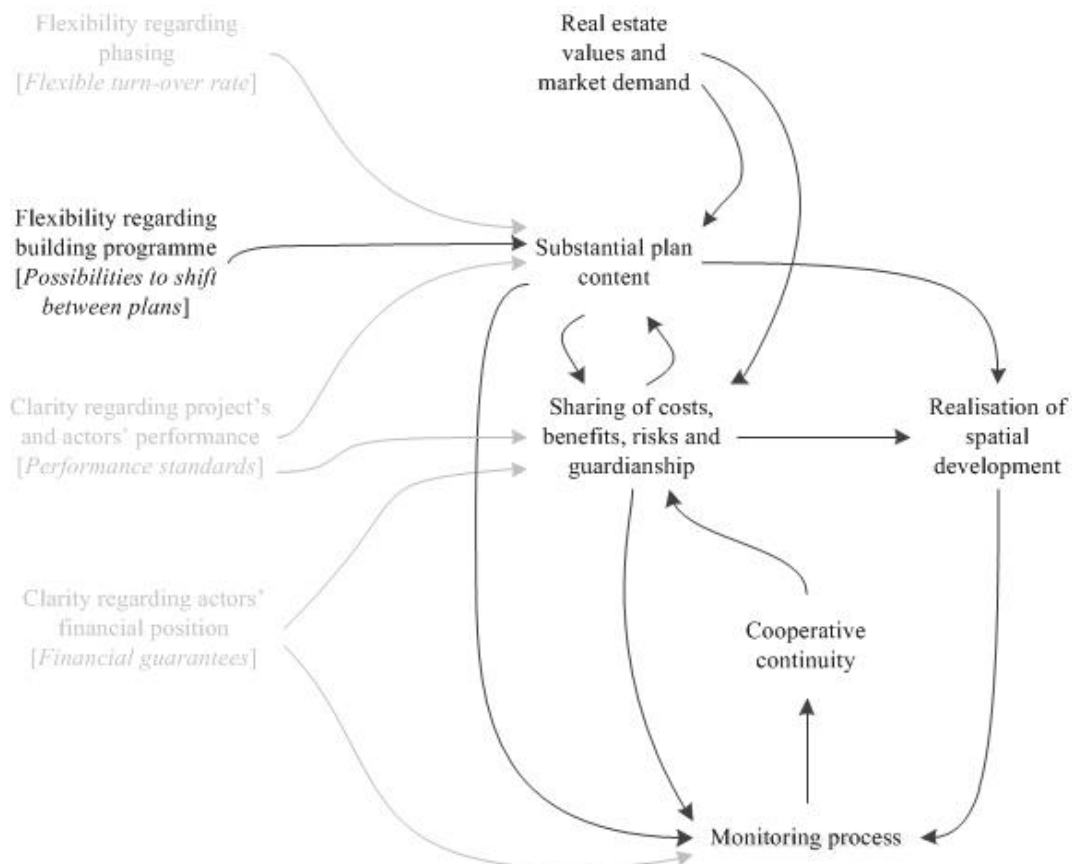


Figure 7 Conceptual model representing a successful joint venture PPP-cooperation during crises. The highlighted mechanisms visualise the effect of a flexible building programme.

7.4.2 Second hypothesis: flexible phasing

The second hypothesis reads as follows:

A flexible phasing, in the sense of decreasing the turn-over rate during times of crises and increasing the turn-over rate in more prosperous times, helps to ensure cooperative continuity by aligning the spatial realisation with market demand.

Figure 8 below visualises this hypothesis. It is argued that, given a negative change in real estate values and market demand, adjusting the turn-over rate of the spatial project ensures cooperative continuity. Delaying less profitable or even unprofitable production is favourable regarding the project’s net present value. This mechanism too fits within a process management approach as argued by De Bruijn et al. (2010), since it acknowledges the dynamics which can occur over the long timespan of spatial development. However, it is important to include a monitoring mechanism in order to avoid postponing problems to the future to such an extent that they cannot be solved since then, room for further adjusting is usually lacking. As emphasised by Patrick Esveld, see Appendix C, both the long-term, as well as the short-term development must be jointly considered.

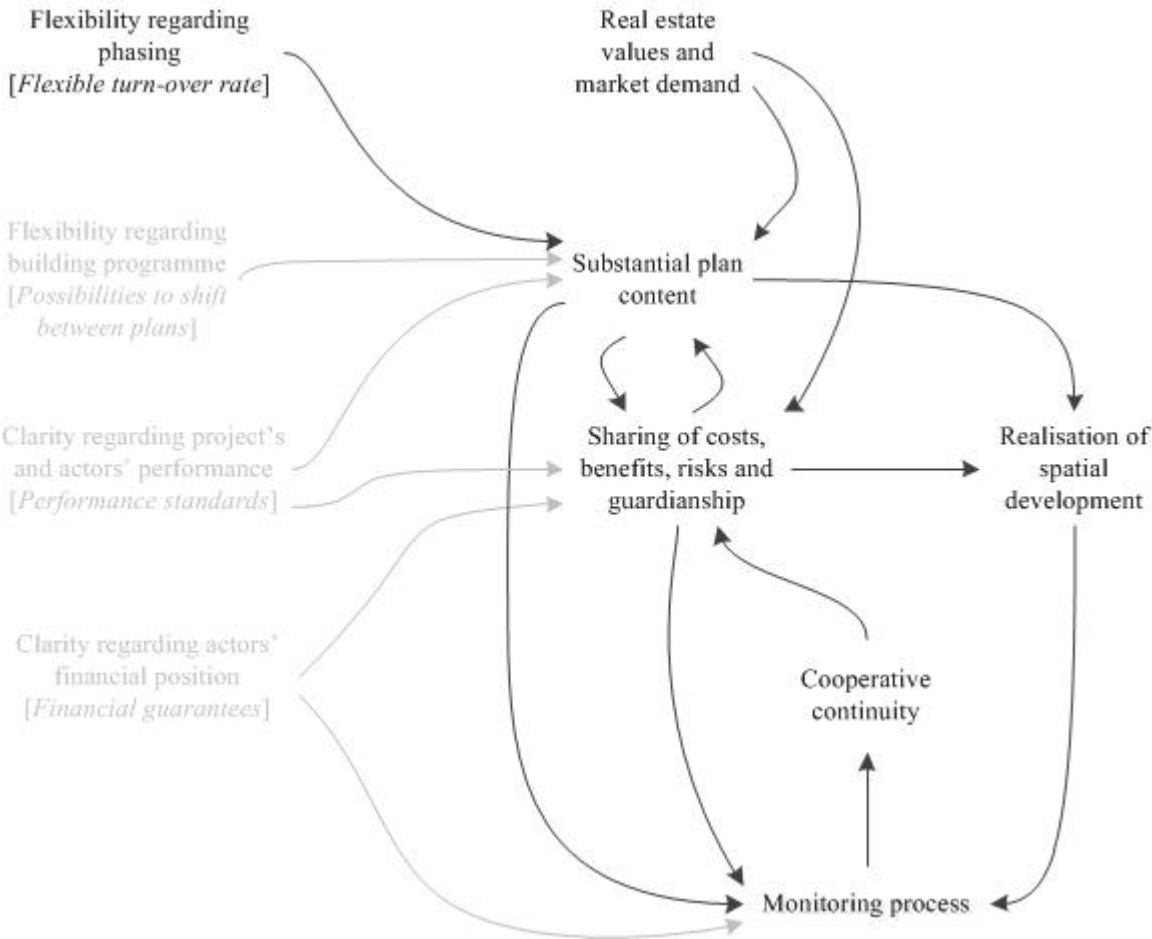


Figure 8 Conceptual model representing a successful joint venture PPP-cooperation during crises. The highlighted mechanisms visualise the effect of a flexible development phasing.

7.4.3 Third hypothesis: clear project and actor performances

The third hypothesis reads as follows:

Clarity regarding the project's and actors' performance, enables private parties to develop in accordance with the public interest, thereby aligning public and private interests which ensures cooperative continuity.

Figure 9, which can be found beneath, visualises this hypothesis. As mentioned before, it is argued that a clear project plan, which outlines clear performances, can enable and motivate actors to develop by providing 'an image of what could be' as elaborated by Hopkins (2001). At the same time, clarity regarding actors' performance makes it clear what is expected from the involved private parties regarding the development. Thereby providing room, demarcation, and potentially direction to the solution space for the spatial need (De Bruijn et al., 2010).

This clarity, especially concerning the project's performance, does not necessarily limit the flexibility of the substantive content of the spatial plan. In fact, clarity regarding the project performance fosters flexibility since a specific course of action is not specified. How, ultimately, these performance will be realised is hence flexible, see the interview with Patrick Esveld in Appendix C, Guttenberg (1993) and Hopkins (2001).

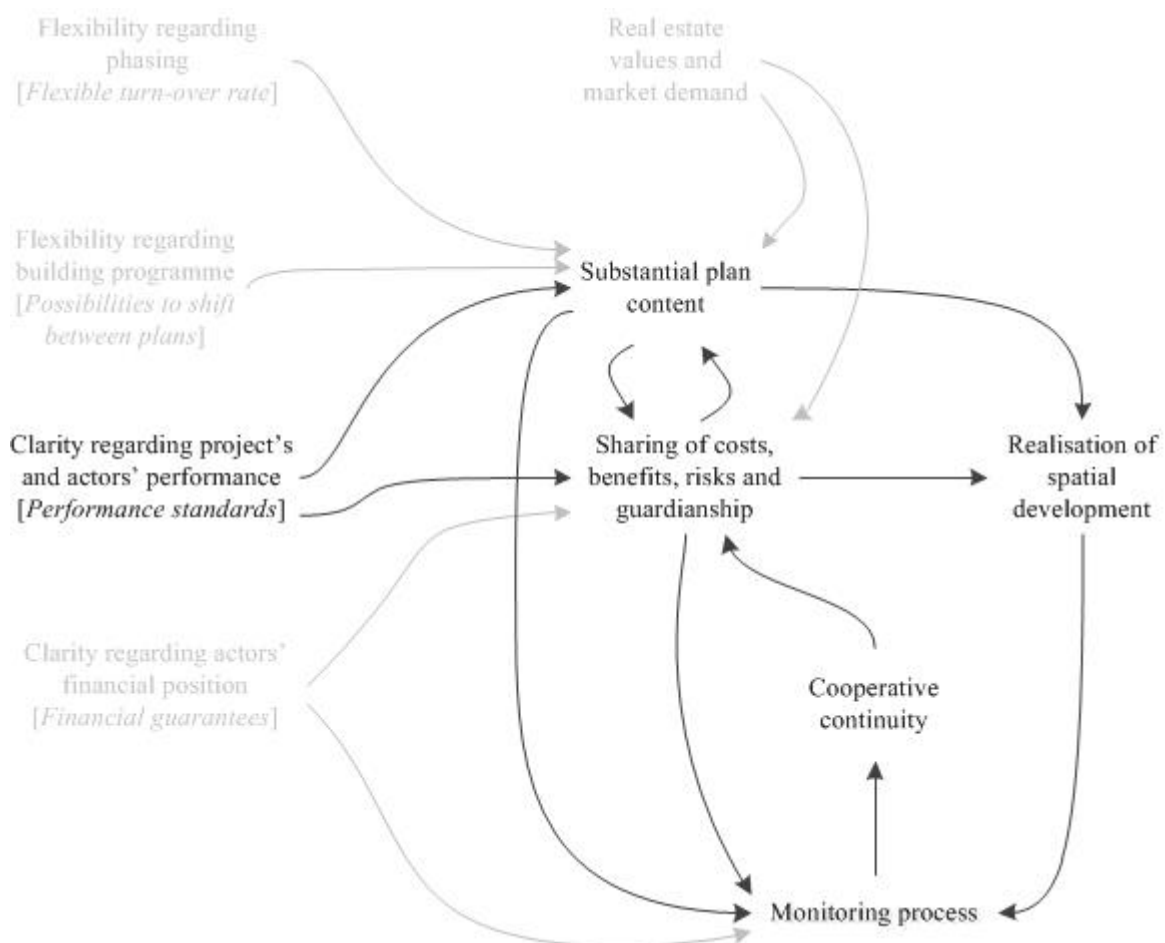


Figure 9 Conceptual model representing a successful joint venture PPP-cooperation during crises. The highlighted mechanisms visualise the effect of a clear project and actor performance.

7.4.4 Fourth hypothesis: clear financial positions

The fourth hypothesis reads as follows:

Clarity regarding actors' financial positions, and altering the contractual structure of the joint venture PPP accordingly, protects private parties' main interest – i.e., profitable development – thereby ensuring cooperative continuity.

Figure 10, which is shown below, visualises this hypothesis. If actors' financial positions are clear, then the sharing process of costs, benefits, risks and guardianship can be structured accordingly. By doing so, it becomes clear for the actors involved, what kind of risks parties can bear during the development process. It is argued that communications concerning actors' financial positions – both internally within the joint venture, as well as from the joint venture towards its environment – must continue over time, since these positions are likely to change over the timespan of spatial development, especially given the occurrence of the economic and financial crises. It is argued that, if needed, the mechanism of altering the contractual structure of the joint venture according to these financial positions, helps to ensure cooperative continuity.

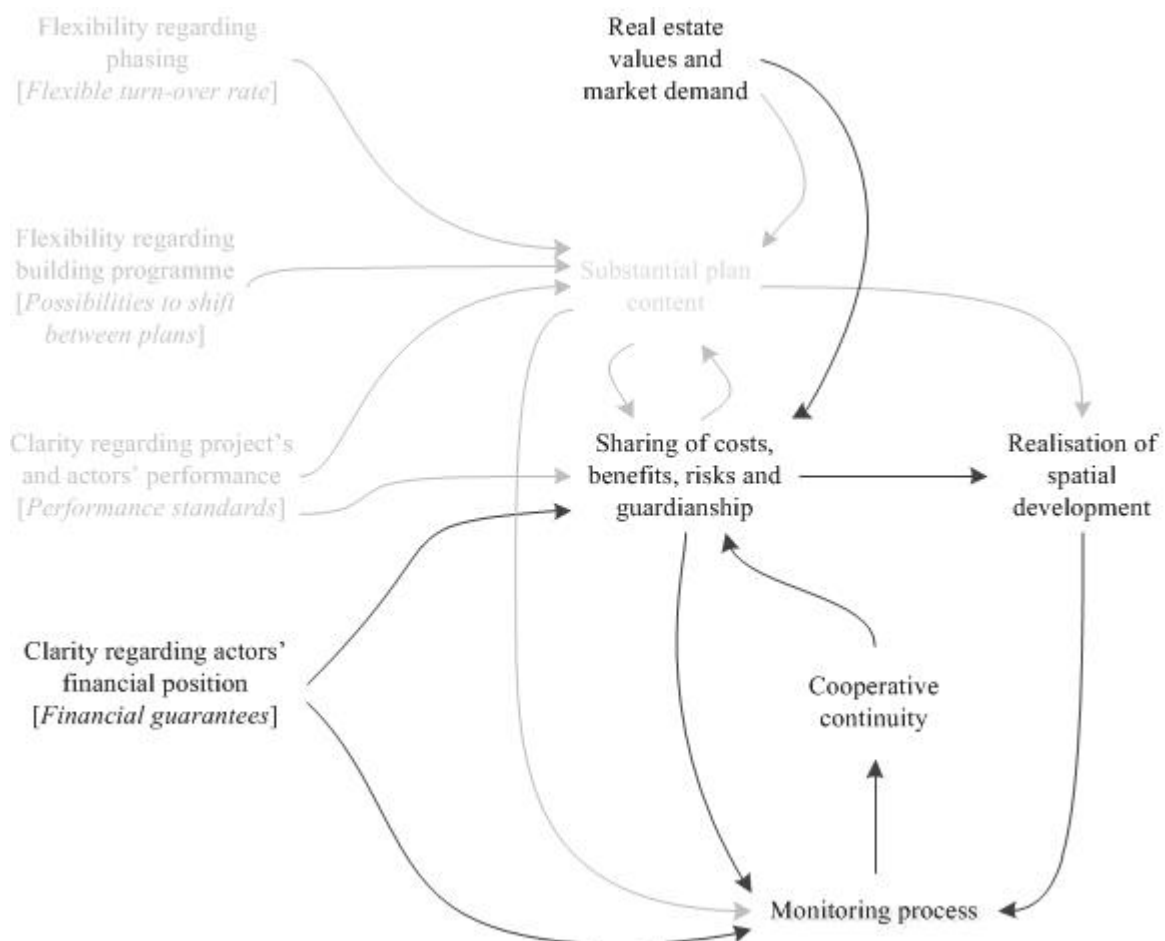


Figure 10 Conceptual model representing a successful joint venture PPP-cooperation during crises. The highlighted mechanisms visualise the effect of a clarity regarding actors' financial position.

7.4.5 Fifth hypothesis: a continuous monitoring process

The fifth hypothesis reads as follows:

A continuous monitoring process regarding market developments, substantial plan content, the contractual structure of the joint venture PPP and the actual spatial delivery, helps to align actors' interests and actions with the dynamic reality of spatial development, thereby ensuring cooperative continuity.

Figure 11, which can be found beneath, visualises the abovementioned hypothesis. This monitoring process entails all the relevant aspects and cooperation structures between public and private parties, alongside external effects, i.e., changes in real estate values and market demand due to a crisis. The monitoring process is a form of process management which acknowledges that spatial development tries to provide an answer to an unstructured spatial need, see De Bruijn et al. (2010). At the same time, this monitoring process enables for a process in which actors' dynamic interests get aligned with each other, as well as with the dynamic market reality.

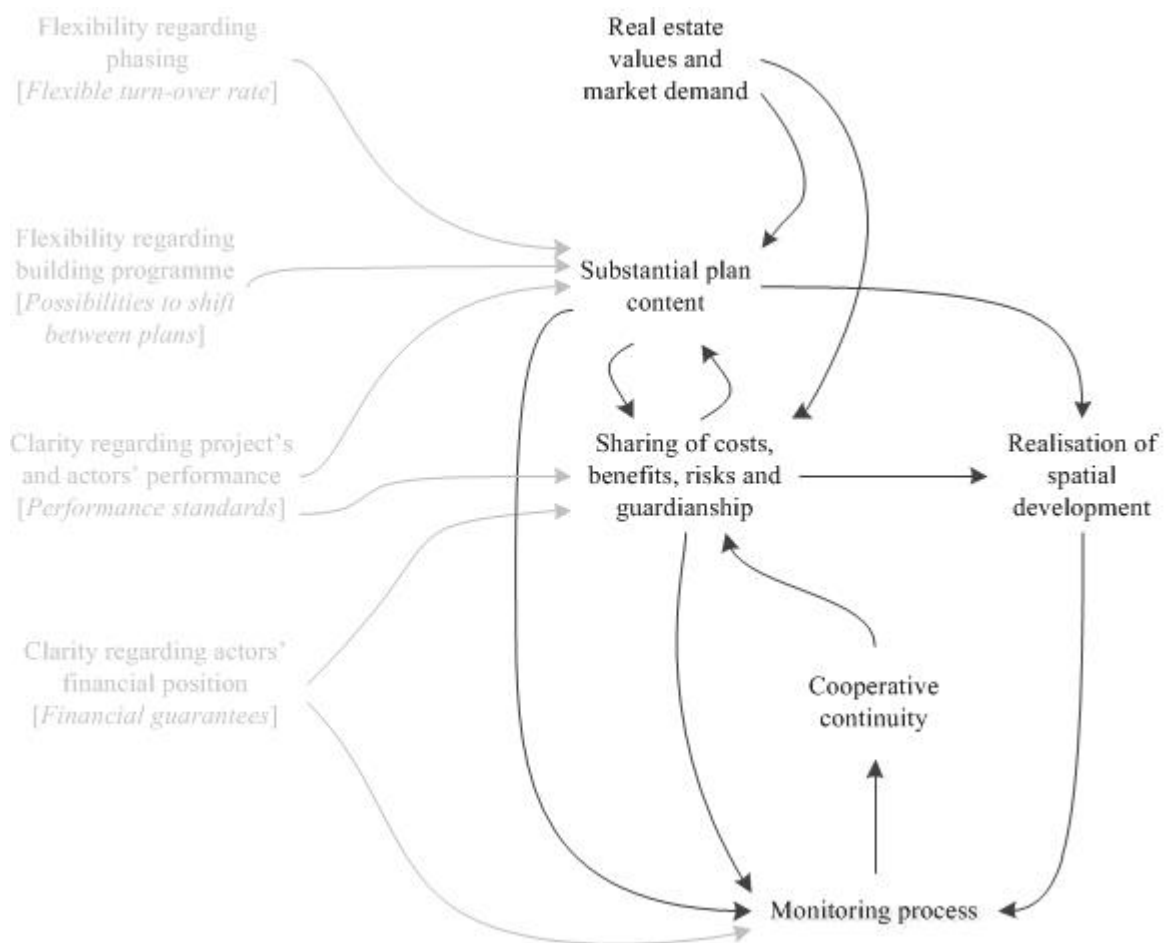
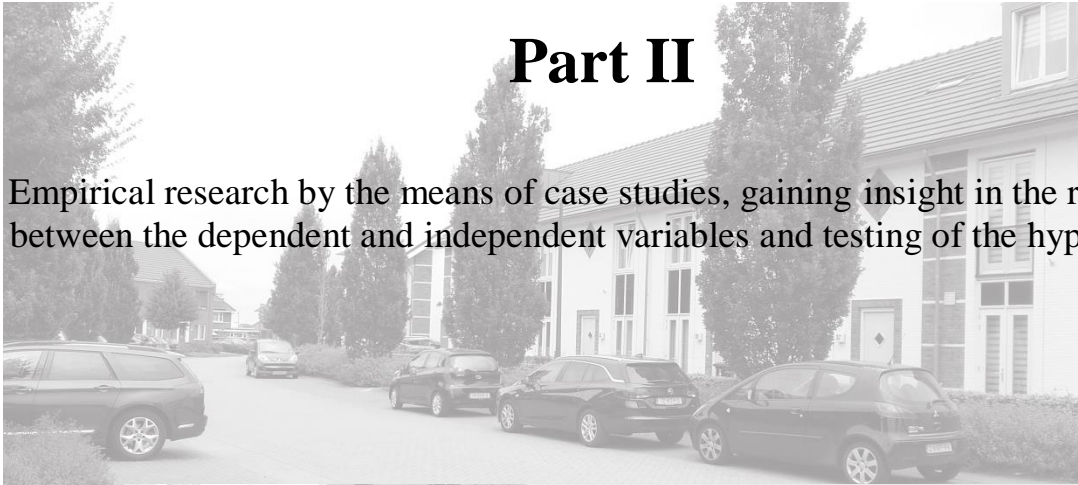


Figure 11 Conceptual model representing a successful joint venture PPP-cooperation during crises. The highlighted mechanisms visualise the monitoring process within a PPP.

Part II

Empirical research by the means of case studies, gaining insight in the relations between the dependent and independent variables and testing of the hypotheses



8. Empirical research of joint ventures for area development

By this chapter, the empirical research starts off in order to test, and possibly enrich the conceptual model as discussed in the previous chapter. This particular chapter aims to clarify the empirical research in itself in paragraph 8.1. Subsequently, paragraph 8.2 will elaborate on the structure of the case studies, i.e., the questions and themes of the case study interviews. Finally, paragraph 8.3 will present the selected cases.

8.1 Empirical research description

The previous chapters provided information regarding PPPs and their performance. This information has been translated into a conceptual model which aims to visualise and conceptualise a PPP's functioning during times of crises. Based on this model, hypotheses were stated. By researching these hypotheses, then, the validity of the conceptual model can be tested.

Investigating these hypotheses is the core of the empirical research. This empirical core consists of semi-structured interviews with key players from joint ventures for area development during the financial and economic crises, as well as desk research regarding written material. These key players come from both the public as well as the private side of the joint venture. By doing so, both the public as well as the private perceptions are included within the research. Furthermore, both successful joint ventures, i.e., joint ventures which survived the crises and safeguarded the cooperative continuity between the parties involved, as well as unsuccessful joint ventures, i.e., joint ventures which were unable to ensure a cooperate continuity, are included within the research. By doing so, a robust comparison can be made between successful and unsuccessful PPP-performance in times of crises, which contributes to the validity argumentation of the conceptual model.

The semi-structured interviews with key players from the joint ventures, were structured around the five hypotheses. These hypotheses have been elaborated in several questions or themes in order to structure and guide the interviews. However, in line with the nature of semi-structured interviews, the respondents were able to deviate from these questions, allowing them to provide information which goes beyond the limited coverage of the questions. Paragraph 8.2 will elaborate on these questions.

In addition to the semi-structured interviews, written sources such as local newspapers as well as municipal documents were used to retrieve information as well.

8.2 Formulating questions

As stated in the previous paragraph, the semi-structured interviews were guided by the five hypotheses. These hypotheses have been further elaborated so that the respondents were guided to the essence of the hypotheses. This allows to effectively derive information from the respondents by the means of the so called targeted sub-questions.

As previously mentioned, the hypotheses formes the basic structure of the semi-structured interviews. By doing so, every hypothesis will be treated during the interviews. The elaboration of the hypotheses serves to further guide the interview towards important aspects of the hypotheses. For example, wheter or not there was a matter of flexibility in the first place, either regarding the building programmes or the development's phasing. Which parties were involved, how processes went, what factors influenced these processes and so on.

Appendix E provides an overview of the structure of the semi-structured interviews, as well as the accompanying elaborated hypotheses and sub-questions.

8.3 Case selection

The experts were asked during the expert-interviews, to provide a longlist of joint venture PPPs which delivered between 2008 and 2014. This did not yield a particularly long list. Therefore, it was omitted to return to the experts in order to reassess the longlist in order to find the cases which would accrue to most variance regarding the presented conceptual model and accompanying hypotheses. Rather, considering the limited size of the longlist, a selection of three cases has been made based on the availability of respondents as well as their relative proximity to one another. The latter was chosen based on feasibility regarding travel times. Eventually, the development projects of Hoog Dalem in Gorinchem, the Spoorzone 013 in Tilburg and the Schieveste in Schiedam were selected in order to be researched.

Three cases were selected in order to provide sufficient in-depth insights, whilst at the same time, the set of three cases allows to formulate general conclusions and recommendations for the entire population of joint venture PPPs. In that respect it is worthwhile to underline the nature of the case study approach, namely to address descriptive and explanatory questions in a holistic and in-depth manner (Yin, 2014; Harrison et al., 2017). Hence, the case study approach does not aim to quantitatively find statistically relevant variables, relations or hypotheses, rather, it aims to give a robust qualitative insight.

9. Hoog Dalem area development, Gorinchem

This chapter provides the case study of the Hoog Dalem project within the municipality of Gorinchem. Paragraph 9.1 will briefly describe the case after which paragraph 9.2 will elaborate on the case analysis, which is based on interviews with Respondent A and Respondent B of the municipality and AM Real Estate Development respectively. Furthermore, written material will be analysed as well. Finally, paragraph 9.3 will conclude the case analysis of Hoog Dalem.

9.1 Case description

The public-private development of Hoog Dalem fits within a long-term history of public-private cooperation between the municipality of Gorinchem and the predecessors of the developer AM and with developer Heijmans. These cooperations took on several forms ever since 1985. For the development of Hoog Dalem, which started at the end of 2004, the municipality of Gorinchem entered into a commandite company (*commanditaire vennootschap, cv*) together with AM and Heijmans, called the cv Hoog Dalem. The shareholding of the cv Hoog Dalem is in accordance with Dutch law, meaning that the municipality participates for 50 percent, and the market parties for the other remaining 50 percent. AM and Heijmans together entered into a general partnership (*vennootschap onder firma, VOF*), called the VOF Ooster-Linge. The cv Hoog Dalem is responsible for the land exploitation whereas the VOF Ooster-Linge develops, and subsequently, exploits the buildings. Up until this date, the cv Hoog Dalem is in action.

Initially, approximately $\frac{2}{3}$ of the area was owned by AM and Heijmans and $\frac{1}{4}$ by a local farmer, leaving a $\frac{1}{12}$ share of the area in public ownership. Eventually, the local farmer was expropriated of his land ownership since this farmer could not develop his land in accordance with the public wishes and demands. The municipality acquired all the land in the area and brought it in into the cv Hoog Dalem. The development site covers roughly 100 hectares upon which, amongst other facilities, 1400 dwellings, a shopping centre and schools will be developed. Hoog Dalem is situated at the eastern side of the city of Gorinchem and can be considered to be a greenfield development project.

9.2 Case analysis

The case analysis of Hoog Dalem is structured by the hypotheses stipulated in chapter 7. Through the case studies, it can be tested whether or not the hypotheses can be supported or not. Hence, the validity of the conceptual model – which aims to capture the notion of successful PPP-performance in times of crises – can be tested. Furthermore, additional information can be retrieved which enrich the conceptual model subsequently. The case study of Hoog Dalem consists of an interview with Respondent A of the municipality of Gorinchem and Respondent B of AM Real Estate Development. Besides, written material is analysed as well, such as publicly available municipal documents and articles from local newspapers.



Figure 12 Visualisation of the development of Hoog Dalem (Echt Hoog Dalem, n.d.). The development is divided into three parts. The southern part is called 'De Donken' and is mostly developed and delivered. The northern part is once again divided in two parts. The section 'Centrum Hoog Dalem' is realised, whereas section 'De Eilanden' currently being developed. The middle part called 'Het Lint' is not realised yet.

9.2.1 Interview Respondent A, municipality of Gorinchem

On the 9th of July 2018, a semi-structured interview took place with Respondent A of the municipality of Gorinchem. Respondent A is part of the board of managers of the cv Hoog Dalem. Appendix F provides an elaborate overview of the interview with Respondent A.

Flexibility of the building programmes

Firstly, the semi-structured interview focussed on the flexibility of the building programmes and their effect on the cooperative continuity between the municipality of Gorinchem and the VOF Ooster-Linge. Respondent A stated that the initially drafted building programme was indeed changed during the crises. Originally, 30 percent of the developed dwellings was planned to be social housing. However, this significant part of the building programme was cancelled due to the new Housing Act and due to a surplus of the social housing stock in Gorinchem. The new Housing Act considerably limited the investment capacities of housing associations. Respondent A emphasised that this cancellation of the social housing development contributed significantly to the feasibility of the entire project. Based on market research, a new building programme was drafted. This new building programme was basically an extension of the initial building programme, i.e., the space which became available due to the cancellation of the social housing development got filled in by the substantial content of the initial plan. Furthermore, some private rental dwellings were introduced as well, according to Respondent A. The VOF Ooster-Linge did not protest the changes of the

building programme, after all, the development of social housing weighs heavily on the feasibility of any project. Respondent A emphasised that the changes of the building programme were prepared by the board of managers of the cv Hoog Dalem, and were eventually affirmed by the general meeting of company members. So, the changes were jointly designed and discussed. This led to high quality decision-making according to Respondent A.

The cv Hoog Dalem did not draft a variety of building programmes with various levels of spatial quality. Several development models were drafted by an urban designer, and eventually, a development model called 'De Linten' was chosen. Subsequently, the spatial quality plan (*beeldkwaliteitsplan*) was based on this development model. As mentioned by Respondent A, the initial building programme was adjusted, rather than a complete change to another building programme. This adjustment did not feel as being an ad hoc decision, in spite of the unexpected reality of the crises, the cancellation of the social housing share, and the lack of alternative building programmes. Respondent A pointed out that the parties within the cv Hoog Dalem agreed upon a declaration of intent in order to realise spatial development in the area. This declaration was the basis for the joint development, together with the shared experience of development cooperation between the parties involved, the development and adjusting process of the building programme went relatively smoothly.

As mentioned by Respondent A, the share of social housing turned out to be an important factor in order to align the building programme to the market developments. Besides, the development has a low building density of fourteen dwellings per hectare. So, the development plans entailed a significant level of spatial quality which could, if necessary, be altered according to the market developments by the means of building densification.

Flexibility of the project's phasing

The interview then switched towards the flexibility of the development project's phasing. The turn-over rate of serviced land was driven by the demand. This was agreed upon within the contractual structure of the PPP. So, the VOF Ooster-Linge was not obliged to acquire a certain amount of serviced land per year. As mentioned by Respondent A, the turn-over rate dropped considerably, even to 40 dwellings per year. This did not result in any friction between the parties involved in the cv Hoog Dalem. Due to lower interest rates, interest charges were lower than previously estimated, just like the estimated costs for civil engineering works. Additionally, the 2010 Crisis and Recovery Act (*Crisis- en herstelwet* in Dutch) allowed for land exploitations to continue for 20 years. All these aspects together, resulted in an effective adaptation to the market changes.

The cv Hoog Dalem was based on a balanced public-private land exploitation. This mutual interest and responsibility led to the involvement of third parties which could develop certain parts of the project if this would be more profitable. This was particularly the case regarding some urban subdivisions. These subdivisions were small functional urban areas. By doing so, even if the turn-over rate lowered, development of complete functional districts could be sustained. Furthermore, according to Respondent A, third parties were very willing to develop alongside AM and Heijmans.

Respondent A stated that speeding up, or temporising the development plays a more important role with respect to detailed planning schemes. The municipality of Gorinchem would rather develop at a slightly slower pace than realising less qualitative development. Aspects like phasing the develop naturally gave rise to discussions between the parties involved in the cv Hoog Dalem. However, as stated by Respondent A, this ultimately contributes to the spatial quality within the area. There will always be a certain amount of tension or friction between public and private parties, especially with respect to the trade-off between the land exploitation and spatial quality. However, these discussions are the added



Figure 13 A characteristic photograph of the development of Hoog Dalem. On the foreground, the undeveloped project part 'Het Lint' can be seen. In the back of the picture, some recently delivered houses of the 'De Eilanden' are visible.

value of PPP-cooperation. Respondent A stated that there was no need for another type of flexibility then regarding the phasing and the building programmes.

Clarity of project's and actors' performances

Subsequently, the interview focussed on the project and actor performances. The quality standards were jointly drafted and affirmed by the municipal council, alongside applicable spatial quality plans and land-use plans. The performances of the developments were at first monitored by a quality assessment team. Later on, the municipal architecture-supervision took on this role. These quality standards were firmly adhered to, thereby ensuring highly qualitative development, according to Respondent A. The VOF Ooster-Linge wanted to change the performance standards at times, but the municipality never agreed. According to Respondent A, there will always be discussions between private and public parties with respect to the spatial quality in the area. However, the development of Hoog Dalem was based upon a robust qualitative basis, due to its urban development plan.

Clarity of actors' financial positions

Then, the interview moved towards the fourth hypothesis, covering the clarity of actors' financial positions. With respect to the cv Hoog Dalem, no specific communication mechanisms were in place in order to communicate actors' financial positions. AM and Heijmans did provide parent company guarantees at the start of the cooperation. Respondent A brought up that media communications and informal personal communications play an important role regarding the clarity of actors' financial positions.

Due to the cv-construction of the cooperation at Hoog Dalem, the shares of risk were fixed, especially with respect to the share of the involved public party. The VOF Ooster-Linge, being the combined private party of the PPP, could have altered its internal risk division between AM and Heijmans. However, this was not necessary, even though the financial position of Heijmans became under significant pressure during the crises. However, as emphasised by Respondent A, parties try to avoid leaving a PPP-cooperation structure because of the difficult process with respect to repaying plan preparation costs as well as benefit estimations and development potentials.

The cv Hoog Dalem provided clarify concerning its financial position to the municipality through closed sessions with the municipal council. Furthermore, accountants audited the cv Hoog Dalem regularly.

The importance of monitoring processes

Finally, the interview elaborated on monitoring processes. Within the cv Hoog Dalem, market consultations were executed at a regular basis. In order to avoid competition of development projects within the municipality, all development projects were monitored as well. Furthermore, the phasing of these development projects was monitored as well, thereby aiming to distribute development projects over time. According to Respondent A, the development of Hoog Dalem had the municipality's priority in order to get realised.

Furthermore, market developments were monitored as well at a provincial and regional level. This allows to allocate types of development within a region, e.g., urban development in the city of Gorinchem and more rural development at other locations. This too helps to avoid competition between development projects.

Concluding remarks

At the end of the interview, Respondent A emphasised that Gorinchem's real estate demand did not diminish entirely during the financial and economic crises. According to Respondent A, this was due to the economic position, and central function of Gorinchem, and its central location within the region. Furthermore, area development by the means of PPPs, allows to robustly ensure the public interest because of the explicit involvement of the municipality. This generates trust amongst the parties involved, as well as the eventual end-users thereby contributing to the cooperative continuity between parties involved in the PPP. According to Respondent A, this contributed to the successful cooperation of the municipality with AM and Heijmans. Furthermore, the clarity of the cv cooperation structure, as well as safeguarding spatial quality contributed as well.

9.2.2 Interview Respondent B, AM Real Estate Development

On the 15th of august 2018, a semi-structured interview took place with Respondent B, assistant director of AM Real Estate Development and member of the board of managers of the cv Hoog Dalem.

