Planning [In] The Process for Multiplex Sports Facilities:

INTEGRATING AND EMPOWERING THE 'PUBLIC' IN PUBLIC-PRIVATE PARTNERSHIPS

BY
Donald Nip

A practicum submitted to the Faculty of Graduate Studies of the University of Manitoba in Partial Fulfillment of the Requirements of the Degree of

MASTER OF CITY PLANNING

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Abstract

Public participation is a welcomed component of the decision-making process. Yet, there is an emerging plea for greater public participation and involvement in the process. Evidence suggests that current efforts are not effective due to poor planning, weak execution, or a lack of commitment. Further efforts may be ineffective because administrative systems that are based on expertise and professionalism leave little room for participatory processes. Frequently used methods of citizen involvement, such as public hearings and information sessions, are often reactive in nature and involve inadequate deliberation. These approaches are further hindered by change and competing [public and private] interests.

Planners have had to work in a dynamic, ever-changing realm. As our cities grow and decline, planners have dedicated their lives to improving the well being of the built environment. The decline of our downtowns has generated considerable concern. Approaches to downtown revitalization have included the emergence of sports entertainment facilities. It was believed that these 'mega-projects' would help revitalize and reinvent our city centres. The impact of these facilities on our downtown landscapes continues to be of great debate. Because of the significant commitment and resources required for these projects, local governments have struggled to realize their efforts. Public-private partnerships have been considered a means to bridge this gap.

Public-private partnerships (P3s) are project agreements between a government and the private sector. Each partner is responsible for certain

elements of the project, with the ultimate goal being the successful delivery of the proposed public service or facility. Public-private partnerships are inherently a form of privatization, with the level of private control dependent upon the type of partnership sought. These intricate partnerships between a government and a private company represent a unique form of procurement. Public-private partnerships require significant input from all parties to succeed. Yet, input and participation from local citizens have often been excluded during the project planning process.

The question of how to engender positive and more effective public participatory processes in the decision-making process is the theme of this research. This exploration will focus particularly on the promotion of public participation in public-private partnerships. It would appear that genuine public participation entails more than merely the appropriate tools and policies. Rather, authentic public participation requires both a commitment, and a rethinking of the roles and relationships between all parties involved.

The intent of this research is to explore the theoretical elements of public participation and community empowerment. This will help determine their applicability to the decision-making process in public-private partnerships. There will also be an exploration of the role of planners in the participatory and decision-making process. The chosen research methods are case studies and survey questionnaires. The two case studies focus on the planning and decision-making process for Prospera Place in Kelowna, B.C. and the Save On Foods

Memorial Centre in Victoria, B.C. — both multiplex sports facilities. In both cases, there are lessons to be learned.

The surveys provided additional enrichment to the research. The questionnaire, geared towards senior-level planners, sought their opinion on public participation, particularly in public-private partnerships. Respondents seized this opportunity to share their thoughts and experiences on citizen participation, and were often very passionate about the topic.

This research arises from the fact that public participation in public-private partnerships appears to be lacking. Despite the interest in bottom-up community involvement and empowerment theories, their full acceptance and implementation often remains absent. As theorists and planners continue to emphasize the benefits of public participation and community empowerment, their recognition in mainstream planning can only strengthen.

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1.0 Chapter One: Introduction

1.1 Introduction

It is widely argued that increased public participation and involvement in the decision-making process leads to important benefits. Dissent is rare. It is difficult to envision anything but positive outcomes from citizens joining the policy process, collaborating with others and reaching consensus to bring about positive change. Yet, in practice, public participation in the decision-making process may often be lacking. In most cases, this is because of poor planning, weak execution, or a lack of commitment. Frequently used methods of citizen involvement, such as public hearings and information sessions, are often reactive in nature and involve inadequate deliberation. These approaches are further hindered by a clash of public and private interests. These interests collide in practice, where change and development takes shape. Consequently, planners have had to work in a dynamic and ever-changing realm. As our cities grow and decline, planners have dedicated their lives to improving the well being of the built environment. The decay of our downtowns in particular has generated considerable concern.

The decline of downtowns in cities throughout Canada and the United States in recent decades has been significant. This decline took place as citizens fled the dirty, crowded city centres to live in the suburbs. This 'escape' was spurred by the construction of major roads and infrastructure brought on by significant government resources. The installation of roads and highways dissected whole neighbourhoods, and soon destroyed inner city communities.

As suburban centres grew, the downtown core became bleak and desolate. Gone was the vibrancy and dynamism that downtowns enjoyed.

In response to the flailing city centres, downtown revitalization was touted as a reasonable solution. Urban renewal and revitalization schemes generally focused on economic development efforts on various aspects of the hospitality sector. Market festivals, shopping malls, and conventions centres were viewed as strategic efforts, but in more recent decades, cities helped renew their aging cores through the pursuit of sports entertainment facilities. These facilities would soon prove to be the anchor of revitalization efforts in the downtown.

These 'mega-projects' required significant resources, both human and financial. Local governments found it difficult to pursue these projects given the great expense. Thereby came the emergence of public-private partnerships (P3s). These types of partnerships represent a sharing of costs, risks and responsibilities with the ultimate delivery of a public service or facility. Many local governments continue to pursue these partnerships over traditional project procurement. These partnerships bridge the public and private. However, the level of 'public' involvement in public-private partnerships can often be a concern.

This introductory chapter provides an overview of the practicum including: (1) purpose and objectives of the study; (2) the research methods used; (3) assumptions and limitations; and (4) an outline of the chapters.

1.2 Purpose and Objectives

Governments at all levels have pursued public-private partnerships in Canada. The focus of this research however, has been at the municipal level. The involvement of citizens in public-private partnerships is often limited. The purpose of this research arises from the belief that public participation is vital to the planning and decision-making process for public-private partnerships. This stems from the concern that the conventional planning process has failed to establish the structure necessary for public involvement in P3s. Arguably, many public-private partnerships have not adequately addressed public concerns during the decision-making process. It is believed that legitimate public participation, based more on a bottom-up structure, should be a greater part of the planning process for public-private partnerships. While local governments have tried to act accordingly, their commitment has at times been weak. With this in mind, there are four primary objectives to my research:

1) To explore the theoretical elements of public participation and community empowerment in the decision-making process;

2) To identify the problems and issues regarding [the lack of] public participation in the decision-making process, particularly as they pertain to public-private partnerships;

3) To discuss public participation and the role of planners, as a result of the research and analysis conducted through two case studies and a public participation survey;

4) To reflect and formulate recommendations for greater public participation in the decision-making process for public-private partnerships.

1.3 Methodology

A literature review comprises a vital part of my research. The literature review, which encompasses all of Chapter Two, will focus on the theoretical elements of community empowerment and public participation in the planning process. The chapter will provide a contextual theme for the case studies and analysis in subsequent chapters.

The research will explore the lack of opportunities for public involvement in the planning and decision-making process. The emphasis will be on public-private partnerships. Qualitative research methods will provide considerable insight on the matter: "Qualitative research tends to be used most heavily in disciplines where the emphasis is on description and explanation rather than on prediction" (Hakim, 1987, p.29). Survey questionnaires are often considered a quantitative research method. However, open-ended questions (as utilized in this researcher's survey) produce emotive and personalized responses, which are more qualitative in nature. Cassell and Symon (1994, pg. 4) state that there is more flexibility with qualitative methods, as they are responsive to the circumstances of the study, and participants are not confined by rigid questioning routes.

1.3.1 Qualitative Research Methods

According to Cassell and Symon, "qualitative [research] methods are often associated with the collection and analysis of written or spoken text or the direct observation of behaviour" (p.4). "Although qualitative research is about people

as the central unit of account, it is not about particular individuals per se; reports focus rather on the various patterns, or clusters, of attitudes and related behaviour that emerge from the interviews" (Hakim, p.26). Hakim also mentions that one of the great strengths of qualitative research is the validity of the data collected: "Individuals are interviewed in sufficient detail for the results to be taken as true, correct, complete and believable reports of their views and experiences" (p.27). As this study is not concerned with the frequency of phenomena, but rather is an exploration of processes, qualitative research methods are appropriate. The research methods chosen to conduct this study are case study research, interviews and surveys.

1.3.2 Case Study Research

Case studies can be one of the most useful research methods in social inquest and analysis, and "are probably the most flexible of all research designs (Hakim, p.61). Its success can often be measured by how it is applied: "It's best use appears to me to be for adding to existing experience and humanistic understanding" (Stake, 1995, p.24). Gillham (2000) states that a 'case' can be an individual or a group; it can be an institution or facility; and it can even be a profession or community. A case study, he denotes, is one that investigates these cases to answer specific research questions. In my research, the case studies will explore the gaps in the public participation process for two public-private partnerships. While the review of documents, reports and articles will

form an integral part of the data collection process, interviews proved to be highly valuable.

1.3.3 Interviews as a Qualitative Research Method

Interviews provide in-depth information about a particular research issue or question. Although they can be time-consuming, particularly during the transcription and analysis that follows, interviews can be a highly valuable method in case study research. According to Gillham (2000), "interviews of one kind or another are indispensable in case study research" (p.59). For the purpose of this practicum, interviewing was chosen because it offered the best and most practical way to obtain the needed data. Interviews give a sense of 'quality' that cannot be achieved through a questionnaire or survey. "The overwhelming strength of the face-to-face interview is the 'richness' of the communication that is possible" (p.62). Qualitative interviews are those that lean towards a more 'unstructured' approach.

A semi-structured approach was most appropriate for this study. Semi-structured interviews are "the most important form of interviewing in case study research [and if] well done, it can be the richest single source of data" (Gillham, p. 65). In a semi-structured interview, "questions are normally specified, but the interviewer is more free to probe beyond the answers in a manner which would often seem prejudicial to the aims of standardization and comparability" (May, 1993, p.93). As opposed to a 'structured' questionnaire, semi-structured interviews often have a predominance of open-ended questions. This type of interview allows for a more in-depth understanding of issues and perspectives. It

is this flexibility that makes semi-structured interviews advantageous over structured ones. Interviewing key individuals has provided enrichment to my study that could not be obtained through a basic literature review. For these reasons, qualitative interviewing was the chosen method.

1.3.4 Semi-Structured Interviews

Semi-structured interviews are an appropriate research method for this study. The use of standardized surveys and questionnaires would have been too rigid in nature. Semi-structured interviews provided a flexibility and adaptability that was beneficial to the study. Additionally, face-to-face interviews provoke other forms of communication (such as eye contact or gestures) that provide enrichment to the study. King (1994, pg.16) states that the relationship between the interviewer and the interviewee is part of the qualitative interview process and should not be a distraction.

Two separate interviews were created, but both were similar in nature. One set of questions was created for the interviewees in Kelowna, while the other catered to the second case study conducted in Victoria. The set of questions for Kelowna interviewees was more substantial. This is because of my unfamiliarity with the city and the issues. A copy of the guide for both interviews, including the process, is attached as Appendix A.

The semi-structured interviews followed a set of mainly open-ended questions whose responses were transcribed after each interview. Due to the considerable amount of data produced in the interviews, audiotaping was a valuable tool.

1.3.5 Surveys As A Qualitative Research Method

Surveys are one of the most common research methods used in social sciences. This is perhaps the dominant form of data collection, providing the efficient collection of data over a broad population. Surveys may be administered via mail, telephone or the Internet. Survey questions are either closed or open-ended, representing either a structured of unstructured survey. In a closed, structured survey, the researcher provides the respondent with a number of possible answers. Thereby allowing the researcher to control the type of answer received. A structured survey helps the respondent answer more easily and aids the researcher in accumulating and summarizing responses more efficiently.

An open-ended, unstructured survey allows respondents to answer freely with written text. The researcher does not provide the respondent with a choice of answer. Rather, the respondent is posed a question and given a blank space to express their true thoughts and opinions on the matter. Particularly, "...qualitative methodologies refer to research procedures which produce descriptive data: people's own written or spoken words or observational behaviour" (Bogdan & Taylor, 1975, pg.) For this reason, unstructured surveys (like the one used in this study) are considered a qualitative research method, as opposed to a quantitative one. "Qualitative data is attractive. They are a source of well-grounded, rich descriptions and explanation of processes occurring in local contexts" (Miles and Huberman, 1984, pg.15). This research will rely

mostly on qualitative research techniques to determine the inadequacies of public participation in the decision-making process.

1.3.6 Public Participation Survey

The research conducted focuses on public participation in the decision-making process. The emphasis is on participatory opportunities in public-private partnerships. Given the inherent relationship between planners and the public participation process, it was important to examine the decision-making process through the eye of the planner. The survey questionnaire on public participation provided an opportunity to gauge the thoughts and experiences of professional planners. Bailey (1978) reviewed the advantages and disadvantages of a survey questionnaire. The former are: "substantial savings of time and money, greater assurance of anonymity, lack of interview bias, accessibility" (pg.156).

The survey consists of seven comprehensive, open-ended questions including additional queries regarding personal information. For the purpose of this research, a survey represented an efficient and reasonable means to attain the required data. The survey was sent via e-mail to numerous cities and municipalities within British Columbia. Specifically, the survey was sent to local government Planning Directors, Managers, and Senior Planning staff[1]. Candidates were initially sent a copy of the survey and additional research information. A follow-up e-mail was sent three weeks later as a reminder, which garnered additional responses. A total of 40 surveys were sent out, and 29 were completed and returned. It should be stated that although the survey was sent to

[1] They were chosen because of their experience, and the likelihood that they would be responsible for the public participatory process in their community.

40 planners, a greater audience resulted. Many of the initial recipients forwarded the survey to fellow planning staff for completion. The survey required approximately 30 minutes to complete.

1.4 Assumptions and Limitations

One of the components of the research conducted involved interviews. While this type of research method can be valuable and enriching, it can also present itself as a major limitation. Many of the interviewees held high profile positions during the arena planning process, and many were highly criticized for their actions. Even though their responses [to the interview questions] could be viewed as bias, there should be an assumption that the responses from the interviewees are truthful. Hakim (1997) states "its [interviews] main weakness is that small numbers of respondents cannot be taken as representative, even if great care is taken to choose a fair cross-section of the type of people who are the subjects of the study" (p.27). While the assumptions hold true for the research done in both Victoria and Kelowna, there were additional limitations in the research that was conducted in Kelowna. First, my general unfamiliarity with the city was an issue. Second, because of the travel distance and winter weather conditions, time and monetary constraints became a limitation.

Similarly, a limitation was that of scope. I have confined my case research to two examples, both in Canada and both within the province of British Columbia. Therefore, although the results may not reflect the context of all regions, it can be assumed that the lessons and recommendations can be applied on a general level.

Survey questionnaires are one of the most common research methods. Yet, despite this familiarity, there are limitations. Often, it may be difficult (as the researcher) to fully understand the meaning of the written responses. The significance of hand gestures, facial expressions, and communication become evident through verbal contact. Similarly, respondents may limit their text responses to only a few sentences, due to time constraints or apathy. Interaction through personal contact allows respondents to elaborate.

Bailey (1978) identified 'anonymity' as a problem, which can be encountered in undertaking a survey questionnaire. Yet, this was not a concern for respondents in the public participation survey. Some personal information was requested on the survey as a means to provide a profile of the respondents. However, the information denoted in the survey results does not allow readers to decipher the identity of the survey respondents.

This researcher encountered two problems in particular during the distribution of the survey questionnaire. The survey was conducted during the summer months (June, July and August) of 2007. This represented a challenge as planners were often on vacation at this time of year. Additionally, a handful of municipalities were not functioning due to a civic strike. Despite this, the response rate was favourable. There should be an assumption that the responses provide a reasonable representation[2] of planners on the issue of public participation.

[2] in terms of geography and experience

1.5 Outline of Chapters

This practicum is divided into seven main chapters, including this introductory chapter. Chapter Two provides a theoretical framework focusing on public participation and community empowerment. The chapter is based on an extensive literature review on planning theory, and will help form the basis of discussions and analysis in subsequent chapters.

Chapter Three focuses on two main topics. The first part centers on the rise of large-scale urban projects with a particular emphasis on multiplex sports arenas. With reference to Roberta Gratz's notion of 'process over product' and 'urban husbandry', there will also be an exploration of how process and planning are important. This section will provide a good introduction to the emergence and significance of multiplex sports facilities, while also providing the context for the rise in public-private partnerships.