Flexibility of the building programmes

The interview firstly elaborated on the first hypothesis, and the flexibility of the building programmes. Respondent B emphasised that there do not exist scenarios within the contractual structure of the cv Hoog Dalem. Scenarios have their place at the preparation stages of the development, i.e., before a certain urban development plan is chosen. This plan, then, serves as a departure point for the development and entails a certain building programme. This building programme is not specified in detail, i.e., its emphasis is on correspondence with housing needs and demand. The moment at which the spatial product is sold is an important milestone in order to test the correctness of the land exploitation, the building programme and the estimated market demand. Flexibility, then, becomes important if this correctness is not as expected. Respondent B mentioned that this flexibility is formed by the ability to enter into dialogue once again with the parties involved in the PPP. Discussions and conversations take place, rather than regularly reassessing the development's land exploitation. Afterall, the land exploitation covers a long time span which hence entails a significant amount of dynamics.



Figure 14 Recently delivered dwellings in 'De Eilanden' part of Hoog Dalem.

With respect to Hoog Dalem, the development of social housing did not take place. However, the cv Hoog Dalem wanted to ensure a certain amount of affordability in the development project, hence, private rented dwellings were realised. According to Respondent B, this process went smoothly. However, being able to respond to these changes is an important factor for success.

The share of social rented dwellings was part of the contractual starting point. However, due to the endeavours of AM, a private investor was found in order to develop privately rented dwellings. By doing so, the development process could be sustained, which is important in the opinion of Respondent B. So, AM started the discussion and dialogue within the cv Hoog Dalem in order to get the private rented dwellings realised. The parties involved in the cv Hoog Dalem agreed upon the altered land exploitation and building programme. During these processes, parties come more closely together, based on the willingness of meeting shared goals.

As AM has shown by finding a private investor in order to realise some sort of affordability within the area, the flexibility of the building programme – i.e., aligning the development to the market reality – offers an opportunity for the private party involved in a PPP. Besides, finding end-users can be considered an important task for the private party as well.

Flexibility of the project's phasing

Then, the interview moved towards the second hypothesis and hence towards the phasing and turn-over rate of the project. Respondent B underscored that the turn-over rate lowered significantly. At the same time, due to the robustness of the PPP's financing structure by the means of the Bank Nederlandse Gemeenten and the low interest rates, the delayed phasing was not immediately problematic. The phasing was based on a stepwise development by the means of urban subdivisions. This maintains a certain progress within the development project, as stated by Respondent B.

Respondent B emphasised that the lower turn-over rates did not result in any friction within the cv Hoog Dalem. However, there will always be a certain tension between generating turn-over and maintaining a certain land value. Furthermore, adjusting the quality of the spatial products can be a discussable topic as well. According to Respondent B, in

essence, it all comes down to being able to sell a spatial product. And given the occurrence of the financial and economic crises, it was difficult to sell these products.

The crises made the differences between private and public clear. Private parties want to serve the market and its demand, but these are highly dynamic. On the other hand, public parties want to ensure the public interests of spatial development. However, the cv Hoog Dalem – and every PPP – shares a mutual interest, i.e., the realisation of a development project. Therefore, the parties should adhere to the red thread of the development, i.e., the overall picture of what the area is supposed to become. This too can be an important topic of discussion, namely, the search for market demand and target groups and the compatibility with spatial quality principles and the urban development plan for example.

Clarity of project's and actors' performances

The third hypothesis focusses on the clarity of quality standards and performances. The project's quality standards were jointly drafted as mentioned by Respondent B, i.e., by both the VOF Ooster-Linge and the municipality of Gorinchem. According to Respondent B, ensuring the development's alignment with the market reality, is as equally important as ensuring qualitative development. It is important to draft a 'red line' of development which is able to convey and able to capture the ambiance, atmosphere or identity of the development. This red line of development is often captured in the urban development plan or spatial quality plan. However, in the opinion of Respondent B, these documents should not be taken literally, since there are multiple solutions to a spatial need. However, it is key to monitor whether or not the development deviates too much from this 'red line', either financially, qualitatively, or programmatically. At the same time, blueprint development should be avoided.

Clarity of actors' financial positions

The fourth hypothesis focussed on clarity regarding actors' financial positions. Respondent B mentioned that these positions are communicated throughout the development process, but in general terms. Heijmans, for example, experienced difficult times during the financial and economic crises. This explains, then, why Heijmans – as part of the VOF Ooster-Linge – would be more conservative and critical regarding investments in the project.

It is important to note in this respect, the different attitude from municipalities and market parties towards the value of the land exploitation. With respect to the development of Hoog Dalem, there was a probability that the land exploitation would turn out to be negative. Municipalities tend to accept these losses and process them in their municipal budget. However, from a private party's perspective, why should one accept and process a loss which solely exist on paper? Especially when one's financial position is not as favourable as it used to be – as in the case of Heijmans – and when there is sufficient time to recover from potential losses. This different perspective gives rise to discussion, as mentioned by Respondent B.

Respondent B emphasised that leaving a PPP is very costly. However, during the cv Hoog Dalem's shareholder meetings, financial positions were not specifically asked for. This meeting rather emphasised the ability to generate market demand, and the commitment of the private parties involved in the cv Hoog Dalem. Apparently, it is then needed to underline a private party's reliability rather than their financial position.

According to Respondent B, financial positions are too delicate to discuss explicitly. Furthermore, within the board of managers of the cv Hoog Dalem, tangible aspects have to be discussed, and the state of parties' financial positions is often not tangible enough. However, during informal meetings these aspects can be brought up.



Figure 15 Overview of a typical street in the southern part of Hoog Dalem, i.e., in 'De Donken'.

The importance of monitoring processes

Then, the interview elaborated on the final hypothesis and the importance of monitoring processes. With respect to the development of Hoog Dalem, monitoring processes were of importance with respect to the building programme in conjunction with finding end-users. Furthermore, as mentioned by Respondent B, monitoring the actual development of dwelling types within their segments and their relation to the land exploitation and spatial quality framework were important as well. These monitoring processes ensure a certain basic development level, whilst maintaining a continuing realisation. Respondent B emphasised that it is important to monitor the land exploitation, the spatial quality as well as the progress of the development. The meetings of the board of managers often cover these aspects, and try to find each other within this complex context, i.e., the land exploitation, spatial quality and progress of the development, and the interplay between these aspects. Parties find each other in this context, by fulfilling their own role, e.g., Heijmans regarding the limitation of costs, AM regarding balance-seeking, explanation of building development and taking away turbulence within the cooperation. According to Respondent B, the conversation between parties must be sustained, since the development is realised based on shared interests and a shared budget. Parties' roles and expertise should complement each other.

Respondent B emphasised that area development is a dynamic endeavour, hence planned development should be avoided, and explanation is key in order to clarify parties' reasoning and potential issues. Respondent B underlined that parties should find their mutually agreed upon red line of development and each conversation and drafted plan captures some of this red line. Since area development is such a dynamic endeavour, e.g., laws, building techniques and PPP-staffing change over time, this red line must direct the development.

9.2.3 Analysis written material

The publicly available written material does not shed a particularly new light on the information provided by both Respondent A and Respondent B on behalf of the municipality of Gorinchem and AM Real Estate Development respectively.

Several sources specified that the urban master plan, and hence the building programme of the development of Hoog Dalem, changed due to the changed market circumstance and the withdrawal of the housing association Poort 6 (Municipality of Gorinchem, 2014; Hartman, 2015; Heijmans, 2017; Daniels, 2018).

Furthermore, also the lowering of the project's turn-over rate has been the subject of journalistic discourses (Daniels, 2018). Furthermore, Daniels (2018) elaborates on the adjustment of spatial quality standards in order to maintain a decent level of turn-over. However, the spatial quality standards were clear, as Municipality of Gorinchem (2016) underlines. Furthermore, the VOF Ooster-Linge introduced the concept of *wenswonen* (Heijmans, 2016). This concept entails a demand-driven development, tailored towards the market, leading to a diversification of the newly built housing supply in terms of size, quality and design (Heijmans, 2016). This concept of *wenswonen* is an example of the search for generating turn-over, in order to maintain a decent level of realisation as previously stated by Respondent B. Furthermore, there have been a variety of announcements, particularly with respect to the financial position of VOF Ooster-Linge party Heijmans, see, e.g., Keuning (2010).

As stated above, the publicly available written material does not provide additional information regarding the development of Hoog Dalem by the means of the cv Hoog Dalem. Rather, the available written sources reiterated and confirm the information as provided by Respondent A and Respondent B. Given the relatively successful cooperation between the municipality of Gorinchem, AM and Heijmans, there was not a particular need either for an elaborate reflection on the cooperation process. Furthermore, communication by the municipality or the private parties towards the PPP's environment is usually in general terms, since parties are not willing to share inside information, and above all, there is no need to do so.

9.3 Within case analysis

Based on the conducted interviews and the analysed written material, this paragraph concludes the case study of the development of Hoog Dalem by the means of a within case analysis, structured by the hypotheses stipulated in chapter 7.

The first hypothesis reads as follows:

A flexible building programme, in the sense of the possibility to shift between development plans with different spatial qualities, helps to ensure cooperative continuity by altering the building programme according to changes in real estate values and market demand.

In a strict sense, this hypothesis has to be rejected because of the operationalisation of a flexible building programme. With respect to the development of Hoog Dalem, the building programme did change during the crises. However, these changes were not enabled by already

existing development plans with different spatial qualities, i.e., that the change entailed a shift towards another building programme. There did not exist scenarios within the contractual structure of the cv Hoog Dalem. Rather, this flexibility is shaped by the ability to enter into a dialogue and discussion in order to align the building programme to the market reality, i.e., the ability to sustain the process rather than to depend on planned flexibility in a neoclassical manner (Macneil, 1978; Macneil, 1983; Van der Veen & Korthals Altes, 2012: 1057).

An urban development plan, which entails a building programme, should serve as a departure point for spatial development. Flexibility comes into play when a certain misalignment arises between this programmatic departure point and the dynamics of the market. The ability to adjust the building programme – rather than to switch to another building programme – is of crucial importance for a PPPs' success.

With respect to the development of Hoog Dalem, the most important modification of the building programme was the cancellation of the social housing development. This contributed to the feasibility of the development project and a new building programme was drafted based on market research.

It can be concluded that the hypothesis has to be rejected due to the operationalisation of a flexible building programme. However, the case of Hoog Dalem has shown as well that a flexible building programme plays an important role with respect to a PPP's cooperative continuity. This flexibility should not be contractually planned for, but it must be enabled by a continuous process based on a building programme which serves as a departure point. Based on a declaration of intent stating that the cv Hoog Dalem wanted to realise spatial development based on a balanced land exploitation, parties were able to effectuate this flexibility in order to align the actual development with the market reality. Therefore, it is believed that an adjustment of the hypothesis should make the hypothesis more valid.

The second hypothesis is shown below:

A flexible phasing, in the sense of decreasing the turn-over rate during times of crises and increasing the turn-over rate in more prosperous times, helps to ensure cooperative continuity by aligning the spatial realisation with market demand.

The turn-over rate of the development of Hoog Dalem lowered considerably. However, the turn-over rate was driven by market demand, rather than a contractually agreed upon stipulation. The VOF Ooster-Linge was not contractually forced to acquire a certain amount of serviced land from the cv Hoog Dalem. Therefore, the second hypothesis must be rejected.

The lower turn-over rate was not immediately problematic due to low interest rates and low civil engineering costs. A certain turn-over rate could be maintained due to development based on small functional areas, i.e., urban subdivisions or organic development. There is always a tension between generating turn-over on the one hand and spatial quality on the other. The urban master plan provided a robust 'common thread of development' which ensured an overall qualitative framework. This framework provided the boundaries wherein the quest for generating turn-over could take place.

It can be concluded that decreasing the turn-over rate is an important aspect in order to adapt to market changes. However, a certain turn-over rate or several turn-over rate plans were not contractually agreed upon but naturally driven by market demand. Therefore, the hypothesis captures an important aspect regarding ensuring a PPP's cooperative continuity, but this aspect cannot be actively influenced or steered, hence, an adjustment is needed. It is, however,

important to adapt to the changes in market demand, taking into account and ensuring the functionality and spatial quality of the area.

The third hypothesis can be read below:

Clarity regarding the project's and actors' performance, enables private parties to develop in accordance with the public interest, thereby aligning public and private interests which ensures cooperative continuity.

Based on the case study of the development of Hoog Dalem, the third hypothesis can be supported. The project's performances were clear, since the development's quality standards, as well as spatial quality plans and land-use plans were jointly drafted. These standards were firmly adhered to and monitored. Furthermore, these standards contributed to the aforementioned 'common thread of development' and served to convey and capture the development's identity and atmosphere. This performance framework hence allowed some room for flexibility since blueprint development was avoided. But equally so, the development was monitored in order to avoid too much deviation from the performance standards with respect to feasibility, the building programme, or spatial quality.

The actors' performances were directly related to the performances of the project, i.e., the performances of the actors involved had to contribute to the performances of the spatial project. Rather than clear actor performances, parties took on certain roles, e.g., the municipality which focussed on safeguarding spatial quality, and the VOF Ooster-Linge which focuses on cost limitation and finding end-users. These actor performances or roles unfold themselves naturally given the different orientation of private and public parties.

Hence, the third hypothesis can be supported based on the case study of Hoog Dalem. It is important to note in this respect that the actors' performances are generally less tangible compared to the project's performances since the latter focusses on the actual spatial realisation whereas the former emphasises actors' roles which cannot be captured into performance standards. Thus, the operationalisation of actor performances in performance standards may turn out to be ineffective with respect to actors' performances or roles. Nonetheless, their clarity is of importance with respect to the 'common thread of development' and to a PPP's cooperative continuity.

The fourth hypothesis reads as follows:

Clarity regarding actors' financial positions, and altering the contractual structure of the joint venture PPP accordingly, protects private parties' main interest – i.e., profitable development – thereby ensuring cooperative continuity.

Based on the case study of Hoog Dalem, the fourth hypothesis has to be rejected. Clarity was provided regarding actors' financial positions at the start of the cooperation process through parent company guarantees. But from that point onwards, no explicit and open communication mechanisms were in action in order to clarify actors' financial positions throughout the process. Rather, communications through media and informal personal communications may at times give some insight in actors' financial positions in general terms. Financial positions were too delicate to discuss explicitly. The financial position of the

cv Hoog Dalem was clarified through closed sessions with the municipal council of Gorinchem.

The cooperation of the municipality of Gorinchem and the VOF Ooster-Linge was structured by the means of a cv-construction. This construction did not allow any contractual changes with respect to shares of risk. Furthermore, it was emphasised that parties do not easily leave a PPP due to the repayment of plan preparation costs.

So, the fourth hypothesis has to be rejected, since actors' financial positions are not explicitly communicated throughout the development process. Furthermore, the contractual cooperation structure did not allow for any significant changes with respect to risk shares.

Finally, the fifth hypothesis can be read down below:

A continuous monitoring process regarding market developments, substantial plan content, the contractual structure of the joint venture PPP and the actual spatial delivery, helps to align actors' interests and actions with the dynamic reality of spatial development, thereby ensuring cooperative continuity

The case study has shown that with respect to the development of Hoog Dalem, monitoring processes were in action regarding market demand and the building programme, the development in relation to the land exploitation and the spatial quality framework, competition with other development projects and the phasing of other development projects. Therefore, the fifth hypothesis has to be rejected and subsequently adjusted, since the contractual structure of the cv Hoog Dalem was not part of a monitoring process and hence could not be changed due to altered market circumstances.

These monitoring processes enabled the cv Hoog Dalem to ensure a certain agreed upon level of development. This once again refers to the red line of the development. Parties adhered to this red line of development. This is necessary because of the dynamic behaviour of spatial development and its long timespan. Plan-led development was avoided, but this red line of development, or development framework, was adhered to. This generated trust amongst parties – since this framework was robustly underpinned – and amongst end-users, thereby contributing to the cooperative continuity of the PPP.

So, the fifth hypothesis has to be rejected, but it captures some important aspects with respect to the cooperative continuity of the cv Hoog Dalem, hence, an adjustment should make the hypothesis more valid.

10. Spoorzone 013 area development, Tilburg

This chapter elaborates on the case study of the Spoorzone 013 area development in the city of Tilburg. Firstly, paragraph 10.1 will provide an introduction to, and a description of the development of the Spoorzone 013. Paragraph 10.2 subsequently provides the case analysis itself, which entails interviews with Respondent C of the municipality of Tilburg and Respondent D of VolkerWessels. Additionally, publicly available written material will be analysed as well. Finally, paragraph 10.3 concludes the case analysis of the Spoorzone 013 with a within case analysis.

10.1 Case description

The development of the Spoorzone 013 took place within the context of the Fourth Memorandum Spatial Planning (*Vierde Nota over de Ruimtelijke Ordening, VINO* in Dutch). This memorandum aimed to improve living environments and public transport hubs.

The municipality of Tilburg already drafted spatial visions and urban designs for the area. NS – the passenger railway operator called Nederlandse Spoorwegen – owned a large workshop of roughly 14 hectares within the area. NS wanted to sell this workshop, due to changed market conditions. Eventually, the municipality acquired the land-ownership of NS in 2010, and added the 14 hectares to the development area.

Given the size of the complexity of the development – the project being an inner-city development project –, the municipality wanted to involve private parties in the development process. This was partially due to the spirit of that time, but more importantly, these private parties could bring in expertise and could help to share risks. Hence, the municipality of Tilburg started a European-wide tender. Eventually, developer VolkerWessels was chosen during this procedure. By winning this tender, VolkerWessels entered into a land exploitation company with the municipality of Tilburg, and had a right as well as an obligation to develop 50 percent of the buildings. The other 50 percent of the plots will be supplied to other developers by the municipality. The land exploitation company was formed as a private limited company (*besloten vennootschap met beperkte aansprakelijkheid, bv*) and was called the district development company (*wijkontwikkelingsmaatschappij* in Dutch). Given the already deteriorated economic environment at that time, the district development company aimed to serve as a development vehicle whilst the land remained in ownership by the municipality.

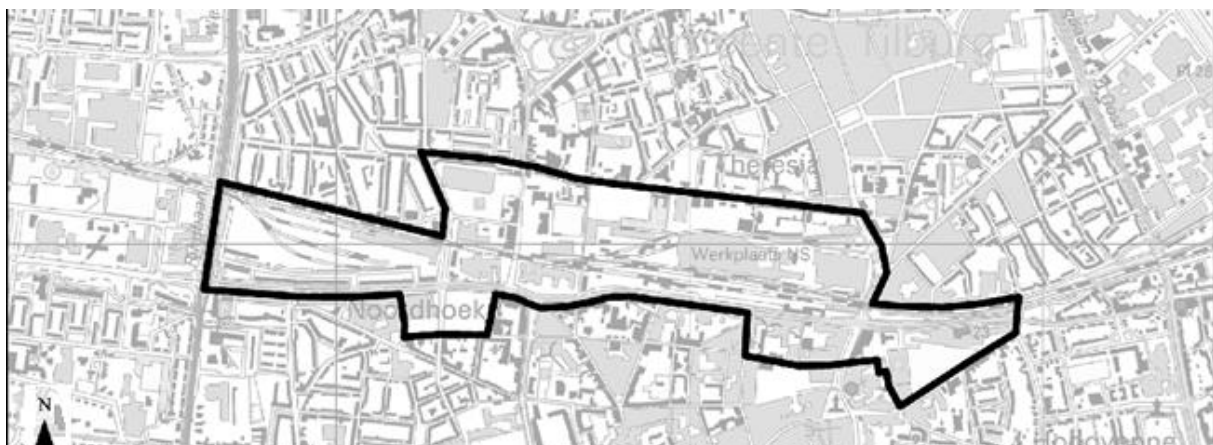


Figure 16 Map of the Spoorzone 013 area, as provided by the 13th appendix of the resolution regarding the execution of the 2010 Crisis and Recovery Act (*Crisis- en herstelwet* in Dutch).

10.2 Case analysis

Once again, the case analysis of the Spoorzone 013 area development in Tilburg is structured by the hypotheses stipulated in chapter 7. By testing these hypotheses, the validity of the conceptual model – which aims to capture the notion of successful PPP-performance in times of crises – can be tested. Furthermore, the model can be enriched through the findings of the case studies. The analysis of the development of Spoorzone 013 consists of an interview with Respondent C of the municipality of Tilburg and Respondent D of VolkerWessels. Besides, written material is analysed as well, such as publicly available municipal documents and articles from local newspapers.

10.2.1 Interview Respondent C, municipality of Tilburg

On the 10th of August 2018, a semi-structured interview took place with Respondent C of the municipality of Tilburg. Respondent C is involved in the PPP with VolkerWessels as a real estate project manager regarding the development of the Spoorzone 013 area. Appendix H provides an elaborate overview of the interview with Respondent C.

Flexibility of the building programmes

Firstly, the interview elaborated on the first hypothesis and the flexibility with respect to the building programmes. Respondent C underlined that the building programmes were jointly drafted, based on a joint process which entailed a spatial programmatic vision, an urban master plan and a settlement agreement. The district development company eventually commissioned an urban development plan, which entailed a building programme and a land exploitation. Right from the start, it was emphasised that these documents were not set in stone. Yearly, the municipality of Tilburg and VolkerWessels would come together to redefine and recalibrate the building programme as well as the land exploitation itself. The district development company aimed for a balanced land exploitation.

Respondent C mentioned that different building programmes were assessed beforehand, e.g., by the means of risk analysis. However, eventually a building programme is chosen which will henceforth be task-setting. Given the long timespan of spatial development, flexibility is clearly needed. With respect to the development of the Spoorzone 013, this flexibility was provided by the yearly redefinitions of the building programme and the accompanying land exploitation, as stated by Respondent C. Usually, these redefinitions are relatively small. However, with respect to the development of the Spoorzone 013, one major change has been put through. Initially, urban-historical values of the NS' workshop were not preserved. However, due to societal pressure, these values had to be preserved during the development. Furthermore, turn-over rates were not as high as expected. Therefore, an adjustment was needed in order to align the building programme to the market and to preserve the urban-historical values at the same time.

Due to the right and obligation of VolkerWessels to develop 50 percent of the plots, the area was divided using a 'chessboard like' allotment. However, due to the preservation of the urban-historical values, this meant that VolkerWessels had to redevelop some urban-historical buildings. This turned out to be slightly problematic, as stated by Respondent C. Therefore, the parties agreed upon a changed cooperation agreement which stipulated a diverging focus of the parties involved in the PPP, i.e., the municipality would redevelop the urban-historical heritage, whereas VolkerWessels would develop newly built real estate. By doing so, the parties involved could fully deploy their expertise.



Figure 17 Overview of the dwellings in the Clarissenhof area of the Spoorzone 013. These dwellings were delivered in the summer of 2018.

These changes were smoothly implemented, according to Respondent C. The settlement agreement has not been changed, i.e., VolkerWessels continued to have the right to develop a functional mix of dwellings and offices of a scale as initially agreed upon. Furthermore, the cooperation agreement, as well as the settlement agreement entailed stipulations that changes of the building programme were allowed, if sufficiently substantiated based on public interests. If, however, these changes would have a considerably negative effect on the land exploitation, then the municipality had to bear these consequences.

Flexibility of the project's phasing

Then, the interview focussed on the second hypothesis and the flexibility regarding the phasing of the development of the Spoorzone 013. Respondent C stated that it was agreed upon, that the developing party should deliver in accordance with the agreed upon phasing. However, the turn-over rate had been adjusted downwards. The stipulated phasing was already on the conservative side, since it was drafted at the beginning of the financial and economic crises. During the summer of 2018, an important part of the development project – called *Clarissenhof*, entailing roughly 300 dwellings, see figure number 17 – has been delivered according to the agreed upon phasing. However, currently, a slight delay sets in. On the other hand, interest rates, and hence interest burdens, are low. So there is room to do robust market research in order to realise the correct spatial products.

The turn-over rate is demand driven due to a pre-sale of 70 percent before realisation can start. According to Respondent C, it makes no sense to force the developing party to realise unattainable development. If a certain phasing, or turn-over rate, is not met, then parties should jointly find a solution to this.

Market consultations are hence important, as stated by Respondent C, since these consultations provide insight in product differentiation and volumes. These insights must be formalised by a conceptual interpretation of the development, which couples the phasing to the substantial content of the development, i.e., the building programme. This conceptual interpretation should have an integral character, i.e., it should not be focussed on the interests

of the development project alone, but on the interests of the entire city. Parties are often tempted to focus solely on the development project at hand, driven by a land exploitation, but this should be avoided since this can turn out contrary to the interests of the development project.

It is therefore important to develop a frame setting document. This document aims to safeguard the common thread of the development project. Such a document helps to align long-term and short-term objectives. Usually, this alignment goes implicitly, until this alignment gets skewed. The yearly moments of redefinition are more administrative in character. A frame setting document serves as a more strategic vision on plots, building programme, phasing and task-setting. Currently, the municipality and VolkerWessels are drafting a new direction document which once again provides and clarifies the common thread of the development.

Clarity of project's and actors' performances

The interview subsequently focused on the third hypothesis and the clarity of actors' and the project's performances. Respondent C emphasised that VolkerWessels was fully involved in the documents stipulating these performances. Respondent C underlined that there was a fully updated land-use plan in place, and that were task-setting conditions formulated for other project parts. Furthermore, plan elaborations were developed per construction plan. This approach led to the aforementioned 'chessboard like' allotment.

The performances of the development are stipulated by the urban master plan. Every subproject is monitored by an urban planner and the environmental committee of the municipality. Moreover, since the municipality still legally owns the land, it has a strong position with respect to land supply and the to-be realised spatial quality. It remains important, however, to continuously discuss developments and their quality.

The protection of spatial quality is stipulated in the cooperation agreement between VolkerWessels and the municipality of Tilburg. However, there will always be a tension between feasibility and spatial quality, as stated by Respondent C. The parties find each other using a process-based approach, aimed at spatial values, functions, and the extent to which a plan satisfies these aspects. This allows the parties to influence the construction plans during the process.

Respondent C emphasised the importance of clear public interests. Development projects entail significant public values too, e.g., regarding the development of the Spoorzone 013, the central square in front of the train station. In the opinion of Respondent C, municipalities should take their responsibility in order to get these public values realised.

Clarity of actors' financial positions

Then, the interview focussed on the fourth hypothesis, regarding the clarity of actors' financial positions. Respondent C stated that there was no communication between the parties involved in the district development company concerning their financial positions. These communications would have been needed, in case VolkerWessels would have had financial problems. However, this was not the case, and hence conversations regarding financial positions have not taken place. There was, and continues to be, communication between the district development company and the municipal council of Tilburg.

Respondent C mentioned that the financial and economic crises had its impact on the development of the Spoorzone 013, most remarkably with respect to expenses. Money was more easily spent on locations which were believed to be more promising.

The importance of monitoring processes

Finally, the interview moved towards the fifth hypothesis and the importance of monitoring processes. Respondent C underlined the importance of monitoring processes with respect to the market and the city as a whole. By these monitoring processes, the development can be tailored to the market reality by the means of the flexibility provided by the yearly land exploitation redefinitions.

Furthermore, some local issues might be in need of monitoring processes. In the case of the development of the Spoorzone 013, monitoring was needed with respect to mobility. The task-setting of parking facilities within the area was changed due to changing mobility trends.

The province of North Brabant was not explicitly involved in the monitoring processes, aside from the development of dwellings. Furthermore, the city of Tilburg participates in a cooperation programme with the cities of Breda, Eindhoven, Helmond and 's-Hertogenbosch. This programme serves more as a learning structure than an explicit monitoring process.

Concluding remarks

Respondent C partially awarded the successful performance of the district development company to the financial robustness of VolkerWessels. However, the crises were a severe reality. This can be experienced by the current lack of development activities within the area. Furthermore, Respondent C attributed the success of the PPP-cooperation with VolkerWessels to the yearly redefinition of the land exploitation and the municipality safeguarding the public interests at stake. Moreover, the expertise of the private party involved is important, especially regarding development possibilities and market conformity. The municipality brought a certain 'production drive' to the development of the Spoorzone 013 by involving VolkerWessels in the development through the tender procedure.

10.2.2 Interview Respondent D, VolkerWessels

On the 17th of August 2018, a semi-structured interview took place with Respondent D of VolkerWessels. Respondent D is involved in the district development company together with the municipality of Tilburg as a director of VolkerWessels Midden. Appendix I provides an elaborate overview of the interview with Respondent D.

Flexibility of the building programmes

The interview started off focussing on the first hypothesis. Respondent D pointed out that the building programme stemmed from the master plan, and it was agreed upon that the building programmes were not set in stone. Besides, the land exploitation is yearly redefined, which is a common practice. The land exploitation and the substantial content of the building programme changed considerably due to the unforeseen preservation of urban historical heritage. These changes are not straightforward, due to the impact on the land exploitation. When these changes are fundamental, even effecting the urban master plan, then the development framework is thoroughly altered which can be cumbersome.

Respondent D emphasised that spatial development is work of man. The aforementioned changes – which are often needed given the economic reality – can only be effectuated if there is a certain chemistry between the people involved in the PPP. Spatial development is a dynamic endeavour. Sticking, then, to agreed upon stipulations can lead to a development standstill.



Figure 18 *Traces of the old NS-workshop within the area of the Spoorzone 013.*

Respondent D emphasised that the cooperation within the district development company went well, and that all changes were smoothly achieved. This does not mean, as stated by Respondent D, that all your interests should be equal to your PPP-partner. However, the cooperation should be based on shared interests and objectives.

Respondent D underscored that spatial development is a dynamic endeavour. Over the long timespan of the development, economic cyclical, policies, PPP-staffing, target groups and substantial plan content will change. Within this dynamic context, which is dictated by the market, end-users will make their decisions. One can steer this decision-making process, but it can never be forced into a certain direction. Therefore, it is important to monitor the market and demand. The ability to sense the market, should be an important role of the private party involved in the PPP, according to Respondent D. Besides, a robust vision must be in place, which guides the development especially with respect to liveability and spatial quality.

Respondent D brought up the ‘chessboard allotment’ of the area. In his opinion, this was not optimal. Due to this allotment, parties within the district development company could compete with each other since VolkerWessels only received development rights for 50 percent of the plots. In the opinion of Respondent D, this could have been better, after all, VolkerWessels got involved in the development of the Spoorzone 013 in order to develop the area. According to Respondent D, land should not be divided amongst parties within a PPP.

Flexibility of the project’s phasing

Then, the interview moved towards the second hypothesis, focussing on the flexibility of the phasing. Respondent D stated that the turn-over rate of the development has been lowered, but this did not give rise to friction within the district development company. In the summer of 2018, *Clarissenhof* has been delivered. *Clarissenhof* is a highly qualitative urban subdistrict containing 339 apartments. However, due to decreased market demand, the majority of the dwellings were sold to the local housing association, even though the quality of these apartments is above the standards of regular social housing segments. However, during difficult economic times, it is important to realise some turn-over, furthermore, it is important

to start the development project with high-quality development, since this will positively influence the public perception of the development.

Respondent D emphasised that the development of the Spoorzone 013 is based on a rather conservative phasing. But even still, the turn-over rate was lower than expected. Once again, the chessboard-like parcel allotment played a role. The urban historical heritage in the area was redeveloped with involvement of subsidies. As mentioned before, the municipality of Tilburg was responsible for this development, whereas VolkerWessels focussed on realising genuinely newly built dwellings without subsidy funding. The involvement of subsidies led to a skewed market supply, according to Respondent D, since the municipality could sell or rent the buildings for lower prices than VolkerWessels. This aspect is difficult to explain to end-users, which too leads to a lower turn-over. Furthermore, the allotment can be an incentive for parties to solely focus on their own plots, rather than the overall development. Hence, an overall vision is of crucial importance, in the opinion of Respondent D.

Clarity of project's and actors' performances

Subsequently, the interview elaborated on the third hypothesis and the clarity of the actors' and project's performances. In the opinion of Respondent D, these performances were clear, and are general in nature, e.g., land revenues and volumes. Hence, the performances are coupled to the land exploitation.

Respondent D underscored that performances are subjected too to the dynamic environment of the spatial development project, e.g., with respect to car parking space. So, based on monitoring processes, performances can be altered.

Clarity of actors' financial positions

The interview then moved on towards the fourth hypothesis, elaborating on the clarity of actors' financial positions. Respondent D brought up, that this hypothesis would have been important in case one of the parties involved in the district development company would not have been able to bear the development risks. However, financial positions were assessed. At the start of the cooperation, VolkerWessels had to provide financial guarantees. However, actors' financial positions could not be used to alter the building programme, for example.

If financial problems do arise, then these must be discussed and subsequently solutions must be found. However, this was not at hand considering the development of the Spoorzone 013. As stated by Respondent D, this does not take away the importance of discussing one's financial position.

The importance of monitoring processes

At the end of the interview, the focus shifted towards the final hypothesis, and the importance of monitoring processes. As stated by Respondent D, monitoring processes take place at an individual level, e.g., by the means of reading newspapers and conversations with people involved in area development.

According to Respondent D, monitoring processes should not be institutionalised. Within the district development company's board of managers, discussions take place concerning expectations, which are based on the aforementioned individual monitoring processes. If needed, then changes are effectuated based on these expectations. Respondent D emphasised that monitoring processes can be agreed upon within a PPP-cooperation, but these monitoring processes will always be insufficient, given the complexity and dynamics of spatial development.

Nonetheless, it remains important to monitor market developments, the project's turn-over, production capacity and production methods. Furthermore, it is important to acknowledge societal aspects, e.g., regarding car mobility and office needs. In order to

capture all the relevant aspects within the complex and dynamic environment of spatial development, parties must sustain the dialogue and discussion within the PPP.

10.2.3 Analysis written material

Publicly available written material is quite scarce with respect to the development of the Spoorzone 013. Similar to the case of the development of Hoog Dalem, there was no need to extensively reflect on the occurrences during the cooperation between the municipality of Tilburg and VolkerWessels. Remarkably, publicly available written material by the municipality can hardly be found. Moreover, the publicly available written material does not provide additional information to the conducted interviews.

Exceptionally insightful is the contribution of De Boer (2015). De Boer (2015) took account of Alderman De Vries of the municipality of Tilburg, Job van der Veer of SDK Real Estate, which is an enterprise of VolkerWessels, Rogier Arntz, a private investor, Rob Vinke on behalf of the housing association and Bas van der Pol, a quartermaster. From De Boer's (2015) contribution, it is reiterated that VolkerWessels was selected through a tender procedure. This procedure was based on a municipal vision, and after the selection the municipality and VolkerWessels jointly drafted a master plan. Both parties could learn from each other, because of their different background. These backgrounds too resulted in different roles which the parties performed during the cooperation, i.e., the municipality had a role more tailored towards directing the development, whereas VolkerWessels was more focussed on the realisation.

Due to the occurrence of the financial and economic crises, the parties involved in the district development company could not start the development straight away. In essence, the vision both parties adhered to with respect to the development, was too optimistic. Moreover, the crises forced parties to be more realistic with respect to the development of the Spoorzone 013, as stated by De Boer (2015). Essentially, the building programme and the phasing of the development were adjusted according to the altered market circumstances (De Boer, 2015;



Figure 19 Another example of both newly built dwellings as well as urban-historical heritage within the Spoorzone 013.

Janssen, 2015). As stated by Janssen (2015), plan-led, and blueprint development were disregarded since the economic circumstances demanded this. Spatially, this resulted – amongst other things – in temporary uses and planning.

Next to the occurrence of the crises, the municipal council demanded to change the urban master plan, and the according building programme, in order to maintain the urban-historical heritage within the area. According to Jongerius (2018), this resulted in a write-down of roughly 22.2 million euros.

De Boer (2015) elucidates that the master plan was not set in stone, and that the phasing of the project, i.e., the turn-over rate, was lowered. The parties wanted to maintain their ambitions and hence accepted a certain delay regarding their envisioned phasing. As previously stated, these measures allowed to adapt the spatial development to the economic reality. Another important aspect in this respect, is the fact that parties moved from specific allotments to more an organically and slowed-down development (De Boer, 2015).

10.3 Within case analysis

The case study of the development of the Spoorzone 013 in the city of Tilburg is concluded through a within case analysis, based on the conducted interviews and the analysed written material. The within case analysis is structured by the hypotheses presented in chapter 7.

The first hypothesis reads as follows:

A flexible building programme, in the sense of the possibility to shift between development plans with different spatial qualities, helps to ensure cooperative continuity by altering the building programme according to changes in real estate values and market demand.

The building programme of the development of the Spoorzone 013 was jointly drafted by the municipality and VolkerWessels. One single master plan containing a building programme was chosen. As mentioned by the respondents, the building programme was not set in stone. Flexibility was provided by a yearly recalibration and redefinition of the building programme and the accompanying land exploitation. These recalibrations and redefinitions were based on monitoring processes with respect to market demand.

The building programme has changed considerably. Alongside the relatively minor adjustments stemming from the yearly redefinitions, the most important change occurred when the municipal council demanded to preserve the urban-historical values in the area. These changes were smoothly achieved. This was possible since a certain chemistry existed between the parties involved. Such a chemistry is needed in order to effectuate the flexibility. As a guidance, a robust vision must be in order, which was provided by the urban master plan.

Therefore, the first hypothesis has to be rejected, since there were no several building programmes in place. However, the hypothesis does entail an important successful mechanism, as shown by the case study of the Spoorzone 013. Therefore, an adjustment would make this hypothesis more valid. Flexible building programmes are necessary to adapt to changed economic realities, thereby contributing to cooperative continuity between parties involved in a PPP. Hence the operationalisation of the concept of flexible building programmes of the first hypothesis is flawed and can be improved. Flexibility regarding the building programme of the Spoorzone 013 was formed by yearly redefinitions based on

market research and through acknowledging the dynamic nature of spatial development and the chemistry within the PPP-staffing.

The second hypothesis is shown below:

A flexible phasing, in the sense of decreasing the turn-over rate during times of crises and increasing the turn-over rate in more prosperous times, helps to ensure cooperative continuity by aligning the spatial realisation with market demand.

The turn-over rate of the development of the Spoorzone 013 was demand driven and dropped during the occurrence of the financial and economic crises. It was agreed upon that VolkerWessels should deliver according to the agreed upon phasing, but VolkerWessels was not forced to acquire land from the district development company. The lower turn-over rate, in conjunction with low interest rates allowed to investigate the development of correct and effective spatial product. Market consultations were important in that respect to gain insight into desired differentiation and volumes.

Both the municipality as well as VolkerWessels emphasised the importance of a strategic document which safeguards the common thread of the development. This is important in order to align the building programme to a certain phasing, and the long-term objectives to the short-term objectives. The overall development should not be lost out of sight, especially when the focus shifts towards short-term revenues when turn-over rates decrease.

Hence, the second hypothesis has to be rejected, since the turn-over rate of the development project was not actively steered, but rather it was completely demand-driven. Therefore, a decrease or increase of the turn-over rate goes naturally. So, the second hypothesis has to be rejected and subsequently adjusted, based on the case study of the Spoorzone 013, because of the operationalisation of a flexible phasing. At the same time, the case study has shown that aligning the phasing of the development with market demand contributes to the cooperative continuity.

Subsequently, the third hypothesis can be read below:

Clarity regarding the project's and actors' performance, enables private parties to develop in accordance with the public interest, thereby aligning public and private interests which ensures cooperative continuity.

It can be concluded, based on the case study of the Spoorzone 013, that the third hypothesis can be supported. The performances were clear and jointly drafted, resulting in a urban master plan, an updated land-use plan and task-setting conditions. Moreover, these performances were monitored by an urban planner and the municipal environmental committee.

Actors' performances were closely related to the project's performances. It was underlined that the presence of public values needs to be clear and particularly municipal performances can stem from these public values.

Furthermore, the performances were not static, rather, they too were subjected to the dynamics of spatial development, i.e., based on monitoring processes, performances were adjusted.

The fourth hypothesis reads as follows:

Clarity regarding actors' financial positions, and altering the contractual structure of the joint venture PPP accordingly, protects private parties' main interest – i.e., profitable development – thereby ensuring cooperative continuity.

The fourth hypothesis has to be rejected, based on the conducted case study. Actors' financial positions were not communicated in an open manner throughout the development process. Solely at the start, VolkerWessels had to provide financial guarantees. Moreover, the contractual structure of the PPP, or the building programme for example, could not be altered because of actors' financial positions. The financial position of the district development company was communicated to the municipal council of Tilburg.

It was underscored communication regarding actors' financial positions should have taken place in case one party involved would have had financial problems. However, this was not the case and hence no further communication took place. At the same time, it was stated that this does not take away the importance of discussing one's financial position.

Finally, the fifth hypothesis can be read down below:

A continuous monitoring process regarding market developments, substantial plan content, the contractual structure of the joint venture PPP and the actual spatial delivery, helps to align actors' interests and actions with the dynamic reality of spatial development, thereby ensuring cooperative continuity

The case study has shown that with respect to the development of the Spoorzone 013, monitoring processes were in place regarding market developments, the project's turn-over, VolkerWessels' production capacity and productions methods. Furthermore, the city as a whole was monitored, as well as local and societal aspects such as car mobility. These monitoring processes served to adjust the spatial development according to the market reality. These adjustments were enabled by the flexibility provided by the redefinitions of the land exploitation.

Furthermore, it was emphasised that monitoring processes should not be institutionalised. Rather, due to the dynamic environment of spatial development, parties must sustain the dialogue within the PPP in order to capture all the relevant aspects to the development project.

So, it can be concluded that the fifth hypothesis has to be rejected. The majority of the monitoring processes as referred by this hypothesis were in place, except from the monitoring process with respect to the contractual structure of the PPP. Therefore, the hypothesis has to be rejected and should be adjusted since the majority of its contents is supported by the case study of the development of the Spoorzone 013.

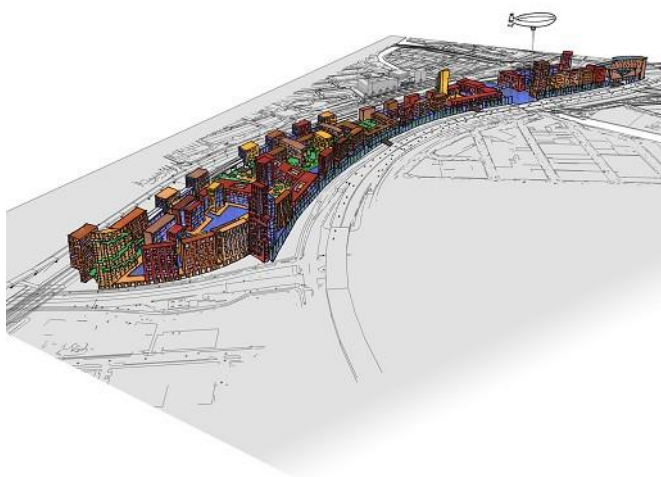
11. Schieveste area development, Schiedam

This chapter provides the case study of the development of the Schieveste area in the city of Schiedam. This chapter is structured just like the two previous ones. The first paragraph will introduce and describe the Schieveste development. Paragraph 11.2 will subsequently elaborate on the case analysis of the Schieveste development, which entails a description of the interviews with Respondent E of the municipality of Schiedam and Respondent F, former manager of Lips Development. Furthermore, publicly available written material will be analysed too. Paragraph 11.3 will conclude the case analysis by providing a within case analysis. An elaborate overview of the interviews with Respondent E and Respondent F can be found in appendices J and K.

11.1 Case description

The development of the Schieveste area was initiated at the end of the 1990s. At that time, large integral development projects were common, as well as the development of ‘node locations’ (*knooppuntlocaties* in Dutch). Schiedam, and the Schieveste in particular, has a considerable potential as a node location through its central position both within the inner-city of Schiedam, as well as within the region. Furthermore, the area is characterised by public transport accessibility. This node location would allow for the development of offices, which were scarce within the city of Schiedam.

In 2002 a master plan was drafted together with the municipality of Rotterdam. This master plan entailed a mixed building programme with a large share of offices. The development was divided in several phases, and for the second phase, cooperation was sought with Burgfonds. The municipality of Schiedam and constructor Burgfonds agreed upon the establishment of a land exploitation company. Within the area, the municipality of Schiedam owned roughly 80 percent of the land. Burgfonds, on the other hand, owned no land at all. The municipality would bring in their land in the land exploitation company, and Burgfonds would provide a pecuniary contribution. Then, the serviced land would be supplied to Burgfonds in order to get developed.



11.2 Case analysis

The case analysis of the Schieveste area development in the city of Schiedam is structured by the hypotheses presented in chapter 7. The interviews with Respondent E and Respondent F, as well as the analysis of the written material, serve to test the hypotheses as well as the validity of the presented conceptual model.

Figure 20 Visualisation of the anticipated development of the Schieveste as provided by the urban master plan (BURO 5 Maastricht, 2009).

11.2.1 Interview Respondent E, municipality of Schiedam

On the 2nd of August 2018, a semi-structured interview was conducted with Respondent E of the municipality of Schiedam. Respondent E was involved as project manager of the development of the Schieveste.

Flexibility of the building programmes

The interview started off focussing on the first hypothesis and the building programme's flexibility. Respondent E pointed out that several master plans were drafted, but that eventually one plan was chosen which hence provided a development framework. This plan entailed a building programme. However, an updated land-use plan was not in place, so legal certainty could not be provided.

The master plan was drafted based on a cooperation agreement between Burgfonds and the municipality of Schiedam. This master plan was specific regarding aesthetics and locations of buildings. The urban master plan should not go into much detail, rather, it should ensure spatial quality and a certain direction of the development. Due to the absence of proper market consultations, the land exploitation company was not aware of the fact that there was no demand for the desired development. According to Respondent E, no discussion or friction arose within the land exploitation company with respect to the building programme. Moreover, the municipality did not consider altering the building programme in order to smoothen the PPP-cooperation.

It was after the partnership with Burgfonds, that the municipality changed the master plan according to the changed market circumstances. The volumes of the building programme were downsized, and flexibility was introduced by not specifically allocating land-uses for certain locations, but rather for the area as a whole. Furthermore, exchanging functions and areas allocated for a certain function was allowed as well. In addition, a more pronounced mixed building programme was stipulated, i.e., the initial emphasis on office development was abandoned. In the opinion of Respondent E, flexibility, or the lack of flexibility, was not one of the reasons why the partnership was discontinued. Rather, Burgfonds' ability to approach the market in order to find end-users was not as high as expected.

Respondent E endorsed the first hypothesis, and underlines the importance of a clear development framework entailing functions, locations and end-users. Furthermore, this framework must be accurately based on market consultations.

Flexibility of the project's phasing

Then, the interview focussed on the second hypothesis and the flexibility of the development's phasing. As stated by Respondent E, the project's phasing has been an important topic during the cooperation with Burgfonds, since it brings together expected revenues, the land exploitation, and ultimately the overall municipal budget. Due to the absence of correct market consultations, the phasing was not optimally structured, i.e., based on too high turn-over rates.

Respondent E endorsed the second hypothesis but emphasised that a flexible phasing is not straightforwardly achieved. Firstly, there is a discrepancy between the theory of land exploitation and the real-world exploitation. Calculation models are convenient tools, but the reality of area development is hard to capture within these models. Secondly, each change regarding the land exploitation of the project – either substantially or regarding the phasing – has a financial impact, and should hence be submitted to the municipal council.



Figure 21 View on the train station of the city of Schiedam. Between the train station and the building block on the left, the newly developed DCMR-office building can be seen.

However, flexibility regarding a project's phasing seems logical, but it has a variety of implications. Parties invest in a project based on an expected return. When turn-over rates decrease or when the project delays, then, the financial prognoses of the project change as well, which has an effect on parties' investments.

Clarity of project's and actors' performances

The interview subsequently elaborated on the third hypothesis. In the opinion of Respondent E, trust is a crucial aspect with respect to this hypothesis. The master plan of the Schieveste was drafted in 2001, whereas the land-use plan was updated in 2010. As stated by Respondent E, the municipality of Schiedam waited too long concerning the update of the land-use plan. A land-use plan provides legal certainty with respect to allowed development, which is an alleviation of the private party's risk-burden since then this party can anticipate some level of expected return.

Respondent E distinguished two important roles for a public party within a PPP, i.e., being able to update the land-use plan within a reasonable time, and guaranteeing the spatial quality of the development. These aspects contribute to the trust amongst parties. During the cooperation with Burgfonds, spatial quality was solely guaranteed by the master plan, which is inadequate and insufficient.

This legal certainty does not solely entail land-uses. Land-use plans are monitored by provinces, also with respect to market demand and taking into account competing locations. Since there was no land-use plan in place, these certainties could not be provided.

Respondent E emphasised that this aspect of legal certainty with respect to the project's performances was never brought up, nor by Burgfonds, nor by the municipality.

Clarity of actors' financial positions

Then, the interview shifted towards the fourth hypothesis, and the clarity of actors' financial positions. The land exploitation company should have been a commandite company, with a board of managers as a private limited company. So, contractually, there was no room to adjust the cooperation structure and risk proportions based on actors' financial positions. There have been discussions about financial affairs, but there were no discussions about

altering building programmes and the accompanying financial consequences, about mandate issues or process related questions.

The manager of the land exploitation company was torn between the stances of the municipality and. The partnership simply did not work since Burgfonds and the municipality did not get on with each other well, according to Respondent E. This had nothing to do with the crises, since in more prosperous time, the cooperation did not result in spatial development either.

The importance of monitoring processes

At the end of the interview, the focus shifted towards the final fifth hypothesis. Respondent E underlined the rationality of monitoring processes regarding market developments, substantial plan content, the contractual structure of the joint venture PPP and the actual spatial delivery. The discussions with Burgfonds evolved around organisational and financial topics, because of the relatively short period of cooperation between the two parties. According to Respondent E, conversations covering the structure of the meetings of the board of managers and with stakeholders, as well as monitoring trends and developments, and how this can result in spatial development stemming from the different interests, such conversations have never taken place.

Concluding remarks

As stated by Respondent E, parties must be able to cooperate in a good manner, hence, interests and parties' roles should be clear. Furthermore, this cooperation should be based on parties' qualities and expertise. Formalising the cooperation might be tempting, however, it is more important to like your cooperation partner and to trust them. These kind of aspects cannot be agreed upon, or cannot be formalised.

Furthermore, specifically with respect to the development of the Schieveste, the decision to enter into a land exploitation company has not been sufficiently underpinned, according to Respondent E. Furthermore, the existence of a joint public as well as private task has not been argued. Neither has the quality of the private party been considered, nor competing locations and market developments.

As stated by Respondent E, within a PPP, reality checks are needed, just like a calibration of the building programme and land exploitation.

11.2.2 Interview Respondent F, Lips Development

On the 31st of August 2018, a semi-structured interview took place with Respondent F. Respondent F is a former manager of Lips Development. Burgfonds changed its name into Lips Development after Burgfonds' acquisition by the Lips Capital Group (Vastgoedmarkt, 2008; Vastgoedmarkt, 2011). Appendix K provides an overview of the interview with Respondent F.

Respondent F emphasised his limited role in the cooperation with the municipality of Schiedam. Respondent F was not part of the deliberations between Burgfonds and the municipality. Respondent F was solely involved in the dismantling of the cooperation structure. Hence, as stated by Respondent F, his observations are a general overview of the impact of the crises on the Dutch real estate market.



Figure 22 Overview of the newly built DCMR-office which is located at the north of the train station.

Flexibility of the building programmes and the project's phasing

The interview started off focussing on the first and second hypothesis. Respondent F emphasised the absence of market demand within the area. Altering the envisioned building programme, then, is the responsibility of the land-owner, i.e., the municipality, as stated by Respondent F. The municipality and Burgfonds were not able to change the building programme. Furthermore, the qualities of the location of the Schieveste were not as high as expected. Therefore, Burgfonds was unable to fulfil its contractually agreed upon role, leading to a discontinuation of the cooperation.

A complex interaction of factors led to Burgfonds being unable to fulfil its obligations. One of these factors was the turn-over rate, which was lower than expected. This was not solely due to Burgfonds or the municipality. Potential factors in this respect could be a misaligned building programme and market, or the efforts of Burgfonds aimed towards reaching end-users, as stated by Respondent F.

Clarity of project's and actors' performances

Then, the interview shifted towards the third hypothesis and the clarity of the actors' and the project's performances. Respondent F emphasised the importance of clear roles. In the opinion of Respondent F this clarity could have been better, e.g., Burgfonds was not obliged to construct the offices, but rather to bring the location to the market whereas the municipality thought of Burgfonds as being responsible for the construction.

Respondent F endorsed that an updated land-use plan would alleviate the risk burden of the private party involved in the PPP. However, the absence of an updated land-use plan was not problematic in the opinion of Respondent F. A municipal approved master plan was in place, so policy-wise everything was in order.

Respondent F emphasised that there was no conflict between Burgfonds and the municipality of Schiedam. Moreover, according to Respondent F, the parties involved in the PPP got along with each other well, and the absence of an updated land-use plan did not undermine the mutual trust amongst the parties. It was a joint decision to discontinue the partnership. The fact that this discontinuation was needed, was caused by external factors.

Clarity of actors' financial positions and the importance of monitoring processes

Subsequently, the interview moved towards the fourth and fifth hypothesis. Respondent F stated that Burgfonds' financial resources were not of importance regarding the discontinuation of the partnership with the municipality of Schiedam. But rather, market demand disappeared, leading to a decision to stop the investments in the project. This was a joint decision of Burgfonds and the municipality. Furthermore, the entire real estate market came to a standstill during the financial and economic crises, hence the development of the Schieveste stalled as well.

Respondent F endorsed that the parties involved in the land exploitation company stuck to the approved master plan and hence to the building programme. However, this building programme could not be sold to the market. Furthermore, the location demanded a specific type of development, i.e., a mixed programme entailing a large share of offices. Respondent F stated that no monitoring processes were in place which aimed at aligning the building programme to the economic reality. Because of this, both parties were unable to fulfil their role and hence decided to discontinue their partnership.

11.2.3 Analysis written material

Contrary to the cases of Hoog Dalem and the Spoorzone 013, there exists a vast array of written material with respect to the development of the Schieveste. Clearly, there has been a need to reflect on the events which occurred during the crises. Therefore, there exist publicly available documents and research reports provided by the municipality. Furthermore, professional magazines and websites reflected upon the development of the Schieveste as well. Hence, the publicly available written material with respect to the Schieveste can be considered to be complementary to the conducted interviews.

According to the written material, the municipality and Burgfonds jointly drafted a development framework, which was programmatically as well as financially, i.e., a land exploitation containing land values and land uses (Cobouw, 2004). The building programme entailed a mix of several functions with a large share of offices (Cobouw, 2004; Vastgoedmarkt, 2008a; Municipality of Schiedam, 2010; Van Schaijk & Kievits, 2011). The municipality and Burgfonds both shared risks and the definitive spatial interpretation and development size was agreed upon to be dependent on market demand (Cobouw, 2004; Vastgoedmarkt, 2008a). Burgfonds and the municipality of Schiedam agreed upon establishing a land exploitation company. The municipality would focus on the development procedures, whereas Burgfonds would pursue end-users (Vastgoedmarkt, 2010). Based on the municipal archives, it can not be determined why the municipality chose Burgfonds as their cooperation partner – a tender procedure has not been conducted – and why they opted for a land exploitation company (Municipality of Schiedam, 2010). Burgfonds had the exclusive right to develop the second phase of the development project (Municipality of Schiedam, 2010). However, for the same development phase, the passenger railway operator Nederlandse Spoorwegen was negotiating a building rights agreement with the municipality (Municipality of Schiedam, 2010).

Eventually, the land exploitation company was in operation since the land exploitation company commissioned several operations based on a shared budget and risk (Municipality of Schiedam, 2010). It was agreed upon that the municipality would sell its land to the land exploitation company, and that Burgfonds would acquire land from the land exploitation company (Municipality of Schiedam, 2010). However, the only land acquired by Burgfonds was the land needed for the DCMR-office building.



Figure 23 Recently developed dwellings at the south of the train station of Schiedam.

After the municipality of Schiedam entered into a partnership with Burgfonds, the urban master plan as well as the financial feasibility studies have not been further elaborated (Municipality of Schiedam, 2010). Initially, the municipality of Rotterdam would cooperate as well in the development. However, the municipality of Rotterdam questioned the feasibility of the project and the expected turn-over, and hence considered the risks to be too high based on market research (Vastgoedmarkt, 2008b; Municipality of Schiedam, 2010; Van Schaijk & Kievits, 2011). Eventually the municipality of Rotterdam ceased the negotiations. The spatial developments which would have been realised in cooperation with the municipality of Rotterdam would have had a positive net present value and would have been able to compensate less feasible developments (Municipality of Schiedam, 2010).

Alongside the municipality of Rotterdam, the province of South-Holland and other private parties questioned the viability of the development of the Schieveste, particularly with respect to the financial feasibility as well as regarding the pursued spatial ambitions (Municipality of Schiedam, 2010). As stated by the Municipality of Schiedam (2010), no further research has been conducted based on these posed questions. What is particularly remarkable in this respect, is that the municipality of Schiedam wanted to approve the land-use plan of the spatial development area, stating that the feasibility of the development has been proved (Vastgoedmarkt, 2008c).

The lack of market research is a common theme throughout the written material. It is stated that no analyses were conducted with respect to market demand, target groups or competing locations (Van Schaijk & Kievits, 2011). This led to unrealistic development ambitions and discrepancies between the land exploitation and the spatial plans (Municipality of Schiedam, 2010; Municipality of Schiedam, 2011). Furthermore, the land exploitation was not clear, since the municipality of Schiedam and Burgfonds disagreed about which costs had to be included within the land exploitation (Municipality of Schiedam, 2010).

Due to the occurrence of the financial and economic crises, the market demand diminished, and end-users could not be recruited (Vastgoedmarkt, 2010). Hence, the spatial development could not meet the expected turn-over rates (Municipality of Schiedam, 2011). As stated by Van Schaijk & Kievits (2011), Burgfonds could not respond to the expectations one could

have with respect to a market party. Hence why the cooperation between the municipality of Schiedam and Burgfonds ceased.

It was after the partnership with Burgfonds that the municipality was able to change the urban master plan of the area. This was needed in order to make the urban master plan more realistic, flexible, based on small-scale projects, and organic in nature (Municipality of Schiedam, 2011; Van Schaijk & Kievits, 2011). The initial master plan was based on plan-led and blueprint development, which was disregarded in the recalibrated master plan (Municipality of Schiedam, 2011). The recalibrated master plan is more directed towards market-demand and based on a step-wise development (Municipality of Schiedam, 2011; Van Schaijk & Kievits, 2011). As stated by the municipality of Schiedam (2011), the grainsize of the development has been considerably reduced.

11.3 Within case analysis

The case study of the development of the Schieveste in Schiedam concludes with a within case analysis, based on the conducted interviews and the analysed written material. The within case analysis is structured by the hypotheses presented in chapter 8.

The first hypothesis can be read down below:

A flexible building programme, in the sense of the possibility to shift between development plans with different spatial qualities, helps to ensure cooperative continuity by altering the building programme according to changes in real estate values and market demand.

During the lifespan of the cooperation between Burgfonds and the municipality of Schiedam, the urban master plan, entailing a building programme, was not changed. Beforehand, several master plans were drafted but eventually one plan was chosen which served as a development framework. This development framework, and hence the building programmes, were not robustly based on market consultations. It was after the partnership with Burgfonds that the municipality was able to adjust the urban master plan and able to introduce flexibility. This was provided by avoiding specific land-use allocations.

Burgfonds was unable to fulfil its role as a developer since the building programme was not aligned with the market demand due to the lack of market consultations. Consequently, due to the lack of flexibility, the building programmes were not adjusted, eventually leading to a discontinuation of the partnership.

Based on the case study of the development of the Schieveste, the first hypothesis can be supported. The parties involved were unable to change the building programme in order to align the development with the market reality, neither through planned flexibility as suggested by the hypothesis, nor through a more relational approach, see Macneil (1978), Macneil (1983), Van der Veen & Korthals Altes (2012: 1057). Although the discontinuation of the partnership cannot solely be attributed to the lack of flexibility within the building programme, the first hypothesis does capture an important mechanism with respect to a PPP's success and cooperative continuity.

The second hypothesis is shown below:

A flexible phasing, in the sense of decreasing the turn-over rate during times of crises and increasing the turn-over rate in more prosperous times, helps to ensure cooperative continuity by aligning the spatial realisation with market demand.

The turn-over rate of the development of the Schieveste has decreased significantly, i.e., end-users could hardly be found. Burgfonds was not forced to acquire land from the land exploitation company, so actively increasing or decreasing the land exploitation company's turn-over rate was not possible. The development of the Schieveste was phased over time, however, due to the absence of market consultations, this phasing was not feasible. Besides, this phasing was plan-led, i.e., the 'grainsize' of the development was too big.

Therefore, the second hypothesis cannot be supported. The turn-over rate of the development project decreased, but cooperative continuity could not be sustained since parties could not adapt to this decrease.

The third hypothesis can be read below:

Clarity regarding the project's and actors' performance, enables private parties to develop in accordance with the public interest, thereby aligning public and private interests which ensures cooperative continuity.

The master plan provided the quality standards for the project's performance. At the same time, no updated land-use plan was in place. Hence, legal certainty was not provided, as well as a monitoring and controlling vision from the province of South-Holland. The respondents of the case study of the Schieveste have a diverging opinion with respect to this matter. Respondent F, on behalf of Burgfonds, stated that the absence of an updated land-use plan was not problematic, whereas the municipality of Schiedam states that it was a major flaw that the land-use plan was not updated at the proper moment.

Furthermore, it can be concluded that there was not enough clarity with respect to actors' performances. Parties agreed upon their roles they would fulfil during their cooperation. However, these roles were not sufficiently elaborated as both parties had a diverging opinion particularly with respect to Burgfonds' role, i.e., Burgfonds being a developer and responsible for the construction or Burgfonds as a party who would solely pursue end-users.

Therefore, it can be concluded that the third hypothesis can be supported. With respect to the development of the Schievest both actors' as well as the project's performances were not sufficiently clear.

The fourth hypothesis reads as follows:

Clarity regarding actors' financial positions, and altering the contractual structure of the joint venture PPP accordingly, protects private parties' main interest – i.e., profitable development – thereby ensuring cooperative continuity.

There is no information available why the municipality entered into a partnership with Burgfonds, hence, no answer can be provided to the question whether or not Burgfonds

communicated its financial position at the start of the partnership. However, actors' financial positions could not lead to changes in the cooperation structure and risk proportions. Moreover, Burgfonds' financial resources were not a factor with respect to the discontinuation of the partnership between Burgfonds and the municipality of Schiedam.

Therefore, based on the case study of the development of the Schieveste and the discontinuation of the PPP, the fourth hypothesis can be supported.

Finally, the fifth hypothesis can be read down below:

A continuous monitoring process regarding market developments, substantial plan content, the contractual structure of the joint venture PPP and the actual spatial delivery, helps to align actors' interests and actions with the dynamic reality of spatial development, thereby ensuring cooperative continuity

The lack of market research and market monitoring is a common theme throughout the interviews and the available written material. The substantial plan content was not based on market research. Furthermore, market developments were not monitored, and the building programmes could hence not be altered according to the changing market circumstances. There were no monitoring processes in place and therefore the spatial development could not be aligned to the economic reality, eventually leading to the discontinuation of the partnership.

Hence, based on the case study of the development of the Schieveste, the fifth hypothesis can be supported.

12. Cross-case analysis

This chapter brings together all the insights gained through the case studies of the spatial developments of Hoog Dalem, the Spoorzone 013 and the Schieveste. The first paragraph compares the case studies based on the postulated hypotheses and adjusts them subsequently. Then, the second paragraph elaborates on the insights gained beyond the scope the hypotheses. Finally, the third paragraph will present an updated conceptual model.

12.1 Cross-case analysis based on the hypotheses

This paragraph concludes the case studies of this thesis by a cross-case analysis which brings together the insights of the individual case studies per hypothesis.

Flexibility of the building programmes

The first hypothesis is stipulated as follows:

A flexible building programme, in the sense of the possibility to shift between development plans with different spatial qualities, helps to ensure cooperative continuity by altering the building programme according to changes in real estate values and market demand.

It follows from the case studies that a flexible building programme contributes to a cooperative continuity between PPP-partners by aligning the building programme to the economic situation. However, the used operationalisation of a flexible building programme, as incorporated by the hypothesis, turns out to be incorrect. Both the development projects of Hoog Dalem and the Spoorzone 013 – which ensured cooperative continuity – did have a flexible building programme. However, this flexibility was not provided by shifting to another development plan. Rather, this flexibility was provided by avoiding plan-led development through a continuous directed organic process and yearly redefinitions of the land exploitation.

On the other hand, the development of the Schieveste, which led the parties within the PPP to cease their partnership, can be characterised by plan-led development. Furthermore, the parties were unable to adapt the building programme to the market reality during their partnership.

Therefore, the first hypothesis has to be rejected, because of the operationalisation of the flexibility of the building programmes. However, the hypothesis does capture an important mechanism contributing to a PPP's success and cooperative continuity by aligning the building programme to the market as shown by the case studies. Therefore, the postulated hypothesis can be adjusted to the following form:

A flexible building programme, in the sense of organic development and yearly redefinitions of the land-exploitation, helps to ensure cooperative continuity by altering the building programme according to changes in real estate values and market demand.

Flexibility of the project's phasing

The second hypothesis can be read down below:

A flexible phasing, in the sense of decreasing the turn-over rate during times of crises and increasing the turn-over rate in more prosperous times, helps to ensure cooperative continuity by aligning the spatial realisation with market demand.

In all three the development projects, the turn-over rate decreased considerably. However, the turn-over rates were demand-driven, i.e., parties were not forced to acquire land from the land exploitation companies. Hence, actively increasing or decreasing a project's turn-over rate was not the case. Therefore, the second hypothesis has to be rejected.

Rather, a flexible phasing allows for a sustained – albeit a lower – turn-over rate through decreasing the 'grainsize' of the development, i.e., a directed organic development based on smaller design increments due to the decreased market demand. The case studies of Hoog Dale and the Spoorzone 013 have shown that being able to adjust the development volumes over time according to the market contributes to a cooperative continuity within a PPP.

Hence, the hypothesis does capture an important mechanism with respect to a PPP's cooperative continuity. However, the operationalisation of a flexible phasing is not correct as used within the hypothesis. Thus, adjusting the hypothesis in the form shown below, will enhance the validity of the hypothesis:

A flexible phasing, in the sense of organically decreasing the volume of the design increments during times of crises and increasing this volume in more prosperous times, helps to ensure cooperative continuity by aligning the spatial realisation with market demand.

Clarity of project's and actors' performances

The third hypothesis reads as follows:

Clarity regarding the project's and actors' performance, enables private parties to develop in accordance with the public interest, thereby aligning public and private interests which ensures cooperative continuity.

It can be concluded that clarity regarding the project's and actors' performances contributes to the cooperative continuity of a PPP, and therefore the third hypothesis can be supported. The development projects which ensured a cooperative continuity, i.e., the development projects of Hoog Dalem and the Spoorzone 013, provided a jointly drafted project performance framework which captured the 'common thread' of the development. Based on the case studies of Hoog Dalem and the Spoorzone 013, this framework should comprise a spatial quality plan, a general land-use plans, task-setting conditions and an urban master plans which entails a building programme and a land exploitation. Therefore, there was a sufficient and effective amount of clarity regarding the desired direction and essence of the envisioned development.

The development of the Schieveste, however, could not provide legal certainty – and hence clarity – with respect to the project's performances since the land-use plan was not

updated, as principally emphasised by the municipality of Schiedam. There was a master plan in place, but this master plan was not viable and not up-to-date since it was drafted in 2001.

Actors' performances were less pronounced than the projects' performances. Rather, the actors' performances were closely related to the performances of the project. In that respect, the case studies of Hoog Dalem and the Spoorzone 013 showed that parties within a PPP should perform certain complementary roles, which are often complementary to each other given the different nature of private and public parties. Regarding the unsuccessful PPP-cooperation of the development of the Schieveste, these roles were not clear, especially with respect to the role of the private party Burgfonds.

Hence, based on the case study's findings, the initial hypothesis can be further specified:

Clarity regarding the project's and actors' performance through spatial quality plans, general land-use plans, task-setting conditions, urban master plans and clear roles, enables private parties to develop in accordance with the public interest, thereby aligning public and private interests which ensures cooperative continuity.

Clarity of actors' financial positions

The fourth hypothesis is shown below:

Clarity regarding actors' financial positions, and altering the contractual structure of the joint venture PPP accordingly, protects private parties' main interest – i.e., profitable development – thereby ensuring cooperative continuity.

The case studies have shown that the fourth hypothesis has to be rejected. With respect to the development projects of Hoog Dalem and the Spoorzone 013, the private parties provided parent company guarantees. However, over the timespan of the spatial development, no explicit and open communications took place regarding actors' financial positions, neither for the cases which ensured cooperative continuity, nor for the case which could not ensure cooperative continuity, i.e., the development of the Schieveste. The financial positions of the individual land exploitation companies were communicated however with the municipal councils. The respondents stated that the mechanism described by the fourth hypothesis would have been important in case on of the parties involved in the PPPs would have had difficulties with respect to their financial resources. However, this was not the case, neither for Burgfonds involved in the development of the Schieveste.

Hence, it follows from the case studies that clarity with respect to actors' financial positions – i.e., explicit and open communication mechanisms in order to detect and convey parties' financial strength – were not in place and could hence not contribute to the cooperative continuity of the PPPs. Therefore, the fourth hypothesis has to be rejected.

The importance of monitoring processes

Finally, the fifth hypothesis can be read down below:

A continuous monitoring process regarding market developments, substantial plan content, the contractual structure of the joint venture PPP and the actual spatial delivery, helps to align actors' interests and actions with the dynamic reality of spatial development, thereby ensuring cooperative continuity

It stemmed from the case studies that the fifth hypothesis has to be rejected. However, this does not mean that continuous monitoring processes are not important with respect to a PPP's continuity. The development projects of Hoog Dalem and the Spoorzone 013 – being the cases which ensured a cooperative continuity – did have monitoring processes in action with respect to market developments, the substantial plan content and the actual spatial delivery, e.g., with respect to the land exploitation and the spatial quality framework. Furthermore, other monitoring processes were in place as well with respect to other development projects and some local and societal aspects. However, these monitoring processes did not entail the contractual structure of the land exploitation, i.e., the contractual relation between the private and public parties could not be changed based on these monitoring processes. Therefore, the fifth hypothesis has to be rejected and should be adjusted.

The importance of monitoring processes is underscored by the absence of monitoring processes regarding the unsuccessful PPP-cooperation of the Schieveste. Alongside the absence of these monitoring processes, there was a lack of robust market research in order to underpin the substantial plan content. Therefore, cooperative continuity could not be sustained.

The adjusted hypothesis reads as follows:

A continuous monitoring process regarding market developments, substantial plan content and the actual spatial delivery, helps to align actors' interests and actions with the dynamic reality of spatial development, thereby ensuring cooperative continuity

12.2 Cross-case analysis: additional insights and overall conclusion

The case studies allowed to retrieve valuable information beyond the scope of the five fragmented hypotheses. Principally, these additional insights can be divided in three categories, namely regarding the development framework, organic development and 'work of man'.

A common theme throughout the case studies is the importance of a robust development framework. This development framework serves as a red line of the development, thereby providing clarity with respect to, and anchoring the essence of the development on a general level. This framework consists of an urban master plan, entailing a building programme, a land exploitation, a land-use plan entailing a spatial quality plan and the roles the parties have to fulfil during their partnership. Such a framework provides clarity and certainty with respect to the essence of the development and hence serves as a starting point for the development. Any form of needed flexibility, either with respect to the building programme or regarding the project's phasing, can then be assessed with respect to the development framework, i.e., do

the spatial or financial results deviate too much from the desired direction and essence of the development because of the deployed flexibility? This assessment can be robustly made based on the different roles public and private parties perform within a PPP. Public and private parties are intrinsically different from one another. Rather than merging into one uniform entity, parties must be able to fulfil their own role which should be complementary to the role of their partners.

The development frameworks have to be viable and sufficiently underpinned. Both the developments of Hoog Dalem and the Spoorzone 013 had a robust development framework in place as described above, contrary to the framework of the development of the Schieveste. The case of the Spoorzone 013 shows that there is no single viable or correct framework. Rather, these development frameworks – and the policy documents which make up this framework – capture a notion of the desired spatial development and the direction of this development. The development framework of the development of the Spoorzone 013 changed considerably due to the unforeseen preservation of urban-historical heritage. This does not mean that the previous development framework was incorrect. Rather, that development framework did not capture the desired direction of the development. Therefore, the development framework was altered and currently the parties involved in the district development company are drafting a new direction document. Hence, this alteration and direction document are strategic documents and do transcend the flexibility provided by the yearly redefinition of the land exploitation.

The development framework of the development of the Schieveste was not sufficiently underpinned, and hence was not viable, therefore the starting point for the development was flawed and inadequate. The municipality of Rotterdam acknowledged this shortcoming and decided to leave the partnership, whereas the municipality of Schiedam and Burgfonds continued their partnership and their foreseen spatial development. The municipality of Schiedam and Burgfonds did not acknowledge the need to change their development framework – which was too ambitious and incomplete – due to the lack of monitoring processes, an inadequate underpinning of the development and the absence of an updated land-use plan.

As mentioned before, these development frameworks ought to be general in nature. The development framework of the development of the Schieveste – which primarily consisted of an urban master plan – was too specific in its contents. The case of the development of the Spoorzone 013 also showed that specifically allocated land-uses, or chessboard allotments, should be avoided. In order to respond to drastically changing market circumstances, the case studies have shown – most distinctly through the case study of Hoog Dalem and the Schieveste – that plan-led development should be avoided and a more organically structured spatial development should be enabled wherein ‘on the spot’ decision-making takes place based on monitoring processes. This organic development allows to maintain a certain level of turn-over by decreasing the ‘grainsize’ of the development, i.e., a stepwise development. Not that this type of organic development is guided and directed by the development framework. By this type of guided organic development, the market-demand can be more properly addressed, i.e., the supply of the spatial products can be more effectively spread over time in order to address the decreased amount of market demand. Moreover, the aforementioned broad and generic land-use plans can accommodate this organic spatial development.