The second part of Chapter Three explores the emergence of public-private partnerships (P3s). This section concentrates on the growing importance of these types of partnerships and their effect on urban public investment. This introduction to P3s will provide context for Chapters Four and Five, which comprises the two case studies.

Chapters Four and Five encompass the two case studies of Prospera Place arena in Kelowna, formerly known as Skyreach Place, and the Save On Foods Memorial Centre in Victoria. These case studies build upon issues discussed in the previous chapters, and provide lessons learned for the final chapter. The study of the two arena projects has helped to better understand the

phenomenon of public-private partnerships, and how the planning and decision-making process can have a significant influence on its success. Particular emphasis will be placed on public participation and involvement.

The partnership in Victoria was formulated just after the Kelowna facility was built. The same developer constructed both arenas. The research conducted illustrates how lessons learned from the Kelowna example have been reflected in the Victoria partnership. Based on the two case studies, the literature review, and the survey analysis, lessons and recommendations have been formulated for future partnerships.

Chapter Six focuses on the public participation survey, which was distributed to Directors, Managers and Senior Planners in local government within the province of British Columbia. The survey posed a series of questions to local planners in regards to the public participation process, particularly as it pertains to public-private partnerships. The questions also focussed on the role of planners and planning in the process. The survey results highlight this chapter and aided in the formulation of recommendations for the final chapter.

The final chapter of the practicum concentrates on a synthesis of the issues discussed. The lessons and recommendations are intended to inform both planning theory and planning practice. The recommendations will refer specifically to public participation in the planning process for public-private partnerships. Finally, the chapter will end with a final summary and concluding thoughts that may provoke directions for further study.

2.0 Chapter Two: Public Participation and Empowerment in Planning

Prior to the discussion on the emergence of mega-projects and public-private partnerships, a theoretical framework must be established. This framework will be based on public participation and community empowerment, which have been discussed by theorists new and old. These scholars argue that democratic public participation and empowerment can help transform a community and the structures that impact it. The theoretical framework in this chapter illustrates that public participation and community empowerment in a planning and decision-making process can be complex and challenging. Yet despite this, the framework aids in the evaluation of public participation in the planning process for public-private partnerships.

2.1 It Starts With Community

A community in its broadest sense can be described as almost any group of individuals who may share a common interest. This interest may represent a geographical location, an ideology, or some shared goal or objective. However, one can argue that a community is more than just these basic elements of location and ideas. According to Peck (1987), a number of psycho-social characteristics are ingrained into a true community. Peck (pg. 61-73) states that there are eight psycho-social characteristics of a community:

1) Inclusivity, commitment and consensus
2) Realism
3) Contemplation and self-examination
4) A safe place
5) A laboratory for personal disarmament
6) A group that can fight gracefully

7) A group of all leaders
8) A spirit

These characteristics exemplify that true communities comprise people who are intricately associated through relationships based on trust, communication and meaning.

> "If we are going to use the word [community] meaningfully we must restrict it to a group of individuals who have learned how to communicate honestly with each other, whose relationships go deeper than their masks of composure, and who have developed some significant commitment to rejoice together, mourn together and to delight in each other, make others' conditions our own" (Peck, pg 59).

Peck states that communities are unique, and that they must evolve through a four-stage process to garner 'community' status. The first stage according to Peck is *pseudocommunity,* and as he asserts, "it never works" (pg. 87). In pseudocommunity, members attempt or pretend to become an instant community through the avoidance of disagreement. Benello (1992, pg.23) agrees, stating that a "pseudocommunity palls in comparison to the real thing". In essence, a pseudocommunity exists by conflict-avoidance, whereas a true community is conflict-resolving. Once individuality emerges, the group can ascend to the next stage of community development— chaos.

The second stage in the formation of a community is *chaos.* The confusion and disorder in this stage are essential for community development. Unlike pseudocommunity, individual differences surface and are brought out in the open. Rather than hiding or ignoring these differences, the group now

endeavours to "obliterate" them and replicate what has worked in the past. Unfortunately, this does not lead to growth in the community. This stage may be painful, but it is a step towards a true community.

The third phase is *emptiness*. "Emptiness is the hard part. It is also the most crucial stage of community development. It is the bridge between chaos and community" (Peck, pg.95). Peck states that members in this stage must "empty themselves of barriers to communication". It is through this 'emptying' whereby members can truly come together and work as a group. This represents a sacrifice, but Peck states this is necessary to develop into a community.

The fourth and final stage of community development is *community*. In contrast to the previous two stages, a soft quietness descends upon the community stage. "It is a kind of peace" (pg.103). It is here that the group comes together. It is here that the group has emerged as a community. It is here that the eight psychosocial characteristics of a community have materialized.

2.2 The Disempowered Community

The objective of community empowerment is to achieve a number of important goals. These factors may include community autonomy in decision-making, participatory democracy in representative government, local self-reliance, and social learning. These will be discussed later. The importance of empowerment is its recognition that communities have the knowledge and skills to make decisions. For the public to participate fully in the decision-making process, community empowerment is necessary. It is through this empowerment

that communities regain their lost power and establish their identity from hierarchical structures.

The concept of community empowerment is invoked as a result of the dominant structures within society, which brought on disempowerment. Theorists have identified community break-down and institutional dominance[3] as reasons behind disempowered communities. In Murray Bookchin's *Urbanization Without Cities: The Rise and Decline of Citizenship* (1992), he argues that dominance through patriarchy brought about this disempowerment within society. Bookchin claims that because this structure of dominance was rooted into the political system, it created a disempowerment in both individuals and communities.

Illich (1970) states that forces such as industrialization, economic growth, advancements in technology, and institutional dominance appear to be humanizing instruments. Yet in reality, he claims these same forces have disrupted the relationships within our communities and disempowered communities as a whole. Illich believes this disruption in our communities is mainly the result of a dominant ideology and structure. He questioned this philosophy of 'societal guidance', whereby society is guided by a dominant institution. Illich argues that the post-industrial age transformed our society into one that encourages societal dependence on institutions— the institutionalization of knowledge and practice, as he refers to it. This dependence left average citizens with an "inability to fend for themselves" (1970, pg. 3), and subsequently, with an inability to empower themselves.

[3] as a result of historical systems where patriarchal and hierarchical structures dominated society

At the heart of the matter, Illich questions the need for institutional structures altogether. This organizational structure only creates imbalance whereby the poor become poorer and the weak become weaker. Benello (1992) however, states that this dominant structure is inherent in an elitist society.

> "In the short run, it is more efficient to have an elitist structure dominated by an educated and knowledgeable minority. From this perspective, the difficult task of developing a participatory structure, and then educating people into using it, is time consuming, and inefficient. It is also only in the long run that the values embodied in full participation pay off in efficiency" (pg. 39).

Benello argues that society can run more efficiently if it is governed by a small elitist group, as opposed to a structure that is democratic and fully participatory. However, this may not be entirely accurate. Even Benello himself states that this is more efficient "in the short run". In the long run, it would appear this dominant societal structure would sever the relationship between the top (government elite) and bottom (citizens), thereby destroying our communities.

Amitai Etzioni (1967) states that societal guidance is not *only* about "downward flows of directives, guidelines and communications" (pg.200). He maintains that societal guidance also includes "upward flows of directives, guidelines and communications, as well as 'horizontal' flows" (pg.200). Therefore, control in conjunction with consensus makes for societal guidance. However, Etzioni warns that when control is stressed and consensus formation is lacking, we find an over-managed society. As discussed, these societies form a dominant structure, where the elite hold control. Etzioni claims these dominant

structures disrupt the intricate relationships that exist in society, and break down communication and the sharing of knowledge:

> "Although public sharing of all societal knowledge is not feasible and not a necessary prerequisite of democracy, sharing of contextual knowledge is both possible and necessary. The publics' mind -or at least the mind of the politically aware and the politically active citizens -seems to be composed like a series of "boxes" (or contexts). As long as policy stays within the confines of these boxes, the publics remain relatively unconcerned, uninformed and tolerant of elite-guidance. At times, however, decision-makers violate these contexts, policy goes beyond the established bounds, and a fundamental change is initiated without authentic consent having been first formed to endorse it" (1967).

In these situations, distrust and resentment manifests itself, leaving the community in disarray. This hierarchy structure essentially leaves individuals and communities disempowered. "A good citizen is a politically passive, quiet taxpayer" (Bookchin, 1992, pg.9). Citizens become personally deficient and are divested of power to take an active role in community problems and affairs. John McKnight , a professor of education and social policy and author of *The Careless Society* (1995) argues that the disempowerment of communities can be attributable to institutional control. He believes that focus and action at the community level will empower and increase the capacity of local citizens. McKnight contends that the citizenry requires structures and systems that serve and support, not ones that control.

2.3 Empowering Our Communities

Community empowerment is generally in reaction to the damaging forces encountered by our communities. It involves individuals acting collectively to gain greater control and influence in the decision-making process. Community

empowerment is attained through the acquisition of knowledge. This knowledge is subsequently employed by individuals to participate actively and successfully with others. Therefore, community empowerment requires individuals to gain self-consciousness in order to work with others in the community to establish their identity.

Community empowerment however, is often not attainable without community mobilization. Community mobilization is a process whereby the people of a community come together to identify assets and capacities. It can be viewed as a process, which begins a dialogue among members of the community to determine who, what, and how issues are decided, and also to provide an avenue for everyone to participate in the decision-making process. While community mobilization is often required to initiate community empowerment, in some cases, mobilization has not resulted in any empowerment.

In their book, *Building Communities from the Inside Out*, Kretzman and McKnight (1993) state that many mobilization strategies have focused around a 'needs-driven' model. In these cases, communities tend to concentrate on their problems, needs, and deficiencies, thereby reinforcing a top-down approach to governance. The situation is further compounded when citizens begin to believe that the top-down structure is rational. Citizens think of themselves and their community as fundamentally deficient, victims incapable of taking charge of their lives and of their community's future.

> "A weak community, we have found, is a place where people finally become convinced by all the systems that surround them that the most important thing is to be a client. To have the right to treatment. The right to be fixed. Not the right to produce. Not the right to control. And when

> people believe the right to treatment, the right to be fixed, is the most important right for them where they are, then we know we are at the most impotent, powerless place in the community" (Kretzman and McKnight, pg. 11).

It is evident that a 'needs-driven' model can be a hindrance for community empowerment. Kretzman and McKnight recommend an alternative model called the 'capacity-focused' model, which focuses on the skills and assets of a community. They advance two main reasons for this shift to a capacity-oriented emphasis. First, all the historic evidence indicates that significant community development takes place only when local community people are committed to investing themselves and their resources in the effort. This observation explains why communities are never built from the top down, or from the outside in. Valuable outside assistance however, can be provided to communities that are actively developing their own assets.

The second reason for emphasizing the development of the internal assets of local neighbourhoods is that the prospect for outside help is bleak indeed. It is increasingly futile to wait for significant help to arrive from outside the community. The hard truth is that development must start from within the community and, in most of our urban neighbourhoods, there is no other choice. The key to neighbourhood regeneration, then, is to locate all of the available local assets, to begin connecting them with one another in ways that multiply their power and effectiveness.

The 'capacity-focused' model inherently focuses on the individual. Empowerment takes form when individuals become aware of their situational context and begin to mobilize themselves to participate. However, to participate

fully, communities must acquire a minimum level of economic, social and political consciousness. This is necessary in order to put assets and capacities into action. While these assets and capacities may exist in all communities, there must be some means to activate them. One such catalyst may be through an alternative form of learning.

This alternative form of learning focuses on the individual. According to Hal and Sullivan (1995), this form of learning is called 'popular education'. Through 'popular education', community members gain an understanding and appreciation of local, regional, and national structures, and the impact these have on their lives. This awareness will help community members "take action to transform the relations of power in a manner that will directly improve their lives" (Hal & Sullivan, 1995, pg.104).

Paulo Freire, a theorist and educator, argues that the success of popular education relies on dialogue. Freire calls this 'conscientization', which refers to a type of learning focused on perceiving and exposing social and political contradictions. Conscientization also includes taking action against oppressive elements in one's life as part of that learning. Conscientization proceeds through the identification of "generative themes", which Freire identifies as iconic representations that have a powerful emotional impact in the daily lives of learners. In this way, individual consciousness helps end the 'culture of silence', in which the socially dispossessed internalize the negative images of themselves created and propagated by the oppressor. Conscientization means breaking through prevailing mythologies to reach new levels of awareness— in particular,

awareness of oppression, being an 'object' of others' will, rather than a self-determining subject. The process of conscientization involves identifying contradictions in experience through dialogue and becoming part of the process of changing the world.

This process differs from the traditional teacher-student relationship, where the teacher is the 'narrating subject' and the student is the 'patient, listening object'. Conscientization seeks to overcome this structure.

> "Popular education applies a dialectic methodology. It can't be a one-way process. The teacher doesn't play the role of someone who has knowledge to transmit to the student. The role of the education in a popular education process is not to give answers, but to ask questions" (Titi & Singh, 1995, pg.19).

If a significant number of individuals are active in a community through an achieved level of conscientization, the potential to maintain and enhance community empowerment is greater. It is clear that popular education or conscientization is an important element in establishing community discourse. Through discourse, communities can focus more effectively on utilizing their skills and assets for empowerment.

Disempowered communities do not lack the inability to think and act; in fact they possess all the assets and capacities to do so. Rather, the problem is their inability to critically act and reflect. Conscientizaton involves reflection in action, and is an important catalyst to promote the process of linking knowledge and action. The next section will expand on this, and focus on the traditions of planning theory.

2.4 Planning Theory Traditions

The rational-comprehensive model of planning has served as an appropriate model since the 1950s. This approach is formed on the principles of efficiency and rationality, and linking scientific and technical knowledge in the act of resource allocation. The rational-comprehensive model is a sequential planning process that can be generalized in three steps:

1) Planners consider possible courses of action for a defined problem;
2) The consequences of each alternative are identified and evaluated;
3) An alternative that would most likely achieve the community's objectives is selected (Meyerson & Banfield, 1955).

Subsequent theorists proposed the inclusion of implementation and monitoring steps to enhance the process. It may be argued that the rational-comprehensive approach, often referred to as the 'traditional' planning model, is still used in planning practice today. Despite criticism of this model, its continued use may be "because nothing better has come along" (Friedmann, 1987, pg.37).

2.4.1 Four Traditions for Planning Practice

In *Planning in the Public Domain*, John Friedmann (1987) organizes planning thought into four traditions. Friedmann asserts that the four traditions focus on one central concern: "how knowledge should properly be linked to action" (pg.74). The four traditions stretch across the entire ideological spectrum, ranging from support for the state to the abolition of all forms of authority. Friedmann arranges the four traditions as a four-fold political classification, as seen in Figure 1 below.

Political Ideology		
KNOWLEDGE TO ACTION	Conservative	Radical
In Societal Guidance	*Policy Analysis*	*Social Reform*
In Social Transformation	*Social Learning*	*Social Mobilization*

Figure 1: The Politics of Planning Theory: a tentative classification (Friedmann, 1987, pg.76).

Figure 1 clearly illustrates that knowledge can be linked to action through either societal guidance or social transformation. Societal guidance in planning is practiced by an elitist structure, while social transformation incorporates public participation.

The first tradition Friedmann discusses is *social reform*. Social reformers view the state as the vehicle of social action. Analysis can be used to condition the performance of the economy for reformist ends. Social reform is most concerned with "finding ways to institutionalize planning practice and make action by the state more effective" (pg.76). This tradition regards planning as a 'scientific endeavor', and reformers are only tolerant of change within their given limits. Social reformers believe in capitalism and the bourgeois state, and trust that, through appropriate reform, they can be perfected. The social reform tradition advocates a strong role for the state, and "understands planning to be the application of scientific knowledge to public affairs; they also consider it a professional responsibility and an executive function" (pg.76).

The *policy analysis* tradition emphasizes decision making as the means of identifying optimal courses of action. Their procedural model is thus rationality,

and the planner becomes a social engineer serving the existing power base. Policy analysis focuses on specific analytical and scientific techniques. According to Friedmann, there are seven identifiable stages in the typical decision model applied by policy analysts:

1) Formulation of goals and objectives
2) Identification and design of major alternatives for reaching the goals identified
3) Prediction of major sets of consequences
4) Evaluation of consequences in relation to desired objectives
5) Decision based on information gathered in the preceding steps
6) Implementation of decision through appropriate institutions
7) Feedback of program results and their assessment in light of the new decision situation (Friedmann, 1987, pg.78).