The hypotheses of the case studies and hence its findings are based on the organisational aspects of the performance of PPPs. However, the case studies have shown that there is an important social aspect to the performance of a PPP. It was emphasised throughout the

interviews during the case studies, that spatial development is ‘work of man’. Therefore, the qualities of the PPP-staffing, as well as the chemistry between the members of the PPP’s staff is of crucial importance in order to sustain the process between the parties involved in the PPP and in order to enable any needed flexibility. Since the future cannot be planned for, it is important to sustain the process. As has been argued before, plan-led development should be avoided.

In order, then, to sustain the process, parties must be willing to understand one another and to concede things to one another throughout the process and the long timespan of spatial development. Hence, a certain chemistry is needed between the members of the PPP’s staff. At first, the PPP-staffing of the district development company of the development of the Spoorzone 013 was changed since there was no chemistry between them. Respondent E of the municipality of Schiedam stated as well that there was no chemistry between the people involved in the land exploitation company of the development of the Schieveste, however this statement was not endorsed by Respondent F on behalf of Burgfonds.

An important factor in that respect is trust. AM and Heijmans cooperated with the municipality of Gorinchem already before the development of Hoog Dalem. The same can be said for VolkerWessels and the municipality of Tilburg regarding the development of the Spoorzone 013. Burgfonds and the municipality of Schiedam, on the other hand, did not have a history of cooperation. Considering, then, the fact that the development of the Schieveste can be characterised as plan-led and inflexible, whereas the projects of Hoog Dalem and the Spoorzone 013 can be described as being more flexible, relational and more organic, there appears to be a relation between trust amongst parties and the rigidity of the cooperation structure between parties.

Since spatial development by the means of PPPs – or any spatial development for that matter – can be considered to be ‘work of man’, the expected synergy of a PPP is not straightforwardly achieved. Parties must complement one another in order to capitalise the enrichment of public and private cooperation. This too extends to the quality of the ‘on the spot’ decision-making which benefits from the inherently different background of public and private parties.

12.3 An updated conceptual model

The initial conceptual model as presented in chapter number 7 has been tested by the case studies. The case studies have further specified the notion of successful mechanisms regarding crises-robust joint venture PPP-practice. Therefore, the initially presented conceptual model can be adjusted, just like some of the hypotheses were adjusted in paragraph 12.1. Figure 24 down below presents an overview of the adjusted conceptual model.

Some noteworthy alterations have been applied to the initial model. Most obviously, the success factors, i.e., the independent variables, which influence the dependent variables, i.e., the variables capturing the performance of a joint venture PPP. An important improvement is the further specified operationalisation of these success factors, since they are now more explicit and specific. Regarding the mechanisms of this conceptual notion of a PPP’s performance, it is worthwhile to underline the absence of relation from the substantial plan content back to the structure and essence of a PPP, i.e., the sharing of costs, benefits, risks and guardianship. The case studies have forcefully shown that this contractual structure of the PPP’s did not change. Rather, it served as a clear and steadfast basis whereupon the joint venture PPP operated.

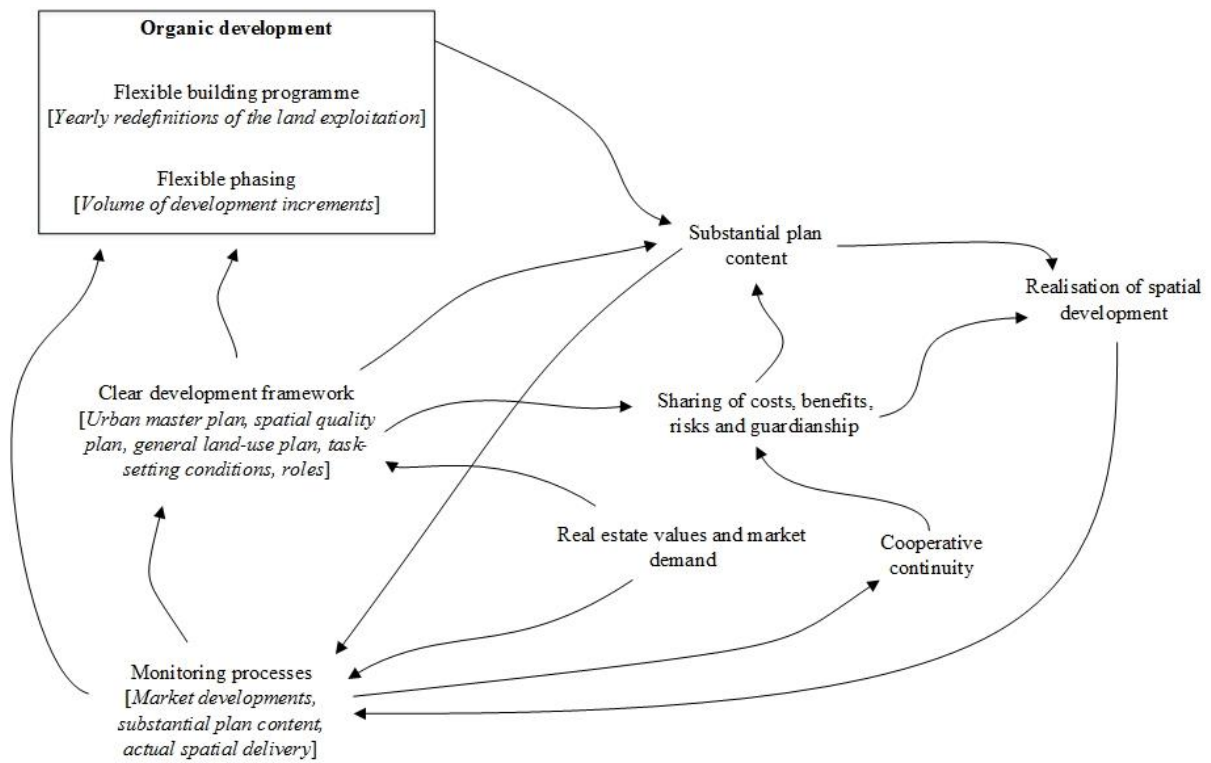


Figure 24 Conceptual model visualising the successful factors and mechanisms of joint venture PPP-practice in times of crises.

The adjusted conceptual model in figure number 24 explicitly shows the value of monitoring processes. The initial stipulated conceptual model did acknowledge the importance of monitoring processes, however its relation regarding the flexibility aspects – with respect to the building programme and the project’s phasing – were not rendered enough justice. This adjusted conceptual model does explicitly show these successful mechanisms of monitoring the reality of the spatial development alongside its envisioned direction and results and how these should feed into the process of directed organic development guided by the development framework.

Part III

Placing the derived conclusions from the empirical research in a wider theoretical context and proposing recommendations for successful PPP-practice during crises.



13. Towards a crises robust institutional strategy for future PPP-practice

The case studies of the development of Hoog Dalem, the Spoorzone 013 and the Schieveste have shown how the PPPs dealt with, and reacted to, the complexity of designing and acting in a socio-technical system on a local level. This chapter approaches spatial development from a theoretical point of view, thereby placing the insights gained through the case studies in a broader theoretical perspective and pointing at the complexity of spatial development in general. By elaborating on this theoretical perspective, even more robustly founded recommendations can be provided for future PPPs and their institutional framework.

13.1 Spatial development and the challenge of designing in socio-technical systems

It can be concluded from the case studies, that spatial development is not a straightforward endeavour, especially so in times of crises. In fact, crises underline the socio-technical nature of spatial development. That is, especially in times of crises, alongside the technical aspects of spatial development, the social aspects – and how the parties involved in the PPP responded to these aspects – play an important role.

Spatial development is a result of a design process, entailing technical as well as social artefacts. That is, the technical product – i.e., a newly developed or restructured urban entity – and the rules for behaviour which is the institutional structure supporting and enabling the design process, and ultimately the realisation of the technical artefact, see, e.g., Ruijgh & Van Daalen (2013). Furthermore, these technical and social artefacts exist within a socio-technical context. The case studies have shown how the social aspects – such as the occurrence of the crises and changed market preferences – influenced the design and delivery of the technical artefacts. Similarly, spatial development takes place in an already existing spatial structure, which influences the design process of spatial development. Additionally, the built environment influences social interaction and equally so, people's behaviour does have an impact on the built environment as well, see, e.g., Gutman (1976).

As the occurrence of the financial and economic crises has shown, particularly the social side of the socio-technical system can be highly dynamic. Spatial development aims to purposefully intervene in the already existing socio-technical system of the spatial environment. This purposeful intervention is threatened by the dynamics of the socio-technical context. This can lead to the actual intervention itself being less purposeful than anticipated, or potentially completely diverging from the changed preferences and market demand. Herein lies the challenge of designing spatial interventions in the socio-technical system of the spatial environment: design requirements are not stable, especially during times of crises. Furthermore, the design phase takes place before the actual intervention. Hence, the aforementioned dynamics can lead to considerable changes regarding the market and end-users' preferences, especially given the long timespan of spatial development.

13.2 Systems engineering and spatial development: needs and requirements

Systems engineering bridges the gap between business' and stakeholders' needs and requirements on the one side and the actual detailed design and development on the other side (Faulconbridge & Ryan, 2014). Systems engineering focusses on what is needed rather than on how it is to be designed. Bridging this gap is not a straightforward endeavour, especially considering the earlier described dynamic socio-technical context of spatial development. As described by Faulconbridge & Ryan (2014), the design process starts with a mission, a desired

change or addition to a system stated by business management or other stakeholders, i.e., in the case of spatial development, a certain spatial need. Through needs and requirements documentation and engineering, a spatial need's context can be identified, as well as specifications which meet the business' and stakeholders' needs and requirements (Verner et al., 2005). This allows to start a spatial project – or any project for that matter – with a complete, balanced, comprehensible, feasible, and consistent requirements set. This set of requirements will ultimately feed into a design process. A conceptual design focusses on the functional description of the system. The functional description elaborates on, amongst others, what the system will do, and under what conditions it will perform. So, the functional description ought to capture predominantly the aforementioned development framework's 'red line' or 'common thread' of the development.

Subsequently, a preliminary design takes the design process one step further by elaborating the functional description onto the physical description, i.e., it describes how the functional design will be realised. This entails focussing on what elements will be used, how they will look, and how they will be manufactured, i.e., the urban master plan and the building programmes of the spatial development. The functional description precedes the physical description and can entail a market analysis (Faulconbridge & Ryan, 2014: 64). This consecutive approach provides some room for flexibility since newly gained insights can be processed from the functional description to the physical description, whilst a robust basis can be maintained with respect to the desired functionality of the system. Hence, the functional description – as crystallised in the conceptual design – enables the preliminary and detailed design and eventually the development of the spatial project alongside its flexibility, i.e., the added value of a development framework. Furthermore, the process can be controlled and verified if needed. Eventually, the preliminary design is elaborated into a detailed design which will get developed. However, systems engineering emphasises the earlier phases of the design cycle, particularly requirements engineering, since a poor requirements definition cannot be mitigated by a good design process. Poor requirements engineering will most likely result in cancelled projects or unsatisfactory results (Verner et al., 2005; Faulconbridge & Ryan, 2014).

Essentially, the insights gained through the case studies are in line with the emphasis put on the earlier phases of the systems life cycle by the systems engineering approach. This particularly holds regarding the importance of a 'common thread' of development and the importance of a conceptual design as a development framework capturing the functional description and direction of the envisioned development.

It is important to note in that respect, that systems engineering does primarily focus on designing and developing technical artefacts (Nicholas & Steyn, 2012). The social artefacts, i.e., the institutional structure which enables the process of spatial design and development, are not explicitly included in the systems engineering approach. However, the sequential nature of systems engineering, i.e., the sequence of the systems life cycle and the acquisition phase in particular, can be considered to be a social artefact. Faulconbridge & Ryan (2014: 300) do emphasise that the traditional waterfall approach might not be the most optimal strategy regarding systems engineering. This primarily holds when funds and time turn out to be insufficient, and when the scope or substantial content of design requirements is not stable or completely understood, which is the case regarding spatial development, especially so in times of crises. Clearly, the occurrence of the financial and economic crises meant that the earlier stipulated design requirements – which were based on business' and stakeholders' needs and requirements – were not as effective as previously anticipated.

As the case studies have shown, directed organic development is more successful in times of crises than plan-led development. Through stepwise development a certain turn-over rate can be maintained whilst the market demand can be continuously monitored so that each

development increment can be effectively designed in correspondence with the current market demand. These case study's findings are in line with the argumentation of Faulconbridge & Ryan (2014) that the waterfall approach is not always the most optimal solution to certain design challenges, especially so when the design challenge is subjected to considerable dynamics within a socio-technical context. The described successful approaches by the case studies do resemble the incremental development approach as described by Faulconbridge & Ryan (2014: 300). Furthermore, Faulconbridge & Ryan (2014: 302) do emphasise the importance of long-term design goals, i.e., the protection and clarity regarding the 'common thread' and 'red line' of the development, this makes the organic decision-making more robust, and maximises the use and utility of the subsequent development increments.

13.3 From design to realisation: project and process management

Eventually, the design and engineering process should result in the desired spatial development. The systems engineering approach transits naturally in a management approach in order to coordinate, integrate and eventually complete a variety of interdisciplinary and interdependent activities (Nicholas & Steyn, 2012). Hence, project management can be considered to be a social artefact since it provides rules of behaviour – or a strategy or approach – in order to come to spatial realisation. Regarding project management, the gap between the spatial design and the spatial realisation is bridged by a project conceptualisation in terms of costs, time and requirements, scope or quality (Nicholas & Steyn, 2012). This can only be done meaningfully, in case there is a robust systems engineering input (Faulconbridge & Ryan, 2014). The conceptualisation of the project in terms of costs, time and requirements can only be effective in case these aspects remain reasonably stable. Basically, project management assumes that the spatial challenge at hand is a structured problem which can be addressed by a predefined solution which stems from linear and structured decision-making (De Bruijn et al., 2010).

However, spatial development is a dynamic endeavour by nature, especially so in times of crises, as shown by the case studies. Afterall, the occurrence of the crises resulted in higher costs, due to decreased market values, an extension of the development's timespan due to the decreased turn-over rate, and changes in the project's requirements and scope due to changed market preferences. Hence, the conceptualisation of the spatial development in terms of costs, time and requirements becomes obsolete which hence emphasises that spatial development is not an unequivocal solution to a structured spatial need. As stated by Healey (1998) and De Bruijn et al. (2010), when situations are dynamic, a project management approach becomes ineffective and impossible.

These dynamics lead to a deviation from the previously envisioned spatial development, i.e., a deviation from the project conceptualisation. From a project management perspective, these deviations ought to be avoided since it makes the development project more complex since project management aims to control the project outcomes. A materialisation of risks – either internal or external risks – lead to a deviation from the earlier envisioned project outcomes in terms of costs, time and quality. Usually, project management approaches towards risks are characterised by transferring the risk, avoiding or reducing the risk, acceptance and contingency planning (Nicholas & Steyn, 2012: 366). Whilst these strategies are promising in order to reduce or avoid risk, they are part of a risk response planning, or risk management (Nicholas & Steyn, 2012). An important aspect herein is contingency planning, which aims at anticipating risks and subsequently stipulating courses of action to cope with these risks. Hence, the project management approach gravitates more towards a planned future and planned flexibility alongside post hoc remedial actions when it comes to responses

to unforeseen events such as the occurrence of the financial and economic crises (Nicholas & Steyn, 2012).

This is due to the adherence of the project management approach to the project's conceptualisation in terms of costs, time and quality. Moreover, changes of this conceptualisation should be avoided. As stated by Nicholas & Steyn (2012), design iterations should be minimised and controlled in order to avoid never-ending re-design.

However, the case studies have shown that planned flexibility, post hoc decision-making and limiting design iterations were not common practice when it comes to successful PPP-performance in times of crises. Rather, the contrary was the matter, i.e., the successful PPPs were more tailored towards – on a general level – a process management approach rather than a project management approach. The project management adherence to the project's conceptualisation in terms of costs, time and quality assumes that at some point, the design and decision-making phases come to an end, and that subsequently an implementation phase will follow. However, this does not apply to spatial development, especially so in times of crises as shown by the case studies. As mentioned before, spatial needs are unstructured problems, which means that there is no unequivocal solution to the spatial need. Furthermore, given the dynamic context, one spatial solution might be obsolete the other day. Therefore, the project's management distinction between design and execution phases is not effective, which is shown as well by the case studies. This does not solely apply to spatial development. As stated by Pressman & Wildavsky (1973) and Barzelay (2004), every decision is likely to be revised during implementation, and oftentimes policies and designs are formed at several moments over time, not at one discrete moment at the beginning of a project.

Therefore, process management shifts the emphasis from the detailed content of the desired spatial change – or any change for that matter – to the manner in which the content is development and eventually implemented (De Bruijn et al., 2010). Since spatial challenges are unstructured problems, information is of crucial importance and may be scattered over different actors (De Bruijn et al., 2010). PPPs are, then, a promising vehicle in order to bring spatial development to completion. Afterall, various perceptions and normative beliefs are brought together which can and should lead to an enrichment of the decision-making, i.e., the synergy and added-value of PPPs. By doing so, as stated by De Bruijn et al. (2010), dynamics are incorporated in the cooperation by bringing in dynamic insights and information, rather than a static, reactive and post hoc attitude which is characterising the project management approach.

It is, then, of crucial importance to enable the parties involved to deploy their expertise with respect to the decision-making at hand. The spatial development can hence be enabled by eliminating the rigid plan-led approach. The next paragraph will elaborate more on this aspect.

13.4 Recommendations for future crises robust PPP-practice

The foregoing paragraphs have placed the insights gained through the literature review, expert interviews and case studies in a wider theoretical perspective, thereby providing insight in the complexity of designing in socio-technical systems and the practice of spatial development. This theoretical perspective allows to robustly provide recommendations for future PPP-practice. These recommendations contribute to the institutional framework of future PPPs by introducing preconditions which should be optimised in order to be able to robustly address crises. By doing so the institutional design of PPPs can be improved.

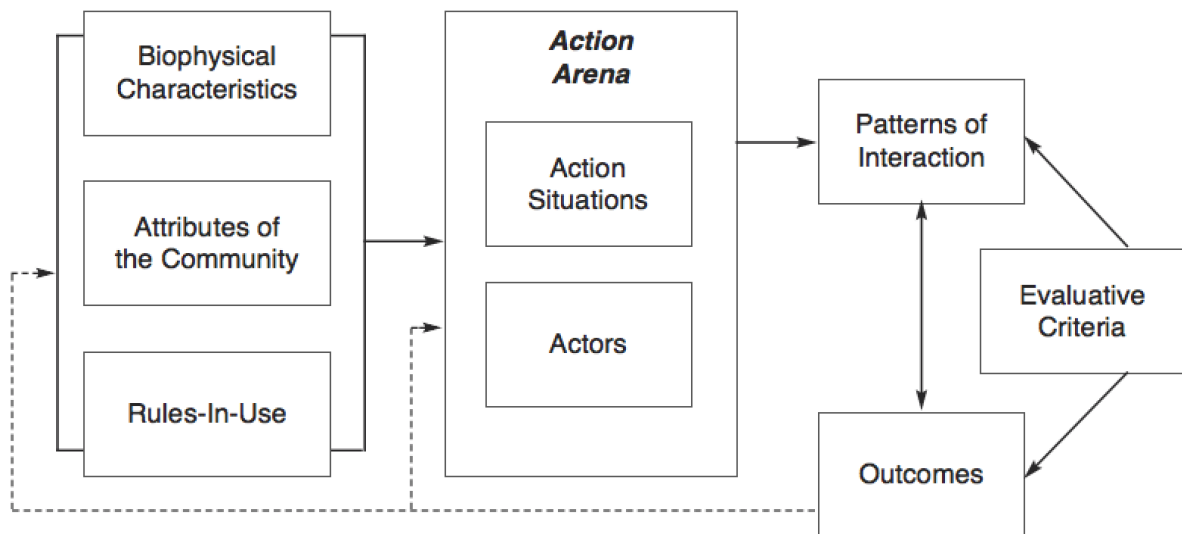


Figure 25 *Institutional Analysis and Development framework of Elinor Ostrom (Ostrom, 2005: 15). This framework shows how actions, influenced by a context, result in a certain pattern of interactions.*

The institutional analysis and development framework of Elinor Ostrom (Ostrom, 2005) shows in an elegant manner how the recommendations for future PPP-practice – which will be provided in this paragraph – will affect the decision-making and modus operandi of PPPs which will eventually lead to more satisfactory spatial results. Ostrom’s (2005) so called IAD-framework can be seen in figure number 25. The action arena takes in a predominant place in this framework. Actors encounter action situations in this action arena, i.e., actors participate in decision-making processes which address certain action situations. The results of these decision-making processes bring about certain patterns of interaction which will eventually lead to the desired change.

On the other hand, the action arena is influenced by three categories, according to Ostrom (2005). These categories constitute the context of the action arena. Considering spatial development, the biophysical characteristics are formed by the physical or material conditions of the location.

The attributes of the community are norms of behaviour, common understanding, the heterogeneity of actors regarding their preferences and the distribution of resources (Ostrom, 2010). Basically, culture is a good term to capture the attributes of the community. Note that these attributes of the community are dynamic over time, e.g., with respect to market preferences.

Lastly, Ostrom (2005) distinguishes the rules in use. These are artefacts which structure actors’ economic, social and political behaviour (Hazeu, 2007). Hence, these rules can be considered to be institutions which structure social interaction (Hazeu, 2007). The recommendations of this paragraph will contribute to these rules in use for future PPP-practice, i.e., to the institutional design of future PPPs. These recommendations are important preconditions which should be optimised in order to come to a more crises robust and more optimal institutional PPP-design.

13.4.1 Elaborate on a robust development framework

A robust development framework based on market analysis, directs the development by capturing the essence of the envisioned development and enables flexibility due to its general nature.

The case studies of Hoog Dalem and the Spoorzone 013 have shown that clarity must be provided on a general level with respect to the ‘common thread’ of the development. It is worthwhile to elaborate on the urban master plan which consists of a building programme and a land exploitation, alongside task-setting conditions and a spatial quality plan in conjunction with a general land-use plan which does not allocate specific land-uses on parcel level and does cater for flexible volumes. Furthermore, the roles parties will perform need to be clear, paragraph 13.4.4 will elaborate more on this aspect. The development framework, which usually will consist of a set of policy documents as stated above, should capture the essence of the development, i.e., the ‘common thread’ or ‘red line’. Thereby the development framework can be considered as a crystallisation of the development prerequisites. However, the framework should not go into much detail, rather it should try to capture the basic nature of the envisioned spatial development. As shown by the case studies of Hoog Dalem and the Spoorzone 013, the development framework should enable the development, rather than a complete stipulation of the development. This is in accordance with the process management approach, as stated by De Bruijn et al. (2010), namely that the development framework should eliminate obstacles to the spatial realisation. Also, the project management approach can entail some sort of a development framework, as mentioned by Nicholas & Steyn (2012), often called a project master plan. However, this project master plan literally aims to plan the project, laying out the specifics of the projects in order to guide the project. As stated before, such a project master plan – or development framework – which is too specific, does not enable the development since its too precise contents are likely to give rise to obstacles rather than to eliminate them, especially so in times of crises.

It is important that this development framework should be based upon a thorough market analysis regarding market demand, competing developments and the absorption capacity of the city or area with respect to the to-be developed spatial products. The case studies of Hoog Dalem and the Spoorzone 013 do emphasise this statement. At the same time, the absence of market analyses regarding the development of the Schieveste is remarkable too. Market analyses help to ensure the viability of the envisioned development and hence the development framework at the start of the development process. Thereby providing a feasible starting point for the development.

Although the stipulation of a robust development framework takes a considerable amount of time, it should be considered as a starting point of the development. Parties should acknowledge this during the initial stages of the public-private cooperation. This helps to avoid a too detailed and too specific content of the development framework, which can negatively affect the flexibility – and hence the adaptability to changing market circumstances – of the spatial development. Afterall, given the long timespan of spatial development, market circumstances are likely to change. Hence, the development framework should enable the needed flexibility by robustly stipulating and effectively guaranteeing the essence of the development. At the same time, plan-led development should be avoided, so the development framework should not be too specific – thus allowing for tailor-made development when needed, deploying the expertise of the parties involved – and, if necessary, the framework itself can be altered based on enhanced insights or changed market circumstances. If deployed in this form, the development framework truly becomes a socio-technical artifact, structuring

the social interaction in order to come to a crises-robust development approach by the means of joint venture PPPs.

13.4.2 Acknowledge that flexibility is needed

Development framework serves as a starting point, flexibility is needed in order to align the development to the changing market demand over the long timespan of spatial development.

The stipulation of a robust development framework provides a sufficient amount of clarity with respect to the direction of the spatial development, its characteristics and the roles parties play throughout the development process. However, as mentioned in the previous paragraph, the development framework serves as a starting point. Economic and other changes can lead to a misalignment between the envisioned spatial development and the actual market demand. Oftentimes this is noticed through a decreased turn-over. Moreover, given the long timespan of spatial development, it is very likely that the initially drafted building programmes of the spatial development will lose some of their effectiveness over time with respect to the ever-changing market demand. Hence, a plan-led development is not effective as shown by the development project of the Schieveste, and flexibility is needed in order to adapt the spatial development to the changed circumstances. The general approach of the development framework, alongside yearly redefinitions of the land exploitation enable this flexibility as shown by the cases of Hoog Dalem and the Spoorzone 013. These redefinitions or adaptations can be made regarding the substantial content of the spatial development, regarding the phasing of the spatial development, or both. Acknowledging that flexibility is needed does imply that parties commit themselves to the development not solely because of the agreed upon substantial content of the project. Moreover, the cooperation will be based as well on relational aspects, as described by Van der Veen & Korthals Altes (2012).

It is worthwhile to emphasise that the needed flexibility is enabled by the development framework which captures the essence of the development with respect to the spatial quality as well as regarding the financial aspects of the spatial development. The development framework enables this flexibility in a twofold manner as shown by the cases of Hoog Dalem and the Spoorzone 013. Firstly, due to its general nature, room for flexibility is catered for since its stipulations are not too specific. Secondly, the development framework provides a robust desired direction of the development, both qualitatively as well as financially. Based on this robust direction, flexibility can be deployed in accordance with the envisioned ‘common thread’ and essence of the development. Furthermore, it can be assessed whether or not the spatial and financial results of the deployed flexibility deviate too much from the desired direction.

13.4.3 Allow for informed directed organic development and ‘on the spot’ decision-making

Through directed and informed organic development, parties can fully deploy their expertise and can sustain a certain turn-over rate allowing for tailor-made spatial solutions.

The foregoing recommendations enable and lead to this third recommendation. In order to effectively develop during times of crises, it is important to decrease the ‘grain size’ of the development. In other words, the development should be organic but directed and tailor-made

on a smaller scale – e.g., through urban subdivisions – rather than plan-led for the entire development area as shown by the cases of Hoog Dalem and the Spoorzone 013. This approach allows to fully deploy the expertise of the parties involved in the joint venture PPP since parties need to actively work together in order to design a more effective spatial solution to the perceived spatial needs through the flexibility provided for and guided by the development framework. This ought to be the expected added-value stemming from the synergy of parties within the PPP. Furthermore, by decreasing the grain size of the development a certain turn-over rate can be maintained, albeit a lower rate than previously envisioned due to the absence of market demand in times of crises. Besides, by decreasing the grain size of the development, the development of individual urban subdivisions becomes more manageable since its development timespan becomes considerably smaller, thereby limiting the impact of dynamics and decreasing the likelihood that risks will materialise. Furthermore, on this smaller scale, the project management’s conceptualisation of the development in terms of costs, time and quality does not become completely obsolete and ineffective since these aspects can remain reasonably stable and comprehensible. Hence, project management should not be disregarded, rather, it should be applied to the right scale of development.

The decision-making with respect to the organic development should be robustly informed by the means of monitoring processes. These processes allow to acquire up-to-date information regarding market characteristics and stakeholders’ needs and requirements and hence parties can adjust their development plans ‘on the spot’ guided by the development framework, thereby deploying their own expertise in order to come to a highly qualitative and tailor-made spatial solution to the spatial need at hand. Besides, given parties’ different background and expertise, they can complement each other with respect to the monitoring processes since they can deploy different information sources. Furthermore, due to their different backgrounds, the parties can jointly offer a broader vision with respect to the economic circumstances and its impact on the spatial development.

It is important to emphasise that this organic development and ‘on the spot’ decision-making should be enabled and guided by the earlier described development framework. Firstly, since the development framework should provide general guidelines rather than specific stipulations, room is provided wherein parties can deploy their expertise for tailor-made and organic spatial development whilst at the same time a robust and clear development direction is provided by the same framework. This is the second way in which a development framework can enable parties to develop organically. A development framework provides a foundation or anchorage for the organic development and ‘on the spot’ decision-making since the ‘common thread’ of the development is described and safeguarded by the development framework. Hence, the framework can be used to assess whether or not the altered spatial results – through the flexibility provided by the yearly redefinitions, ‘on the spot’ decision-making and organic development – deviate too much from the ultimately desired essence and character of the development project, either regarding substantial content or regarding its phasing and land exploitation. This remark was particularly emphasised during the case study of Hoog Dalem by Respondent B. The development framework serves as a crystallisation of development preconditions wherein the organic development can take place. Monitoring mechanisms with respect to the directed organic development and preconditions of the development framework are therefore important.

13.4.4 Complement each other during the development process

Public and private parties are intrinsically different, herein lies the added value of PPPs. Synergy starts when parties try to understand each other and when parties start discussing rather than convincing.

In order to effectuate the flexibility within a development project, and the ability to jointly and organically redesign a spatial solution to a spatial need, the relationship between the parties involved in the PPP is of significant importance. Although PPPs can be considered to be merely business-like relationships, the practice of PPP-performance during times of crises shows that spatial development remains to be ‘work of man’. One cannot contractually agree upon liking one another. However, this social aspect has a remarkable influence of the performance of PPPs.

Firstly, trust plays an important role, e.g., with respect to actor’s performance guidelines. Furthermore, especially when parties do not have a long history together regarding spatial development, parties may not exactly know what to expect from one another, e.g., regarding expertise and approaches towards the spatial development project’s challenges as shown by the case study of the Schieveste. As previously described within this thesis, parties which do not have a long cooperation history together might be tempted to draft very stipulated and detailed contracts, thereby undermining the amount of flexibility within the contractual structure or development framework of the PPP. Of course, this should be avoided.

Secondly, private and public parties are intrinsically different. Herein lies the added value of PPPs. Parties should strive to complement each other, rather than to become one singular entity or, on the other hand, continuously oppose one another. Because of their different backgrounds, public and private parties can complement each other which eventually will benefit the spatial development as a whole. Parties often play different roles in that respect, e.g., the municipality focusses more on spatial quality whereas private parties focus more on finding end-users alongside feasibility aspects, see, e.g., the case study of Hoog Dalem. These different perspectives should be maintained in order to complement and enrich one another and the decision-making accordingly.

These different perspectives can result in frictions within a PPP-cooperation, e.g., with respect to the trade-off between spatial quality and costs. Here once again comes the social aspect into play. This friction can result in added value through discussions based on the different perspectives, this will eventually benefit the organic development and ‘on the spot’ decision-making. On the other hand, if parties do not concede during these discussions, the added value of PPPs will disappear, leading to ineffective ‘on the spot’ decision-making or no deployment of flexibility at all. Substantive discussions should eventually lead to better decision-making and better spatial development. As particularly emphasised by the case study of Hoog Dalem, these discussions should not take place during shareholder meetings, but rather at the level of the board of managers. The actual decision-making can then take place during shareholder meetings, but the preparation of these decisions and hence their surrounding discussions should take place during meetings of the board of managers. During these meetings, issues can be more directly addressed due to the limited number of managers.

It pays, therefore, to acknowledge the social aspects of a PPP-cooperation. There has to be a certain chemistry between the people involved in the cooperation. The performance of PPPs can be suboptimal if the relations are poor between the PPP-staffing, as shown by the case studies of the Spoorzone 013 and the Schieveste. Investing, then, time with respect to the social aspects before and during the development process can help to smoothen and strengthen the relationship between the people involved in the PPP. It is noteworthy in this

respect, that the PPP-staffing is likely to change over the long timespan of the cooperation. Therefore, it is recommendable to regularly invest time regarding the social aspects during the entire process of the spatial development through trying to understand each other's stances when it comes to spatial development. As mentioned before, there does not exist one singular and unequivocal solution to a spatial need. Instead of explaining one's desired spatial solution – which is a risk as stated by De Bruijn et al. (2010) since then process management becomes a mere vehicle to communicate one's stances – parties should rather invest time in understanding each other's line of reasoning which leads to an individually preferred spatial solution. This does not only enrich parties' own argumentation and subsequent decision-making, but it contributes as well to the relationship within a PPP since parties try to understand each other rather than to convince one another of each other's stances.

13.5 Reflection on the proposed strategy

The previous paragraphs provided four prerequisites which should be optimised in order to enhance the practice of PPPs for area development so that they can robustly address crises. Table 17 provides a concise overview of the recommendations and prerequisites.

The recommendations for future PPP-practice do fit within the broader corpus of literature covering PPPs and their performance. When reflecting on the proposed recommendations, taking into account the 18 articles which were used for the literature review in chapter number 5, one finds that the recommendations are generally supported by the scientific corpus of literature.

The importance of a development framework is particularly endorsed by Bavay (1997), Van der Veen & Korthals Altes (2011a; 2012), and Zanon & Verones (2013). Although not elaborately, they underline the importance of a long-term spatial vision. Furthermore, Edelenbos & Teisman (2008) accentuate that there must exist a robust basis for sustainable collaboration and Van der Meij et al. (2000) and Priemus (2007) do underscore the importance of a robust functional baseline of the development.

The need for flexibility is a more common theme throughout the scientific literature. Several contributions, e.g., Bavay (1997) as well as the conducted expert interviews, stated that flexibility must be provided with respect to development possibilities. However, these articles do not elaborate on the relationship between the development frameworks and the flexibility in terms of guidance or anchorage. Other articles, e.g., Sagalyn (2007), Van der Veen & Korthals Altes (2011a) and Van der Veen & Korthals Altes (2012) do underline that flexibility must be planned for.

Also the added value of organic development is acknowledged throughout the scientific literature, particularly by Sagalyn (2007), Van der Veen & Korthals Altes (2012) and Jansen (2015). Primarily, the scientific literature emphasises incremental and phased development, rather than organic 'on the spot' decision-making and development. The latter being enabled by the development framework which provides the room for flexibility which allows to fully deploy the expertise of the public and private parties involved.

Remarkably, the fourth recommendation, regarding parties complementing each other, does not find much resonance throughout the scientific literature. Although several contributions do stress the importance of sharing knowledge and expertise, e.g., Van der Meij et al. (2000), Calabrò & Della Spina (2014) and Deloitte Real Estate Advisory & Partnerships (2017), and the importance of trust and quality of the cooperation (Jansen, 2015), none of these articles relates this aspect to a potential enrichment of the organic development and 'on

Table 17

Concise overview of the four recommendations for crises robust PPP-practice. These recommendations are prerequisites which – when being optimised – should lead to a PPP-practice which addresses crises more robustly.

| Development framework | Flexibility is needed | Organic development | Complement each other |
|---|--|---|--|
| <ul style="list-style-type: none"> ▪ Captures the ‘common thread’ of the development | <ul style="list-style-type: none"> ▪ Should be enabled by the development framework | <ul style="list-style-type: none"> ▪ Stems from the development framework and the need for flexibility | <ul style="list-style-type: none"> ▪ Spatial development is ‘work of men’ |
| <ul style="list-style-type: none"> ▪ Urban master plan containing a building programme and a land exploitation | <ul style="list-style-type: none"> ▪ Yearly redefinitions with respect to the substantial plan content and/or its phasing | <ul style="list-style-type: none"> ▪ Decrease the ‘grainsize’ of the development | <ul style="list-style-type: none"> ▪ Parties should complement one another |
| <ul style="list-style-type: none"> ▪ Spatial quality plan and a general land-use plan | <ul style="list-style-type: none"> ▪ Development framework provides direction for the redefinitions | <ul style="list-style-type: none"> ▪ Allows to maintain a certain turn-over rate | <ul style="list-style-type: none"> ▪ Added value through discussions |
| <ul style="list-style-type: none"> ▪ Stipulates roles parties will perform | | <ul style="list-style-type: none"> ▪ ‘On the spot’ decision-making | <ul style="list-style-type: none"> ▪ Enrich argumentations , discussion and decision-making |
| <ul style="list-style-type: none"> ▪ Provides development prerequisites | | <ul style="list-style-type: none"> ▪ Deployment of public and private expertise | |
| <ul style="list-style-type: none"> ▪ Based on market analysis | | <ul style="list-style-type: none"> ▪ Development of individual urban subdivisions becomes more manageable | |
| <ul style="list-style-type: none"> ▪ Starting point of the development | | <ul style="list-style-type: none"> ▪ ‘On the spot’ decision-making should be based on monitoring processes regarding market demand | |

the spot’ decision-making. However, the fourth recommendation is explicitly supported by some of the definitions of PPPs as elaborated in chapter number 3, particularly the contributions of Kenniscentrum PPS (1999a) and De Wolff (1995).

Particularly interesting is the contribution of Edelenbos & Teisman (2008) which state that an effective mixture of project and process management during the entire development process is an important factor contributing to a PPP’s success. The insights of the case studies allow to pinpoint what that effective mixture could be. Namely, that project management can be more effectively deployed at the smaller spatial scale of the urban subdivisions which will be

developed organically. As previously mentioned, at this smaller scale, the development becomes more manageable since its conceptualisation in terms of costs, time and quality can remain reasonably stable. Furthermore, the parties involved can deploy their expertise more fully by organically designing and developing a spatial solution whilst at the same time monitoring processes with respect to market developments are used to inform the organic decision-making and development processes.

The provided recommendations are chiefly in line as well with the experts interviews as elaborated in chapter number 6. The experts underlined that uncertainties have to be acknowledged in order to effectively sustain spatial development in times of crises. The proposed recommendations do meet the experts' input in that respect. Furthermore, important aspects put forward by the experts were monitoring processes regarding the short-term development and the long-term goals, and the notion regarding how eventually the plans will be realised is part of the flexibility. These aspects, too, are reflected in the provided recommendations.

The provided recommendations stem from the empirical research of the PPP-practices of Hoog Dalem, the Schieveste and the Spoorzone 013. The case studies – and the proposed recommendations accordingly – have shown spatial development is a complex matter and, hence, providing recommendations for the practice of spatial development is equally challenging. However, this research has shown what factors contribute to a successful PPP-practice during times of crises, albeit solely based on three cases. An important improvement has been made, by making common and general topics, such as organic development and flexibility, more explicit.

From a scientific point of view, the research has shown how intertwined these factors are, i.e., they are not fully demarcated and discrete variables. Rather, they affect one another, and they can enable one another. This too reflects the complexity of spatial development, especially so in times of crises. Furthermore, the case studies have shown how general success factors – such as flexibility, clarity and organic development – are operationalised and further specified in the reality of spatial development in times of crises. Therefore, this research contributes to the existing corpus of scientific literature, by providing an up-to-date elaboration of concrete and specific mechanisms which contribute to crises-robust PPP-practice.

Part IV

Overall reflections, evaluations and conclusions of the conducted research



14. Discussion and reflection

In order to evaluate the conducted research, this chapter provides a discussion and reflection regarding the research, its methods and findings. Firstly, the literature review and the expert interviews are discussed, as well as the drafted conceptual model. Subsequently, paragraph 14.2 will discuss and reflect upon the conducted case studies. Finally, paragraph 14.3 will elaborate on the proposed recommendations for future PPP-practice.

14.1 Literature review and expert interviews

A literature review is constrained in nature since only a limited set of articles is being reviewed. However, as elaborated in chapter number 5, due to a broad search string and the omission of a start date from which articles could be included in the corpus of reviewed literature, it was aimed for to retrieve all the relevant and fundamental papers. Furthermore, relevant articles were included as well through snowballing, alongside contributions which were drafted by, and in cooperation with, the Dutch national government. This resulted in a corpus of reviewed articles which were published from 1997 up until 2017. Thus, a broad range of papers was reviewed, both regarding their publication date as well as with respect to their answers to the literature review research questions. These literature review research questions were used to robustly review the literature, i.e., through the literature research questions, specific information was sought for. Hence, it can be concluded that the literature review was robustly executed leading to an unambiguous and transparent overview of the applicable literature.

In order to complement the literature review, interviews were conducted with three experts. These semi-structured interviews were structured in such a way that the input from the experts could complement the literature review's findings. For this reason, semi-structured interviews were conducted rather than completely structured interviews. Additionally, the experts had different expertise and backgrounds, i.e., academics and consultancy. Therefore, albeit solely based on three respondents, the interviews were able to enrich the drafting process of the conceptual model in a robust manner.

Generally, it can be concluded the manner by which the conceptual model was drafted – i.e., through a literature review and expert interviews – should lead to a valid conceptual model, capturing both insights from scientific sources as well as real-life practice.

14.2 Case studies

The cases which were used to execute the case studies were provided by the experts. During the expert interviews, a longlist of joint venture PPPs which existed between 2008 and the end of 2014 was asked for. Two of the three experts were able to provide such a list, however, those lists were limited in length. Since there is no general overview of PPPs in the Netherlands, every assembled database is hence incomplete due to the limited knowledge of contributing experts. The same holds for the list of PPPs which was provided by the interviewed experts. Furthermore, solely a selection of this list was used for the case studies, i.e., solely three cases. These cases were selected due to their relative proximity, as well as the availability of respondents for elaborate interviews. Hence, the variance of the cases was not of significant importance regarding the case selection. This can be considered a flaw of this research, especially given the fact that solely three cases were studied.

So, the case studies could not cover the entire practice of joint venture PPPs during the financial and economic crises, i.e., from 2008 until the end of 2014. However, this is not the aim of a case study approach either. Its aim was to give a targeted insight in order to test hypotheses in conjunction with a coherent conceptual model. For this aim, the adopted approach served effectively. Clearly, if more cases were studied, the hypotheses could have been tested more accurately and conclusions and recommendations could have been drawn more robustly. At the same time, there is a trade-off between the number of cases and the ability to perform an in-depth analysis, i.e., a less in-depth analysis can be conducted if more cases are included. Hence, the amount of three cases is a compromise between an in-depth study and the ability to provide valid conclusions and recommendations for the practices of PPPs in general.

Another important aspect to consider is the comparability of the three cases. The performance of PPPs was captured by the variables and mechanism derived from the literature review and the expert interviews. These variables and mechanisms were tested during the case studies. Then, it is important that the cases are comparable in order to minimise the impact of other effecting variables which are not captured in the conceptual model, i.e., the context of the cases. However, cases differ per definition due to their local characteristics. This should not be a considerable flaw of the case study approach, rather, it can serve to enrich its findings due to additional insights and testing of the conceptual model in slightly different circumstances.

With respect to the conducted research, it can be concluded that cases are considerably comparable, i.e., all the cases were joint venture PPPs which existed between 2008 and the end of 2014. Hence, in their essence, the cases were alike. On the other hand, there are some considerable differences as well. Most remarkably, the development of Hoog Dalem can be considered to be a greenfield development, whereas the cases of the Spoorzone 013 and the Schieveste were inner-city development projects. Given the substantially higher value increments of greenfield development, it is likely that such development projects are able to sustain their PPP-cooperation more easily in times of crises due to their higher profit margins. Furthermore, it is worthwhile to emphasise that the partnership within the case of the Schieveste – i.e., between the municipality of Schiedam and Burgfonds – did not last for a long period of time. Thus, the timespan which can be analysed is equally short, whereas the timespan of the cooperation of the cases of Hoog Dalem and the Spoorzone 013 continues up until the current date. Lastly, it is worthwhile to underline that the private party within the joint venture PPP of the Schieveste was a constructor, whereas the private parties involved in the joint venture PPPs of Hoog Dalem and the Spoorzone 013 were developers.

These contextual aspects may have an influence on the case studies' findings. However, this influence is considered to be small. The case studies and interviews were structured by hypotheses which were based on a literature review and expert interviews. Hence, there was a robust approach towards the case studies. This was endorsed during the case studies, as the majority of the respondents emphasised that the hypotheses did capture the most important aspects of spatial development by the means of PPPs.

Clearly, the case studies were subjected to some important limitations. Firstly, solely two semi-structured interviews were conducted per case. Although the respondents were from both the public as well as the private side of the cooperation, solely one perspective could be provided per party. However, it was most valuable that both the public as well as the private parties were interviewed in order to enrich the research and to provide insights from both sides of the PPP. It should be mentioned, however, that a limited amount of time was available to conduct these interviews and that the occurrence of the financial and economic crises was a considerable time ago. However, during the interviews, all the relevant

information was acquired, and all the stipulated hypotheses were discussed. The same holds for the amount of available written material, especially regarding the cases of Hoog Dalem and the Spoorzone 013. The written material was particularly scarce, however, in conjunction with the conducted interviews, the conceptual model and all the hypotheses could be tested effectively.

The case studies showed that the derived success factors influencing a PPP's performance were relevant, with the exception of the success factor covering clarity regarding actors' financial position. However, the operationalisation of these success factors was not correct as shown by the case studies. This underlines the validity of the conceptual model and the derived success factors. A particular added-value of this research, is the fact that it makes concepts such as flexibility, clarity and organic development more explicit.

Furthermore, as stated before, a large share of the six respondents which were interviewed during the case studies did stress that the hypotheses and the questions which structured the semi-structured interviews, were relevant and were the right questions to ask, i.e., the questions captured the essence and the complexity of PPP-practice in times of crises. This too emphasises the validity of the conceptual model and of the conducted research as a whole.

14.3 Proposed strategy

Chapter 13 already briefly elaborated on a reflection with respect to the proposed strategy which stemmed from the insights of the case studies. As previously stated, this strategy is robustly based upon the literature review, expert interviews, interviews with respondents from the cases and an analysis of the cases' written material. Furthermore, the strategy was placed in the broader theoretical context of systems engineering, project and process management.

However, this research – and hence the provided recommendations for future PPP-practice – assumed that successful PPP-performance is characterised by three factors, i.e., the sharing of costs, benefits, risks and guardianship, the realisation of spatial development, a cooperative continuity, see chapter number 7. It is worthwhile in that respect to reassess the value of cooperative continuity. Clearly, if this continuity is not sustained, then there can be no matter of a successful cooperation. However, as stated above, the PPP-cooperation should eventually lead to spatial development, or a certain spatial quality, see e.g., Van der Meij et al. (2000), Van den Hof (2006), Van der Veen & Korthals Altes (2011a, 2012), Zanon & Verones (2013) and Deloitte Real Estate Advisory & Partnerships (2017). If the joint venture PPP, as a development vehicle, cannot deliver that spatial quality due to the quality of the cooperation – as particularly showed by the case of the Schieveste – then it might be a better – or a more successful – strategy to cease the partnership. The continuity of the partnership should not be aimed for at all costs, and it should not be an end on its own. Rather, it should indeed result in spatial realisation. As mentioned throughout the interviews, spatial development remains 'work of man'. This intangible aspect of spatial development is hard to specify. Likewise, it is hard to provide recommendations for this particular aspect, especially since elucidating 'work of man' was not the primary aim of this study. However, this study shows and underlines the importance of this aspect.

This, too, is the way in which this contribution has to be considered in accordance with the case study approach. This study is a first step to gain insight in successful PPP-practise during times of crises. Additional studies should be executed to further specify the findings of this study, and to test its conclusions and recommendations in a broader setting, i.e., this study

should be reiterated using more cases. This study provides the keystones for further research since adjusted hypotheses were stated.

During this research, solely joint venture PPPs were studied. However, as discussed in chapter number 4, alongside the joint venture model do exist the building rights model and the concession model as well as PPP-forms. Then the question arises of what value this study's insights and recommendations are with respect to the other PPP-models. It should be mentioned that these insights and recommendations do primarily apply to joint ventures. The PPP-models of building rights and concession can be characterised by a clearer division of responsibilities, which can be seen in table number 7 in chapter 4. The building rights model, then, does still keep an important part of the responsibility during the spatial development process in public hands, whereas the concession model does transfer important responsibilities to the private party over the timespan of spatial development. The joint venture model, on the other hand, does transfer all the responsibilities to the joint venture, hence, the public and private party are jointly responsible for the entire timespan of the spatial development contrary to the other PPP-models. Herein lies the benefit as well as the challenge for PPP-practice through the joint venture model. At the same time, this means that this study does primarily apply to joint venture models since its gained insights, conclusions and recommendations do apply to an intensive and joint cooperation of public and private parties over the entire timespan of spatial development.

15. Conclusions and recommendations

This chapter concludes this thesis by presenting the conclusions of the research, as well as providing practical and scientific recommendations. In that respect, the aim of this thesis – as presented in the introduction – is recalled:

The aim of this thesis is to give insight into what factors and mechanisms contributed to a successful joint venture for area development during or shortly after the financial and economic crises within the Dutch context, and to provide recommendations for future PPP-practice.

15.1 Conclusions and practical recommendations

It can be concluded from this thesis that a flexible building programme through directed and guided organic development, yearly redefinitions of the land exploitation and ‘on the spot’ decision-making, a flexible phasing through step-wise development increments, clarity regarding the project’s and actors’ performances with respect to an urban master plan, general land-uses, spatial quality, tasks and roles, and continuous monitoring processes regarding market developments, substantial plan content and the actual spatial delivery, are factors which contribute to a successful joint venture for area development, i.e., a joint venture which realises spatial development and is able to sustain a cooperative continuity in times of crises.

These factors should not be taken in isolation. Rather, they should reinforce one another, and they should form one comprehensive whole. Clarity should be provided with respect to a certain development framework which should include – as stated above – an urban master plan, a general land-use plan, a spatial quality plan and clear guidelines with respect to private and public tasks and roles, as shown by the case studies of Hoog Dalem and the Spoorzone 013. The development framework should be based on a robust market analysis, taking into account competing development projects as well. This will lead to a viable starting point for development.

It is important to acknowledge that this development framework is a starting point for development. Given the long timespan of spatial development, it is likely that market demand and other societal factors will change. Therefore, it is important to acknowledge that flexibility, through yearly redefinitions of the land exploitation and incremental development, is needed in order to align the spatial realisation to the changing spatial needs.

This development framework should therefore acknowledge and enable the needed flexibility regarding the building programme and phasing as shown by the case studies of Hoog Dalem and the Spoorzone 013. In order to enable the needed flexibility, the development framework should be general in nature. It should capture the ‘common thread’ of development, rather than too specific and rigid stipulations, i.e., plan-led development ought to be avoided which was the case during the development of the Schieveste. A robust but general development framework allows to guide the spatial and substantial deviations stemming from the needed flexibility. It allows to assess whether or not the results of the flexibility deviate too much from the desired direction of the spatial development.

It is a successful practice to structure the flexibility in a directed organic fashion. The notion of organic development is often used as a general umbrella term. However, this thesis has made this concept explicit. Namely, this means that decision-making processes should be ‘on the spot’ and informed by monitoring processes taking into account market developments as shown by the cases of Hoog Dalem and the Spoorzone 013. At the same time, the ‘grain size’ of the development should be decreased. This allows to maintain a certain level of turn-

over in times of crises when market demand decreases. Furthermore, by dividing the entire spatial project in small urban subdivisions or development increments, a tailor-made spatial solution can be developed for a certain urban subdivision due to a ‘on the spot’ decision-making process which is informed by market monitoring processes. Furthermore, the individual development increments become more manageable.

It is important to emphasise that spatial development remains ‘work of man’. The personal characteristics and qualities of the people involved in the PPP have a significant impact on the performance of a PPP. Public and private parties are intrinsically different from one another. Herein lies the added value of PPPs as a development vehicle. However, given these different perspectives, objectives and interests, it is likely that at least some discussion will arise between the parties involved in the PPP. After all, there does not exist one singular and unequivocal solution to a spatial need. The discussions should be based on mutual understanding of each other’s line of reasoning. This contributes to the relationship between private and public parties whilst at the same time the decision-making processes will be enriched.

Directly stemming from the conclusions of this thesis, it is recommended that future joint venture PPP-practice for area development will be based on directed and guided organic development. This organic development should be enabled by a development framework through its general nature. This framework should consist of an urban master plan – entailing a building programme, a land exploitation, a spatial quality plan and a general land-use plan with respect to volumes and land-use allocation. Furthermore, clarity must be provided as well regarding parties’ roles in the development process. This development framework should be robustly based on market analyses and should be considered as a starting point for the development since flexibility is needed throughout the process. At the same time, this framework provides a robust guideline and direction for the development process and the deployment of flexibility by stipulating the desired essence of the envisioned development.

It is recommended that the spatial development takes place incrementally, i.e., through urban subdivisions. This decreases the ‘grain size’ of the development which allows for organic and ‘on the spot’ decision-making. Besides, a certain turn-over rate can be maintained which is preferable in times of crises. Besides, the manageability of the individual development increments increases.

Furthermore, it is recommended that this directed organic development and ‘on the spot’ decision-making should be informed through monitoring processes with respect to market developments. By doing so, the actual spatial delivery can be effectively aligned with the current market demand.

Finally, it is recommended that parties involved in the PPP aim to capitalise the added value of PPPs, namely enriching perspectives and additional knowledge, through discussions based on mutual understanding. Discussion is likely to arise, it is in that respect key to have constructive discussions rather than trying to convince another party of one’s stances.

15.2 Scientific recommendations

Alongside these practical recommendations, there are some important scientific recommendations to make as well. Firstly, this study is an exploration of successful PPP-practice in times of crises based on three cases. It is, hence, worthwhile to conduct further research on this topic. This thesis provides valid keystones in the form of tested and subsequently adjusted hypotheses and conceptual models.

It is recommended that the conducted research within this thesis should be elaborated upon. Firstly, through an extension of the amount cases thereby introducing more variance in studied set of cases, and secondly through more quantitative approaches such as conducting surveys. Present report, and potential subsequent reports, should provide sufficient and valid points of departure for these surveys.

Furthermore, this research focussed on joint venture PPPs. The expert interviews suggested that over time, there has been a shift from the building rights model, to joint ventures and, ultimately, to the concession model. It is hence recommended to analyse this potential trend and to dedicate a similar research to it as present report, i.e., to examine successful factors and mechanisms for the concession model PPP-practice.

Other potential point of departure for further research can be the potentially existing relation between trust amongst parties involved in a PPP and the rigidity of the cooperation structure. Furthermore, this study potentially pinpointed an effective combination of project and process management when it comes to spatial development. That is, the effectiveness of project management regarding the realisation of the smaller design and development increments or urban subdivisions, whereas process managements appears to be more effective on a higher and more general level of the development process. Herein lies an interesting challenge and assumption suited for further research.

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Appendix A: Literature review

Table A1*Overview of the reviewed papers and the accompanying research questions.*

| Article | Database | Notion of a successful PPP | Variables affecting a PPP's success |
|----------------------------|---------------------------|---|---|
| Bavay (1997) | Scopus | A successful PPP should function according to the market, i.e., the working of the market should not be ignored. Moreover, the mechanisms of the market should be trusted. The PPP should be pragmatic and should enable development which responds to the public interest and the local characteristics. | The presence of a long-term spatial vision or framework, a general and inclusive approach, and flexibility regarding the development possibilities. However, the obligations between parties should be clear so that action can be enforced if necessary. |
| Van der Meij et al. (2000) | Dutch national government | A successful PPP realises a project with a certain intended quality. | Focus on preparation and project demarcation. Select partners according to their ambitions and resources. Cooperation based on knowledge and expertise sharing. Acknowledge exogeneous factors. See table A2. |
| Priemus (2002) | Scopus | A successful PPP should serve as a development vehicle in order to get both profitable as well as non-profitable project parts realised, e.g., by the means of project envelopes. Sharing of both benefits and risks is key. | Consistent policies and requirements must be stipulated at an early stage by the public party. Furthermore, adequate process management, an adequate set of financial instruments, and a government tailored to PPP is needed. See table A3 for a more in-depth elaboration. |
| Van den Hof (2006) | Scopus | A successful PPP realises spatial quality. Besides, within a successful PPP, parties learn from each other and exchange resources. Risks and guardianship should be shared evenly. | Plan-making should take on an interactive form and should include the civil society. Interests should be the centre of attention and should be clear. Openness and explicitness are important factors, also with respect to expected performance and requirements. |
| Priemus (2007) | Scopus | Distribution of responsibilities and risks. | The linkage between partnerships and competition. A functional programme of requirements to be drafted by the public partner, whereas the private partner is responsible for the implementation of this programme. |
| Sagalyn (2007) | Snowballing | Cooperative partners since their interests align, sharing of risk and responsibility, and business arrangements which persist after project completion. The delivered project should be financially successful. | Pragmatism is key, partners have to be willing to compromise and make trade-offs. Articulated public and private interests are important, as well as the protection of the public interest. Flexible planning with small design increments rather than a rigid project masterplan. Work through inevitable problems, commitment is important. Allow the project and its politics to change, plan for change. Strong leadership, marketing and promotion. Cultural context matters with respect to power and resource distribution. Analyse and manage risks. Match of private developer to the project. |

| | | | |
|--|-------------|---|--|
| | | | Conduct a financial analysis and predict public costs. See table A4. |
| Edelenbos & Teisman (2008) | Scopus | Bringing, and keeping parties together by creating a robust basis for sustainable collaboration. A successful PPP should develop products and share risks, costs and benefits. | Guarantee quality standards. An effective mixture of project and process management throughout the entire process, i.e., also during the implementation stages. |
| Van der Veen & Korthals Altes (2011a) | Scopus | Not explicitly dealt with throughout the text. However, one can implicitly deduce that a successful collaboration results in some added value, e.g., regarding the topic of the paper, higher standards on sustainable development. At least, there must be some kind of development. | Trust among parties. Private parties should have a clear vision and should provide sufficient financial guarantees so that they could bear the involved financial risks. Negotiations on changes of plans and different ways of realising the stipulated goals should always be an option, hence bargaining power and experience is key. Furthermore, public supervision is needed in order to assure that the development actually meets the public goals. Formal and inflexible approaches should be avoided. |
| Van der Veen & Korthals Altes (2011b) | Snowballing | Realises public goals. | Focus on relations and accommodate these by introducing relational norms into the contract. Focus on the interest of the project and not on the interests of the involved parties. Specify the functions of the contract, i.e., an exchange, planning, statutory and instrumental function. Specify the goals of the agreement, i.e., the goals of the involved parties, the goals of the project, and the goals of the agreement. Include flexibility. |
| Van der Veen & Korthals Altes (2012) | Scopus | A successful PPP should promote environmental objectives and spatial added value. | Flexibility contributes to PPP-success: govern projects as evolutionary systems, rather than options to leave the project after every episode. Legal agreements that allow for learning are more suitable than agreements which are stipulated in detail. It is wise to 'plan for change' by the means of a flexible contractual framework. Incremental implementation, divisibility and flexibility contribute to the manageability of the project. Relational contracts are expected to perform best, see table A5. Trust is important as well as long-term commitment and openness. |
| Marmolejo-Duarte & Ruiz-Lineros (2013) | Scopus | A successful PPP delivers a product which is accordance with future users' preferences. | Insight in the preference structure of future users. |
| Zanon & | Scopus | Realisation of urban quality, in terms of the research: energy | Spatial planning must be based on performance, rather than |

| | | | |
|---|---------------------------|--|--|
| Verones (2013) | | efficiency. Development should be in accordance with market-based mechanisms. | predefined regulations. |
| Calabrò & Della Spina (2014) | Scopus | A successful PPP delivers in terms of quality and quantity adequate to the present demand. Each involved party should reach their goals. | Involvement of both public and private parties during the design and implementation of the spatial development. Transparency is an important factor. |
| Jansen (2015) | Scopus | Results in successful 'place-making'. | Interaction with local interests and identities. Trust is important, as well as the willingness to share risk. Phased development, or gradual development in stages, can contribute as well. Targeted public investments can attract private investments, as well as mapping functions, space for adjustments and clear communication. |
| Napoli (2015) | Scopus | Realising physical and functional renewal of an urban area. | Ensuring financial feasibility, since private parties seek for profits able to balance their risks. |
| Deloitte Real Estate Advisory & Partnerships (2017) | Dutch national government | Realising spatial quality, as well as public and private objectives. | Flexibility, transparency and honesty. Understanding each other's interests. Parties' financial strength, experience. Focus on finance: municipalities cannot go bankrupt, but private parties can. Information and knowledge sharing. |
| Gozalvo Zamorano & Muñoz Gielen (2017) | Scopus | The effectiveness to implement public land use goals within a reasonable period of time. | Compensate private parties for taking responsibility. Clarity regarding private actors' performance as soon as possible, in order to avoid discussion and controversy. |
| Verweij et al. (2017) | Snowballing | A successful PPP delivers a certain quality, service or construction. | Externally oriented responses, i.e., responses which involve the societal environment, as well as a cooperative stance produce satisfactory outcomes. |

Table A2*PPPs' success factors as discussed by Van der Meij et al. (2000).*

| Preparation | Project demarcation | Partner selection | Cooperation | Risks | Exogeneous factors |
|--|--|---|---|--|---|
| Involvement of private parties as soon as possible. This leads to realistic plans and establishes a bond between the parties involved. | Should enable realisation and should be aligned with the private parties' ambitions and resources. | Based on expertise and vision regarding the envisioned development. | Distribution of risks and tasks. | Distribution of risks and tasks. | Especially market conditions, they need to be acknowledged by the means of scenario analyses. |
| Drafting of a vision which entails objectives, scope and guidelines. | Non-profitable elements often represent an important public value. Keeping these elements inside the scope enhances the ultimate realisation of public value. Coupling regarding profitable and non-profitable elements can be useful, hence resulting in an acceptable mix. | Use of market mechanisms. | Sharing of knowledge and expertise. | Sharing of knowledge and expertise regarding risks. Private parties are familiar with certain risks, whereas public parties are familiar with other risks. | Clarity regarding the goals, focus on output. |
| Communication in order to ensure public support. | | | Contracts remain important alongside the aforementioned distribution of risks and tasks. A person which is accountable for the project Tension between quality maximalisation and profit maximalisation. Clarity regarding the goals, focus on output. | Avoid political inconsistency. | |

Table A3

Success factors according to Priemus (2002), based on Kenniscentrum PPS (1999).

| Process management | Financial Instruments | Government tailored to PPP |
|---|---|--|
| Rules of the game. | Quick financial wins. | Identification of the applicable stakeholders. By doing so, a programme of requirements can be drafted together with these stakeholders. |
| Boundaries regarding the conditions and restrictions in realising PPP-agreements. | Focus on life-cycle costs, rather than investment costs. | Scope optimisation in order to make the project feasible. |
| Risk management. | Subsidies, public financial participation, guaranties and granting of rights. By applying these instruments, the anticipated value of a project can be raised, besides, risks can be limited, and private parties can be stimulated to participate. | Increasing the spatial quality and enabling the realisation of less profitable aspects of the project by the means of value capturing. |
| Contract management, monitoring the fulfilment of PPP-contracts. | | Promotion of competition. |
| Management of the realisation and exploitation regarding the public interest. | | |

Table A4*Overview of the 'PPP-lessons' as presented by Sagalyn (2007).*

| Lessons from practice | Planning lessons | Lessons from outside the USA | Deal-making lessons | Lessons on performance |
|---|---|---|--|---|
| Public and private parties should adopt a <i>pragmatic stance</i> . | <i>Clear public as well as private goals</i> which can be translated into guidelines. | <i>Cultural context</i> , each location can opt for a different distribution of power and resources. | <i>Conduct a financial analysis</i> | <i>Learn from infrastructure PPPs.</i> |
| Public and private parties should be willing to <i>compromise and share risks</i> . | <i>Challenges will occur</i> , commitment to the project, then, is key. | <i>Risk analysis</i> , avoid uncertainty and allocate risks and responsibilities | <i>Forecast public costs</i> so that the deal can be structured accordingly. | <i>Protect the public interest</i> , which can be threatened by commercial risks. |
| | <i>Plan for change</i> , given the nature of spatial development, politics as well as the project itself will change over time. | <i>Match between private developer and project</i> , so that public as well as private objectives can be aligned. | <i>Clarity</i> , a clear, on time and transparent presentation of costs and revenues is critical for successful implementation | |
| | <i>Strong leadership</i> in order to overcome setbacks | | <i>Explicitly present selection procedures</i> , as well as costs and risks stemming from the project. | |
| | <i>Marketing and promotion</i> which can be used to frame the project | | | |

Table A5*Overview of types of contract (Macneil, 1978; Macneil, 1983; Van der Veen & Korthals Altes, 2012: 1057).*

| Classical contracts | Neoclassical contracts | Relational contracts |
|---|---|--|
| Completely planned contract which is 100% discrete. Generally, does not fit dynamic markets. Determines the future. | A 100% discrete contract is acknowledged as being impossible, hence flexibility is planned for within the contract. | Contracts depend on relations and include learning processes and ad hoc solutions. |

Appendix B: Interview dr. Martijn van den Hurk, University of Amsterdam

On the 3rd of May 2018 a semi-structured interview was conducted with dr. Martijn van den Hurk of the University of Amsterdam. Dr. Van den Hurk is an expert regarding contracts and PPPs in urban regeneration (University of Amsterdam, n.d.). The semi-structured interview was based on the following themes:

- 1. PPP-practice in the Netherlands, especially regarding joint ventures for area development which originated from private actors' land positions.*
- 2. Characterisation of a successful PPP, the dependent variables of the case study.*
- 3. PPP's success factors and mechanisms which contribute to a PPP's success, the independent variables of the case study.*
- 4. A longlist of joint venture PPPs which existed between 2008 and the end of 2014.*

At the start of the interview Van den Hurk wanted to emphasise that a particular success factor in one case, might be a recipe for disaster in another case. This remark underscores the fact that the success of a PPP for spatial development – or any spatial project in general – is locally determined and shaped, i.e., local characteristics play a major role regarding the reasons why a PPP is established in the first place, the way how this PPP is organised and structured, and how this PPP ultimately performs. A PPP organised as a joint venture was particularly popular before the occurrence of the crises. Joint ventures are nowadays not as popular as they were before the crises, according to Van den Hurk.

He elaborated on the reasons why public and private parties might enter into a PPP. The most important reason is that the involved parties need each other in order to effectuate a certain spatial change, i.e., they need each other so that both parties can realise their individual goals. Public parties, then, have to compromise some of their guardianship and control over the development, whereas on the other hand, they can now share the risks regarding the land, and potentially, the building exploitation.

An important aspect according to Van den Hurk, is the accountability of PPPs in relation to its deals and contracts. PPP-contracts between private and public parties are civil law contracts and are hence stipulated and agreed upon within the private context, i.e., outside the public accountability mechanisms. After all, contracts are private law instruments. This makes public accountability for parties not within the PPP less easy and less straightforward. On the other hand, contracts can offer better control and accountability between the involved parties by the means of sanctions, output specifications and work divisions. Besides, they fit within the tendency of 'new public management'.

Van den Hurk considers this accountability aspect as an important aspect of a successful PPP, both inside of the PPP as well as with its environment. Parties should be able to hold each other responsible during the process, and communication with the PPP's environment is important as well. Van den Hurk emphasised that tension and friction within a PPP should not necessarily lead to unsuccessful cooperation. After all, PPPs are a business-like relationships between public and private parties which aim at city building. Given the long timespan of spatial development, it is likely that at some point, frictions and tensions do appear. However, this line of reasoning does not devaluate the importance of good relationships, openness and transparency. This means that parties should communicate when they experience something as problematic. A balance has to be found between the relational side and the practical business side of the PPP, i.e., between the quality of the interaction between the parties

involved and the ultimate aim of the relationship which is realising a certain building programme. Neither of these two sides should give too much in order to be successful.

This business side of the PPP, realising a certain spatial goal, can be perceived as some kind of meta objective. If the PPP-cooperation failed, but if the spatial objectives were realised, then, from a public interest and utility perspective, the project can be considered as successful. PPP is not an end in itself, rather, it should serve as a vehicle in order to realise the desired development. Using PPP as such a development vehicle then, can be fruitful when parties cannot develop on their own and as a means with regard to holding each other responsible.

Van den Hurk also mentioned that a successful PPP is aware of uncertainties and risks. A successful PPP should be able to alter the structure of the cooperation if necessary. Unexpected situations and conditions should be discussed and acknowledged by the parties.

Then, the interview moved towards the PPPs’ success factors. Van den Hurk divided these in two categories, namely structure and agency. Structure focusses on the contractual aspects regarding the PPP’s organization and the spatial project itself. The agency aspect focusses on the people involved within the PPP, the capacities of these people and the relationships between them.

Regarding structure, the functions of the contracts should be clear. Generally, a contract has three functions. The first function stipulates responsibilities and sanctions, thereby providing protection from opportunistic behaviour. The second function coordinates divisions of work and tasks. The third function entails the needed flexibility and adaptability regarding unexpected circumstances. Contracts can take on several forms, as can be seen in table number B1. However, regardless of which contract type is chosen, it should be clear what is agreed upon and why it is agreed upon.

With respect to agency, several factors are important regarding the staffing of the project. These people should be capable to steer and drive the project.

Van den Hurk also brought up ambition as an important success factor. High ambitions make it more likely that parties stay together within a PPP and that the development project becomes a success. This ambition can be shaped based on aligned perspectives regarding a certain spatial need. For private parties, this ambition should coexist alongside the ambition to make a profit.

Table B1
Overview of types of contract (Macneil, 1978; Macneil, 1983; Van der Veen & Korthals Altes, 2012: 1057).

| Classical contracts | Neoclassical contracts | Relational contracts |
|---|---|--|
| Completely planned contract which is 100% discrete. Generally, does not fit dynamic markets. Determines the future. | A 100% discrete contract is acknowledged as being impossible, hence flexibility is planned for within the contract. | Contracts depend on relations and include learning processes and ad hoc solutions. |

According to Van den Hurk, solely pecuniary reward is too simplistic for being a characterisation of a private party’s motivation to enter into and to stay in a PPP. Other factors play an important role as well, such as reputation, increasing commitment over time and supply of employment. Private parties tend to stay committed to the project, even when the project is not as profitable as previously estimated. Private parties can take advantage of their reliable and trustworthy reputation for future projects.

Dr. Martijn van den Hurk was able to provide a list of joint venture PPPs which existed between 2008 and the end of 2014. The list can be seen in table number B2.

Table B2

Overview of joint venture PPPs which existed between 2008 and the end of 2014 as provided by dr. M.H.H. van den Hurk of the University of Amsterdam.

| Cooperative continuity | | Ceased cooperative continuity | |
|-------------------------------|-----------------|--------------------------------------|-----------------|
| <i>Project</i> | <i>Location</i> | <i>Project</i> | <i>Location</i> |
| Eemkwartier | Amersfoort | Schieveste | Schiedam |
| Spoorzone 013 | Tilburg | Belvédère | Maastricht |
| Zuidkade | Helmond | | |

Appendix C: Interview ir. Patrick Esveld, Akro Consult

On the 16th of May 2018 a semi-structured interview was conducted with ir. Patrick Esveld of Akro Consult. Akro Consult is a consultancy bureau specialised in advice and process management regarding land and real estate development (Akro Consult, 2017). Ir. Patrick Esveld is an expert regarding process management and strategic advice, as well as mediation and conflict management regarding real estate and area development (Akro Consult, n.d.). Patrick Esveld has experience in area development through his previous functions at BAM vastgoed, AM, and a housing association (Akro Consult, n.d.). The semi-structured interview was based on the following themes:

1. *PPP-practice in the Netherlands, especially regarding joint ventures for area development which originated from private actors' land positions.*
2. *Characterisation of a successful PPP, the dependent variables of the case study.*
3. *PPP's success factors and mechanisms which contribute to a PPP's success, the independent variables of the case study.*
4. *A longlist of joint venture PPPs which existed between 2008 and the end of 2014.*

Ir. Esveld started off by describing the PPP-practice within the Netherlands. He pointed out that PPPs are always difficult, regarding their content as well as their structure. Moreover, PPPs are established for a long timespan. This means that the conditions of both market and politics are likely to change. A successful PPP should be able to cope with these changing conditions. According to Esveld's expertise, PPPs are oftentimes not able to cope with these changes, since parties involved in PPPs do often not plan for the long timespan of spatial development. Changes are very common, e.g., regarding the building programme, regarding the PPP-organisation since staffing changes, retires or parties go bankrupt, are sold or fuse. Regularly, PPP-cooperation between parties is not tailored to these changes and parties tend to start thinking about these changes and their impact only at the occurrence of a major change. Oftentimes this is not a preferable and effective approach.

This immediately brought up Esveld's first success factor, namely, as a PPP, being able to manage these changes, i.e., contractual flexibility. There are a lot of option to do this, e.g., by the means of contracts, flexibility, exit strategies and a flexible building programme. Managing these changes does not mean stipulating every possible event in detail, quite the contrary in fact. However, in the initial stages of the PPP-cooperation, trust is oftentimes not yet fully established between parties. These parties, then, tend to protect their core values by stipulating very detailed contracts, which basically ties up and plans the cooperation completely. However, the reality is generally unruly and uncontrollable. This completely in advance planned development is supply oriented and can successfully perform in times of upgoing markets. However, when markets go down and when economic circumstances deteriorate, then this type of planned development does not result in a success.