When challenged, policy analysts are likely to seek decisions through science rather than social input or human interest.

The school of *social learning* observes planning as changing behaviour through experimentation in an attempt to minimize the contradiction between what people know and how they act. Praxis or experiential learning is the basis of non-hierarchical exchanges between planners and clients. According to Friedmann, this theory originates from two streams:

1) the pragmatism of John Dewey and his scientific epistemology which stresses 'learning by doing';
2) evolved within Marxism whereby philosophers should not only interpret the world, but change it.

Social learning theorists argue that knowledge results from experience, is validated in practice, and forms an integral part of action. In this tradition, knowledge "emerges from an ongoing dialectical process in which the main emphasis is on new practical undertakings: existing understanding (theory) is

enriched with lessons drawn from experience, and the 'new' understanding is then applied in the continuing process of action and change" (Friedmann, pg.81). Therefore, the linkage between knowledge and action through social experimentation is a central theme of social learning.

Lastly, *social mobilization* is a political activity seeking to change the status quo from the inequities of capitalism. Community awareness and action, disengagement, advocacy, and co-option of decision-making processes are some of the important approaches. While social reform and policy analysis believe in the strong role of the state, social mobilization believes in a strong role for citizens and the "advocacy of emancipatory social movements" (pg.83). Friedmann states that there are two kinds of politics involved in social mobilization. The first is 'politics of disengagement', which seeks to demonstrate to others that there are new ways of living. The second is 'confrontational politics', which stresses that political struggle is necessary to transform existing relations of power and create a new order that is not based on a dominant, hierarchical structure.

2.5 Planning Theory, Planning Practice and Empowerment

Discussions in the previous sections have shown that planning theory and planning practice are intricately intertwined. Theory informs practice and practice informs theory. Friedmann defines this 'reflection' in planning as a process of linking knowledge and action. Through this process, individuals and communities are better able to realize their own skills and abilities. This is how communities become empowered. Planning is a decision-making process by which resources

are allocated to a community, based on best decisions. It is a process that involves people, and this 'human' involvement is a step towards empowering individuals to take a meaningful role in decision-making. Therefore, theory, practice and community empowerment all become interrelated.

As discussed earlier, popular education or conscientization can be extremely beneficial in disempowered communities. Popular education can help raise consciousness and create a knowledge base and dialogue, which is a community's own. However, this is only a stepping-stone in community empowerment. According to Etzioni (1968), communities must move beyond a level of heightened consciousness to a level of higher community commitment. Etzioni argues that community goals need to be established, including the means to reach these goals. He proposes three major components to this activation process:

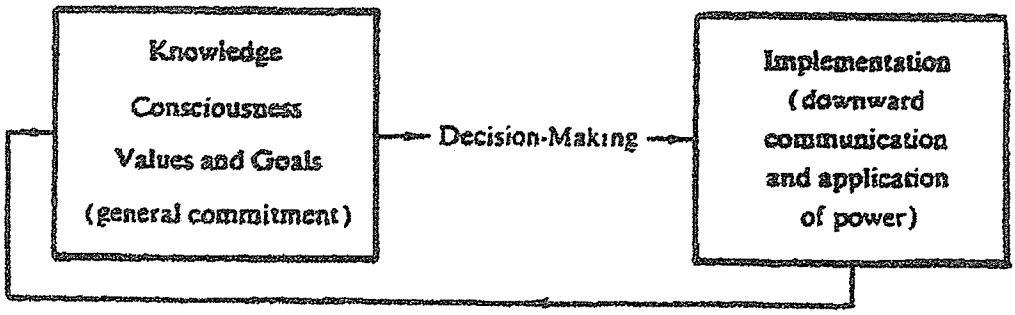
1) *Self-conscious and knowing societal unit*: without consciousness, the collective social unit is not aware of their ability, of their being acted upon, of their ability to act, or of their power;

2) *One or more goals they are committed to realizing*: without a commitment to a goal or purpose action lacks direction and merely drifts;

3) *Access to levers (or power) that allows resetting of the social code*: without powers, the most clear and sharply focused awareness with even the firmest of commitment will not result in the social, economic, or political changes necessary for the action strategy to sustain itself. (Etzioni, 1968, pg.250).

Etzioni argues that these components create a decision-making process based on 'responsive-action'. This process is shown in the model below.

Decision-Making in the Process of Control

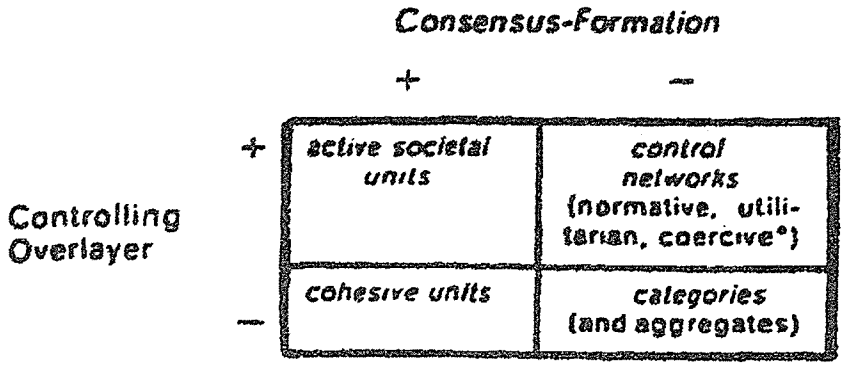


Source: Etzioni, 1968, pg.250

This model emphasizes action and reflection, due to its cyclical nature. The model displays a process moving from knowledge and consciousness to implementation, and back again. A balance between consensus building and control is essential if this model is to be effective.

Etzioni states that an imbalance impairs the decision-making process. He maintains that the top-down mobilization of consensus that exists in over-managed and controlled structures is not as effective as a bottom-up consensus driven by community participation. However, Etzioni also claims that while a bottom-up structure creates a cohesive societal unit, a lack of control prevents the unit from making important action-oriented decisions. Etzioni summarizes this relationship between consensus-formation and a controlling overlayer in the figure below.

The Relationship between Consensus and Control



Source: Etzioni, 1968, pg.109

Etzioni uses the model to chart the relationship between consensus and control, and has divided the model into four areas: active societal units, cohesive units, control networks, and categories.

Active Societal Units: At this position, there is a high degree of control and a high degree of consensus formation. Therefore, this represents the ideal position for a community, as empowerment is most likely to take place.

Cohesive Units: At this position, communities experience a high degree of consensus, but lack the control needed to take strategic action.

Control Networks: A high degree of control exists; however, there is a lack of a cohesive unit because the community has not come together.

Categories: This stage lacks both control and consensus, and represents the worst position for a community to be in. Rather than a cohesive unit, the community is divided into small groups.

Etzioni's model is a valuable tool in measuring community empowerment. As he expresses in the model, an active community will demonstrate a high level of consensus and high control. Communities with no consensus and no control will exist in a passive, nonempowerable state.

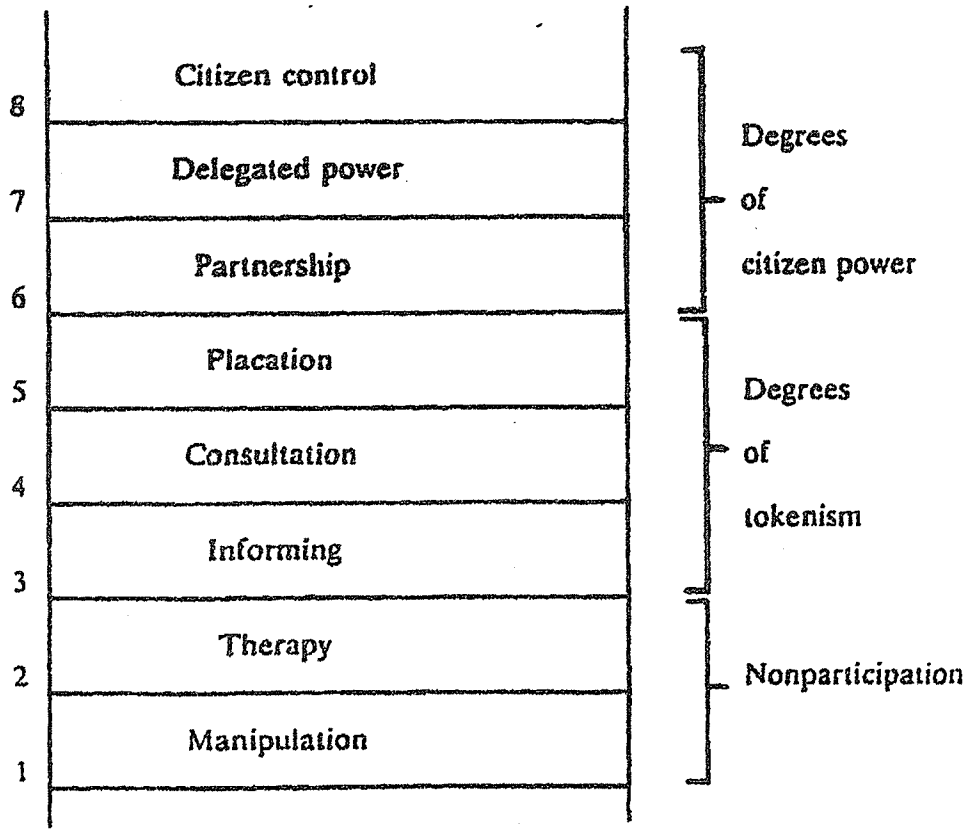
Discussion has focused on participation and empowerment of a community as a whole. However, Etzioni denotes that the level of participation and the type of participants will greatly affect the empowerment process. Etzioni maintains that there exists in each community: "low participants" and "high participants". Low participants tend to be described as the 'have-nots' within a community, while the high participants possess a 'power and privilege' advantage. More will be discussed on this relationship later.

In this organization hierarchy, compliance by low participants is more problematic than higher participants, because the rewards are fewer for the former. While dissensus may exist in all participants, lower participants are more likely to form dissent and apathy towards governing structures. This bears a direct relation to their level of disempowerment and further hinders their ability to participate. In contrast, Etzioni argues that higher participants hold a significant power advantage when it comes to accessing information and control mechanisms. As such, higher participants often ignore lower participants and do not assist in their empowerment. If this becomes the case, authentic consensus decision-making will not take place and the potential for community empowerment is weakened.

Etzioni's discussion on the varying levels or degrees of participation (ie: high and low participants) is further illustrated by Sherry Arnstein (1969), who establishes a Ladder of Participation. Arnstein denotes eight levels of participation, which are arranged on a ladder. Each rung of the ladder corresponds to the extent of a citizen's power in the decision-making process.

The eight rungs are further separated into three broad classifications: Non-participation, Degrees of Tokenism, and Degrees of Citizen Power. Arnstein's model is shown below:

Ladder of Citizen Participation



Source: Arnstein, 1969,

Non-participation

This classification represents the bottom two rungs of the ladder, and signifies levels of non-participation. The two rungs in this category are *Manipulation* and *Therapy*. At these levels, there is no genuine participation. The real objective is not to enable citizens to participate, but rather, to enable powerholders to educate or cure the participants: "The focus is on curing them

(citizens) of their 'pathology' rather than changing the racism and victimization that create their 'pathologies' (Arnstein, 1969, pg.218).

Degrees of Tokenism

The next three rungs are categorized under *Tokenism.* At this level, 'have-nots' are given the opportunity to hear and have a voice. However, they still lack the power to ensure their views will be heeded by the powerholders. *Informing* is the bottom rung of Tokenism. Arnstein maintains that informing citizens of their rights, responsibilities and options is the most important first step towards legitimate public participation. The criticism at this level lies with communication. Often the emphasis is placed on a one-way flow of information from officials to citizens. This type of communication provides no opportunities for public feedback or negotiations.

Consultation is the next rung, and represents a greater stride towards full participation. However, Arnstein warns that Consultation can still be a fraud if the process is not combined with other modes of participation. "When powerholders restrict the input of citizens' ideas solely to this level, participation remains just a window-dressing ritual" (pg. 219). The most common methods used for consulting people are meetings and public hearings.

The last rung in the Tokenism category is *Placation*. At this level, citizens have a greater opportunity to influence the decision-making process. However, tokenism is still apparent. Officials and the elite still hold the power and "right to judge the legitimacy and feasibility of the (citizen's) advice" (pg.220). The astute selection of 'worthy' citizens on development boards, committees, and

commissions are examples of placation strategy. According to Arnstein, the degree to which citizens are actually placated depends largely on two factors: the quality of technical assistance they have in articulating their priorities, and the extent to which the community has been organized to press for those priorities.

Degrees of Citizen Power

The top three rungs of the ladder represent levels of citizen power with increasing degrees of decision-making clout. The lowest level of 'Citizen Power' is *Partnership*. At this level, negotiations between citizens and powerholders result in a redistribution of power. There is a sharing in roles and responsibilities in decision-making, and the planning process becomes more legitimate. Arnstein argues that Partnerships work most effectively when:

- there is an organized power-base in the community to which the citizen leaders are accountable;
- when the citizens group has the resources to pay its leaders reasonable honoraria for their efforts; and
- when the group has the resources to hire and fire its own technicians, lawyers and community organizers.

It is with these ingredients that citizens have some legitimate influence in the decision-making process.

Delegated Power is the next succeeding rung. At this stage, negotiations between citizens and officials may result in citizens attaining dominant decision-making authority over a particular plan or program. Arnstein states that at this level, the ladder has been scaled to the point where citizens hold significant cards to assure accountability.

Citizen Control represents the highest level on the ladder, and results in community empowerment being at its greatest. Arnstein states that at this level, citizens are simply demanding a degree of power or control, which guarantees they can govern a program or institution. Citizens also expect to be in charge of the policy and managerial aspects of the program. "A neighbourhood corporation with no intermediaries between it and the source of funds is the model most frequently advocated" (pg.223).

Arnstein's Ladder of Citizen Participation is a simple, but plausible model to illustrate the significant gradations in public participation. At one end of the ladder, Arnstein proves that public participation in the decision-making process can be a mere show. At the other end, significant citizen power and control can result in authentic reform and accountability. Arnstein's discussion has helped to better understand the issues and predicaments concerning community empowerment and pubic participation. This is beneficial to planning, as the profession strives to integrate theory and practice.

2.6 Planning and Public Participation

The involvement of the planning profession in public empowerment and participation can often be unclear. Yet, planners and planning should hold a more important role, given our skills and experience. Fundamentally, planning focuses on people and decision-making. Thus, it becomes intrinsically intertwined with community empowerment and public participation in a planning process. Like other professions however, planning may at times adopt an institutional or top-down approach. This may be reinforced by planners who

believe their expertise and professionalism warrant their ability to make decisions for the 'common good'. This is a constant challenge, as the planning profession should not always mistake their expertise for the knowledge and experience of the community. Planners and the planning profession must become closely integrated with the community to recognize the complex social, cultural, political, et al interrelationships that exist.

However, the degree of interaction and communication between planners and the community are usually determined by their employer— often local government. Under these circumstances, the planners are required to work under a set of parameters established by their superior. One must remember that community planning may be a political process. Planners may have a minor influence on the existing political situation. However, they can improve the participatory process and establish a better balance between their ethical responsibility to the employer and profession, as well as the community. Effective participatory approaches entail a cooperation and consensus between politicians, private developers, planners and the public. This approach is particularly important in public-private partnerships, which will be discussed later.

Collaboration and consensus between stakeholders is no simple task. In these instances, citizens seek empowerment to authenticate their concerns. Often, it is planners that seek to acquire the trust of the community through a mutual learning process. Friedmann (1973) terms this as 'transactive' planning. 'Transactive' planning focuses on personal experiences involving interpersonal contact between decision-makers and those affected by the plan. The emphasis

lies on the sharing of knowledge and experience between the planner and the community, and becomes the foundation of the relationship. The process is not only about mutual learning, but also about confidence and trust between the partners. In practice, this may not always be an easy assignment. Yet, success in the participatory process relies heavily on trust, collaboration and consensus.

> "Planners shape not only documents but also participation: who is concerned, who participates in informal design-review meetings, who persuades whom of which options for project development. Planners do so not only by shaping which facts certain citizens may have, but also by shaping the trust and expectations of those citizens. Planners organize cooperation or acquiescence, in addition to data and sketches" (Forester, 1989, pg.28).

Decisions generated through a participation program, which is highlighted by interactive learning and relationship building, can bring about a more effective planning process. Chapter Three will switch gears, and focus on the emergence of multiplex sports facilities (mega-projects) and public-private partnerships. It will serve as an introduction to the context for the case studies in the subsequent chapters.

3.0 Chapter Three: Multiplex Sport Facilities & Public-Private Partnerships

3.1 Large Scale Urban Development

For decades, large-scale urban projects have been features of the downtown landscape. In the early half of the twentieth century, most of these "projects tended to involve modest public expenditures by contemporary standards and they rarely caused significant disruption of the existing urban fabric" (Altshuler and Luberoff, Oct. 2003, p.1). This changed as the 1950s and 60s approached. This was a period of time Altshuler and Luberoff named the 'Great Mega-Project Era'. During this 'era', city officials and political leaders believed that central cities needed to be reshaped, or "require[d] major surgery" (p.1) because of urban decline. There was also concern that the economy would decline if measures were not taken to halt this decay.

Cities soon cleared away vast amounts of low-income housing and urban parkland. In turn, funds were invested into building transportation projects like airports and express highways. It was these types of mega-projects that many hoped would make travel more efficient, and ultimately bring more people to their cities. These projects were made even more successful by an unparalleled injection of government aid. Officials were excited about building these mega-projects and did not anticipate their subsequent impact. Many highway projects cut through cities and increased automobile usage, while developments like airports created noise pollution and environmental concerns. The projects were built as individuals or as 'fortresses', not as a collaborative effort to keep our cities alive. The highways were constructed to facilitate greater access and

travel between cities, but these highways dissected cities and segregated whole neighbourhoods. Arguably, these projects killed much of the social fabric of our cities that had been intricately woven together in prior decades.

Altshuler and Luberoff note that by the 1960s, neighbourhood activists protested the number of mega-projects that were being planned and constructed. They called this the 'Era of Transition'. This was a time when citizens protested the urban renewal schemes that drastically transformed whole neighbourhoods. City officials touted these projects as essential, even if they devastated some of the older, denser, and lower income inner city neighbourhoods. Ironically, citizens in these neighbourhoods were those that had 'no voice'. They were the individuals in society that had no power or status, and ultimately, had no say in these matters. This was the case despite the fact that these renewal projects greatly affected them.

The 1960s were a time of citizen activism. Protests often focused upon urban renewal schemes and urban mega-projects. Altshuler and Luberoff not that there were three outlets of activism that were of significance: the movement for civil rights, citizen participation, and environmental protection. The civil rights movement was concerned with the discrimination of various ethnic groups, particularly African Americans. Protests were in regards to the urban renewal schemes that cleared large sections of low-income neighbourhoods— often the homes for many African Americans.

The citizen participation movement emerged on the basis that public citizens "had the right to be consulted in timely fashion, and with access to all

pertinent evidence about government deliberations that might profoundly affect them" (Altshuler and Luberoff, p.22). Lastly, the environmental movement dealt with the preservation of nature and the environment that surrounds us. This was in response to the environmental concerns and impacts brought on by mega-project development.

The actions of the protesters not only prevented numerous projects from succeeding, they also helped amend various statutes and regulations. Although the public was not originally given a chance to voice their opinions on projects, their subsequent actions reminded government officials that citizen input is not only important, but essential. Many large-scale urban projects were thwarted by public disapproval, yet the 'mega-project era' did not die.

The vast clearing of slum areas and urban parks from previous decades left inner cities in disarray. Planners and officials were distraught with this demise of the core and sought strategies for revitalization: "Civic leadership continued to respond with a series of [public] investments designed to underscore center cities' roles as retail, entertainment, and cultural centers" (Turner and Rosentraub, 2002, p. 487).

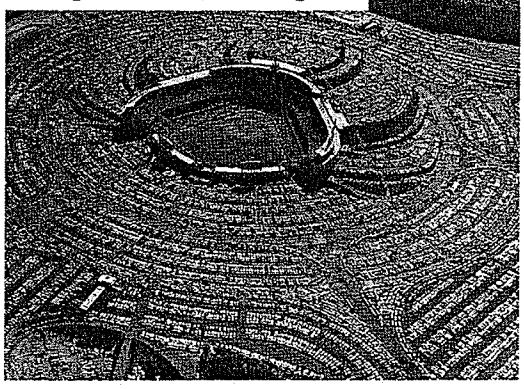
For the past thirty years, cities have retooled their downtown areas in an effort to attract corporate capital. This trend has focussed on economic development efforts on various aspects of the hospitality sector. Market festivals, shopping malls, and conventions centres were viewed as strategic efforts, but in more recent decades, cities helped renew their aging cores through the pursuit of

sports and entertainment facilities. Rosentraub (1997) noted that "without exception, all cities turned to sports facilities to anchor development" (p. 7).

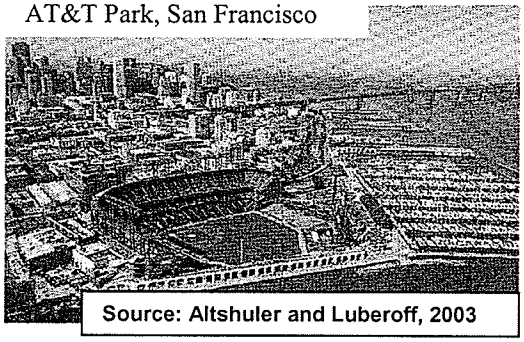
3.1.1 The Rise of Multiplex Sports Facilities

Significant investment in road and highway construction in the years after World War II meant that cities continued to sprawl outward from their city centres. This decentralization facilitated the use of the automobile and forever changed the pattern of growth and development in our cities. The traditional urban renewal schemes of the 1950s and 60s focused on developments like offices, hotels, and housing. The 1970s however, was a time of retail and entertainment development. The mega-projects of this time included convention centres, sports arenas / stadiums, marketplace festivals, and shopping malls. Sports facilities were of special note because of their ability to attract a very large number of people into the city. Many stadiums and arenas constructed between the 1960s and 1980s were built in the suburbs, conveniently adjacent to highway interchanges. Major sports facilities in the post-1990s era were often built close to the city's central business district. This was viewed as a decisive way to revitalize the downtown core. The top photo (above) shows Dodger Stadium,

Dodger Stadium, Los Angeles



AT&T Park, San Francisco



Source: Altshuler and Luberoff, 2003

which was built in 1962. It is located near the junction of three major highways and surrounded by a vast parking area. Contrastingly, AT&T Park, which opened in 2000, is situated near San Francisco's city centre, where it takes advantage of the existing infrastructure. The emergence of the stadium has brought new life and activity to this part of the city.

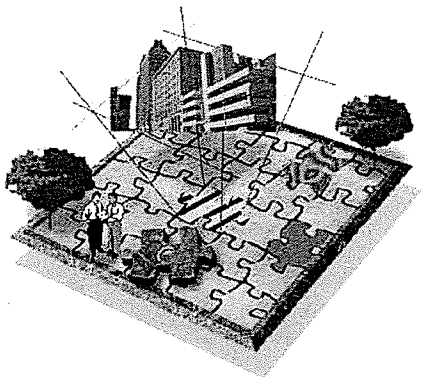
"By 1995, sports venues had become the centerpiece of regeneration efforts..." (Austrian and Rosentraub, 2002, p.549). Planners and city officials were finally refocusing their efforts back on the downtown core. Cities remained confident these sports facilities would bring business, residents and tourists to their city, creating a positive impact in the core. "In an attempt to turn sports facilities into mega-developments, residential, retail, and office projects were included as part of the stadium proposal" (Turner and Rosentraub, p. 490). Officials were not concerned these new facilities would be recycling, or taking business away from existing venues. It only mattered that the value of local properties were enhanced. While the goal was economic development and urban revitalization, the result was a signature, if not symbolic, landmark that officials hoped would solve all their problems.

3.1.2 The Impact: Process Over Product

The potential return from investing in large-scale sports facilities is an important issue— one that scholars continue to debate. This return often "comes not from the facility itself, but from the jobs created in new restaurants, taverns, retail, hotels, etc. that spring up on the periphery of the sports venue" (Chema, 1996, p. 20). These spin-offs are key to economic development. It is in hopes

that the construction of a new facility will spark growth and promote development. Production, production, production! However, as Roberta Brandes Gratz (1989) reveals, economic development is process, not product.

> "Economic development is really a process, not a development project of an end product, a process of many different things...That process, in all likelihood, includes development of some kind of real estate, whether that be the reuse of a large empty building or the construction of a building to house a growing industrial enterprise. That construction project, however, is part and parcel of the economic development process, and usually comes at the end of it, not the beginning" (p. 159).



Gratz believes that in order for economic development to proceed sensibly, appropriately and successfully, cities have to have a holistic approach. The need is to focus on the whole puzzle and *all* of its pieces, not just one single piece. Gratz (1998) discusses this in *Cities Back from the Edge* and uses the phrase Urban Husbandry. She states that in Urban Husbandry there is an assumption the assets are already in place. These assets must then be reinvigorated and built upon, as a means to *add* to the city's strengths, not *replace* them. "Urban Husbanders change the proportions of the plant mix. They may add new varieties and remove some old ones. But the essential garden remains and, in the end, only requires continued, modest attention from local gardeners, Urban Husbanders, with occasional small outside help" (Gratz, 1998, p.62). Gratz feels that building upon existing resources to overcome problems should be the chosen route. But regrettably, cities are

choosing to erect monstrous facilities (often through the demolition of existing assets) in hopes of the same positive rewards.

Many scholars believe these large urban projects (Project Plans as Gratz calls them) are detrimental to our city cores. There has been particular emphasis on the negative impact that sports facilities have on our downtowns. Although these scholars present plausible evidence to support their notions, given the right place and the right time, these sports facilities *can* flourish.

Most large sports facilities of today are built with private aid, as most cities can ill afford to construct such grand facilities on their own. Public-private partnerships are growing in popularity and are a unique relationship between a government and the private sector. An introduction to public-private partnerships will form the discussion in the next part of this chapter.

3.2 Public-Private Partnerships

The construction of a sports facility is a large undertaking that requires a large amount of expenditure and expertise. Often cities are incapable of constructing a successful facility because they lack these ingredients. This gap is sometimes filled when a government enters into a partnership with the private sector. This alliance is called a public-private partnership (P3).

3.2.1 What are Public-Private Partnerships?

Public-private partnerships are agreements between a government and a private sector company. These partnerships are sought in order to provide some form of major public infrastructure, facility, or service. Each party is responsible

for certain elements of the project, with the ultimate goal being the successful delivery of the proposed service or facility. The accepted definition of a public-private partnership, according to The Canadian Council for Public-Private Partnerships website, is:

> "A cooperative venture between the public and private sectors, built on the expertise of each partner, that best meets clearly defined public needs through the appropriate allocation of resources, risks and rewards".

The definition is concise, but one would believe the word responsibility needs to be added to this definition. "A P3 involves a sharing of risk, responsibility and reward, and is undertaken in those circumstances when there is value for money benefit to the taxpayers" (Task Force on Public-Private Partnerships, 1996, p.8). When entering into a public-private partnership, each party takes responsibility for some aspect of the venture. Regardless, the parties work together for the success of the project.

In most cases, a lack of finances is the driving force for governments to enter into public-private partnerships. The skills or expertise that a private organization can bring to the table can be vital to the partnership as well. Working as a team, there is the opportunity to maximize the strengths of each partner. This is important because the element of 'risk' often plays a pivotal role in these types of ventures. By maximizing the skills and abilities of each partner, it is hoped that the overall risks are minimized. Therefore, the desire to ensure the best value (for money) is based on the allocation of risk factors to the partakers, who can best manage the risks and minimize costs.

The delivery of services or programs may not have been possible before a partnership. The benefits (usually financial benefits, but may include the skills and expertise a partner can bring to the partnership) that come with these partnerships can also improve the notion of 'best value'. By entering into a public-private partnership, governments are better able to allocate risks, and thus are capable of delivering services or constructing facilities that may have been previously deemed unachievable. There are many examples of projects in Canada that have been built through public-private partnerships. Arguably, they have all provided benefit to its citizens. Some of the P3 projects built in Canada include: the Confederation Bridge in the Maritimes, Highway 407 in Ontario, and a number of sports complexes throughout Canada. Two of those sports facilities will be discussed more thoroughly later.

3.2.2 Types of Public-Private Partnerships

There are a number of different types of public-private partnerships. Each is unique and represents varying degrees of risk and responsibility for the partners involved. Below is a list of some of the most common partnerships, according to the British Columbia Ministry of Municipal Affairs (1999) document titled, "Public-Private Partnership: A Guide for Local Government" (pgs 7-10).

1) *Operations and Maintenance*: local government contracts with a private partner to operate and maintain a publicly owned facility / service for a specified term. Municipal garbage collection is often done this way.

2) *Design-Build*: The private sector designs and builds a facility to meet local government specifications. Once built, ownership and operation of the facility is the responsibility of the local government.

3) *Turnkey Operation*: This is a design / build contract where local government provides the financing for the project, but it is the private partner's

responsibility to design, construct and operate the facility for a given period of time. The facility remains publicly owned throughout the process. *The Victoria case study in this research is an example of a Turnkey partnership.*

4) *Lease-Purchase*: A contractual agreement is signed between local government and a private partner whereby the private entity is responsible for designing, financing, and building a public facility. The private partner will then lease the facility to the government.

5) *Build-Transfer-Operate*: The private partner is contracted to finance and construct a facility. The ownership of the facility transfers to the local government upon completion and the government then leases the facility back to the private partner.

6) *Build-Own-Operate-Transfer*: The private developer receives a franchise to finance, design, build, maintain and operate a facility for a specified period of time. Title of the facility transfers back to the public sector once the franchise is over. *The Kelowna case study in this practicum is an example of a Build- Own-Operate-Transfer partnership.*

Public-private partnerships have been growing in popularity over the past few decades in Canada. Projects ranging from hospital construction to water treatment plants have been typical examples of P3 projects. However, public-private partnerships are not always the best means for providing a public service or facility. Because of the potential risks and liabilities, as well as the complexity of the partnerships, P3s can sometimes be very tedious. Success is not a guarantee. There are a number of important issues that local governments need to consider when contemplating public-private partnerships. The next section will discuss some of these issues.

3.2.3 Issues with P3s

A number of critical issues need to be taken into consideration when implementing public-private partnerships. The *Report of the Task Force on*

"Public-Private Partnerships" (1996) lists a number of issues that local governments in British Columbia need to address before entering into a P3 agreement. Below is a discussion of some of the most significant issues.

One of the most important issues that the Task Force noted in the report was that "P3s should only be undertaken when there is a demonstrated benefit to the public" (p.16). The Task Force calls this 'Value for Money Analysis'[4]. Cost savings and cost effectiveness are vital concerns for any project. Often [a lack of] finances is the main reason local governments pursue public-private partnerships.

Another important issue is the 'Treatment of Risk'. As mentioned in the previous section, there are a number of different types of public-private partnerships. Each type brings varying degree of risk for each partner. There is a need to allocate risk to the partners, but with this risk comes responsibility. When entering P3 contracts, there should be due care taken in this risk allocation. It is imperative to assign risk [and the corresponding responsibility] to the partner that possesses the skills to better handle it. Considerable planning is necessary for the partnership to achieve success.

Another issue is 'Public Interest', which should be considered very important to the success of a public-private partnership. Yet, public involvement and participation in the decision-making process for P3s is often given little attention. One of the greatest concerns for the public is how their concerns and interests will be met. The designation 'public-private partnerships' may include the word 'public', but often it is the public that is given little opportunity to ensure

[4] More on this will be discussed in a later chapter

their interests are protected. This is discouraging because public interest and participation is important.

3.2.4 P3s and the Legislation in British Columbia

In the past, a number of regulatory and policy barriers restricted the success of public-private partnerships. It was clear that the Municipal Act[5] "did not anticipate P3 type arrangements as a method of delivering public services" (Urban Systems, 1996, p.12). The original intent of the policies and regulations of the Municipal Act was to protect the public interest. "Unsophisticated local governments need safeguards imposed on them to protect the public interest" (p.12). The Act was written with good intent, but it was not flexible enough to meet the interests of today's public. The Act had been in place for over one hundred years and evolved during that time. However, in recent decades it became evident that there needed to be major changes. Instead of developing a completely new Act, it was agreed upon that significant portions needed to be re-written and amended. This included an amendment pertaining to public-private partnerships.