So, a flexible approach is needed which is based on a mutual vision. Based on this vision, agreements can be made and then adjusted if needed. Clarity has to be provided regarding performance and objectives. How eventually these performances and objectives will be realised, is part of the flexibility. This requires mutual trust and good cooperation between parties. As mentioned before, this sense of trust is not easily achieved, and when this trust is lacking, parties tend to undermine the flexibility by stipulating detailed contracts. As Esveld mentions, flexibility is to a certain extent perceived as being difficult since parties desire certainties, which eases the development process significantly. But, as mentioned before, the

reality of spatial development processes is complex and constantly changing, hence, completely in advance planned development is not effective.

Esveld continued by emphasising the importance of a stable equilibrium between parties over the long-term cooperation process, thereby elaborating on the organisational flexibility rather than a contractual flexibility. One party should not predominate the others. The relationship must be structured in such a way that one party should not make a lot of profit, whereas the other party has to deal with deficits. Such situations put stress on the cooperation relationship and should hence be avoided. Monitoring, then, is of crucial importance. It is important that the actual spatial development and the process which enables this development do align with the interests of the involved parties, this includes that all parties are likely to make profit and that all parties continue to understand each other. At the beginning of the process, these aspects are not likely to be problematic. However, when the process continues, due to the long timespan of spatial development, circumstances are likely to change as mentioned before. This needs to be noticed by the monitoring process, and then changes can be proposed, either regarding the cooperation or regarding the spatial development itself. These changes should be able to take away the tension which can arise regarding parties' interests, profitability and mutual understanding.

Another category of success factors contains rather soft aspects as mentioned by Esveld. Such aspects are trust, the ability to cooperate and a certain chemistry between the people involved in the PPP. Esveld underscored his use of words regarding 'people' rather than 'parties' or 'organisations' involved in the PPP. The people make the difference, rather than the organisations, according to Esveld. Only a few persons within the PPP-organisation can ignite a certain sense of enthusiasm, these persons can carry and direct the development process. However, due to the long timespan of spatial development, it is likely that the staffing of the PPP-organisation will change over time. It is therefore important that the staffing replacements do fit within the PPP-team. Furthermore, Esveld emphasised the importance of a shared objective between parties. Parties can have different interests, but there has to be a certain shared objective which serves as the basis for cooperation. Once again, monitoring regarding this shared objective is important, since it can change over time.

According to Esveld is a long-term vision important alongside a short-term concretisation of this vision. Both aspects should be acknowledged simultaneously. People in the PPP-organisation tend to focus on the short-term concretisation. This is not particularly remarkable since, within this short-term period, spatial results are made and the project progresses. These substantial positive results can then subsequently be presented by both the public as well as the private parties. However, this approach may lead to parties shifting potential problems to the future, e.g., unexpected unprofitable development. This, then, can lead to problems within the PPP-cooperation at the end of the development process. And, given that the development process reached its final stages, room for further adjusting or robustly solving these problems is usually lacking. So, according to Esveld, it is important to monitor both the long-term, as well as the short-term of the development.

This tendency of shifting problems to the future, or not communicating problems at the time that they occur, often leads to behindhand interventions within the PPP. This too, is to some extent understandable, since these interventions are costly and oftentimes sacrifice some amount of spatial quality. Besides, these 'problem communications' are a starting point for re-negotiations between parties which could as well be a starting point from which public and private parties' objects begin to diverge. Waiting too long before communicating these problems may result in an irreconcilable gap between public and private parties' interests. Public parties tend to focus on spatial quality, whereas private parties tend to focus on profit. These re-negotiations are difficult to execute, since it is difficult to estimate the trade-off

between quality and costs, especially given the different perceptions of the involved public and private parties. Spatial ambition is affordable when markets are going upwards, however, when markets go downwards, this aforesaid trade-off comes into play. As mentioned before by Esveld, the cooperation between public and private parties is a delicate and instable equilibrium.

This leads to another success factor according to Esveld, namely, that parties have to make clear their financial capacity and strength at the start of the cooperation. Public parties should not forget that the private parties' main goal is to make profit. The sharing process of costs and benefits should be robust. Private parties usually use financial years, i.e., when within a year no profit can be realised, then this year is considered to be unprofitable since compensation between years does not take place. Hence, it is important that parties within the joint venture should make sound agreements regarding the sharing process of costs and benefits, e.g., within the joint venture it can be agreed upon that compensation is allowed between fiscal years.

It is important to manage expectations within the PPP, especially regarding the expectations of the involved private parties. Profitability should of course be an important subject of the negotiations and monitoring process, but Esveld advises to avoid maximisation of profits, i.e., slightly downsizing expectations. Oftentimes, at the beginning of the process, prices of land are maximised, as well as the spatial objectives to be pursued. Slightly downsizing these expectations, then, can turn out to be convenient at the later stages of the development.

Subsequently, Esveld elaborated on the characterisation of a PPP's success. According to Esveld is a PPP successful if the PPP realises its spatial development within the agreed upon financial as well as qualitative frameworks, i.e., within the range of expectations. Management of these expectations is important within the PPP as well as regarding other stakeholders. This is needed since the envisioned spatial product at the beginning of the development process is not likely to be the ultimate delivered spatial product. So, it is important to adjust expectations during the development process, to keep all parties within the PPP, and intervene if necessary in order to make the PPP a success. These are primarily process management aspects, however, with an important substantive component.

Ir. Patrick Esveld was able to provide a list of joint venture PPPs which existed between 2008 and the end of 2014. The list can be seen in table number C1.

Table C1

Overview of joint venture PPPs which existed between 2008 and the end of 2014 as provided by ir. P. Esveld of Akro Consult.

| Cooperative continuity | | Ceased cooperative continuity | |
|-------------------------------|-----------------|--------------------------------------|-----------------|
| <i>Project</i> | <i>Location</i> | <i>Project</i> | <i>Location</i> |
| Dalem | Gorinchem | Schuytgraaf | Arnhem |
| | | Waalsprong | Nijmegen |
| | | Meerstad | Groningen |

Appendix D: Interview Peter van Bosse MSc MRICS

On the 28th of May 2018 a semi-structured interview was conducted with Peter van Bosse MSc MRICS of Fakton. Van Bosse is an expert regarding area development and public-private partnerships (Binnenlands Bestuur, n.d.). The semi-structured interview was based on the following themes:

1. *PPP-practice in the Netherlands, especially regarding joint ventures for area development which originated from private actors' land positions.*
2. *Characterisation of a successful PPP, the dependent variables of the case study.*
3. *PPP's success factors and mechanisms which contribute to a PPP's success, the independent variables of the case study.*
4. *A longlist of joint venture PPPs which existed between 2008 and the end of 2014.*

At the start of the interview Van Bosse underscored the financial aspects of spatial development and PPPs. Spatial development is characterised by significant expenses in the earlier stages of the process, while revenues are being made at later stages. For example, land is acquired and serviced, and at a later stage sold in order to be developed. The yield of the land is residually determined. This means the value added tax and the total construction costs, which entails the land acquiring costs as well, are subtracted from the market value, which then results in the residual land value, see figure number D1. It follows from residual counting that the market value of the developed land is connected to value of the land itself. During the financial and economic crises, the market values decreased, thereby putting pressure on the residue. The land, however, was bought before the crises, i.e., the land had a higher value. The revenues were lower than expected, which means that the costs could not be recovered by the sale of the developed plots of land. Some measures

could be taken to deal with these decreased revenues, e.g., increasing the number of dwellings on the development site or developing less public facilities. Another possibility is increasing the timespan of the development. Cost fluctuations can be compensated by a long-term framework of the net present value calculations since money devaluates over time.

Van Bosse brought up that joint ventures for area development were particularly popular before the occurrence of the crises. Primarily private parties sought the initiative for establishing a PPP. On the other hand, medium-sized municipalities were inclined as well to enter into a PPP, for the reasons of risk sharing. Spatial quality was safeguarded by spatial master plans land supply prerequisites. Oftentimes, municipalities secured the loans due to lower interest rates for public authorities.

Van Bosse distinguished three phases of development, i.e., the preparation phase, the execution phase and the completion phase. According to Van Bosse were PPPs in the preparation phase during the crises often discontinued. PPPs in the execution phase were

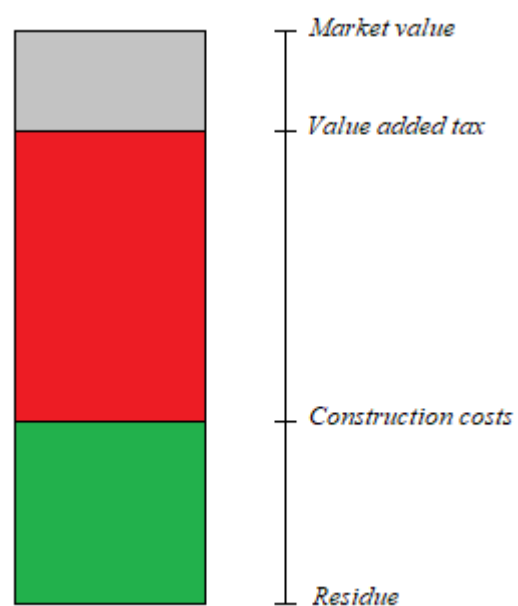


Figure D26 *Visualisation of residual counting. The value added tax and the total construction costs are subtracted from the market value. The value that remains is called the residue.*

continued whereas PPPs in the completion phase were often dismantled by buying out the public party. Whether or not the cooperation between public and private parties continued was partially due to the quality of the relations between the people involved. When these relations were good, the building programme got re-appraised and austerity policies were applied and then the cooperation continued. These reappraisals were generally not expected, especially not during the prosperous times before the occurrence of the crises. These reappraisals took place where there was no room for flexibility, hence the developed plots of land were sold for a lower price. Van Bosse questions whether or not it was wise to continue these developments with public resources involved. According to Van Bosse, it could be more fitting to shift from the joint venture model to a concession model.

When shifting to PPP's success factors, Van Bosse emphasised that the financial and economic crises were a real issue and that potentially no PPP survived the crises without any problems. Oftentimes, cooperative continuity was sustained, but at the expense of severely reducing revenues or even deficits. A success factor as mentioned by Van Bosse is the distribution of costs. Costs should be shared evenly, i.e., one party should not suffer from extensive losses, whereas the other parties suffer to a lesser extent, e.g., regarding the municipality solely securing loans.

Also, public parties should be able to fulfil their private role, alongside their public role. This also means that public parties should be keen on the aforementioned distribution of costs, since costs can accrue to the public party due to their loans with lower interest rates compared to private parties' loans. According to Van Bosse, private parties are more likely to leave the PPP when the municipality finances the development.

Van Bosse mentioned that flexibility regarding the project's cashflow is crucially important. When developing a certain plan A, it is important that other plans B and C still can be developed as well. There should be a graduation of quality between these plans, plan A being the highest quality whereas plan C entails the lowest quality. Also flexible phasing is important, i.e., plots can be developed all at once or subsequently. It is wise to develop all plots at once when markets are going upwards, on the other hand, when markets are going downwards, plots should be developed subsequently. This flexibility regarding phasing relates to the turn-over rate of the project, a successful PPP should be able to adjust this turn-over rate over the development time of the project.

Another success factor according to Van Bosse is clarity regarding the joint venture's management mandate. Their room for action must be clear. At the same time is reporting back from the joint venture to the municipal council an important way of public control which keeps the joint venture's staffing alert.

Van Bosse characterised a successful PPP as a cooperation model which is sustainable regarding objectives, revenue models and public-private relations. Such a cooperation model – or PPP-model – should be effective. Van Bosse concluded that joint venture models are generally not the most effective models, given this model's results during the crises. According to Van Bosse are concession models much more effective. Investing public resources in risky development is difficult to defend, especially when land-use plans and spatial quality plans are enforced within public law frameworks.

Van Bosse argued that over time, a shift took place from public development, to building claim models, joint venture models and finally concession models. As mentioned before, joint venture models were particularly popular before the occurrence of the crises. Nowadays, according to Van Bosse, are concession models primarily popular, alongside cost-partnerships.

Unfortunately, Van Bosse was not able to provide a longlist with joint ventures which existed between 2008 and the end of 2014 due to confidentiality issues.

Appendix E: Interview structure

The following structure based on the hypotheses and sub-question was used during the case study interviews with the respondents of the development projects of Hoog Dalem in Gorinchem, the Spoorzone 013 in Tilburg, and the Schieveste in Schiedam.

Hypothesis 1 *A flexible building programme, in the sense of the possibility to shift between development plans with different spatial qualities, helps to ensure cooperative continuity by altering the building programme according to changes in real estate values and market demand.*

1. Were several building and development programmes drafted with different levels of spatial quality?
2. Which parties were involved in the drafting process of these building and development programmes?
3. Were these different building and development programmes all elaborated up until the same level of detail?
4. Did the development project substantially change over the timespan of cooperation?
5. What were these changes?
6. How did these changes come about?
7. Which parties were involved during the stipulation and execution of these changes?
8. Can you describe this process?
9. What factors did play an important role during this process?

Hypothesis 2 *A flexible phasing, in the sense of decreasing the turn-over rate during times of crises and increasing the turn-over rate in more prosperous times, helps to ensure cooperative continuity by aligning the spatial realisation with marked demand.*

1. Did the joint venture cater for flexibility regarding the project's phasing?
2. Were several phasing plans stipulated?
3. Was the flexibility regarding the project's phasing contractually agreed upon?
4. Was the turn-over rate decreased during the financial and economic crises?
5. How did this decrease come about?
6. Which parties were involved during this process?
7. Did the decrease of the turn-over rate result in friction within the PPP-cooperation?
8. What factors did play an important role in that respect?
9. Was the short-term delivery monitored taking into account the long-term development plan?

Hypothesis 3 *Clarity regarding the project's and actors' performance, enables private parties to develop in accordance with the public interest, thereby aligning public and private interests which ensures cooperative continuity.*

1. Were the project's performances perceived to be clear?
2. Why were they perceived to be clear?
3. Were the actor's performances perceived to be clear?
4. Why were they perceived to be clear?
5. Were the project's performances stipulated by the involved public party?
6. Were these performances stipulated as a framework or as crystallisation points (De Bruijn et al., 2010: 91)?

Hypothesis 4 *Clarity regarding actors' financial positions, and altering the contractual structure of the joint venture PPP accordingly, protects private parties' main interest – i.e., profitable development – thereby ensuring cooperative continuity.*

1. Were the financial positions of the involved actors internally communicated within the joint venture PPP at the start of the cooperation?
2. Were the financial positions of the involved actors communicated with the joint venture's environment at the start of the cooperation?
3. Were the financial positions of the involved actors internally communicated within the joint venture PPP during the development process?
4. Were the financial positions of the involved actors communicated with the joint venture's environment during the development process?
5. Did the contractual structure of the joint venture PPP provide room for flexibility and adjustments based on changing financial positions?
6. How was this communication regarding financial positions structured, and did it went smoothly?
7. What factors influenced this communication?

Hypothesis 5 *A continuous monitoring process regarding market developments, substantial plan content, the contractual structure of the joint venture PPP and the actual spatial delivery, helps to align actors' interests and actions with the dynamic reality of spatial development, thereby ensuring cooperative continuity.*

1. Were there monitoring processes in place?
2. Did these monitoring processes entail market development, the substantial plan content, the contractual structure of the joint venture PPP and the actual spatial delivery?
3. Did these monitoring processes serve as a basis for substantial or contractual changes?
4. How were these monitoring processes designed?
5. How were the insights stemming from the monitoring processes perceived?
6. What factors influenced this perception?

Appendix F: Interview Respondent A, municipality of Gorinchem

On the 9th of July 2018 a semi-structured interview was conducted with Respondent A of the municipality of Gorinchem. Respondent A is the Welfare, Spatial and Economic development department head of the Gorinchem municipality. The semi-structured interview was based on the five postulated hypotheses:

1. *A flexible building programme, in the sense of the possibility to shift between development plans with different spatial qualities, helps to ensure cooperative continuity by altering the building programme according to changes in real estate values and market demand.*
2. *A flexible phasing, in the sense of decreasing the turn-over rate during times of crises and increasing the turn-over rate in more prosperous times, helps to ensure cooperative continuity by aligning the spatial realisation with marked demand.*
3. *Clarity regarding the project's and actors' performance, enables private parties to develop in accordance with the public interest, thereby aligning public and private interests which ensures cooperative continuity.*
4. *Clarity regarding actors' financial positions, and altering the contractual structure of the joint venture PPP accordingly, protects private parties' main interest – i.e., profitable development – thereby ensuring cooperative continuity.*
5. *A continuous monitoring process regarding market developments, substantial plan content, the contractual structure of the joint venture PPP and the actual spatial delivery, helps to align actors' interests and actions with the dynamic reality of spatial development, thereby ensuring cooperative continuity.*

Respondent A started the interview by outlining the history and background of the spatial development of Hoog Dalem. Ever since 1985, the municipality of Gorinchem closed cooperation agreements with the predecessors of the developer AM and with developer Heijmans. Those cooperation agreements took on several forms. For the spatial development of Hoog Dalem, the municipality, AM and Heijmans entered into a commandite company, or limited partnership (*commanditaire vennootschap, cv*) called the cv Hoog Dalem. The shareholding of the cv Hoog Dalem is in compliance with the Dutch legal boundaries, which means that the municipality of Gorinchem participates for 50 percent and the two private parties participate for the other 50 percent. AM and Heijmans entered into a general partnership (*vennootschap onder firma, VOF*) called the VOF Ooster-Linge. The VOF Ooster-Linge is responsible for the building development. Besides, the VOF Ooster-Linge develops the public facilities as well, as commissioned by the cv Hoog Dalem. The board of managers of the cv Hoog Dalem was formed as a private limited company (*besloten vennootschap met beperkte aansprakelijkheid, bv*) entailing a delegation from AM, Heijmans and Respondent A on behalf of the municipality of Gorinchem. The general meeting of company members of the cv Hoog Dalem contained two aldermen of the municipality of Gorinchem, as well as the managers of AM and Heijmans.

The municipality acquired all the land of the development site and brought it in into the cv Hoog Dalem. Roughly $\frac{2}{3}$ of the area was owned by the private parties and $\frac{1}{4}$ by a local farmer. The municipality of Gorinchem had some sort of building rights agreement with this local farmer. The municipality however could never agree with the developers chosen by this farmer, which eventually resulted in an expropriation process. Currently, the valuation process of this plot of land is still running.

The development of Hoog Dalem entails roughly 100 hectares, 1400 dwellings, a 7000 square metre shopping centre, schools, sport accommodations, a church, childcare facilities as

well as care and medical facilities. Thus, Hoog Dalem is, and will be developed as a comprehensive and integral neighbourhood. Since 1985, in the eastern part of the city of Gorinchem, roughly 5000 newly built dwellings were realised, which added to the already existing housing stock of around 1000 to 1500 dwellings. Taking, then, the realisation of Hoog Dalem in consideration, the eastern part of the city of Gorinchem has developed into an urban district of significant size.

Respondent A emphasised that the municipality of Gorinchem worked together with AM and Heijmans ever since 1985, using different cooperation structures. Starting from 1999, plans were drafted to develop Hoog Dalem. Eventually the municipal council approved the urban development plan called 'De Linten'.

Initially, the building programme contained 30 percent social housing, however, merely 35 social rented dwellings were realised. The housing association of Gorinchem, called Poort6 was unable to realise more dwellings under the regime of the new Housing Act. Firstly because, under the new Housing Act, housing associations are not allowed to develop or to participate in risk-bearing projects, and secondly, real estate market research showed that the city of Gorinchem had a surplus regarding the social housing stock. For these reasons, the development of social housing was cancelled. Hence, the initially drafted building had to adapt to these changes. At the same time, the cancellation of the social housing programme contributed to the feasibility of the entire project, which has been put under stress due to the occurrence of the financial and economic crises. Based on new real estate market research, a new building programme was drafted. This newly drafted building programme was not substantially different from the former building programme. Essentially, the freed-up space got filled in by the substantial content of the former building programme, i.e., the former building programme was basically extended. Private rental dwellings were included as well.

AM and Heijmans agreed with the changes of the building programme, after all, the changes made the entire project more feasible due to the cancellation of the less profitable social housing. The process which resulted in the altered building programme went well and was not a unilateral process, i.e., the process was jointly structured and prepared by the board of managers of the cv Hoog Dalem. Eventually, the changes were submitted to the general meeting of company members of the cv Hoog Dalem. Respondent A mentioned that there were high quality discussions which were constructive in nature and which, eventually, led to high quality decision-making.

Respondent A then continued by emphasising that there were not several development plans or building programmes at hand. An urban designer developed several development models, e.g., urban or rural development, and as mentioned earlier, eventually the urban development plan called 'De Linten' was chosen. The spatial quality plan (*beeldkwaliteitsplan*) was based on this urban development plan. So, there were no different plans available beforehand with more or less affordable housing, or other different substantive content. The earlier drafted building programme got adjusted, rather than switching to another spatial plan or another substantive realisation. The parties involved in the development process were forced to adjust this building programme due to the economic circumstances and the withdrawal of housing association Poort6. However, this adjustment-decision did not feel as being an ad hoc decision, even though different development plans were not available. AM, Heijmans and the municipality of Gorinchem shared an extensive experience of development cooperation ever since 1985, as mentioned before. Respondent A presumed that, due to this long history of cooperation, the development and adjustment process of the development of Hoog Dalem went relatively smooth. Furthermore, Respondent A mentioned that AM, Heijmans and the municipality of Gorinchem agreed upon a declaration of intent in order to come to spatial realisation. Based on this declaration and this willingness to jointly

develop Hoog Dalem, the involved parties together, i.e., the cv Hoog Dalem, commissioned the composition of an urban development plan and subsequently a building programme.

As a concluding remark, Respondent A emphasised that the amount of social housing turned out to be an important factor regarding the alignment of the building programme and the market developments. Furthermore, the spatial development plans of Hoog Dalem envisioned fourteen dwellings per hectare, which is a remarkably low building density. So, the spatial development plans provided room for further building densification and subsequently changes in spatial quality.

Respondent A then continued to elaborate on the flexibility of the phasing of the development project. Respondent A distinguished between the phasing and the turn-over rate of the project. The project was divided in several phases based on urban subdivisions. By doing so, complete and functional urban subdivisions could be delivered, even if the turn-over rate lowered considerably.

Adjusting the turn-over rate of the project was part of the contractual structure of the cv Hoog Dalem. There did not exist a programme which prescribed a certain turn-over of serviced land which could be sold to the VOF Ooster-Linge. The turn-over rate was demand-driven, so alignment of supply and demand goes naturally. This even resulted in a turn-over rate of 40 dwellings per year, which is a remarkable low turn-over rate. This low turn-over rate did not put stress on the cooperation within the cv Hoog Dalem. Within the cv Hoog Dalem, it was agreed upon to aim a balanced land exploitation. At the same time, interest rates were low, so the estimated interest charges were considerably lower as well, alongside the estimate costs for civil engineering works. Furthermore, the 2010 Crisis and Recovery Act (*Crisis- en herstelwet* in Dutch) enabled land exploitations to continue for 20 years. All these aspects together enabled the cv Hoog Dalem to effectively adapt to the changing market conditions, thereby contributing to a balanced public-private land exploitation.

This joint public-private land exploitation had a significant added value, according to Respondent A. For example, they could jointly involve another party in the development project if this would turn out to be more profitable. This was the case regarding some smaller urban subdivisions which were developed for private individuals by smaller developers and not by the VOF Ooster-Linge. Respondent A mentioned that due to the reputation of AM and Heijmans, smaller developers were very willing to develop alongside the VOF Ooster-Linge. This joint public-private land exploitation did not mean that discussions could not arise within the cv Hoog Dalem, e.g., regarding land prices. However, second opinions could always be consulted if necessary, since the cooperation was aimed at a balanced land exploitation. Furthermore, according to Respondent A, these discussions always contribute eventually to the quality of the spatial product. Respondent A does not go as far as to say that with other private parties, the development of Hoog Dalem would not be as successful as it was with VOF Ooster-Linge. The municipality cooperates successfully too with other private parties.

According to Respondent A, the possibilities to speed up or to temporise building planning schemes plays a more important role regarding more detailed planning schemes. Here, the fact that the parties are joined within the cv Hoog Dalem and the private parties in the VOF Ooster-Linge, makes it easier to adjust these planning schemes. Respondent A emphasised once again that here discussions did arise between the public and private parties since the municipality of Gorinchem would rather develop at a slower pace than sacrificing spatial quality. Eventually, these discussions benefit the spatial quality in the area.

Respondent A did not experience the need for another form of flexibility. Flexibility regarding phasing and substantial plan content, i.e., building programmes, are the most important mechanisms. However, the land exploitation must be executed as optimally as

possible, whilst at the same time, the urban spatial quality must be ensured. Friction and tension can arise between these two factors. At a given moment, public and private parties find one another given these tensions, and then move on to the actual development.

The interview then moved towards the project and actor performances. Once again, Respondent A brought forward that the VOF Ooster-Linge developed the buildings. The performances of the developments were initially monitored by a quality assessment team which consisted of a landscape architect, a regular architect and an urban development engineer. Later on in the process, the performances were monitored by the regular architecture-supervision of the municipality (*welstandscommissie* in Dutch). The quality standards were jointly drafted, i.e., by the municipality, AM and Heijmans, and were affirmed by the municipal council, alongside the spatial quality plans and the land-use plans. These quality standards, the spatial quality plans and the land-use plans together form a performance-framework regarding the spatial development. The municipality maintains this framework and tests the developments with respect to this framework.

These performance standards did not give rise to friction within the cv Hoog Dalem, according to Respondent A, since they were robustly anchored and guaranteed by public law instruments. The VOF Ooster-Linge, however, wanted to change the performance standards, but these wishes were never met by the municipality. As mentioned before, the municipality wanted to maintain a certain level of spatial quality, rather than increasing the turn-over rate whilst lowering the spatial quality standards.

Of course, the municipality potentially could reconsider the spatial quality framework if the involved private parties were unable to develop the desired spatial quality standards. However, this was not the case regarding the development of Hoog Dalem. This underlines, however, that the trade-off between spatial quality and its costs can be an important topic which can lead to friction between the involved parties within a PPP. This friction could potentially lead to parties leaving the PPP-cooperation. According to Respondent A, private parties do not easily leave a PPP, since these parties then have to pay their share of, e.g., the follow-up costs of the development (*plankosten* in Dutch). Respondent A emphasised that, in case of AM and Heijmans leaving the cv Hoog Dalem, no other private party would present itself to participate into risk-bearing development due to the market conditions of that time. This situation, then, would force the municipality and the VOF Ooster-Linge to renegotiate their cooperation.

Respondent A underlined that there will always be discussions with private parties in order to keep the spatial quality as high as possible. Hoog Dalem, in that respect, had a robust qualitative basis, due to its urban development plan 'De Linten' which was based on the Hollandic Water Line (*Hollandse Waterlinie* in Dutch) and its development in the upper segments of the real estate market.

The interview subsequently moved towards the clarity of actors' financial positions. Respondent A brought up that the financial positions of AM and Heijmans can be found in newspapers and other media. Hence no specific communication mechanism regarding these positions is needed. AM and Heijmans did provide parent company guarantees which played an important role with respect to hedging. Respondent A emphasised that especially the financial position of Heijmans became under pressure during the financial and economic crises.

The financial positions of the parties involved were not formally communicated within the cv Hoog Dalem and with the environment of the cv Hoog Dalem. The financial positions were clear, as mentioned before, through media communications and informal personal communications between members of the board of managers of the cv Hoog Dalem. After all,

the municipality, AM and Heijmans did cooperate with each other, ever since 1985. Furthermore, the members of the board of managers of the cv Hoog Dalem started to know each other personally over the timespan of the development of Hoog Dalem. In case of severe financial problems, then the parties involved in the cv Hoog Dalem had to find a solution for that, as mentioned by Respondent A. The contractual structure of the cv Hoog Dalem provided mechanisms for such an occasion. However, in case of a bankruptcy, these mechanisms do not apply.

Stemming from Dutch law, the shareholding and hence the sharing of risks were fixed. Especially regarding the share of the public party, in this case the municipality of Gorinchem. The private parties within the VOF Ooster-Linge could have altered their shareholding among themselves. However, this was not necessary. As mentioned by Respondent A, the PPP-cooperation is organised in such a way, that the risks are shared in a certain way, and that these shares remain fixed. There is a significant barrier to change these shares or even to leave the cooperation structure, due to repaying of plan preparation costs, even for parts which still have to be realised. This is a difficult process, with estimations of benefits and development potentials, which parties usually like to avoid.

Clarity regarding the financial position of the cv Hoog Dalem to the municipality of Gorinchem was arranged for through closed sessions with the municipal council. During these sessions, the municipal council was informed about the progress and development of the land exploitation. Furthermore, the cv Hoog Dalem was also subjected to auditing by accountants. The mayor and executive board of the municipality of Gorinchem were always informed and updated regarding the agenda and important decisions which would be discussed during the general meeting of company members of the cv Hoog Dalem. The board of managers of the cv Hoog Dalem prepared these general meetings, and Respondent A thus included the mayor and executive board of the municipality of Gorinchem in this preparation process. By doing so, the aldermen of the municipality of Gorinchem, which were part of the general meeting of company members, were fully mandated. The private parties too prepared these general meetings within their own company. So, these general meetings were well prepared, and this allowed discussions to take place based on clear and supported opinions and positions.

Finally, the interview elaborated on monitoring processes. As already mentioned by Respondent A, there were market consultations at a regular basis. These consultations fed into an internal municipal monitoring process, especially regarding public land ownership. Reconsiderations took place regarding this public land ownership, since Hoog Dalem was not the only spatial development going on in the municipality. Hence, alignment is needed regarding these different spatial development projects within the municipality, otherwise the municipality might compete with its own development projects. In consultation with the developers, a phasing scheme was drafted which distributed the municipal development projects over time. By doing so, spatial overproduction is avoided. Respondent A acknowledged that the development of Hoog Dalem was at the top of the municipality's priority list in order to get developed. However, other spatial projects within the municipality were not completely stopped. Examples are the development projects of Mollenburg and Lingenwijk. The development of Mollenburg has been slightly delayed until it was convenient regarding the phasing scheme. The development of Lingenwijk, which entails 64 dwellings, has been put on-hold until 2020, since at that time Mollenburg is expected to be completely delivered. Hence, the monitoring process regarding the phasing of the developments at a municipal level, allows to provide a relatively constant supply of newly built dwellings, which is in the public interest.

The market consultations do not merely focus on the municipality of Gorinchem. Market developments are monitored at a provincial and regional level, and municipalities

align their development plans. By doing so, Gorinchem realises more urban development, whereas surrounding municipalities realise less dense building densities, i.e., more rural development. By doing so, competition between municipalities and development projects is avoided, whilst at the same time, the development projects are enabled to deliver the correct supply. As mentioned by Respondent A, developments at a global scale are difficult to monitor, however, these developments can have a significant impact on the functioning of a local development project.

The interview went then on to its conclusion, allowing Respondent A to make some concluding remarks. According to Respondent A, the real estate demand in Gorinchem did not diminish completely during the crises, due to Gorinchem's location, economic position and central function within the region.

Furthermore, the cooperation model used for the development of Hoog Dalem ensured some form of continuity regarding the cooperation of the parties involved. Since the cooperation model used for the development of Hoog Dalem, and basically every PPP-cooperation, ensures the safeguarding of the public interest, due to the explicit involvement and participation of the municipality. According to Respondent A, such forms of cooperation do generate reliance and confidence, both for the involved private party, but as well for the eventual buyer of the real estate. If solely private parties would develop a certain plot of land, then other choices would have been made regarding the spatial quality and arrangement. As stated by Respondent A, the municipality primarily safeguards these quality aspects. This too can ultimately be translated in some sort of added-value regarding the development, which, as mentioned before, generates trust amongst stakeholders.

Respondent A affirmed that the 'successful mix' of the development of Hoog Dalem consists of sticking to the cooperation structure of the cv – with its legally bounded divisions of risks – , alongside sticking to quality standards and the accompanying legal instruments such as the land-use plan and the spatial quality plan, and on the other hand, helped by the cancellation of the development of social housing. If the development of social housing was not cancelled, then probably the issues would have been solved as well. Further building densification would then be a realistic option, which would have been coordinated and deliberated with the province of South Holland. But, as mentioned before, this was not necessary and the level of spatial quality could be maintained.

Respondent A emphasised that the development of Hoog Dalem is a remarkable success-story. At the right time, the real estate market recovered slightly. The southern part was eventually delivered, and then the development would shift towards the northern part. This was an important moment since there would not be complete functionable urban subdivision once the development of the northern part would start, but could not further continue due to the market circumstances. As mentioned before, the delivery rate lowered according to the market demand, but since spatial plans were already drafted. So, once the market would recover, development could continue immediately.

The southern part of Hoog Dalem is developed during the crises, and these developments were not substantially changed. This southern part consists of roughly 400 dwellings and was developed because of the urban development plan and further demands and requirements from the local water board and Rijkswaterstaat regarding drainage and throughput of the river Merwede. Of course, sale prices were lowered, but prices have recovered as well over the time-span of the development. The northern part of Hoog Dalem has slightly been densified, and water bodies were slightly changed in deliberation with the local waterboard.

At the start of the project, parties agreed to aim for a balanced land exploitation. Usually, the municipality of Gorinchem would receive benefits from land exploitations due to their active land policies. However, due to a PPP-land exploitation, as well as the high land prices at the start of the project, and the significant amount of costs regarding infrastructure, expectations were lowered, and a balanced land exploitation was aimed for.

Appendix G: Interview Respondent B, AM Real Estate Development

On the 15th of August 2018 a semi-structured interview was conducted with Respondent B of AM Real Estate Development. Respondent B is assistant director of AM and is involved as a member of the board of managers of the cv Hoog Dalem. The semi-structured interview was based on the five postulated hypotheses:

- 1. A flexible building programme, in the sense of the possibility to shift between development plans with different spatial qualities, helps to ensure cooperative continuity by altering the building programme according to changes in real estate values and market demand.*
- 2. A flexible phasing, in the sense of decreasing the turn-over rate during times of crises and increasing the turn-over rate in more prosperous times, helps to ensure cooperative continuity by aligning the spatial realisation with marked demand.*
- 3. Clarity regarding the project's and actors' performance, enables private parties to develop in accordance with the public interest, thereby aligning public and private interests which ensures cooperative continuity.*
- 4. Clarity regarding actors' financial positions, and altering the contractual structure of the joint venture PPP accordingly, protects private parties' main interest – i.e., profitable development – thereby ensuring cooperative continuity.*
- 5. A continuous monitoring process regarding market developments, substantial plan content, the contractual structure of the joint venture PPP and the actual spatial delivery, helps to align actors' interests and actions with the dynamic reality of spatial development, thereby ensuring cooperative continuity.*

Respondent B started the interview with a generic introduction to public-private partnerships (PPPs), followed by an introduction to the development of Hoog Dalem. Interest balancing and internal power games are different between private and public parties. As long as the development and the cooperation go well, then no noteworthy issues do arise, since each party can make its own considerations and deliberations. However, in times of crises, but likely so in times of remarkable prosperous times – i.e., in times of pronounced economic dynamics – then the likelihood increases that differences in interests do manifest themselves. Usually, this results in discussion between the parties involved, and that is not a bad thing, according to Respondent B. But then it becomes clear that there exist different perceptions regarding ambiguous terms, such as flexibility and quality, between the parties. If one notices these differences, then, this situation can be solved. But usually, these differences are not noticed. Hence, communication is important, otherwise these differences in interests and perceptions might be experienced as non-cooperative stubbornness. But that is the essence of PPPs, that inherently different parties cooperate in order to realise spatial development. It is a challenge to maintain a pleasant and cooperative environment over the long timespan of the development. The parties involved in the PPP must maintain 'the dialogue', and must try to understand each other. Perhaps parties should at times be satisfied with another party's explanation rather than their own. But these parties should always be able to defend these explanations, also within their own organisation.

However, cooperation will always be difficult. Even regarding tangible issues, such as the amount of development plans and dwellings in the Netherland. These things can be determined and assessed. However, parties can still disagree on these subjects.

Respondent B then moved on to an introduction to the development of Hoog Dalem. AM, Heijmans and the municipality of Gorinchem have cooperated with each other for an

extensive period of time. Respondent B became involved during the development of Hoog Dalem. Respondent B emphasised the importance to get the project of Hoog Dalem going. Three urban designs were drafted, and eventually the municipal council of Gorinchem approved of a plan called 'De Linten'. This plan was accompanied by a set of requirements, a building programme, quality standards and a work distribution. The municipality was responsible for the development of the civil works and AM, together with Heijmans and the municipality were responsible for the land exploitation. The buildings were developed AM and Heijmans. A so called, cv/bv construction was used, which means that the land exploitation company was a commandite company, or limited partnership (*commanditaire vennootschap, cv*) and that the board of managers of the cv Hoog Dalem was structured as a private limited company (*besloten vennootschap met beperkte aansprakelijkheid, bv*). AM always applies these cv/bv constructions due to their transparency and their accounting advantages. AM and Heijmans entered into a general partnership (*vennootschap onder firma, VOF*) in order to realise the buildings. The urban development plan entailed an allotment scheme and a building programme which consists of development categories accompanied by price ranges. Some categories are, e.g., social rented dwellings and affordable privately-owned dwellings. The allotment scheme, in conjunction with the building programme and a phasing, enables the parties to draft a budget plan, i.e., a land exploitation. As stated by Respondent B, by doing so, the urban development plan is captured in drawings, numbers and text. The parties involved agree upon this, and hence a departure point for the development is formed.