The strict policies and regulations of the Municipal Act threatened the success of a number of P3 projects[6] in the mid-1990s. In September of 1998, amendments were made to the Municipal Act. The current legislation in British Columbia has been revised to recognize public-private partnerships. The changes in the Act have helped to make it easier for local governments to enter into P3s. The new legislation also grants municipalities and regional districts the

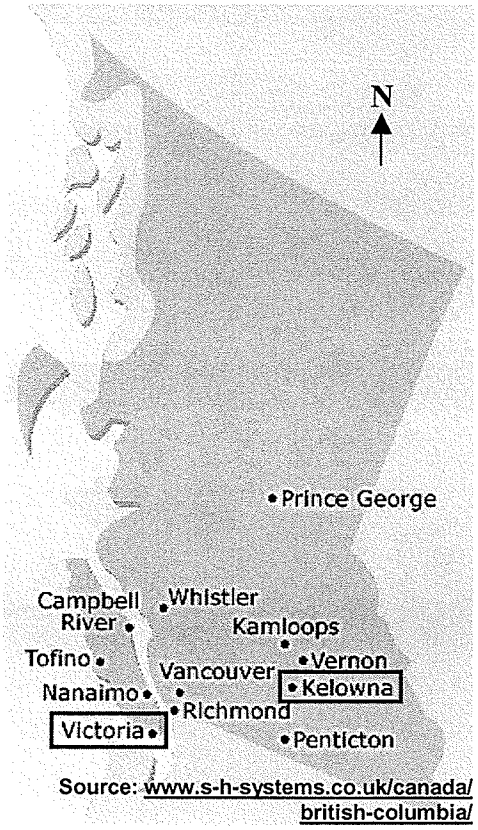
[5] The Municipal Act is now called the Local Government Act as of June 2000
[6] this included the Kelowna Arena (Prospera Place) which will be explored in Chapter Four

flexibility to pursue and enter into a wide range of partnership opportunities. Prior to these amendments, provisions within the Municipal Act limited the range of partnership arrangements. More will be discussed on these changes in Section 4.4. The focus now shifts to the two case studies.

4.0 Chapter Four: Case Study- Prospera Place, Kelowna, B.C.

4.1 Introduction

Kelowna is a city of about 100,000[7] people in the Thompson-Okanagan Valley region of British Columbia. Kelowna is located adjacent to Okanagan Lake. The region has experienced considerable growth due to its beautiful setting and central proximity to the major centers of Vancouver and Calgary. Kelowna has overtaken neighbouring Kamloops as the economic center of the Okanagan Valley.



Source: www.s-h-systems.co.uk/canada/british-columbia/

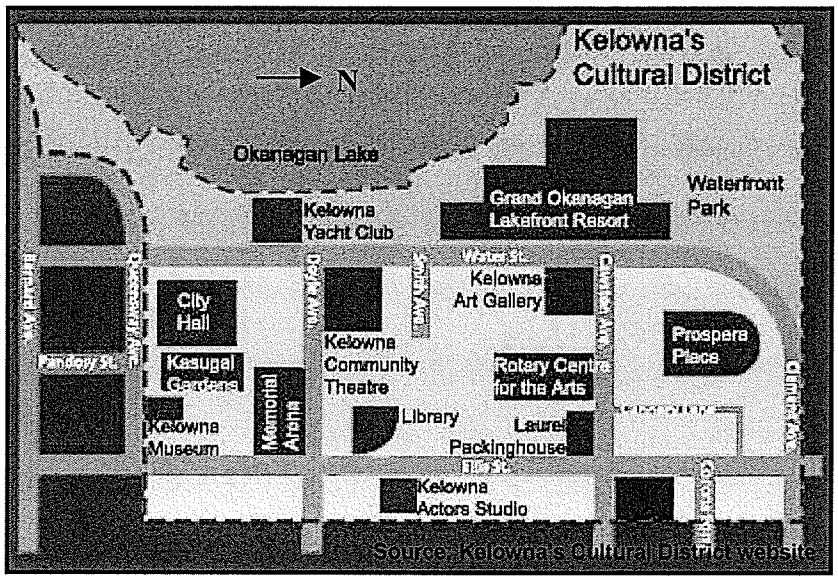
Kelowna's downtown has long been a focal point for growth and change. In recent years, the north end of the city's downtown has undergone considerable development and revitalization. This area of the core has been named Kelowna's Cultural District. Once the center of Okanagan's fruit packing industry, this six-block area comprising the Cultural District has been transformed into a creative space for musicians, artists, and performers. Major facilities in the District include the Kelowna Public Library, the new Rotary Centre for the Arts, and numerous galleries and museums. While these are all exceptional facilities, many would

[7] As of 2001 Census

consider Prospera Place arena, at the north-end of the District, as the anchor venue. Although Prospera Place has been touted as one of the best facilities of its kind in Canada, the road to realization was far from smooth. Prospera Place was the result of a series of successes and failures during a protracted process.

4.2 Building An Arena: A Look Back

Prospera Place opened its doors on August 9, 1999 to a rousing celebration which included the eccentric rock band, Moist. In the years since, the multiplex facility has hosted numerous concerts and events, and is the home arena of the Kelowna Rockets[8]. While Prospera Place has been considered an important element in reviving the 'new downtown', the road of bringing the facility to fruition was a troubled one.



In the mid 1980's, Kelowna was trying to establish itself as the central hub of the Okanagan Valley. Some city officials believed the only way to do this was to assert itself as a mecca for sports, culture, and entertainment. For these reasons, a multi-purpose facility was a high priority for City Council. Kelowna's

[8] The local hockey team in the Western Hockey League (WHL)

citizens however, were not ready to embrace a tax increase to pay for a facility. On June 21, 1987, a public referendum was held. Nearly 60% of those citizens that went to the polls voted against funding a $17.5 million multi-purpose arena. The vote was disappointing to arena supporters, but even more so for city officials. Captions in the Kelowna Daily Courier (June 22, 1987) read, 'We're all losers in arena vote' and 'The decision of local voters is being cheered in [nearby] Penticton and Kamloops as well, since Kelowna's loss is their gain'. Without full public support, Council continued to review its options and were optimistic that a facility would eventually be built.

Over the next few years, a number of unsolicited proposals came forward. One proposal consisted of a consortium of private developers seeking to build a $15.5 million, 5,750-seat facility near Kelowna's airport[9]. Unfortunately the project never got past its initial design plans because of exaggerated surpluses presented on the company's proforma. Additionally, the proposal was rejected after "learning that taxpayers would ultimately be responsible for the cost of building and running the facility" (Dheensaw, 1994, pg.1). Shortly after the demise of the project, another developer came forward, again on an unsolicited basis. The developer's name was Gordon Oxley, who was based in Edmonton, Alberta. The City of Kelowna realized this was an opportunity for development, and proceeded with a public proposal process.

By the summer of 1994, the City received proposals from a few development companies including Oxley's. Oxley's group, named Kelowna OmniCentre Inc., was eventually chosen to build an arena to replace the aging

[9] Located in the north end of the city about 10 kms away from downtown Kelowna

Memorial Arena[10]. The objective was to build a $28-million, 6,800-seat facility. Over the course of a year, two of Oxley's prime partners would leave his consortium and announce an arena proposal of their own to compete against Oxley. They did not succeed, and Oxley's group was soon declared the winning developer— again.

By February of 1996, Council signed the historic agreement with Oxley's group, and they [Oxley] had until the following month to make a $100,000 non-refundable deposit to cover the City's cost. Oxley delivered the cheque on March 4 as required. Four days later, city lawyers stated the cheque had cleared the bank. But the City learned that, a week later on March 13, a stop payment had been put on the cheque. The City notified Kelowna's OmniCentre Inc. the next day and Oxley stated the stop payment had to be a bank error. Oxley was subsequently given two days to deliver a certified cheque worth $100,000. Oxley never met the new deadline, and the deal collapsed.

The failure of this project was not a surprise to the City. An interview with a staff member of the City's Parks and Leisure division,[11] who was heavily involved throughout the process, revealed that none of the proposals they received from the Request for Proposal (RFP) process were solid ones: "The substance of all of them were weak, but Oxley promised more so [we] ended up going with him" (PS, 2005). "Public input and support was minimal due to the closed process, which further hindered the project" (Planning Staff)[12]. It would

[10] Memorial Arena still stands today and is located only a few blocks away from present Prospera Place. The location of both can be seen in the diagram of downtown Kelowna on page 39.
[11] Whose name will be referred to as Parks Staff (PS).
[12] Who will be referred to as PP1.

appear distressing that the City had to choose from a number of inferior proposals. Arguably, the City of Kelowna should not have chosen to enter into an agreement with any of the developers, solely based on their weak proposals. A public-private partnership with a weak proposal and a weak partner is often a recipe for failure. Conceivably, the desire of local officials to bring their 'dream' to reality was more important than the quality of the 'dream'. Unfortunately that dream turned into a nightmare.

The City stumbled. They did not do their homework and they did not take the necessary steps when warranted. In the interview, (PS) mentioned, "it became apparent fairly quickly that he [Oxley] did not have the financial means to do what he had promised". Parks Staff stated that they [the City of Kelowna] could not just arbitrarily pull out and in fact had to have a good reason to do so. However, one would wonder what that good reason would be. At the time, a former partner of Oxley's arena consortium had warned City Council that Oxley would not be able to fund the construction of a new arena in Kelowna. If dropping the deal was not the best option, then certainly the City could have worked more diligently, even at that point in time, to learn more about Oxley. Ironically, when Kelowna cancelled the agreement, Oxley was "being sued by the City of Edmonton after he backed out of an agreement to build a four-sheet ice arena there" (Munro, 1996). Only a week later, local officials in Surrey, B.C. questioned Oxley's financial situation in an arena project he was expected to build and operate there. That facility also never materialized. The City of Kelowna could also be criticized for accepting a non-refundable deposit cheque of $100,000 from

Gordon Oxley with no guarantee of its validity. It would seem irrational to proceed with a deal of this magnitude without some kind of guaranteed deposit.

In addition to the financial issues, the project failed to garner any support. The public was not involved in the decision-making process. Additional secrecy and ambiguity in the process created further implications. "Citizens grew increasingly nervous, and became concerned over the project. There was no transparency in the process" (PP1). "The city is keeping tight-lipped about the proposals...details remain sketchy" (Harding, 1994, Section B1). The success of any public-private partnership requires a willingness to communicate— the importance of dialogue, as past theorists have advocated.

The will of City Council was key in pushing forward after these failed attempts. After the Oxley debacle, a survey was conducted and there was a surprisingly high level of public support for the City to enter into a public-private partnership to build an arena. Months after the Gordon Oxley proposal, Kelowna tried again. This time, the City learned from its previous mistakes. A Request for Qualifications (RFQ) was added to the selection process. In an interview with a Kelowna city official,[13] it was stated: "So first, we did a Request for Qualifications and then a Request for Proposals. And if you didn't meet the qualifications, and that was mainly financial, we didn't even open your proposal. So we did change the structure of how we went through the bidding process". The Request for Qualifications attracted four proposals, three of which were short-listed. When the committee[14] evaluated the proposals, two were superior. The Axor[15] proposal

[13] Will be referred to as Kelowna City Councillor (KCC).
[14] Comprised mainly of city officials and business leaders.

was eventually selected over the one submitted by R.G. Properties[16]. The City of Kelowna entered negotiations with Axor and even reached agreement on terms with the company. Unfortunately the deal was not successful, and ironically, was plagued with same issues as the Oxley proposal.

At the outset, the RFQ process helped the committee determine that Axor was "a very large corporation and clearly had the financing capability to do something like this. So we felt pretty good because we just came off of one where we were dealing with a company that did not" (PS). Once financial negotiations began, Axor became hesitant. The company determined the risk of the project was very high and they were not prepared to put up their corporate assets as guarantee in a bank loan. As discussed later in Section 4.4, the Municipal Act of the day did not allow local governments to borrow money for the purpose of lending or guaranteeing the borrowing of funds for any private enterprise. A multiplex arena of this size was new in this market and Axor determined that the risk of building and operating such a facility was extremely high. The concern related to revenue generation. Parks Staff noted,

> "There is a fair amount of risk associated with the revenue generation. The expense side is relatively easy. Here's your staff, here is your energy costs, your operating costs, and your cost of capital. You can get at [this] fairly easy. But on your revenue side, it is very speculative. The other part is that when you're in the entertainment world...If you're selling a ticket for someone to come to a concert, you have to regenerate that business [next year], even if that performer never comes again. There are a lot of risks associated with that. Axor understood it".

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[15] A large engineering and development company with its head office located in Montreal.
[16] An entrepreneurial real estate development and operating company located in Vancouver.

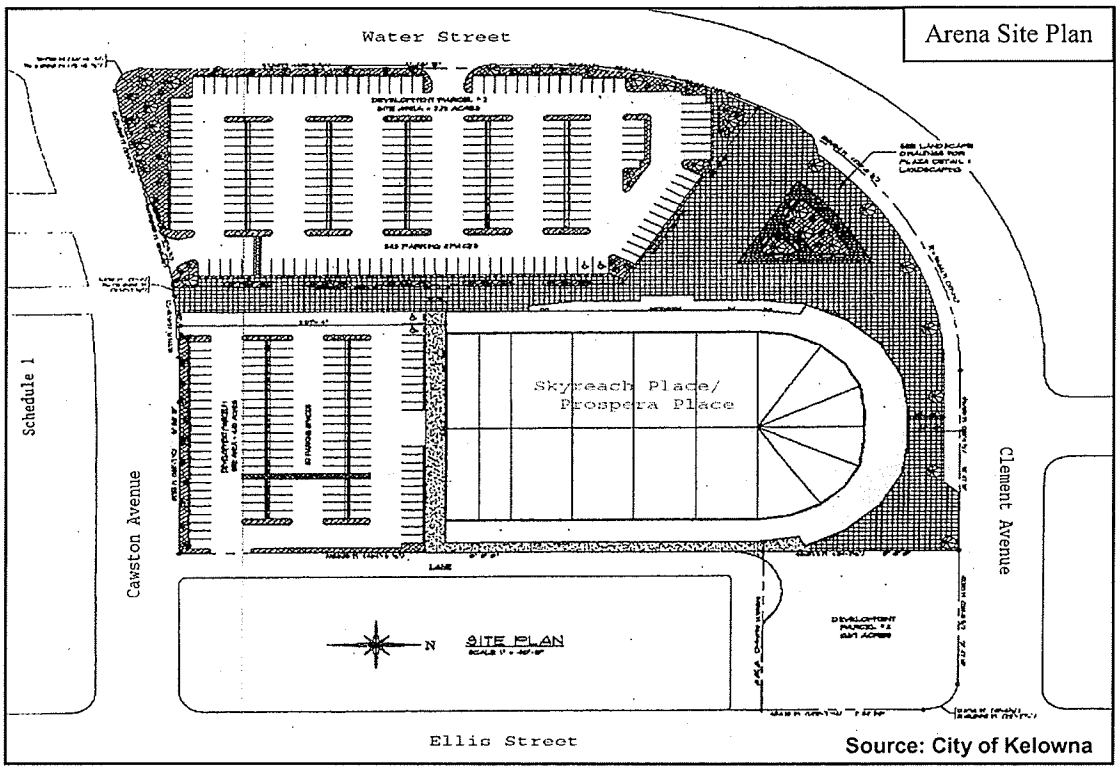
Albeit a very modest amount[17] relative to the total financing, Axor was willing to invest *some* capital as long as the City of Kelowna would set up a municipal loan guarantee. The City refused because they did not want to arrange the financing if they [the City] were the ones that were ultimately responsible for it [the loan]. Kelowna wanted the private partner to be responsible for the debt and own it. The City said no to the guarantee, and Axor said no to putting up their corporate assets. The deal soon fell apart due to a lack of financing and commitment: "There was too much uncertainty. The City needed to ask for exactly what they wanted. You cannot send out a call for proposals when project goals and commitments are not clearly identified" (PP1).

It appeared Kelowna had run out of options. However, the City made a clever move when they went through the Request for Proposals process. Shortly after selecting Axor as the winning bidder, officials contacted R.G. Properties to ask if they were prepared to standby, behind Axor, if the partnership was unsuccessful. R.G. Properties agreed, and thus the City went back to R.G. after the Axor deal collapsed. The company not only had the corporate assets, but was also willing to put them up to guarantee the bank loans. These assets included two major commercial properties they owned in Kelowna. It appeared a deal was imminent. However, some of the City's greatest challenges still lay ahead.

[17] In the range of $2 to $3 million.

4.3 Success At Last?

On Friday, September 25, 1997, almost one and a half years after the Oxley partnership collapsed, the City of Kelowna signed an agreement-in-principle with R.G. Properties. The plan was to construct a $20-million, 6,000-seat multi-purpose facility on a portion of City-owned property at the corner of Water Street and Clement Avenue in downtown Kelowna. (See previous map on page 52, or below). The building is designed for sports, entertainment, trade and convention, and hockey. The facility houses a number of premium club seats, full service private suites, cafes, retail outlets[18], a restaurant and bar, and a pedestrian walkway and public square.



[18] A number of these retail outlets are located on the outside and continue to operate when the facility is closed.

However, reaching an agreement with R.G. Properties was not a simple task. The City had to be very innovative in the way the deal was structured given the constraints of the Municipal Act at the time.

> "It was a nightmare. I mean that's the only word I can use. I mean, it was a Municipal Act that was written in the days where public-private partnerships were not considered even in the realm of possibilities. A deal had to be structured in a very innovative way because of the Charter" (KCC, 2005).

While an extensive discussion of the business terms and legal constraints of the deal are not within the scope of this practicum, it is important to discuss the issues that made this deal unique. The R.G. arena project was one of the first major public-private partnerships in British Columbia, and many of the changes to the Municipal Act (now called the Local Government Act) were a direct result of this public-private partnership.

Concept Drawing of the Arena



Source: www.architectural-library.com

4.4 The Handcuffs and the Deal

The public-private partnership between the City of Kelowna and R.G. Properties was an innovative one. At the time of the agreement, there were a number of restrictions in the Municipal Act of British Columbia that prevented or

constrained the formation of P3 agreements. The legal 'handcuffs' as Parks Staff referred to them. Parks Staff stated that provincial law at the time was very restrictive and the structure of the deal reflected this. The Municipal Act did not allow the City to borrow or allow them to guarantee the loans of another party. The Act also denied the City the ability to enter into a binding agreement without a referendum if financial obligations stretched beyond five years. For political reasons, officials in Kelowna did not want to hold another referendum.

Furthermore, legislative provisions prohibited local government to provide assistance to a business or to incur any liabilities. Both these issues proved to be major hurdles because they form a key component in the final agreement. These restrictions severely hindered the initial success of the project in Kelowna. With much legal aid[19], the City worked around the 'handcuffs'.

Although the agreement with R.G. Properties is expected to be 30 years, it is structured as a five-year deal as a result of the Municipal Act. The city is not legally obligated beyond the five years. However, the partnership is structured so that the City will renew the same deal with R.G. after each five-year period until the thirtieth year. If Kelowna chose not to renew, then the City is obligated to buy the facility out: "We've no intention of doing that. We don't desire to do that. But it was a mechanism we had to put in place to make it into a five-year deal and beyond" (PS).

Since the City could not borrow or guarantee the loans of another party, other mechanisms had to be put in place to make the deal a success. R.G. knew

[19] The City of Kelowna spent nearly $250,000 in legal fees alone to deal with different legal opinions on how they could structure the deal to work and still be within the Municipal Act.

there would be risks and high start-up costs, and needed a way for the City to provide financial assistance. In resolution, the City injected $6 million from its coffers[20] into R.G. Properties as a capital investment. However, R.G. realized this money would be taxable income. Therefore, the investment by the City would not be $6 million, but perhaps four or five million. The City was not interested in providing a larger investment.

An innovative solution soon arose. R.G. proposed that the City buy shares in their company because a share purchase is non-taxable income to a corporation. In essence, the City was buying an asset to construct an asset. A city buying shares in a private corporation was rare, and at the time, there was little precedence for it. With some restrictions and permission from the Province of British Columbia, Kelowna proceeded. The City was not only deeply engrossed in municipal law, but now found itself deeply engaged in corporate law because they were buying shares in a private company.

As a shareholder, the City needed to understand their rights: "We wanted those shares to do certain things" (PS). As an unanticipated benefit, the shares created another mechanism to reacquire the land and the building in year thirty. At the end of the thirty years, the land and arena will revert back to the City of Kelowna for a dollar. The City views this as a return on their investment for the $6 million injected into the project upfront. The benefit of the shares purchase was that it gave the City voting rights in the company. At year thirty, the company has to have a resolution to turn over the asset (the arena and

[20] The $6 million was taken from City reserves. Kelowna had experienced considerable growth and development in the 1990s and, as a result, had a number of significant surplus budgets.

accompanying land) to the city. If the company decides not to, a legal battle could ensue. However, the $6 million in shares acted as a mechanism to prevent this. The shares could be turned into voting shares at year thirty to give the City the voting strength it needed to pass a resolution to revert ownership back to the City of Kelowna.

The City also provided financing for the project by entering into a Community Use Agreement. The terms of the agreement require the City of Kelowna to make annual payments to R.G. Properties and receive "a total of 1,500 hours of community use per annum in the facility for an initial term of five years, with five options to renew for further five-year terms" (City of Kelowna). The annual payments, which are approximately $980,000 per year indexed to inflation, are structured with larger payments in the early five-year intervals, and smaller payments in the latter five-year intervals. This was a means for the city to inject money into the project every year— a very substantial amount of money. The operating side is handled, but the agreement is not structured as the city placing the money to cover debt; it is structured as the city purchasing a service, or ice time. This was the legal way to make the deal happen, addressing the 'legal handcuffs'. By purchasing ice time, it created a mechanism for the City to provide money to R.G. Properties on an annual basis. The City pays for the Community Use Agreement through annual payments from its taxpayers.

> "It's the most expensive ice in the world, its over $700 an hour, in other words you have to pay $700 an hour to rent an ice rink. We aren't really renting an ice rink. It's really a mechanism to provide capital financing for the building. And it's about equal to the cost of capital financing. So it worked out well" (PS).

These restrictions led to a number of amendments to the Local Government Act pertaining to public-private partnerships, and have made it easier for communities to enter into P3 agreements. In addition to legislative changes, the B.C. Liberal government introduced 'Partnerships BC' in May of 2002. The goal of the organization is to bring together ministries, agencies and the private sector to promote and develop capital projects through public-private partnerships. 'Partnerships BC' also acts in an advisory role providing planning services to public sector agencies seeking to build major public infrastructure. British Columbia is the leader in public-private partnership projects and is "the only province with a dedicated body (Partnerships BC) to manage the P3 process for capital projects" (Young, 2005). Because of provincial government support, local communities in B.C. continue to pursue public-private partnerships.

4.5 Conclusion

The public-private partnership in Kelowna was unique. During a time when public-private partnerships were new and there was little supportive legislation, officials in Kelowna worked to bring their idea to fruition. Although these types of partnerships have increased in popularity, they continue to be debated.

Despite partnership issues, the decision-making process for all the proposals was inadequate. Inherent for the success of any partnership is the clear delineation of goals and objectives, which will outline the commitment by government. This will also help to identify the appropriate roles and responsibilities of all parties. Greater participatory opportunities are advocated in

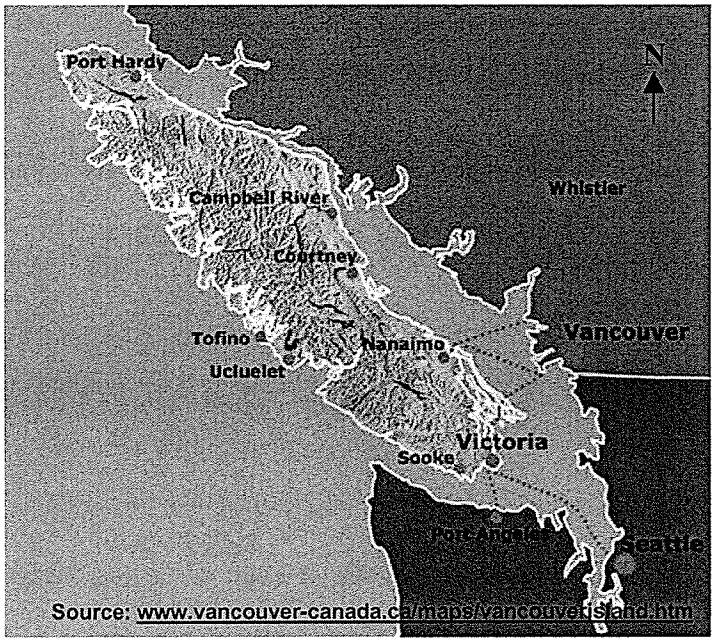
the decision-making process. Public input and support is vital to a sound process. Secrecy and mistrust adds a layer of uncertainty to the process, which hinders the success of the partnership. The decision-making process however, improved for each subsequent proposal.

Victoria's Save On Foods Memorial Centre was built during a time when public-private partnerships were no longer new in British Columbia. Because of this, Victoria did not experience the same struggles as their Kelowna counterpart. However, there were many similarities (and differences) between the two facilities. The next chapter focuses on the second case study— Victoria's Save On Foods Memorial Centre.

5.0 Chapter Five: Case Study- Save-On Foods Memorial Centre, Victoria B.C.

5.1 Introduction

Victoria is located on the southern tip of Vancouver Island along the south coast of British Columbia. The city is the capital of the province, and with a regional population of about 330,000, Victoria is the largest urban area on the Island. The region experienced considerable population growth during the 1980s and 90s. In recent years, this growth has slowed considerably. With its English charm, spectacular landscape, and strong arts and cultural scene[21], Victoria has long been a popular tourist destination.



Like Kelowna, Victoria's downtown has undergone considerable change. In contrast to its Okanagan counterpart, Victoria has not seen a significant influx of new community facilities to its core. Many of Victoria's major facilities including the central public library, museums, and performing arts venues have not been replaced, but rather, have undergone minor renovations. For a long time, this was also the fate of the City's Memorial Arena[22]. Until the construction of the new Save-On-Foods Memorial Centre, the City continued to restore and

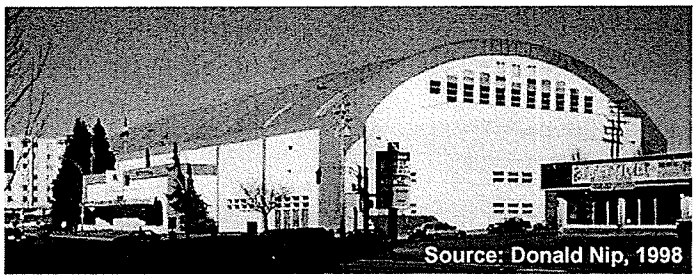
[21] Victoria was named one of the Cultural Capitals of Canada for 2005
[22] Ironically the same name as the old arena in Kelowna, as mentioned before

refurbish its aging Memorial Arena. The facility became out-dated and major shows and events soon bypassed Victoria for other cities with superior venues. The City's Western Hockey League (WHL) team, the Victoria Cougars moved to Prince George (a city in Northern B.C.) in 1994 because the Memorial Arena was no longer an adequate facility. The Cougars were promised a home in a new multiplex facility in Prince George.

After years of troubles and failures, Victoria's new Save-On Foods Memorial Centre now graces the City's landscape. Like Kelowna, the new arena is expected to spark growth and development in the north-end of the downtown core. Also similar to Kelowna is the long journey the City had to endure to realize the facility.

5.2 A Decade of Troubles

The Memorial Arena in Victoria opened its doors in 1948 at a cost of just under one million dollars. The arena was built as a memorial to the men and women who gave their lives in the Second World War. The facility served its purpose by hosting numerous events in subsequent years. In time, the Memorial Arena began to show its age. In 1989, Victoria voters were asked in a referendum to borrow a sizeable $55 million to replace the Memorial Arena, build a new police station, renovate city hall and improve residential streets and storm drains. Voters said no. The referendum


Source: Donald Nip, 1998

was a blunder in itself. Citizens were not given a chance to vote for each item separately, but rather, voters were given an all-or-nothing package. "Had they voted for a new arena [separately], they could have banked on the federal and provincial governments picking up more than half the cost, with the 1994 Commonwealth Games around the corner" (Castle, 1996, pg 1).

In 1992, under the guidance of a new mayor, voters were given another opportunity. This time, the referendum gave residents a chance to choose. The four choices again included a new police station, renovations to city hall, upgrades to the Dallas Road shoreline, and a new arena. However, voters rejected the arena proposal, and opted for a new police station and upgrades to Dallas Road. A lack of information and political support, as well as concerns over the substantial financial commitment were key reasons in keeping voters from choosing the arena option. When the Commonwealth Games came in 1994, neighbouring municipalities benefited with a host of new facilities including a world-class swimming facility, a velodrome and a luxurious lawn bowling center. The City of Victoria received no new facilities.

Shortly after the Games, Victoria elected a new mayor. One of the key issues the mayor campaigned on was the replacement of the aging Memorial Arena. Early in his term, the mayor sent letters to all City Councils in neighbouring municipalities. His intent was to seek financial assistance from his counterparts since the new facility would serve the region's 330,000 inhabitants, not just the 70,000 Victorians. However, in a region where parochialism tends to rule, the result was predictable. No one replied to the mayor's letter. Unlike

Calgary, Alberta or Winnipeg, Manitoba where the city is largely unified and controls services and duties over the entire region, Greater Victoria is comprised of a multitude of towns and municipalities. Each of these municipalities has their own mayor and council, and works to service the residents within its own boundaries. Because of this segregation, the City of Victoria has no power or jurisdiction over its neighbours. The Capital Regional District (CRD) is the government body that oversees issues in the entire region. The CRD acts as a 'layer' of local governance above the municipalities where representatives from each jurisdiction come together to make decisions for the entire region. Planning and development issues are often under severe scrutiny and debate given the number of 'bodies' that are in the region.

While the nil response rate was disappointing, it did not halt the process. Given the lack of financial support from the public sector, Victoria officials alternatively sought to obtain private sector support. In April of 1995, the City of Victoria issued a request for Expressions of Interest from private companies to replace the Memorial Arena. The interest level was remarkable. The City received sixteen proposals. Council was so astonished by the revelation that they took nearly 12 months to decide on a plan of action. By then, only four of the sixteen developers were still interested. The twelve others withdrew their proposals because the City took too long to act. Council's lack of planning and preparation had cost them dearly.

The City proceeded to select from the remaining four bids. While the four proponents were eager to present their proposal to the public, Council insisted on

keeping the details a secret. This level of secrecy would hold true throughout the process and led to significant public criticism: "As I recall, after weeks of closed discussions, the public was growing adamantly impatient" (Planning Staff)[23]. Two months after the field dwindled down to four, the City authorized the four proponents to set up displays at City Hall. The public was finally given the opportunity to view the four proposals.

5.2.1 The 'Public' Proposals

On June 26, 1996, the four remaining proponents were given the opportunity to exhibit their proposals at Victoria's City Hall. The plans were on display for one week. This was a chance for the citizens of Victoria to view the proposals seeking to enter into a public-private partnership with the city. In addition to panels filled with drawings and information, the public was invited to vote for the proposal they preferred.

Of the four consortiums seeking to build a new arena, two were locally based. The Showplex Group, spearheaded by three local businessmen, was one of the two. A number of prominent local business people supported this group including then-National Hockey League (NHL) players Geoff and Russ Courtnall— who acted as consultants. The Showplex Group proposed a $22-million arena facility capable of holding 7,000 people for hockey games and up to 9,000 for concerts. The ability to roll back seating to increase floor space for large tradeshows would also be incorporated. The project would be built in two phases on the current arena site. The existing Memorial Arena would remain

[23] Who will be referred to as PP2.

intact while the new arena was built alongside. The demolition of the Memorial Arena would comprise Phase two. In its place would likely be an office complex and hotel.

The second local group was called the Waterfront Group. Spearheaded by Capital Iron[24] owner Ronald Greene and his business partners, their proposal was part of a grander scheme. The Waterfront Group's proposal was the only one with a vision to build on a site away from Memorial Arena land. The plan was to construct a $30-million multi-purpose facility facing the Upper Harbour in the north-end of the business and tourist corridor (see map on following page).