The interview then focused on the first hypothesis and the flexibility of the building programmes. There are no scenarios within the contractual structure of the PPP. There were some scenarios, or development models, when several urban development plans were drafted. However, one plan is chosen, and this serves as a departure point for the development. The price ranges for each category are based on public housing policy. Based on these price ranges, a certain land value can be determined which is of importance regarding the land exploitation. A balanced assembly of categories is aimed for, based on the aforementioned public housing policies, according to Respondent B. However, this does not mean that there is a certain demand for these categories. Furthermore, development details such as size and appearance are not yet specified. The focus lies primarily on whether or not the development fits within the area in a physical sense, whether or not it corresponds with the public housing needs, and whether or not it responds to the current housing demand. Then, one can estimate the quality of the 'development departure point', i.e., if the land exploitation results seem reasonable and consistent with the current market.

Then the energy shifts towards the first realisations, as mentioned by Respondent B, since a plan and a building programme are at hand. This realisation cannot be achieved within a short time period since preparatory works need to be finished as well as legal aspects, such as an update of the land-use plan. The moment, then, of ultimately selling the spatial product, if the first test with respect to the correctness of the land exploitation, the building programme, and the estimated market-demand. According to Respondent B, thinking about flexibility, or scenarios, becomes of importance once the aforementioned correctness is not as expected. Note that this can be either negatively, i.e., lower sale-rates, or positively, i.e., higher sale-rates. Then, the dialogue becomes important between the parties involved in the PPP. One can take on two approaches in that respect. The first one does not expect the economy to recover, which will hence lead to a negative land exploitation. The other one acknowledges the deteriorated economy, but expects its to recover as well. When one takes on the latter stance, and parties continue to cooperate and continue to develop the right spatial products, then sooner or later, the economy will recover and the land exploitation will recover

accordingly. According to Respondent B, such conversations take place, rather than regularly reassessing the land exploitation. Afterall, what is a valid land exploitation calculation over a long period of time considering the dynamics of the market?

The anticipated development of social housing in Hoog Dalem was cancelled. Respondent B did agree on the fact that this was a particular positive side note which had a positive effect on the land exploitation. However, the area which should be developed into social housing was ultimately filled in by another type of affordable housing, namely private rented dwellings. So, the parties involved in the cv Hoog Dalem did not use this freed-up space for the development of buildings at the upper side of the market. According to Respondent B, a certain element of affordability had to be guaranteed, and there was a demand for private rented dwellings. The process which resulted in the different development went smoothly.

The municipality of Gorinchem did not search for other housing associations which could develop the social housing within the area. Besides, the municipality did not necessarily demand the development of social housing in Hoog Dalem. This is a political choice, both regarding the choice of the housing association, as well as regarding the choice of the municipality. As a private party, but as a PPP as well, you should be able to respond to these political changes. However, this process went well.

Respondent B emphasised that the amount of social housing was an element of the contractual starting point of the cv Hoog Dalem. Then, as time goes on, the land exploitation is redefined yearly, and during shareholder meetings deviating decisions can be taken, or the board of managers can propose certain ideas. Respondent B explained that AM tried to find a private investor in order to realise the private rented dwellings which replaced the social rented dwellings. It is important to find such an investor, since then a demand can be met, one received land values, and the PPP can continue to develop. So, AM started the conversation within the cv Hoog Dalem, that they had found a private investor. This meant that the cv Hoog Dalem must be satisfied with a land value in-between social rented, and privately owned dwellings. Likewise, the development combination of AM and Heijmans receives less yield since an investor pays a lower price compared to privately sold dwellings. But, according to Respondent B, it is important to continue to develop, and at that stage of the development, still a lot of dwellings had to be realised. It is important, according to Respondent B, to maintain a sense of reasonableness during these conversations. Land values are the only source of income for the municipality, so it is important to be aware of this as a real estate developer. Ultimately, the cv Hoog Dalem agreed upon a certain land supply with accompanying land values, and the redefined building programme was submitted to the municipality. During these conversations, parties come more closely together, based on the essence of meeting shared goals.

This flexibility, i.e., aligning the building programme with the market, offers a chance to private parties. During the crises, AM sought on more occasions the involvement of a private investor. Partially in order to keep a decent turn-over rate and progress regarding the phasing. When the turn-over rate drops too much, then it becomes difficult to realise the area. Respondent B emphasised their interest regarding the land exploitation. The land value of private rented dwellings is lower than privately sold dwelling, but their value is higher than social rented dwellings. Furthermore, the private rented dwellings to respond to a market demand within the affordable housing segment.

The building programme as stipulated in the master plan and the PPP-contracts is therefore an important starting point which serves the aim to realise spatial development by the means of a balanced land exploitation. According to Respondent B, this is the shared interest amongst parties involved in the PPP. It remains important to legitimise deviations from this starting point. For example with respect to the private rented dwelling, why would

you sell the land for a lower price compared to privately owned dwellings? But then one must acknowledge that there was not plenty of demand either for privately owned dwellings. So, as a PPP, we could wait for the demand to recover, but that is not a wise idea, according to Respondent B. Furthermore, this stance assumes that demand will recover, which is not certain at all. But the development of a location should not stall, a lower turn-over rate is possible, but in some way, the development should continue.

The interview then elaborated on the phasing and the turn-over rate of the development. Respondent B underlined that the turn-over rate dropped significantly. Regarding this subject, the financing structure of the cooperation becomes important. The development of Hoog Dalem was financed publicly through the Bank Nederlandse Gemeenten, which is a local government funding agency. According to Respondent B, this is a valuable facility, due to the municipal guarantees, and the lack of turbulence on this financing flow. If the private developer had to finance the development, there would be more turbulence due to changes in banks' preconditions for example. Furthermore, due to the low interest rates, slowing down the development did not cost much, relatively speaking.

The cv Hoog Dalem aimed to invest as soon as revenues were assured. Therefore, a stepwise development approach was adopted, i.e., urban subdivisions of 20 or 30 dwellings were realised rather than the entire district of 100 dwellings at once. This has been of particular importance for the development of Hoog Dalem, since by doing this a certain progress could be maintained. Furthermore, the stability of the financing through the Bank Nederlandse Gemeenten meant that the cv Hoog Dalem did not had to report to a normal bank why they delivered solely 50 dwellings instead of 100.

The lower turn-over rate did not give rise to frictions within the cv Hoog Dalem, as stated by Respondent B. There was some tension with respect to generating turn-over whilst at the same time trying to maintain a decent land value. Demand for real estate does not evaporate completely, i.e., there will always be people looking for a dwelling. However, during the financial and economic crises, the demand dropped significantly. Hence why the cv Hoog Dalem opted for the development of urban subdivisions.

The visibility of the development is an important aspect as well, as stated by Respondent B. Since relatively small subdivisions were realised, together with the significantly lower demand, sometimes tension can arise. Due to the development of small subdivisions, the development becomes less visible, potentially even leading to people thinking that no development takes place at all. Besides, slightly adjusting the quality of the spatial product, i.e., making the dwellings more basic, can lead to friction as well. But at the end, a supply of developed land is needed for a certain price. According to Respondent B, AM did put a lot of effort into this trade-off between delivery, spatial quality and the prices. Respondent B mentions that it was impossible to deliver more quality for the prices attached to the development segments. But perhaps, then, the municipal side of the PPP might think that the development goes too slowly, whilst at the same time, the private party puts in a lot of effort in order to make progress. It all comes down to being able to sell a spatial product in the end, and this was difficult given the occurrence of the crises.

Respondent B continued by outlining the difference between contractual agreed upon terms, and the reality of spatial development. A building programme was agreed upon, entailing price ranges of the deed in hand values (*vrij op naam prijzen* in Dutch) and an indexation of 2 percent per year. However, this indexation is not valid, especially in times of crises. This leads to discussion, as mentioned by Respondent B. Regarding the sale prices, dwellings were sold for a price which was too high, since they did not fit within the price ranges. This statement was based on the 2 percent indexation per year, but spatial development is not a static endeavour, furthermore, the spatial end-product is not

unambiguously predefined, so what product corresponds with which segment? These discussions arise every now and then. According to Respondent B, sale prices of dwellings do not solely depend on their land values. A more elaborated dwelling can lead to a higher price, but this can be due to construction costs rather than its land value. This is an important issue, since the municipality as a stakeholder of the cv Hoog Dalem, has solely the land supply as their source of income. AM, on the other hand, can create revenue from both the land supply, as well as the selling of buildings. This gives rise to discussions, how do the deed in hand values change over time? What are the construction costs? Are these aspects in accordance with the land exploitation calculations and the price ranges? At some point or another, the alignment between these aspects starts to skew. At that point, the differences between public and private parties become clear, according to Respondent B. The private party wants to serve the market, and this market is intrinsically dynamic. However, public and private parties share a main interest, i.e., trying to realise projects, whilst adhering to the bigger picture of what the area is supposed to become. This can lead to a different concrete implementation. E.g., there was a demand for patio houses, but this dwelling type was not in accordance with the spatial quality plan. However, these patio houses were eventually implemented in the development, which was a significant deviation with respect to the stipulated development guidelines. These patio houses were a different kind of product, have a different land use, as well as land value, and do not fit within a development segment. However, these houses do serve a certain demand, which we did not anticipate beforehand. Then it becomes a choice, do you stick with the urban development plan, or do you serve a demand by developing these patio houses? According to Respondent B, within the area you can see that the search for target groups – and hence market demand – has sometimes prevailed over the spatial quality principles as stipulated by, e.g., the urban development plan. Whether or not this is a good or a bad thing, remains open for discussion.

The interview then shifted towards the third hypothesis and the importance of quality standards regarding performances. Respondent B stated that the project's quality standards were jointly drafted. Market reality and qualitative planning practices are equally important. However, blueprint development must be avoided. The spatial quality plan is a tool which helps to create a certain ambiance, atmosphere or identity. And then what elements do capture this kind of ambiance of identity? It is often easier to describe what people do not want than to describe what people do want. And then, are you obliged to develop everything that is written down in the urban development plan and spatial quality plan? Of course, they present a red line, but you should not take these documents literally. An architect will provide an interpretation of these plans, and on top of that, as a PPP you have to deal with market circumstances. Respondent B emphasised the importance of this red line, and the importance of sticking to this red line. There are multiple solutions to a spatial demand, and one must be aware of the fact that every choice will have a certain impact. It is important to keep a finger on the pulse, i.e., what was the starting point of the development, what was its essence, and when do we deviate too much, either financially, qualitatively, or programmatically. Respondent B explained this by outlining the cancellation of the development of social rented dwellings. The main aim was not to develop social rented dwelling, but to guarantee a certain aspect of affordability within the development area. Then, as a PPP, you should draft a certain solution which meets this ambition or performance.

Respondent B mentions that there are a lot of deviations from the initially stipulated spatial quality plan. But, a deviation is an ambiguous term. However, the red line, i.e., the development of four islands with a surrounding robust barrier has been realised. But when one takes into account all the images, conversations, and ambitions which have been presented and which have been taken place, then you can determine in the area that not

everything has been developed at a complete accuracy. But, Respondent B emphasised, that is the essence of area development, you cannot outline and stipulate everything beforehand, not in times of crisis, and not in good economic times.

The spatial quality plan serves to form a framework, which eventually the municipal buildings aesthetics committee uses to assess the developments. This framework was made by the cv Hoog Dalem. The cv Hoog Dalem creates as well the development plans. And then it happens that the aesthetics committee does not approve of a certain development plan. But this plan is made by the cv Hoog Dalem, and the cv Hoog Dalem did stipulate the assessment framework. How then, can the aesthetics committee not approve?

The reality of area development is that you do not execute a certain blueprint. Area development is a dynamic process, and Respondent B emphasised their responsibility for the area. It is was in the interest of both AM and the municipality to react on the market, but not in a way which is detrimental to the spatial quality of the area. Furthermore, Respondent B continued, even during times of crises, AM aimed to sustain a certain level of revenues. However, Respondent B would prefer, then, to have a slight delay regarding the development phasing, rather than to adjust the quality of the area in a detrimental way. This, however, is something that is not explicitly communicated, but you try to influence the process with this in mind.

Another aspect is bringing the less expensive elements of the programme at the front-end of the phasing, due to the increased demand for more affordable dwellings. Equally so, the more expensive dwellings are phased to develop at a later stage, hoping that then there will be more demand for these buildings. These aspects are important regarding to the flexibility of the phasing, especially when a lot of the building programme still has to be developed.

The interview then focussed on the fourth hypothesis. Parties' financial positions are explicitly communicated, but in usually in general, broad terms. During the development of Hoog Dalem, the probability that the land exploitation would turn out to be negative was rising. From a municipal point of view, this is being reported, and then we should accept the loss, especially given the occurrence of the crises. However, from a private point of view, i.e., from the perspective of AM and Heijmans, there is no real loss yet, solely a loss on paper. Then, why should we take that loss as the cv Hoog Dalem? Of course, according to Respondent B, you must take some provisions for potential losses, but it is premature to accept and process a real loss.

During the financial and economic crises, Heijmans experienced some difficult times. Then you understand, within a PPP, that Heijmans at times would be more conservative and critical with respect to investing in the project. AM was not in the same position as Heijmans, but AM and Heijmans shared the opinion that it is too early to accept and process losses which solely exist on paper. Furthermore, given the stage of the development, there would be sufficient room and time to recover from the potential losses. However, the municipality had to report that the land exploitation had a negative value, and then everything is settled from a municipal point of view. According to Respondent B, these different perspectives do give rise to discussion.

During shareholder meetings, financial positions are not concretely specified or mentioned. Then, the focus lies on creating sufficient market demand and the dedication of the private parties involved. Respondent B emphasised that it is needless to say that AM continued to dedicate itself to the development. It would cost them more to leave the partnership than to continue with it. So, then, it is apparently important to underline the reliability and trustworthiness of the private party, rather than their financial position. However, information regarding actors' financial positions is sought in an informal, inexplicit

matter. Whether or not this is sufficient is hard to tell, mentioned Respondent B. With respect to the private share of the cv Hoog Dalem, AM and Heijmans never considered rearranging their proportions. According to Respondent B, of course one assumes, in case of Heijmans, that the other party goes through difficult times. But at the same time, one does not expect that this might have consequences. Furthermore, each parties' share of the cv Hoog Dalem represented a certain value. Perhaps other parties would have been interested in this share. However, in the opinion of Respondent B, these aspects are too delicate to discuss, and are often not tangible enough to discuss. On a managerial level, aspects have to be sufficiently tangible in order to be brought into a discussion. During shareholder meetings these aspects are not discussed at all, since these meetings are more procedural in nature with respect to decision-making. Respondent B stated that shareholder meetings do not serve to discuss the issues at hand. In other words, discussions must take place during managerial meetings, and shareholder meetings then serve to take decisions. However, informal meetings can always take place, e.g., a meeting between Heijmans and the alderman of the municipality of Gorinchem. Information regarding actors' financial positions are simply too business sensitive.

The interview then moved towards the final hypothesis. Respondent B emphasised the importance and the existence of monitoring processes regarding the building programme, in conjunction with finding the correct end-users. Besides, a monitoring process regarding dwelling types within segments, and their relation to the land exploitation and the spatial quality plan were important as well. This serves to maintain a certain basic development level, whilst at the same time the development progress does not stall. Respondent B stated that a land exploitation serves to generate development production for a private party such as AM. But, if another private party presents itself, willing to develop as well and willing to acquire some land from the cv Hoog Dalem, then short term revenues can be made which can be interesting as well. Besides, this realises development on the short term, which is in the interest of our customers and end-users. Furthermore, there is an important marketing monitoring mechanism which serves to attract potential end-users to the location, and to enlarge the target group.

The meetings of the board of managers of the cv Hoog Dalem often deal with these aspects, and the interplay amongst them. The focus of these meetings lies on enabling each other to continue with the development. There must be monitoring regarding the land exploitation, the spatial quality, and the progress of the development. After all, all parties involved want to deliver the entire project, according to Respondent B.

It is an intriguing question how the parties involved find each other within this complex interplay of the land exploitation, the spatial quality, and the progress of the development. According to Respondent B, each party fulfils a certain role, e.g., Heijmans on the limitation of costs, AM regarding balance-seeking, explanation of building development and taking away turbulence within the cooperation. Respondent B stated that a lot of people believe that private developers often make a lot of profit, however, this is not the case. It is important to sustain the conversation and discussion between the parties involved, since development progress is achieved based on a shared interest.

Area development is inherently dynamic, according to Respondent B. However, due to the partnership – parties share interests as well as a common budget – so there is a certain commitment in order to realise the project. The private party should bring in development know how, as well as contact with potential end-users. However, the municipal party brings in expertise as well regarding, e.g., spatial planning, expropriation and land servicing. So, parties' contribution should be complementary to each other. But, as mentioned by Respondent B, a municipal company is intrinsically different compared to a private company, so discussion is very likely to arise. But these discussions should always be aimed towards

mutual understanding based on a mutual trust that parties' primary goal is to jointly realise the project.

When discussions do not go as smoothly as desired, then one of the parties involved experiences a certain issue. Other parties might not be aware of this issue, or do potentially not understand it, but this underscores that the conversation must be sustained amongst these parties. This is not problematic at all, according to Respondent B. However, a party should not frustrate the discussions or the cooperation in general. This seldom occurred with the cv Hoog Dalem. Every issue experienced by a party involved is legitimate, due to this party's role. Hence, these issues should be discussed.

Respondent B underlined the dynamic nature of area development, which means that blueprint and plan-led development should be avoided. Then, based on each parties' role, explanation is key in order to explain potential issues.

Area development continues to be work of man. When one compares the differences between the agreed upon development starting points, and the actual realisation, these differences will be enormous, as assumed by Respondent B. All things relevant to spatial development change over time, e.g., laws, techniques and PPP-staffing. Parties within a PPP should find their mutually agreed upon red line of development. Each plan or development sketch does capture some idea of this red line. However, each person perceives this plan of sketch differently. But, according to Respondent B, this is an appealing aspect of spatial development. But at the same time, spatial development remains the work of man. When is something perceived as being a part of flexibility, and when does someone frustrate the development? Commitment and drive cannot be agreed upon, but are decisive for a PPP's success.

Appendix H: Interview Respondent C, municipality of Tilburg

On the 10th of August 2018 a semi-structured interview was conducted with Respondent C of the municipality of Tilburg. Respondent C is involved as a real estate project manager regarding the development of the Spoorzone 013 area. The semi-structured interview was based on the five postulated hypotheses:

1. *A flexible building programme, in the sense of the possibility to shift between development plans with different spatial qualities, helps to ensure cooperative continuity by altering the building programme according to changes in real estate values and market demand.*
2. *A flexible phasing, in the sense of decreasing the turn-over rate during times of crises and increasing the turn-over rate in more prosperous times, helps to ensure cooperative continuity by aligning the spatial realisation with marked demand.*
3. *Clarity regarding the project's and actors' performance, enables private parties to develop in accordance with the public interest, thereby aligning public and private interests which ensures cooperative continuity.*
4. *Clarity regarding actors' financial positions, and altering the contractual structure of the joint venture PPP accordingly, protects private parties' main interest – i.e., profitable development – thereby ensuring cooperative continuity.*
5. *A continuous monitoring process regarding market developments, substantial plan content, the contractual structure of the joint venture PPP and the actual spatial delivery, helps to align actors' interests and actions with the dynamic reality of spatial development, thereby ensuring cooperative continuity.*

Respondent C began the interview by outlining the history and general context of the development of the Spoorzone 013. Initially, the development project took place as part of the Fourth Memorandum Spatial Planning (*Vierde Nota over de Ruimtelijke Ordening, VINO* in Dutch). The VINO aimed at improving living environments and public transport hubs. The location of the Spoorzone 013 can be characterised by fragmented land-ownership. The municipality of Tilburg already drafted spatial visions and urban designs. At the location, there is one major land owner being NS, the passenger railway operator called Nederlandse Spoorwegen. NS had a large workshop of roughly 14 hectares in the area. Due changing market conditions, the function and importance of this workshop began to diminish. NS then approached the municipality of Tilburg in order to discuss the situation regarding its land-ownership at the centre of the city. NS decided to leave the centre of the city and to rearrange its activities at another location. So, the 14 hectare workshop was added to the entire area, which fell under the VINO redevelopments.

The municipality acquired the land-ownership from NS. At the same time, the municipality of Tilburg was aware of the scale of the development project and the risks it entailed. Based on this awareness, the municipality sought for cooperation with market parties. According to Respondent C, these parties can bring in expertise, financial resilience and can help to share risks. Besides, public-private partnerships (PPPs) were a common phenomenon at that time, partially stimulated by the national government as well.

A European-wide tender procedure was started. This procedure was structured by stating the iconic value of the location, and its relation to the urban economy. Furthermore, the tender procedure was split up in two phases. During the first phase, the municipal vision regarding the area was published, asking the parties to react on the documents and its contents. Besides, parties were asked to argue their experience and their vision on the area. Thereby enabling the municipality to assess their awareness of the issues at hand at the

location. During the first phase, five parties were selected which subsequently entered into the second phase. A further specified selection document, as well as a preliminary cooperation agreement formed the basis for this second round. Eventually, VolkerWessels was chosen during this second phase, but only this party validly applied for the second phase, whereas for the first phase solely 4 parties applied. At that time, the economy already started to deteriorate. The stake of the tender entailed a risk-bearing cooperation for roughly 15 hectare with a joint land exploitation and a right, as well as an obligation, to realise 50 percent of the buildings. Apparently, this stake asked too much from other private parties. According to Respondent C, VolkerWessels is a remarkably financially strong company.

The land exploitation company was called the district development company (*wijkontwikkelingsmaatschappij* in Dutch). This development company was based on a cooperation agreement which gave VolkerWessels the right to purchase 50 percent of the plots within the area which VolkerWessels will subsequently develop. The other 50 percent were and will be supplied to other developers by the municipality. Hence, the partnership entails the supply of serviced plots of land, technically as well as legally. The district development company was formed as a private limited company (*besloten vennootschap met beperkte aansprakelijkheid, bv*). This was done since the district development company basically serves as a development vehicle, the land remains legally in municipal ownership. During the tender procedure it became clear that no market party could financially cover 50 percent of the contribution values (*inbrengwaarde* in Dutch) of the land, which was hoped for by the municipality. Besides, according to Respondent C, it provides clarity regarding the development risks since preparation costs and other invests will only be spend when land supply contracts are ready, i.e., that costs are covered by the revenues from land supply.

The interview shifted then to the building programmes and their amount of flexibility. Respondent C stated that VolkerWessels provided a spatial programmatic vision during the tender procedure. Based on this vision and the vision from the municipality, an urban master plan was developed. Then, a settlement agreement was stipulated which provided more specific clarity regarding financial aspects and spatial and functional performances. This was all jointly done by the involved parties. Eventually, the district development company commissioned an urban development plan. Based on this urban development plan, a task-setting building programme was developed and an accompanying land exploitation. Already at the start, it was emphasised that the development was large in scale and would cover a long timespan. Therefore, the building programme was not set in stone. Every year, VolkerWessels and the municipality of Tilburg would come together to redefine the building programme. The building programme could therefore yearly be recalibrated with respect to functional areas such as dwellings, offices and retail trade, which are priced taking the tender application of VolkerWessels into account, as well as the land exploitation. Then the consequences for costs such as land servicing, demolition, and soil decontamination become clear, as well as the consequences regarding the realisable values (*opbrengstwaarde* in Dutch). The district development company agreed upon aiming for a balanced land exploitation.

Risk analyses have been conducted regarding several building programmes. However, ultimately, a programme is chosen which will be task-setting. Taking then into account the duration of the PPP-contract of around 15 to 20 years and a balanced land exploitation, then flexibility is clearly needed. As mentioned by Respondent C, adjustments are jointly redefined regarding the building programme and the land exploitation.

Alongside these relatively small adjustments, a major change has occurred as well regarding the development of the Spoorzone 013. As stated by Respondent C, society and economy continue to change over time, which leads to altered insights and understanding. The district development company had started the redevelopment of the area, but turn-over

rates were not as high as expected and the building programme turned out to be difficult to develop, especially regarding the offices since demand for these buildings had dropped significantly. Furthermore, the area of the Spoorzone 013, and the workshop area of NS in particular, had been closed off from the rest of the city for a substantial amount of time. There was a municipal awareness that the area could not be left undeveloped for too long. This could potentially lead to unsafe situations and degradation of the area. Furthermore, within the city an awareness arose regarding the urban-historical values and qualities of the area, especially with respect to the buildings which belonged to the NS. In history, buildings belonging to the disappeared textile industry within the city, have been demolished too quickly according to public opinion. Therefore, there was a clear call to preserve some of the spatial qualities within the area. This was followed by an explicit assignment by the municipal council. This assignment entailed an adjustment of the building programme in order to preserve the urban-historical values and qualities. Besides, due to the lower turn-over rates, an adjustment was desired as well by the market. Hence, the cooperation agreement had to be adjusted as well. Initially, a 'chessboard like' allotment had been applied, providing plots for both the municipality as well as for VolkerWessels. This means that some of the urban-historical values had been allotted to the plots of VolkerWessels as well. But this turned out to be slightly problematic for VolkerWessels, what, for example, is the pecuniary value of this urban and architectural heritage? The municipality, on the other hand, knows the city and had interaction with potential end-users and several initiators. Therefore, VolkerWessels and the municipality of Tilburg agreed upon diverging their focus. I.e., the municipality would develop the urban and architectural heritage within the area, whereas VolkerWessels would develop genuine newly built real estate. By doing this, the involved parties can really deploy their expertise. This too means that the municipality would bear more risks than initially anticipated. However, the public interest related to the urban and architectural heritage was significant enough to accept these consequences.

These changes were smoothly implemented. The settlement agreement has not been changed, i.e., VolkerWessels continued to have the right to develop a functional mix of dwellings and offices of a scale as initially agreed upon. The cooperation agreement and the settlement agreement did provide arrangements that, based on public argumentation, changes within the building programme are allowed. However, if these changes would turn out to be fundamental, e.g., considerably smaller building programme due to heritage values, and if these changes would have an effect on the land exploitation, then the municipality had to bear the consequences.

A balanced land exploitation was aimed for by the district development company, as mentioned by Respondent C. Furthermore, subsidies for infrastructure and urban heritage were allocated as well to the development project. Without these subsidies, the land exploitation would never be balanced.

The interview subsequently focussed on the second hypothesis. Respondent C emphasised that VolkerWessels had an obligation to develop. A land exploitation accompanied by a phasing was agreed upon in the settlement agreement. Every year, the land exploitation is redefined, just like the phasing, i.e., regarding development allocations and cash flows. It is agreed upon that the developing party should deliver according to the phasing. If the developing party fails to do so, then its development share has to be returned to the municipality. However, the municipality never executed this stipulation. Mostly because it would be hard to find another party willing to develop. Furthermore, both parties, i.e., the municipality and VolkerWessels, were so involved in adjusting and steering the project substantively, therefore the parties felt a joint responsibility.

However, the turn-over rate has been slightly adjusted downwards. When drafting the joint master plan, already the impact of the crises could be felt. Therefore, a very conservative phasing has been adopted. Currently, a major part of the development called *Clarissenhof*, entailing roughly 300 dwellings, has been delivered in accordance with the phasing. For now, a slight delay sets in. Due to low interest rates, meaning lower interest expenses, room is provided to underpin the development through market research. If the interest rates were higher, then more time pressure would be experienced.

The turn-over rate is driven by the market due to an agreed upon pre-sale of 70 percent before realisation starts. Forcing unattainable development goals to be developed makes no sense. Legally forcing your partner to develop then, will result in arbitration procedures and then aspects such as equity and reasonableness come into play. And unattainable development is not reasonable, so, the parties jointly have to solve the problems. This can lead to friction, however, one must acknowledge the consequences of the crises, the changes in economy and the considerable changes of the project. The demand for offices is an example in this respect. This demand has diminished. The municipality can then force VolkerWessels to develop these offices, but this would be contrary to current municipal policy. Forcing a certain development, disregarding political as well as economic reality, does not make any sense. Ultimately, less offices are developed, but more dwellings, schools and cultural functions.

Hence, market consultations are key, according to Respondent C. By doing so, insight is gained into the market regarding needed differentiation and development volumes. However, these consultations take some time. And then, new conceptual interpretations have to be developed. By doing so, the phasing is coupled to the building programme. It is important to avoid competition within the city. For example, you can develop a large programme of dwellings, since this can be a nourishing base for other activities. But it does not make sense to develop for the dwelling demand of the entire city in just one city district. Developing solely driven by the project's land exploitation, and solely focussing on the interest of this project and disregarding the interest of the entire city, is not the right thing to do. Parties are often tempted to do so, based on rigid plan development, but this is not optimal, as stated by Respondent C.

Respondent C mentions that PPPs offer a significant advantage, namely that parties continue to interactively discuss development issues. Surely, the parties involved have different perspectives, but they ought to have a shared goal and interest. The private perspective focusses on the well-being of the area development, financially as well as regarding progress. And on the other hand the public perspective which is focussed on general urban interests and policies. Hence, private interests tend to address short-term aspects, whereas public interests are more shaped by long-term and citywide objectives. Aligning long-term and short-term objectives goes implicitly until this alignment turns out to be problematic for some reason, e.g., short-term revenue opposed to long-term spatial quality.

It is therefore important to draft and maintain a frame setting document, which safeguards the common thread throughout the development. Respondent C stated that currently, the municipality and VolkerWessels are drafting a new direction document. This is needed since development and the PPP-cooperation starts to stall at some point or another. Parties are muddling through on plot-level, which gives rise to new ideas, but legal anchorage is lacking then. A direction document then, allows to explicitly state once again the overall aim of the development, thereby aligning short-term delivery and reality to an overall vision. The yearly moments of redefinition are more administrative in character, aiming to help each other to move forward throughout the development process. The direction document allows for a strategic vision regarding plots, programme, phasing and task-setting, rather than a spreadsheet which aims at balancing a land exploitation.

The interview then shifted towards the third theme entailing project and actor performances. Respondent C started off by stating that there as a proper updated land-use plan in place. This was needed in order to be able to expropriate and regarding the deployment of pre-emptive rights. These instruments were deployed in order to develop infrastructure in the area. For the other project parts, task-setting conditions were formulated without fully worked out land-uses. Plan elaborations were drafted per construction plan. This resulted in the earlier mentioned 'chess board' or patchwork allotment. Currently, the district development company commissioned a revision of the land-use plan, since the old plan has been functional for ten year already, according to Respondent C. So, currently there are two tracks in action, i.e., the direction document and the new land-use plan. VolkerWessels is completely involved in the drafting process of these documents. The municipality primarily focusses on the control and direction of the development, partially because of the urban-architectural heritage. Eventually, the performances of the spatial development are safeguarded by the master plan. The board of managers of the district development company commissions a certain development which will be managed by project groups entailing members from both VolkerWessels and the municipality of Tilburg. These subprojects are monitored by an urban planner and the environmental committee of the municipality. Furthermore, the municipality has a strong position since it still owns the majority of the land. Which means that the municipality has to sell its land to the district development company in order to be developed. Therefore, if a construction plan is being developed, contrary to the wishes of the municipality, the municipality can then always refuse to sell its land. Of course, according to Respondent C, an entire process precedes this moment of selling land. So the municipality can continuously convey its concerns if needed. Up until now, the municipality never had to refuse its land to the district development company, but it gives the municipality a strong position.

Spatial quality guaranteeing is stipulated within the cooperation agreement. This entails selection procedures for architects, spatial quality teams, et cetera. By doing so, unilateral plans which do not satisfy spatial quality requirements and functional demands, are not in accordance with the cooperation agreement. There often remains, as stated by Respondent C, a tension between financial feasibility and spatial quality. Urban designers and architects often propose developments which are difficult to realise, especially in times of crises. The master plan entailed a spatial quality plan (*beeldkwaliteitsplan*), which stipulated requirements for buildings. However, for now the focus lies on control, process management and outlining objectives. During these processes, there is a continuous interaction with VolkerWessels, as mentioned by Respondent C. This interaction is aimed at realising the right spatial products within the area. The traditional approach, which can be characterised by assessing plans based on spatial quality plans, is not deployed anymore. The approach is more process-based, aimed at spatial values, desired functions and the extent to which a plan satisfies these values and functions. By doing so, parties can steer the construction plans during the process. When a construction plan is subsequently submitted to the municipality in order to get approval, in essence, the plan should not be disapproved off due to the municipal involvement. However, it does happen that the environmental committee does not approve of a certain plan, this undermines trust within the PPP, according to Respondent C.

Respondent C stated the importance of clear public interests. The project should ultimately result in an urban district to be proud of. And the district development company has only got one chance in order to get it right. During the crises, the costs of public facilities and public space increased considerably. VolkerWessels then pointed towards the cooperation agreement and the accompanying land exploitation and provided profit warnings accordingly. However, VolkerWessels understood the public value of these project parts. Therefore, the parties agreed upon servicing the land as commissioned by the district development company,

but the additional financial means in order to realise a certain amount of quality regarding the public space, was supplied by the municipality. Respondent C underlined that private parties are not willing to develop unprofitable project parts, unless this turns out to be unavoidable. Therefore, the municipality ought to take its responsibility.

Then, the interview focussed on actors' financial positions and the communication regarding these positions. Respondent C stated that there was no communication between the parties concerning their financial positions. If VolkerWessels would have had severe financial troubles, then communication would have been needed. However, VolkerWessels turned out to be a stable partner throughout the crises, and could fulfil its duties. Hence, conversations about financial positions have not been conducted.

Of course, the crises made parties more critical regarding expenses. Money was more easily spent on locations which were believed to be more promising. According to Respondent C, VolkerWessels is company which is tailored to project execution, and if no feasible development is anticipated, then one should be reserved regarding spending preparation costs. But, once again, there was no explicit communication in this respect, as stated by Respondent C.

There was, and still is, communication between the district development company and the municipal council.

The interview then moved towards its conclusion by its elaboration on the fifth hypothesis. Respondent C stated that one must consider the market and the entire city as a monitoring process. A development plan should be tailored towards the market, using the flexibility which is arranged by the yearly redefinition meetings. These are important monitoring processes which have an effect on the substantial plan content as well as its phasing.

Respondent C mentioned that, alongside these monitoring processes, a gauging process with respect to mobility, and car mobility in particular, was needed. The master plan entailed a significant task-setting with respect to parking facilities. Eventually, the building programme could not generate sufficient revenue in order to realise these facilities. Based on a monitoring process regarding mobility, the task-setting was changed.

There was not an explicit provincial monitoring process with respect to the entire development. The development of dwellings, however, was monitored by the province of North Brabant. There were consultations and meetings with the cities within the b5-cooperation, which is a cooperation between the cities of Breda, Eindhoven, Helmond, 's-Hertogenbosch and Tilburg. During these meetings, comparable developments were discussed. By doing so, tendencies can be elucidated such as problematic issues or aspects which result in considerable progress. This allows for a learning structure, as stated by Respondent C, but it does not serve as an explicit monitoring instrument. Regarding the development of the Spoorzone 013, the new direction document will be based on these comprehensive monitoring processes.

Considering the quite successful performance of the district development company during the crises, Respondent C emphasised the quality of private partner VolkerWessels and their robustness regarding their corporate structure, their working practices and their financial structure. However, Respondent C outlined that the consequences of the crises can still be experienced. Currently, for example, no development takes place whilst the economy is flourishing. During the crises, the district development company succeeded to bring the area to development, results have been made and the municipality took on its responsibility. However, to sustain the development, new initiatives must be taken up. The development of the Spoorzone 013 has been appreciated, a lot has been accomplished, but for now it is important to sustain the development, as mentioned by Respondent C. Here lies an important

task for VolkerWessels, namely to realise turn-over and to make contact with potential end-users.

According to Respondent C, the success factors of the partnership with VolkerWessels are the yearly redefinition of the land exploitation and the municipality guaranteeing the public interest. The private party, on the other hand, has to be a robust company, both financially as well as with respect to knowledge and expertise, i.e., development possibilities and market conformity. Furthermore, the tender procedure was of great benefit for the municipality. The development task was complex, and the municipality lacked the knowledge in order to start the development project. A private party, tailored to project execution, can then ignite the development process. Respondent C called this 'a production drive'. This drive brings the development project back to its business-like core, which results in decision-making. This helps to ensure development progress. However, spatial quality was always the leading concept, as stated by Respondent C. Besides, the project had priority within the municipality.