The new arena would seat about 9,000, rise seven stories in height, and resemble a smaller General Motors Place[25]. Located on a six-acre parcel behind the Capital Iron building, the site also includes an adjoining property. The site is adjacent to the north end of the downtown core and is in an area that has undergone considerable change. Although some stores and businesses have emerged in the area, it still remains largely industrial. As a business owner, downtown revitalization is important to people like Ronald Greene. By locating the new arena on waterfront land near the city center, the goal was to promote revitalization of the area, and extend the business and tourist corridor. The Waterfront Group argued that the new arena would act as a focal point in the area, and help bring development (and people) to the area. "A working marina will be built alongside the complex", said Mr. Ronald Greene, "to keep the harbour a working one. It may bring some industry back" (Fedoruk, 1999, pg.1).

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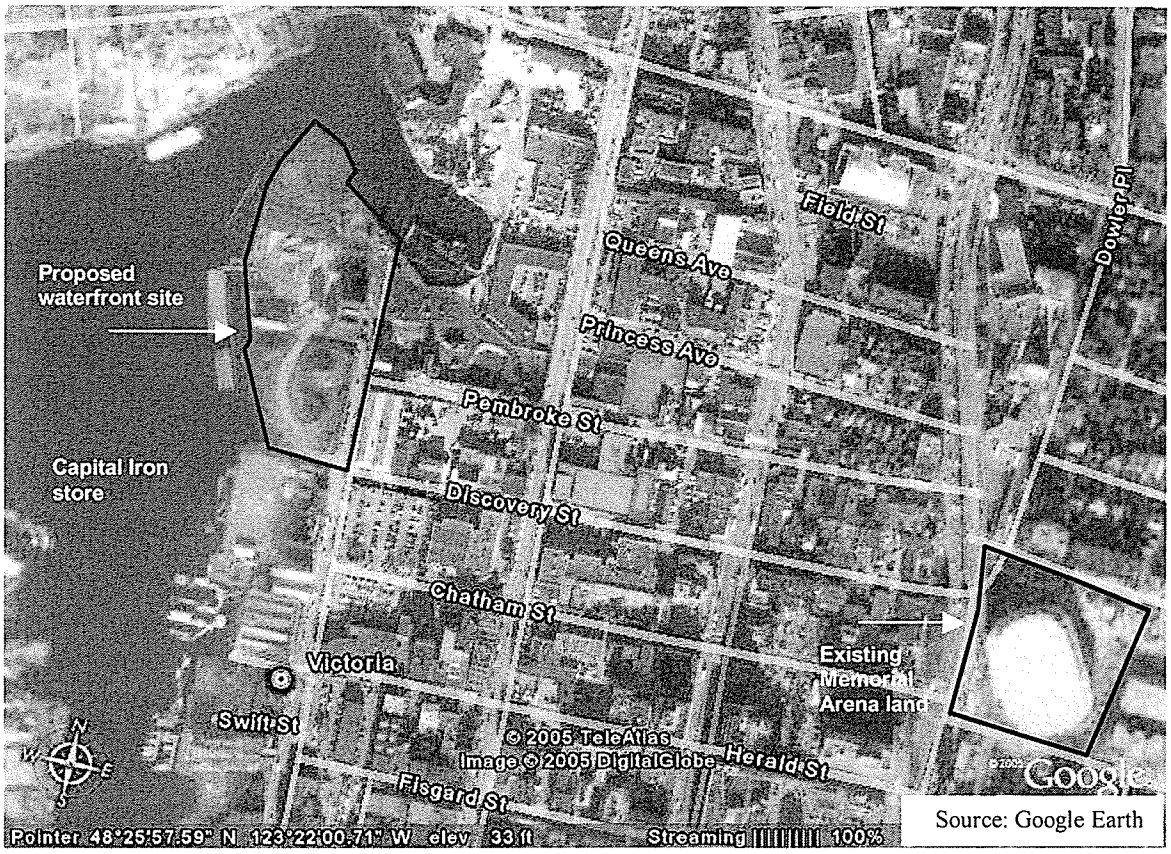
[24] a local houseware and hardware store
[25] a multiplex arena in Vancouver, BC



Source: Google Earth

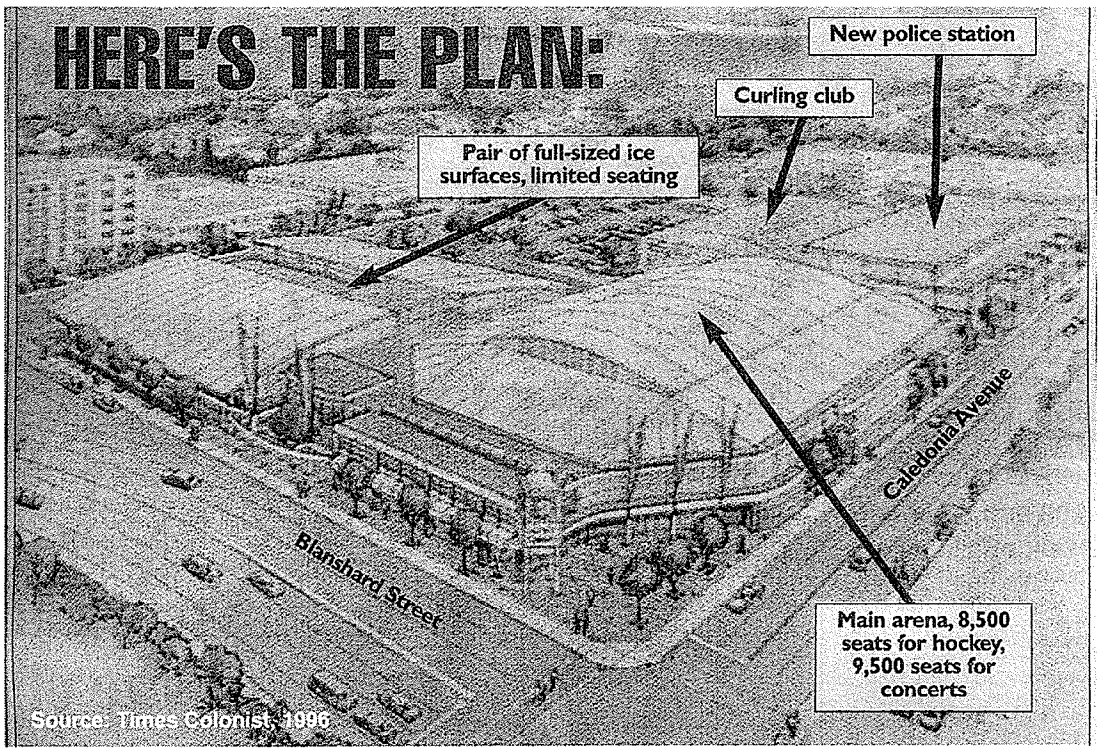
A wealthy Vancouver businessman led the third arena group with his company, Pilot Pacific Developments Inc. Their proposal was the most expensive and ambitious of the four. Plans called for the demolition of the Memorial Arena, and in its place, a $50-million three-rink facility. The main arena would seat about 8,500, while the two adjoining rinks would have limited seating and act as smaller community or practice facilities. The proposal works on the principle that all three sheets of ice would be in use at all times. Similar to the Showplex Group, the facility would also be built in phases. The auxiliary rinks would be built first alongside the Memorial Arena. Once completed and ready for

use, the Memorial Arena would be demolished and in its place would be the center-piece arena.

The fourth proposal was submitted by Vancouver-born developer, Graham Lee. His company, R.G. Properties, was the only one that did not involve the construction of a new arena. Instead, his proposal was to renovate the existing arena to meet seismic standards and upgrade its facilities. In stark contrast to Pilot Pacific's proposal, R.G. Properties' was far simpler and less expensive. However, the absence of a new facility to replace the aging Memorial Arena may have hurt R.G.'s chances.

5.2.2 Winners and Losers

One week after the proposals were on public display at City Hall, a winner was chosen. The ambitious plans of Pilot Pacific had won over city officials. In a unanimous vote, city council chose to enter negotiations with Jake Bergen to begin construction of a $50-million three-rink facility (see following page for a rendition of the plan). The complex would be privately funded, requiring no money upfront from the city. Pilot Pacific was looking for a 35-year lease on the land, after which the facility would revert to the city. The operation of the facility would be the responsibility of Pilot Pacific with some subsidy from the city. According to city officials, this subsidy would not exceed $450,000 per year— the annual cost of keeping the aging Memorial Arena in operation. After a 60-day period of negotiations to work out the partnership details, the City of Victoria signed a Memorandum of Understanding (MOU) with Pilot Pacific to build the arena and two auxiliary ice sheets.



While a new state-of-the-art arena appeared destined to grace the Victoria landscape, citizens questioned if the proposal was the best option. Back in December of 1994 (about one and half years *prior* to the signing of the MOU with Pilot Pacific), Victoria's City Council had been discussing the idea of enticing the private sector to help replace the Memorial Arena. This was after two failed referendums in 1989 and 1992. While the idea was appealing, it lacked substance. There was a real need to seek expertise on the matter and a requirement to obtain advice in preparing a proposal call. A public-private partnership of this magnitude was uncharted territory for the city.

However, one of the councillors at that time "convinced his colleagues that there was no sense in paying a consultant to prepare a proposal unless they

knew what might be financially appealing to the private sector" (Minvielle, 1996, pg.1). Instead of establishing the goals and objectives needed to replace the Memorial Arena, Council met with a number of local developers for a brainstorming session. Subsequently, one councillor alleged that some groups or individuals had an "inside track" on the arena replacement project, claiming that the process was closed and non-public. The City Manager at the time retaliated by denouncing the accusations and insisted the process was fair and the accusation of local favouritism was unfounded. There may or may not have been truth in the remarks, but one may still question a decision-making process where the public was visibly absent.

The City insisted they had engaged professional advice in the early stages of the process and was prepared for the work ahead. If this was the case, why did it take over a year to decide on a plan of action when the Expressions of Interest process generated 16 proposals? Not only were they ill-prepared; they also lacked insight. The four final proposals were not chosen amongst the original sixteen. They were the only ones that remained after the twelve others withdrew because the City took too long to act. An elected official[26] at the time stated they were, in fact, not prepared to handle the unexpectedly high number of initial proposals.

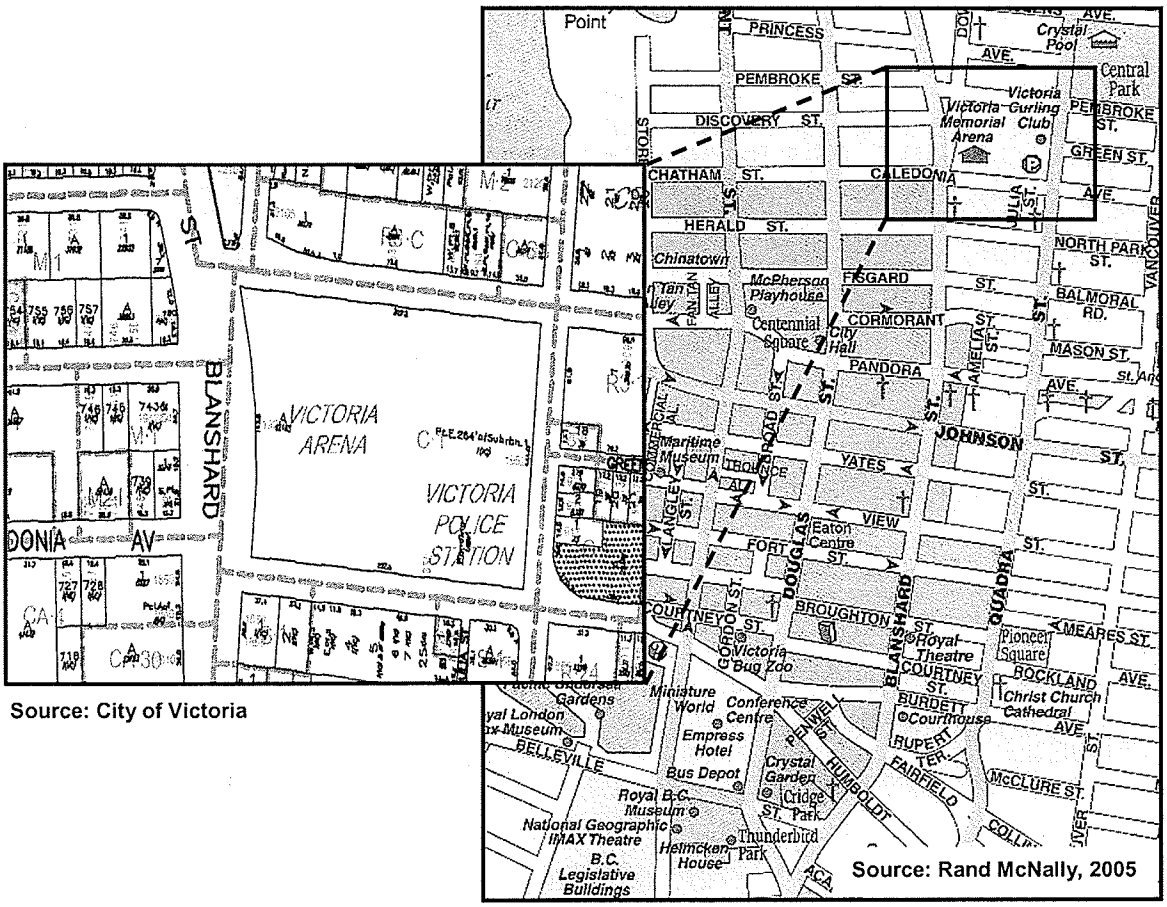
The issue regarding the planning process being closed and non-public may also warrant debate. While Pilot Pacific's ambitious plans generated much attention, it was the Waterfront Group's proposal that received the greatest

[26] Was an elected official during arena negotiations with VSEA at the time, and will be referred to as Elected Official (EO).

support from Victorians. During the display at city hall, the public was invited to select the proposal they most preferred. An overwhelming number (about 60%) chose the visionary plans of Ronald Greene and his Waterfront Group. The Pilot Pacific project came in a distant second. The mayor at the time stated, "it was the Waterfront Group proposal that seemed to draw the most public support on questionnaires distributed at City Hall" (Watts, 1996). But public opinion was not taken into consideration. Why did the City take the time to poll citizens when their choice was ignored? There was no public input or discussion on the arena decision process. The public display at City Hall appeared more as a show— not an opportunity for public participation. As mentioned by Arnstein (1969), this represents token efforts, which emphasizes a one-way flow of information from officials to citizens: "The level of communication fell apart" (PP2). Although city officials had good intentions, they failed to give the public a voice.

5.2.3 In And Out Of The Zone

The Pilot Pacific project was grand and ambitious. The three-rink design was clearly its strength and selling point. But with all these strengths considered, the public was most supportive of the Waterfront Group's plan. Its waterfront location was enticing, but citizens viewed the plan as an opportunity— an opportunity to revitalize a key area of Victoria's declining upper harbour. Councillors however, were less inspired and "apparently had reservations about the Waterfront Group's demand that it be given the right to purchase, rezone and commercially develop the Memorial Arena site" (Watts). These fears would appear to be unjust.