Appendix I: Interview Respondent D, VolkerWessels

On the 17th of August 2018 a semi-structured interview was conducted with Respondent D of developer VolkerWessels. Respondent D is director of VolkerWessels Midden and is hence involved in the development of the Spoorzone 013. The semi-structured interview was based on the five postulated hypotheses:

- 1. A flexible building programme, in the sense of the possibility to shift between development plans with different spatial qualities, helps to ensure cooperative continuity by altering the building programme according to changes in real estate values and market demand.*
- 2. A flexible phasing, in the sense of decreasing the turn-over rate during times of crises and increasing the turn-over rate in more prosperous times, helps to ensure cooperative continuity by aligning the spatial realisation with marked demand.*
- 3. Clarity regarding the project's and actors' performance, enables private parties to develop in accordance with the public interest, thereby aligning public and private interests which ensures cooperative continuity.*
- 4. Clarity regarding actors' financial positions, and altering the contractual structure of the joint venture PPP accordingly, protects private parties' main interest – i.e., profitable development – thereby ensuring cooperative continuity.*
- 5. A continuous monitoring process regarding market developments, substantial plan content, the contractual structure of the joint venture PPP and the actual spatial delivery, helps to align actors' interests and actions with the dynamic reality of spatial development, thereby ensuring cooperative continuity.*

Respondent D firstly clarified the general phasing of the development of the Spoorzone 013. Regarding the first phase, VolkerWessels participates for 50 percent in the land exploitation, the municipality of Tilburg naturally participates for the other 50 percent. The second phase is completely on the responsibility of the municipality of Tilburg.

The interview then focussed on the first hypothesis. Respondent D explained that the building programmes are based on a master plan, and that the land exploitation is yearly redefined, which is a usual practice. Alongside this redefinition, new insights regarding urban planning can arise. These are difficult things to handle, according to Respondent D, due to their impact on the land exploitation. Roughly three years ago, the development volume of the Spoorzone 013 changed considerably. The municipal council of Tilburg stated that some existing buildings should not be demolished within the area. Hence, this resulted in less development volume and had a significant impact on the land exploitation. This is cumbersome, since development takes place based on a master plan, and then suddenly, this framework is disregarded.

According to Respondent D, the practice of public private partnerships (PPPs) is work of man. If there is a certain chemistry amongst the people involved, then a lot can be achieved. However, if this chemistry is lacking, then arguments between the people involved often lead to no development at all. At the beginning of the PPP-cooperation, there was no chemistry between the staffing of the PPP. One might be tempted then, to stick to the agreed upon master plan. But if another party does not want to continue with some aspects of the master plan, then friction does arise. Area development is a dynamic endeavour. Things can be agreed upon, or even approved by the municipal council, but due to this dynamic nature, sticking to these agreed upon aspects is not always the best solution. Moreover, this can even lead to a development standstill. Furthermore, a municipality is highly dynamic as well, since

every four years the municipal council and aldermen change. Specifically with respect to the development of the Spoorzone 013, as stated by Respondent D, VolkerWessels could have been stubborn and chose to stick to the agreed upon building programme. However, in the opinion of Respondent D, this would not have been the most optimal thing to do. Eventually, the PPP's staffing changed, just like the building programme based on market consultations. Respondent D emphasised that VolkerWessels was involved in the development project based on a tender. During this tender procedure, a certain development volume was promised to the private party. Due to the choice of the municipality to maintain a significant share of the already existing buildings, these development volumes became under pressure which has an effect on the land exploitation. VolkerWessels questioned why they should be affected by this municipal choice. For this reason, the development was divided into two phases, whereby for the second phase, the municipality is wholly responsible for the land exploitation. For the first phase, the agreed upon volumes were maintained, as agreed upon during the tender. At the moment a new direction document is being drafted in order to reassure the common thread of the development.

Respondent D emphasised that all these changes were smoothly achieved. However, in the words of Respondent D: "nothing shines without friction". The PPP was based on shared interests and objectives, however this does not mean that all your interests should be the same as your PPP-partner. Therefore, you may stand for your own interests. But, generally speaking, the cooperation within the PPP went well, according to Respondent D. Respondent D emphasised the quality of, and chemistry between, the staffing of the PPP.

Beforehand, it was agreed upon within the PPP that the building programme was not set in stone. It is impossible to do so, since – due to the long timespan of spatial development – it is unavoidable that several economic cyclical will occur. At the start of the cooperation, the crises started to manifest themselves, and during the cooperation the economic situation even deteriorated. Currently, economic trends are going upwards again. Due to these cyclical, one takes on different perspectives with respect to the development. E.g., now there are plans to develop a major residential tower within the area. Whereas, just a short time ago, the land exploitation company wanted to down-size the building programme alongside with a phasing based on small development projects due to the lack of turn-over. Economic conjuncture plays an important role, as mentioned by Respondent D.

Respondent D continued by outlining that at the start of a project, e.g., target groups are defined, alongside other aspects. But all these aspects change over time. At the end, the market dictates, i.e., people determine for themselves where they would like to live. As a private or public party, this decision-making process of the end-users can be steered a little, but it can never be forced into a certain direction, according to Respondent D. It remains important to monitor the market and its demands. However, when you realise a building, the building will be there for roughly 50 years, so you must have a vision, and it is important to stick to that vision especially in terms of liveability and urban spatial quality. However, rigidity should be avoided. On the other hand, especially with respect to the private side of the PPP, it is important to create a market. This was remarkably difficult in the city of Tilburg, i.e., it is hard to find end-users due to the image and amenities other cities can provide such as Den Bosch, Breda and Eindhoven.

In this regard, the development of the Spoorzone 013 is a unique chance for both the municipality as well as VolkerWessels due to its location at the centre of the city and its size and opportunities for new development. This development focusses the attention on the city, possibly thereby attracting new end-users. As a PPP, you should react to these developments. For example, alongside these issues, the policies regarding the social housing stock and especially its levies, provides opportunities for privately rented dwellings. So, the dynamic market changes, and as a PPP, you should react to it even though these changes were not

envisioned beforehand, according to Respondent D. The ability to sense the market, should be the role of the private party.

For the development of the Spoorzone 013, a specific allotment scheme is drafted, in order to divide the development shares over both the municipality as well as VolkerWessels. Respondent D called this allotment scheme a 'chessboard allotment'. According to Respondent D, this is not an effective policy within a PPP-construction. Changes arise that VolkerWessels and the municipality start to compete with each other. Furthermore, Respondent D questions why the municipality wanted a 50 percent share of the development rights. It would have been more natural if VolkerWessels received all of the development rights, afterall, VolkerWessels is the private development company. According to Respondent D, it is important to do justice to each party's role and expertise. Furthermore, the municipality needs other developers to develop their 50 percent share of the land. This undermines the trust in a PPP since development ideas which were discussed within the PPP-cooperation, could then be developed on a municipal parcel by another development company. Hence, this results in friction and a loss of transparency. Eventually, this will have an effect on the development area. According to Respondent D, within a PPP, land should not be divided amongst parties.

The interview subsequently focussed on the second hypothesis and the importance of a flexible phasing. According to Respondent D, the turn-over rate of the development has been lowered. Currently, *Clarissenhof* is delivered which entails 339 apartments. However, roughly $\frac{2}{3}$ of these dwellings were bought by a housing association. At the time of development, you are happy that you have generated some turn-over. However, *Clarissenhof* is a highly qualitative urban district. The last apartment complex has been sold to a private investor. This is difficult to explain namely that for the same apartments, residents have to pay different rents, depending on the landlord, i.e., the housing association or the private investor. Respondent D stated that, given the quality of *Clarissenhof*, the apartments should not have been assigned to social housing. However, given the fact that *Clarissenhof* was the first urban district to be delivered, the municipality and VolkerWessels wanted to start the project off with a high-quality building, since this influences the image of the rest of the project. Starting the development by realising a building with a significant lower spatial quality, then this would affect the rest of the area development in a negative manner. The choice to sell some of the apartments to a housing association might not have been the most optimal decision. However, it was not expected that by now the market is almost completely recovered. Respondent D emphasised that generating turn-over is an important consideration. Especially given the occurrence of the crises.

Given the fact that the cooperation between the municipality of Tilburg and VolkerWessels was shaped at the beginning of the crises, the phasing of the land exploitation was considerably conservative. However, even the realised turn-over rate was lower expected. *Clarissenhof* has been delivered roughly on time. However, currently the development approaches a standstill, which is a bad thing, according to Respondent D.

The chessboard like parcel allotment, which takes into consideration the preservation of the architectural heritage buildings, generates a skewed market supply. The architectural heritage buildings are redeveloped with subsidy. Hence, buildings delivered by VolkerWessels are rented out for a higher price than the buildings which were redeveloped by the municipality. According to Respondent D, this brings friction within a PPP-cooperation, and this does negatively affect the area development.

Due to the parcel allotment in the area, parties are tempted to focus on their own parcels. In the opinion of Respondent D, this is not a good thing. There has to be a better overall vision for the area in order to address this. Furthermore, as mentioned before, the

differences in rents are difficult to explain to end-users. This too contributes to the near standstill.

However, as emphasised by Respondent D, the cooperation with the municipality always went well. The lower turn-over rate did not result in friction within the PPP. Both parties want the turn-over rate to be higher. Respondent D emphasised a clear division of roles within a PPP. The municipal staffing of the PPP acts as a private entity. However, the municipality also acts in a public manner. Which means that the private part of the municipality agrees on a certain development, whereas a public part might not agree. Furthermore, political choices may change after every election. This all makes the cooperation more complex, especially given the long timespan of the land exploitation which is twenty years.

The interview then moved towards the third hypothesis. Respondent D stated that the performances are clear. These performances are on a general level, i.e., land revenues, and volumes. The price of the land is related to the gross floor area. So, the performances are coupled to the land exploitation. The more detailed project performances do not play an important role.

Respondent D emphasised that performances do not necessarily remain static. For example, the car parking policy changed over time, fed by monitoring processes with respect to car mobility. Therefore, parking performances changed, which was not anticipated beforehand. Initially, relatively expensive parking facilities were planned, i.e., underground parking. These facilities weighted heavily on the financial feasibility of the land exploitation. Ultimately, considerably fewer parking facilities were realised, and none underground.

The interview then elaborated on the fourth hypothesis. Respondent D emphasised that this hypothesis would have been of significant importance in case one of the parties involved would not be able to bear the development risks. However, according to Respondent D, financial positions are always assessed, from both public, as well as private parties. The district development company – consisting of three VolkerWessels companies, i.e., SDK Vastgoed, VolkerWessels Zuid and VolkerWessels Nederland – had to provide financial guarantees as well to the municipality. However, there were no contractual constructions to, for example, alter the building programme based on parties' financial positions, according to Respondent D. This would result in an unworkable situation, as stated by Respondent D.

Eventually, as a private party, you are obliged to do what is agreed upon. If there would have been financial problems, then these must be discussed and solutions had to be found. However, this did not take place. However, as mentioned by Respondent D, it is important that actors' financial positions are discussed. Before the financial and economic crises, company guarantees were too easily provided. Each party basically assumed that the other party would take good care of its business. However, what is the value, then, of these company guarantees? During the crises, parties involved in area development learned what could go wrong. Therefore, hedging became more important. Before the crises turn-key arrangements were very common. These arrangements stated that the customer payed at the delivery. During the crises, it happened that customers could not pay the needed amount of money. Therefore, VolkerWessels applied forward funding after that.

The interview then moved towards the final hypothesis and the importance of monitoring processes. At an individual level, monitoring processes take place daily, according to Respondent D. One reads the newspapers and talks to other people involved in area development. By doing this, one tries to gather as much information as possible. According to Respondent D, these monitoring processes should not be institutionalised. When the board of

managers of the district development company meet, then there are discussions about expectations. And then, if needed, how the district development company will react to these expectations, e.g., regarding the opportunities of the private rental dwelling sector.

Respondent D emphasised that within a PPP-cooperation, you can contractually provide monitoring processes, however they will always be insufficient due to the complexity and dynamics of the current society.

However, as stated by Respondent D, it remains important to monitor market developments, turn-over, production capacity and production methods. These aspects are all intertwined and highly dynamic. Moreover, monitoring should not solely take place regarding the spatial product and its turn-over. Societal aspects play an important role as well, e.g., residents which favour use over ownership, mobility and office needs. In order to capture all of these aspects, it is important to sustain the dialogue and discussion amongst the parties involved in the PPP. Afterall, that is the added value of a PPP-construction, that from different perspectives expertise and information can be gathered, as stated by Respondent D. Being able to feed and sustain the discussion, that is the surplus value of a PPP.

As a concluding remark, Respondent D emphasised that, in order to sustain the process within a PPP, it is important to be aware of a PPP's environment. The relationship within the PPP of the Spoorzone 013 was good. VolkerWessels is involved in a lot of spatial developments in the city of Tilburg. Therefore, staffing of both the municipality as well as VolkerWessels already knew each other. Respondent D did not know how the cooperation would have been structured if VolkerWessels would have been a new party for the municipality of Tilburg. According to Respondent D, in such a case, parties are more likely to stipulate the cooperation in detail, which will result in a rigid cooperation structure. This is not an effective manner of organisation spatial development, as stated by Respondent D. Discussion will always take place. The municipal influences, e.g., regarding the architectural heritage within the development area, entered into the PPP-cooperation. This should not be a bad thing per se, but as a cooperation, you must be able to handle these influences.

According to Respondent D, the current practice of area development has a tendency to move towards juridification and hedging. Respondent D classifies this tendency as not being optimal. Regarding area development, risk management is important. However, risk and revenue are related. Respondent D stated that, during the crises, too much risk was taken with respect to the amount of revenue. However, when one excludes all risks, then no revenue will be made. However, at the moment, this is the current tendency, according to Respondent D.

Appendix J: Interview Respondent E, municipality of Schiedam

On the 2nd of August 2018 a semi-structured interview was conducted with Respondent E of the municipality of Schiedam. Respondent E was involved as a project manager with respect to the development of the Schieveste area. The semi-structured interview was based on the five postulated hypotheses:

1. *A flexible building programme, in the sense of the possibility to shift between development plans with different spatial qualities, helps to ensure cooperative continuity by altering the building programme according to changes in real estate values and market demand.*
2. *A flexible phasing, in the sense of decreasing the turn-over rate during times of crises and increasing the turn-over rate in more prosperous times, helps to ensure cooperative continuity by aligning the spatial realisation with marked demand.*
3. *Clarity regarding the project's and actors' performance, enables private parties to develop in accordance with the public interest, thereby aligning public and private interests which ensures cooperative continuity.*
4. *Clarity regarding actors' financial positions, and altering the contractual structure of the joint venture PPP accordingly, protects private parties' main interest – i.e., profitable development – thereby ensuring cooperative continuity.*
5. *A continuous monitoring process regarding market developments, substantial plan content, the contractual structure of the joint venture PPP and the actual spatial delivery, helps to align actors' interests and actions with the dynamic reality of spatial development, thereby ensuring cooperative continuity.*

Respondent E began the interview by providing an introduction to the Schieveste project. The project had its initiation at the end of the 90s towards the beginning of the year 2000. At that time, large integral developments were common, and the location of the Schieveste was perceived as being an important 'hub' or 'node location' (*knooppuntlocatie* in Dutch). Within the region, the city of Rotterdam considerably expanded its volume of offices whilst at the east of Rotterdam, the municipality of Capelle aan den IJssel provided a significant supply of regular housing. Schiedam cannot be considered as a city with a large supply of offices. The city is primarily characterised by its manufacturing and offshore sectors. However, its potential as a hub location was self-evident, entailing public transport facilities as well an accompanying area development. A master plan was drafted around 2002 in cooperation with the municipality of Rotterdam. This master plan contained a conscious choice for a mixed programme entailing a large share of offices. The development project was subsequently divided into several phases. For the second phase, the municipality of Schiedam agreed upon a cooperation agreement together with developer Burgfonds. At that time, the municipality of Rotterdam had already withdrawn from the development project. Respondent E emphasised the interesting and challenging location of the Schieveste regarding the land ownership of the passenger railway operator Nederlandse Spoorwegen and the Dutch railway infrastructure owner ProRail. Furthermore, the A20 highway serves as a boundary to the project area, and several water bodies can be found within the area.

Ever since 2008, Respondent E was involved in the development of the Schieveste, being its municipal project manager. Together with Burgfonds, it was agreed upon to establish a land exploitation company. Personally, Respondent E questioned this choice. Within the area, the municipality owned roughly 80 percent of the land. Burgfonds, on the other hand, did not have a land position on the development site. According to Respondent E, it is remarkable to establish a land exploitation company with a developer which has a

prevailing interest regarding the real estate development. After all, Burgfonds' profits would primarily be generated by the exploitation of the buildings, rather than that of the land. Considering this, according to Respondent E, there is a significant possibility that Burgfonds had an incentive to arrange the risks of the entire development in such a way that risks are reduced regarding the building development and that they are shifted towards the land exploitation, since here, risks are shared between the parties involved. Formally, the official land exploitation company was never established. According to Respondent E, Burgfonds was not the right party for such a partnership. Especially regarding the cooperation aspect, Burgfonds did not meet the expected standards. This gives rise to the problem of 'who wears which hat', since it was not clear whether Burgfonds should be approached as being a building developer or as a colleague land developer. Eventually, Burgfonds and the municipality of Schiedam agreed upon discontinuing the cooperation and hence terminating the cooperation agreement. After this, the municipality ensured an updated master plan, as well as the site preparation, the needed infrastructure development and an updated land-use plan. All these actions succeeded, but after the termination of the land exploitation company.

Once again, Respondent E attributed the termination of the land exploitation company to a lack of cooperation and trust, ambiguous responsibilities, and the wrong people within the staffing of the land exploitation company. But above all, the lack of trust amongst the parties involved led to the discontinuation of the partnership.

As mentioned earlier, Burgfonds did not own any land at the development site. The municipality would bring their land into the land exploitation company, and Burgfonds would provide a pecuniary contribution. The land exploitation company, then, would supply the serviced land to Burgfonds, in order to get developed. In itself, this cooperation structure was not inadequate, since it would result in an entity with interests evenly balanced. Respondent E is not aware of a thorough deliberation regarding the decision to establish a land exploitation company, or a public-private partnership (PPP) in general. Either these deliberations and considerations have not been made, or Respondent E has not seen them. One should remember the spirit of time, i.e., large integral development projects entailing offices were regularly realised by the means of a PPP at that time.

The interview then focussed on the first hypothesis. Although, formally, the land exploitation company was never established, there was a master plan drafted for the development of the Schieveste. Before a master plan is chosen, several alternatives are considered, however, ultimately one single master plan gets chosen, which was confirmed by the municipal council as being a development framework. This master plan contained a building programme. However, this master plan was not accompanied by an updated land-use plan. So, a development framework was provided, yet it did not provide legal certainty due to the absence of an adapted land-use plan.

Respondent E emphasised that the cooperation with Burgfonds did not cease due to the master plan and the included building programme, or the flexibility or lack of flexibility regarding these substantive urban plans. The master plan was drafted based on the cooperation agreement between Burgfonds and the municipality of Schiedam. According to Respondent E, there did not arise discussion with Burgfonds about the contents of the master plan and the building programme, since they did not give rise to problems. Moreover, the municipality did not consider an adjustment of the building programme in order to smoothen the cooperation with their private partner Burgfonds. End users within the area, such as the environmental service DCMR Milieudienst Rijnmond, did have clear programmes of requirements. These are crucial in the relationship between the end users and the developer Burgfonds, the municipality has not much to contribute in that respect. The municipal control finds its boundary in the land-use plan, e.g., surface areas, volumes.

Basically, Burgfonds delivered just one building, i.e., the DCMR office. So, the partnership with Burgfonds in itself, does not provide a lot of information in order to underpin or reject the first hypothesis. Although it needs to be acknowledged that the partnership with Burgfonds and the approach to the spatial development fitted within the concept of plan-led development. As mentioned by Municipality of Schiedam (2011), market analyses entailing demand, target groups, and competing locations were lacking, as well as alternative urban designs. Afterwards, i.e., after the termination of the partnership with Burgfonds, the urban master plan got updated, the building programme was adjusted downwards as well, and flexibility was introduced. The new land-use plan entailed some amount of flexibility as well. This flexibility is created by enabling volumes which physically cannot be realised at the development site. Furthermore, it is enabled to develop several functions, e.g., a certain surface area of offices, dwellings and hotels. These areas can be interfunctionally exchanged, i.e., if market research shows that an area of 10.000 m² could be developed for the hotel function, but solely 8.000 m² is provided for by the land-use plan, then these 2.000 m² should be taken from the other functions in the area. Another important aspect was that the newly drafted land-use plan did not allocate specific locations for the several functions within the area.

The building programme was adjusted downwards as well. Initially, the majority of the building programme entailed offices. After the adjustment, a more balanced mix was stipulated. The market demand for offices dropped severely during the financial and economic crises. Then, regional as well as provincial policies must be examined in order to allocate the development of offices. Schiedam, being a hub location as mentioned before, should then be a feasible location for office development. The province of South Holland and the city region of Rotterdam – i.e., a predecessor of the current Rotterdam-The Hague metropolitan area – do control the development by checking the spatial area per function in municipal land-use plans.

Flexibility, or the lack of flexibility, was not one of the reasons why Burgfonds and the municipality discontinued their partnership. An important role for a private party within a PPP, is to know and to be able to approach the market and subsequently find end users for your spatial product. Unfortunately, Burgfonds was not capable of fulfilling this role.

The initial master plan was full of promises, e.g., regarding aesthetics and locations of buildings. But, due to the lack of market consultations and analyses, we were not aware of the fact that there was no demand for these buildings and functions. The actualisation of the master plan tried to improve the flaws of the initial master plan. A master plan should serve as a leading concept regarding spatial quality alongside an argumentation for the desired development. One wants to ensure spatial quality, but without going into too much detail as the initial master plan did.

There were some market consultations done for the old master plan, but these took place during the time of the flourishing economy before the occurrence of the crises. Loans were provided with borrowed funds in order to realise products without any end users being present. Looking backwards, perhaps we should be glad that the partnership with Burgfonds did not continue. Significant amounts of offices would have been realised then, which presumably would never have any end users.

It is an important task for a developer to know your end users, i.e., to know for whom you are eventually developing. Respondent E endorsed the first hypothesis. One needs a master plan, or a vision. The development framework must be clear, entailing functions, locations and end-users. In order to come to such a development framework, one should consult and analyse the market. This framework must be accurate in order to come to the right developments.

Even during economically prosperous times, Burgfonds was unable to sell the land to end users. Then, according to Respondent E, one should reconsider the partnership since the private party apparently cannot fulfil its role.

The municipality of Rotterdam already left the cooperation at an earlier stage. For the municipality of Rotterdam, the development of the Schieveste had no priority, considering the redevelopment processes taking place in the southern part of the city. Besides, the development of the Schieveste cannot be considered as being straightforward due to the infrastructure involved, as well as the multitude of connections and access roads needed. For the municipality of Schiedam, the project clearly had priority. Therefore, Burgfonds could not be given more time to find end users. Respondent E continued by the fact that the municipality realised that they should be ready to supply serviced land as soon as the economy recovered from the crises. At the delivery of the DCMR-building, the public facilities were not realised yet. When a school was being constructed in the area, the municipality wanted to ensure that the public space was ready at the time of delivery. The area could then serve as an advert for the entire development project, like a fulfilment of the promise, once been made in the initial master plan.

The interview then shifted towards the second hypothesis. The phasing of the development project has been an important subject within the cooperation with Burgfonds, according to Respondent E. There has been – and still is – a municipal land exploitation with prognoses and interests, which visualises when revenues are expected to be made and this land exploitation is linked to the overall municipal budget plan. Retrospectively, the phasing has not been optimally structured. The turn-over prognoses have been too high and unrealistic – which hence could not be met – due to the absence of correct market consultations. Respondent E fully endorsed this second hypothesis. However, Respondent E brought up that changes within a land exploitation – either substantive or regarding the phasing – have financial consequences. Firstly, with respect to the project budget, but as well to the overall municipal budget plan. Each change, therefore, should be submitted to the municipal council. Not everyone is aware of this aspect.

Of course, the land exploitation company had its expectations and prognoses as well, based on Burgfonds and the market. For example, the land exploitation company could supply serviced land to developers other than Burgfonds. But one always needs a calculation model for the exploitation. However, there is a tension between the theory of land exploitation and the real-world land exploitation. It is difficult to handle this tension, especially since land exploitation calculation models are very convenient tools to set off revenues against costs. Parties involved in the partnership do not have much influence regarding delays within a land exploitation, however, these delays do have a significant impact on the land exploitation itself. As stated by Respondent E, flexibility regarding the phasing of a development project is needed and it seems logical. However, Respondent E wants to nuance this logical thinking towards flexible phasing. When a party invests in the project, then this party expects some return in time, since this investment is based on the expected return. However, when this expected return changes, e.g., due to project delays, then the entire financial prognoses change as well. So, this flexibility seems logical, but its implications are not straightforward.

Then, the interview focussed on the third hypothesis. When reading this hypothesis, Respondent E brought up the issue of trust. A plot of land is interesting for a private party in case the municipality is willing to change its land-use. This would highly alleviate the risk-burden for the private party. A land-use plan provides legal certainty, i.e., what is possible, and what is allowed. Once a master plan or a vision has been developed, and a market party is willing to realise this urban vision, then the municipality must be able to adjust the land-uses

within reasonable time. Respondent E noted that the master plan stemmed from 2001, whereas the land-use plan was adjusted in 2010. According to Respondent E, the municipality waited too long with respect to the changes in land-uses. Once land-uses are changed, then trust is gained from the private party. This makes them willing to invest in the development project since they know that some amount of profit will be made within a reasonable range, based on the changed land-uses.

Respondent E questions why this aspect of legal certainty has never been brought up, nor by the municipality, nor by Burgfonds. For the realisation of the DCMR-building and the school, project resolutions (*projectbesluit* in Dutch), have been stipulated, but this is not the most ideal situation. According to Respondent E, the public party participates in a PPP as well for this important reason of providing legal certainty.

Regarding the public interest of spatial quality – which too contributes to the trust-aspect, particularly for end-users as well – Respondent E emphasised the guaranteeing role of the municipality in this respect. During the partnership with Burgfonds, this guarantee was solely provided by the master plan, which is insufficient and inadequate. At that time, primarily ‘dreams’ have been communicated to the public and within the PPP. These ‘dreams’ were not tangible enough, which was a major flaw of the first master plan. The master plan provided a development framework, but there was a clear need for a tangible and concrete spatial interpretation. However, this need was never communicated, nor by Burgfonds.

This legal certainty reaches beyond mere land-uses. This legal certainty is comprehensive in nature, entailing issues such as market demand and an analysis of competing locations. These are crucial aspects, especially when one wants to position a project within a region. Hence, legal certainty entails as well the possibility to realise a building programme as stipulated by a master plan which is assessed regarding the provincial interest. A land-use plan provides this legal certainty since provinces assess municipal land-use plans.

Because of this, Respondent E explained his competing interests. Respondent E has tried to maintain a large share of offices within the area. This was not realistic, due to the absence of market demand, but the development of offices was desired since the entire land exploitation was structured around this development. If the province of South Holland would not approve of the office development, then there would not be a basis to draft a land-use plan for the area since the province would not approve this plan. Eventually, the location of the Schieveste, being a hub location as previously mentioned, allowed for development of offices, but within a functional mix containing, e.g., dwellings and a cinema. Looking backwards, Respondent E once again emphasised that the large share of offices was not realistic given the market circumstances of that time, however, it was needed in order to enable development through a land exploitation. In the end, the quite risky choice to maintain a significant share of offices, led to relatively satisfying results. Currently, market parties are interested in the location, whereas if development would have been stopped completely, then there would be a large undeveloped area within the city at an important location.

Then, the interview focussed on the financial positions of the parties involved in the PPP. The land exploitation company should have been structured according to a commandite company (*commanditaire vennootschap, cv*) and a private limited company (*besloten vennootschap met beperkte aansprakelijkheid, bv*). So, there was no contractual room in order to adjust the relationship and the accompanying risk proportions. There have been multiple discussions about financial affairs, e.g., contribution values (*inbrengwaarde* in Dutch). However, there were no discussions about dealing with changes in building programmes and their financial consequences, about mandate issues and process related questions.

A manager of the land exploitation company had already been appointed. However, this manager was torn between the stances of the municipality and of Burgfonds. The fact that the two shareholders, i.e., the municipality of Schiedam and Burgfonds, did not get on with each other, did not help either. The partnership between the municipality and Burgfonds simply did not work. This had nothing to do with the financial and economic crises, since even in more prosperous times, the partnership did not result in spatial developments.

With respect to the fifth hypothesis, Respondent E mentioned that the monitoring processes regarding market developments, substantial plan content, the contractual structure of the joint venture PPP and the actual spatial delivery, are all rational and logical. Since the land exploitation company was not formally established yet, the discussions with Burgfonds primarily evolved around organisational and financial aspects. However, when entering in such a relationship, roles and interests must be clear. Conversations covering the structure of board of managers' meetings and stakeholders' meetings, as well as monitoring trends and developments, and how this can result in spatial development stemming from the different interests, such conversations have never taken place. This is remarkable, especially considering the envisioned long-term relationship between the municipality and Burgfonds.

Essentially, the key aspect is being able to cooperate with another party in a good manner. This cooperation should arise from one's qualities and expertise. Standardising and formalising the cooperation structure might turn out successful from a theoretical point of view. But in reality, the key aspect is liking your cooperation partner, trust amongst parties, being able to argue with one another. These features cannot be captured within a contractual structure, and cannot be agreed upon.

According to Respondent E, the willingness to cooperate has nothing to do with professionalism. The fashion of cooperation has. A major flaw according to Respondent E is the fact that the underlying reason for establishing a PPP has not been sufficiently deliberated. The presence of a mutual private as well as public challenge and task has not been argued. Based on such an argumentation, one can advocate for a PPP and choose an organisation model accordingly. As mentions by Respondent E, this has not been sufficiently done. Once again, Respondent E brought up the time spirit during the earlier stages of the PPP. PPPs were common throughout the Netherlands, so the municipality of Schiedam opted for this as well, without a solid argumentation. Neither have there been considerations regarding the qualities of the private party, regarding competing locations and market research. Nobody did this at that time, due to the flourishing economic environment. During the cooperation, what is needed are regular reality checks and a continuous calibration or adjusting of the building programme and the accompanying land exploitation.

Managing expectations is important as well. Initially, the land exploitation would result in significant profits. Now, the land exploitation is expected to yield losses. However, the location of the Schieveste, being a hub location, is undoubtedly promising. It was important to continue the development process – either with Burgfonds or without – also with respect to the parties who have been investing in the area, e.g., DCMR Milieudienst Rijnmond and the school.

Appendix K: Interview Respondent F, Lips Development

On the 31st of August 2018 a semi-structured telephonic interview was conducted with Respondent F, former manager of Lips Development. Burgfonds changed its name into Lips Development after Burgfonds' acquisition by the Lips Capital Group (Vastgoedmarkt, 2008d; Vastgoedmarkt, 2011). The semi-structured interview was based on the five postulated hypotheses:

1. *A flexible building programme, in the sense of the possibility to shift between development plans with different spatial qualities, helps to ensure cooperative continuity by altering the building programme according to changes in real estate values and market demand.*
2. *A flexible phasing, in the sense of decreasing the turn-over rate during times of crises and increasing the turn-over rate in more prosperous times, helps to ensure cooperative continuity by aligning the spatial realisation with marked demand.*
3. *Clarity regarding the project's and actors' performance, enables private parties to develop in accordance with the public interest, thereby aligning public and private interests which ensures cooperative continuity.*
4. *Clarity regarding actors' financial positions, and altering the contractual structure of the joint venture PPP accordingly, protects private parties' main interest – i.e., profitable development – thereby ensuring cooperative continuity.*
5. *A continuous monitoring process regarding market developments, substantial plan content, the contractual structure of the joint venture PPP and the actual spatial delivery, helps to align actors' interests and actions with the dynamic reality of spatial development, thereby ensuring cooperative continuity.*

Respondent F emphasised his limited role in the partnership with the municipality of Schiedam. Respondent F was not part of the deliberations between Burgfonds and the municipality during their cooperation. Respondent F was solely involved in the dismantling of the cooperation structure. Hence, the following observations are a general overview of the impact of the crises on the Dutch real estate market, according to Respondent F.

Respondent F stated that the starting principles of the cooperation could not be met. An important factor in this regard was the absence of real estate demand in the area. Changing, then, the building programme to the current demand is a responsibility to the land-owner.

Burgfonds and the municipality of Schiedam agreed upon a cooperation agreement, which hence means that parties commit themselves to certain obligations. When one of the parties involved cannot fulfil these obligations, then, the cooperation agreement must be rescinded. Respondent F supposed that the qualities of the location were not as high as expected, particularly on the long term. Burgfonds was not able to fulfil its role which stemmed from the cooperation agreement. Therefore, the cooperation was discontinued. Then it is up to the municipality to draft a new building programme. Burgfonds and the municipality were not able to jointly change the building programme in the short term.

In a general sense, parties enter into a partnership and will define roles accordingly. Based on these roles, obligations are stipulated in a contract. When a partnership is dismantled, then either the need for this partnership has been met, or one of the parties cannot fulfil its obligations. When the two parties jointly determine that the latter holds, as in the case of the municipality of Schiedam and Burgfonds, then you rescind the cooperation in mutual agreement.

Burgfonds was not able to fulfil its obligations, but this is due to a complex interaction of different kind of factors, according to Respondent F. For example, the cooperation regarding the land exploitation entailed a turn-over rate of the land supply. However, this expected turn-over rate was never met. This is not solely due to either Burgfonds or the municipality. Potential factors could be a mismatch between the building programme and the market, or the efforts of Burgfonds to reach potential end-users. However, as stated by Respondent F, there exists a complex ensemble of factors which leads to the partnership not functioning according to plan. This, then, should have some consequences. A lot of cooperation agreements were terminated during the financial and economic crises. Apparently, Schieveste, as a development location, was not able to withstand the crises. Other locations were able to do so, since some locations were able to continue their partnership which subsequently resulted in spatial development. Respondent F answered both yes and no with respect to question whether or not the area had development ambitions which were too high. As stated by Respondent F, the location should be a good location for offices due to the nearby railway station. However, at the that time, the location suffered from the deteriorated market for offices.

Respondent F emphasised the importance of roles within a partnership and the obligations which stem from these roles. In the case of the development of the Schieveste, both the municipality, as well as Burgfonds were not able to fulfil their roles, as mentioned by Respondent F. A developer does not oblige to construct buildings on the area, they solely oblige to develop the buildings and to find potential end-users.

Burgfonds agreed upon bringing the land to market, according to Respondent F, since the municipality declared that they needed a private party to do so. Due to the increased risks, Burgfonds had to stop its investments in the area since the market conditions obstructed Burgfonds to fulfil its role. Respondent F emphasised that the partnership was not completely without results. Both the school and the DCMR office were realised during the partnership of Burgfonds and the municipality. At that time, other developers too returned their tasks to the municipality according to Respondent F, e.g., the current location of the cinema.

The municipality of Schiedam pointed out that, in their opinion, they waited too long with an update of the land-use plan of the area. An update of the land-use plan would result in an alleviation of the risk burden of the private party. Respondent F endorsed this point of view. However, there was a master plan in place, which was approved by the municipal council of Schiedam. Hence, policy-wise there were no problems, and everything was approved of by the municipality.

Respondent F emphasised that there was no conflict situation between the municipality and Burgfonds, however, Respondent F once again underscored that he was not involved in the deliberations between Burgfonds and the municipality.

It was a joint decision to cease the partnership. This does not mean that there existed a conflict between the parties involved. According to Respondent F, a crisis is a cumulation of external factors, which hence cannot be attributed to either the municipality or Burgfonds. There was no matter of a political crisis within the municipality, or likewise a managerial crisis within Burgfonds. External factors led to the discontinuation of the partnership.

In Respondent F's opinion, the parties involved got along with each other well, once again underlining the absence of a conflict situation. Furthermore, the partnership resulted in the delivery of two buildings.

The significant delay with respect to the change of the area's land-uses – which can be considered as a part of the municipality's role – did not undermine the mutual trust amongst the parties involved, according to Respondent F. Respondent F emphasised that all markets

collapsed during the financial and economic crises. The Dutch real estate market came to a standstill, as well as the development of the Schieveste.

According to Respondent F, Burgfonds was not obliged to construct the offices, but rather to bring the location to the market. Burgfonds' financial resources were not a consideration with respect to the discontinuation of the partnership. However, when market demand drops, then you consider within a partnership whether or not you continue to invest in the project. This was a joint consideration, and subsequently a joint decision to discontinue the partnership.

Respondent F endorsed that the parties involved stuck to the approved master plan and building programme, which could not be sold to the market due to the absence of market demand. In addition, the location required a specific type of development, i.e., a mixed programme with a significant share of offices. Furthermore, there were no monitoring processes in place which aimed to align the building programme to the economic reality. Hence, the parties were unable to fulfil their role and decided to cease the partnership.

Considering the current state of the development site, Respondent F reckons that the delivery of the school and the DCMR office is an above average result. Respondent F concluded the conversation by stating that the location turned out to be difficult to develop.