Source: City of Victoria

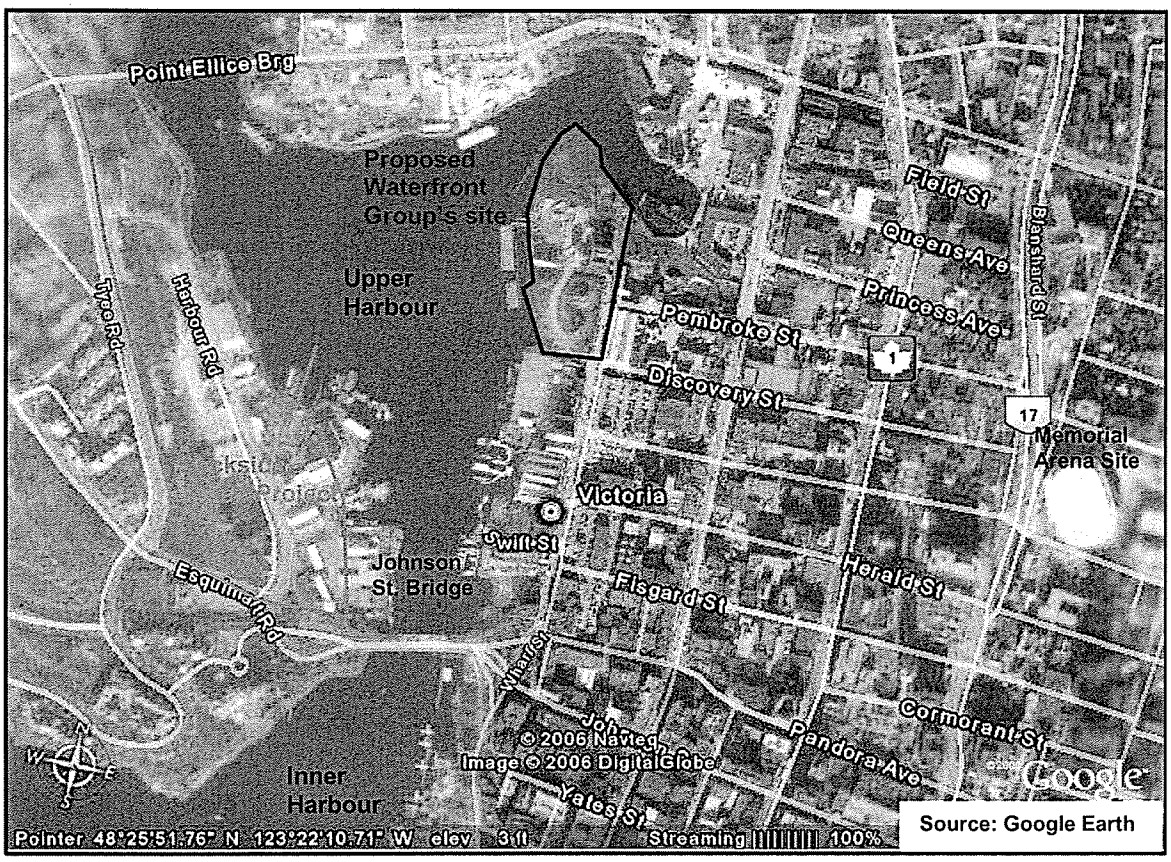
The rezoning and development permit process would help stem those fears. The arena land is zoned C-1 (Limited Commercial District). If Pilot Pacific wished to develop the property, the company would have to go through an application process, which would include a public hearing. Input from planners, citizens and council members during this process would also aid in limiting the type of development. However, the location of the property (as seen in the above map) would be ideal for a variety of comprehensive developments.

The arena land borders the northeastern reaches of Victoria's downtown area, as shown in the shaded area on the map. Given its unique location, most

types of development would fit the character of the neighbourhood. The property is adjacent to a number of light industrial / commercial enterprises ranging from automobile repair and installation to a provincial government office tower. Residential units also border the property, varying from single-family dwellings to a low-rise apartment tower. To the northeast of the site lies Central Park, which includes a baseball / soccer field and an indoor swimming pool. In fact, denying the development of this property could have been considered a loss for the City, as the potential for the site was endless.

At the time, the City of Victoria was looking to relocate its central library, which had long been too small to accommodate its high usage[27]. This could have been an opportunity to relocate the facility there. A new arts and entertainment theatre was also in high demand[28]. These types of facilities are important to the integrity of the core. As evident in Kelowna, these amenities have helped to attract people and businesses into the downtown.

[27] Victoria is currently (Fall 2007) still trying to find a location for a new library
[28] A new theatre complex was never built. Victoria's two major arts theatres were only renovated.



Development along Victoria's harbour has been a sensitive issue. City officials have always sought to promote creative ways to develop Victoria's valuable waterfront. However, the City may have lost its greatest opportunity when it rejected the Waterfront Group's proposal in 1996. The plan to construct a new arena along Victoria's Upper Harbour was never fully supported by Council. Yet, the public strongly embraced it.

Victoria's Upper Harbour has traditionally been industrial in nature. But over time, industry declined and much of the waterfront land became empty and underutilized. This remains the case today, although a number of new and exciting projects have begun to take shape over the landscape. This includes the

Dockside Green project[29], as seen in the aerial photo on the previous page. The plan is to create an environmentally sound, mixed-use community along Victoria's harbourfront. The city has embraced this development and anticipates it will bring a dynamic element to the core. The project, currently under construction, has already garnered numerous awards for environmental design and innovation.

The Waterfront Group's plan was prophetic. During a time when the central business district was struggling to compete with suburban retail centers, the plan was not merely to construct an arena. The goal was to bring excitement back into the core and to maximize the potential of Victoria's waterfront. Unlike the others, the Waterfront Group's proposal was about 'process' not 'product'. We recall Roberta Gratz's discussion where development should reinvigorate and *add* to the city's strengths, not *replace* them. While the centerpiece of the plan was the arena, it was the addition of other elements that made this plan plausible. The residential component, office space, as well as upgrades to local infrastructure including a harbour walkway would greatly increase the liveability and accessibility of the area.

Development in Victoria's Upper Harbour has been piecemeal, but there is tremendous potential for future development. The revitalization of the Upper Harbour would help create a dynamic, working harbour providing a mix of housing, recreation, and light industry. This would help to strengthen and enhance the area. The interconnection of uses within the harbour is imperative, given Victoria's unique setting.

[29] www.docksidegreen.ca

Many cities today are focusing their attention back on the downtown core. Even though the opportunity to construct a new arena along Victoria's waterfront is now history, it still warrants discussion. Knowledge gained through this discussion may help officials become aware of the possibilities within their own cities. It is hoped that the experiences in Victoria (and Kelowna) will assist other areas to realize their potential. It is essential for cities to realize their potential, to take chances, to seize opportunities, and to look at their strengths and add upon them. An arena is more than just a sheet of ice; it is a social microcosm for what is good about a city. It belongs in our cities, it belongs in our downtowns. As planners, we need to embrace the qualities of our cities and work to improve upon them. Therefore it is important for a city to constantly reinvent itself— to keep itself dynamic. It is this dynamism that keeps cities vibrant and energetic. It is this dynamism that keeps cities alive and well.

5.2.4 A Tangled Web We Weave

The selection of the proposal by Pilot Pacific Developments brought excitement to the city. Despite the missed opportunities and lack of public input, citizens were generally welcoming. The inadequacy of the Memorial Arena loomed high on locals' minds. Not only were major acts and concerts bypassing Victoria, the facility itself was old and lacking. After two failed referendums, a new arena was finally coming to fruition.

Sadly, the process was a considerable challenge. Several months after negotiations began between the City and Pilot Pacific, rumours surfaced in regards to a potential tenant for the new facility. Pilot Pacific had apparently been in discussions with David Pasant, an American millionaire that owned the San Francisco Spiders of the International Hockey League (IHL)[30]. Seven months after Pilot Pacific signed an MOU with the City of Victoria, David Pasant struck a deal with Jake Bergen to be 50-50 partners in the arena project. They would equally split arena ownership and costs. The deal would also include the relocation of David Pasant's IHL team to Victoria. Despite these positives, the move was thoroughly questioned by the public.



At the time of the deal, Mr. Pasant's team, the San Francisco Spiders, were in the midst of settling a bankruptcy. In fact, the team had not played that season (1996/97) and had only been in operation for a year (1995/96). In that first season, the organization reported a loss of $6 million. However, David Pasant assured the City of Victoria that he was committed to the partnership and was restructuring his finances so the company could move forward. The emergence of David Pasant also signified a change in the specifications of the arena. The new facility would now seat 10,000 spectators, rather than the 8,000, as originally planned. Additionally, the price tag increased by nearly $14 million to $63.5 million.

[30] The league ceased operations in 2001.

The deal also hinged on a special legislative amendment by the provincial government to allow the City to sign a 45-year lease with Pilot Pacific. The amendment would also allow a tax exemption for the building and the land. As in Kelowna, the Municipal Act restricted these plans. The amendments to the Act, as discussed before, have created a healthier environment for public-private partnerships in British Columbia.

On June 18, 1997, after ten months of negotiations, Victoria officially signed the partnership agreement. Concurrently, David Pasant introduced four members of his own team that would help bring the project to reality. The most significant member of the team was Harry Stokes, a high-profile consultant with experience in sports and entertainment. The role of Stokes would include being the key player in negotiations with banks and lenders to arrange financing for the $63.5 million facility. With a new negotiating team in place, a fresh company name was required. The new company would now be called Victoria Sports and Entertainment Associates (VSEA).

The company's first order of business was to have all of its financing in place, along with arrangements to finalize the move of the IHL franchise (the dormant Spiders team) to Victoria. August 29 was set as the deadline to have these matters in place. But that date came and went without action. In a closed-door meeting, city councillors agreed to extend the deadline to November 14, with demolition of the Memorial Arena moved from October 1 to January 1998. While Mr. Harry Stokes gave no firm answer about the missed deadline, he did

state that market research[31] conducted earlier in the summer suggested that the arena must expand in size to about 12,500 seats to meet expected demands. With this expansion, plans had to be re-drawn with a number of extra details and costs to be accounted for; and thus the reason for the delay. While the missed deadline presented concerns, the new specifications of the facility were even more alarming. Instead of a 10,000-seat facility (plus two satellite rinks) valued at $63.5 million, Victoria Sports and Entertainment Associates now proposed to construct a 12,500-seat arena (plus the two satellite rinks) for an incredible $85 million!

This new twist shocked local citizens. The public-private partnership became more 'private' and less 'public' as time passed. Then-Councillor Bob Friedland stated, "Everything that's happened since January 9 [1997], the change in the size of the building, the design changes, all of that has been done because that's what the developer needs, not because those are needs that we've identified" (Dutton, 1997, pg 1). Mr. Friedland was one of the few councillors that openly expressed his concern and dislike for the ambitious project. His concerns are justifiable though. While the market research showed there was strong support for a new arena in Victoria, estimates suggesting an average of 10,000 spectators per home [hockey] game appeared inflated. That estimate, as well as the new size of the main arena, appeared a challenge for this region. A 12,500-seat arena in a market less than 350,000 did not make sense. This was undoubtedly ambitious. General Motors Place, the home arena of the Vancouver

[31] A local market research company conducted the study. However, full results of the report were never released, only a synopsis. This tends to be the case with P3s, as full details are often not revealed.

Canucks of the National Hockey League (NHL), seats only 6,000 more in a market of over two million. However, the comparison between Victoria and Vancouver (the IHL and NHL) may not be warranted given the significant differences.

A more suitable comparison may be with Saskatoon, Saskatchewan. Their arena, Credit Union Place, was opened in 1988 and seats just over 11,000. However, their main tenant, the WHL Saskatoon Blades, only averages about 4,000 fans per home game[32]. The upper bowl of the facility is curtained off during hockey games to create a more intimate (and less empty) feeling. Saskatoon has a population of about 210,000[33]. An arena the size of Credit Union Place is likely out of place for a city of this size. It seemed even more puzzling that a 12,500-seat arena would be an ideal fit in Victoria.

Estimates suggesting that some 10,000 fans would attend each home game also appear over zealous. This estimate was further perplexing given the fact that the average home attendance for IHL teams (which David Pasant's Spiders were a part of during the 1995/96 season) was only about 7,000[34]. This number is further skewed since nearly all the cities in the IHL, ranging from Peoria and Winnipeg to Cleveland and Chicago, are significantly larger than Victoria. Over two-thirds of the teams are located in regions with a population of over one million— three times the size of Greater Victoria. Furthermore, only seven of the twenty-seven teams have ever had an average season attendance

[32] This average is from the years 1996 - 2005
[33] Saskatoon's population in 2001, according to Statistics Canada, was 208,390
[34] This average is from the years 1992 (when the league expanded to 12 teams) to 2001(when the league ceased operations)

of over 10,000 per game. How did Victoria Sports and Entertainment Associates expect to attract 10,000 fans in a market the size of Victoria? Perhaps this was why the full market study was never released by VSEA, but rather just a synopsis.

While fellow councillors denounced him, Councillor Friedland's concerns were reasonable. The expanded size of the facility was not to reflect city needs, but rather to cater to the needs of the developer. In order to prove to IHL officials that Victoria was a worthy candidate to join the league, VSEA needed to create a grand facility. The construction of this complex would help VSEA contend in a competitive marketplace against larger [IHL] cities like Detroit and Chicago. Without an impressive facility and a commitment from VSEA and the City of Victoria, the IHL would not come. The arena project would die.

Faced with the prospect of failure, the City was committed to endorse this extravagant multiplex: "The project was grand for sure and Council was not fully supportive, but also not ready to pass up on the opportunity. There were few options at that point" (Elected Official). "The change in project scope particularly surprised local citizens, who were seldom included in discussions" (PP2). The needs and interest of the public were compromised for the needs of the private sector. The mayor and Council were banking heavily on this project, and in some cases, staking their political reputation and future on it. Said the Mayor, "To even think about not continuing [this project] at this point would put my credibility at ground zero" (Rud, 1997, pg.2). Ultimately it was VSEA that was in control of the partnership, not the City.

While these concerns loomed over the project, the next deadline was approaching. But like the previous deadline, it came and went without any financial commitment from VSEA. The date was again extended to December. In response to the missed dates, Mr. Stokes stated that, "deadlines are basically targets" meaning that things are "on track" (Paterson, 1997, pg.1). In reality, this is true. But this did little to stem the fears and concerns of the public. The partnership was shrouded in secrecy.

By the December deadline, another extension was granted to VSEA. The new date was set for February 15, 1998. "But Council hedged its bets by agreeing the Feb. 15 date may be [further] extended if both parties agree" (Watts, 1997, pg.1). But the number of extensions was difficult to justify to the public. Arguably, the financial issues should have been dealt with long before. When David Pasant emerged on the scene, there should have been more effort put into ensuring the plan would work. That was not done. In an interview with the Elected Official (EO), it was noted that the project quickly spiralled out of control.

The process became more enigmatic and more secretive once VSEA was formed. All meetings between Council and VSEA were private. The public was not given the opportunity to learn of the details. When the project began, Councillors assured citizens they would listen to public concerns and issues. However, this gave way to other concerns. EO stated that from a political standpoint, Council could not afford to fail. Local officials became more concerned over their own standing and credibility than the project itself.

However, their credibility would not have been at stake if the public were better informed and involved in the process.

Subsequent deadlines came and went. By April of 1998, rumours emerged that the banks were willing to lend the money to finance the new facility. But this would only happen if the provincial government came up with a revenue guarantee. That is, "if the hockey games and other functions don't produce as much 'moolah' as expected, British Columbia taxpayers will have to fork out the difference" (Knox, 1998, pg.1). From the beginning, the emphasis on the arena deal was private money. The City of Victoria would provide a 45-year lease, forego property taxes, and buy community ice time in an arrangement that would translate into a $250,000 annual subsidy. VSEA was expected to build and operate the arena, and garner any profit and assume any loss. There would be no public exposure. Therefore, the news of a requirement for provincial involvement surprised local citizens.

By May, the company announced that two national banks would finance the new facility. Unfortunately, VSEA continued to keep details private. They would not confirm nor deny if the banks required the provincial government to back-up the developers, if the multiplex did not generate as much money as anticipated. VSEA would only state that the bank required some level of provincial involvement. VSEA chairman, David Pasant, did not confirm what provincial involvement actually meant, only emphasizing that it did not mean any direct contribution of provincial cash into the project. At the time, the provincial

government made it clear it had no intention of providing a revenue guarantee. However, VSEA declared the project was still on course and moving forward.

The project was a public-private partnership, yet few of its matters had been publicized. This secretive manner of conducting affairs tarnished VSEA's reputation. "The project is greatly misunderstood and issues around it are not clearly understood" (Wilson, 1998, pg. 1). "The answer's clear. Open the books", said consultant Bob Plecas, "Let everyone look at it and make an informed judgment" (Wilson and Lavoie, 1998, pg.1).

Public pressure forced David Pasant and VSEA to hold a public forum on December 10 (1998)— just days before their next deadline. The forum was to respond to outstanding questions. However, it did little to stem the unease and uncertainty that clouded the arena project. The meeting only confirmed public fears. VSEA admitted the banks were seeking a loan and operating-loss guarantee from the province as a condition of granting the $70-million construction loan. This was troubling news since provincial officials had repeatedly stated they would not inject any money into the project. Although VSEA gave assurances the project would proceed, citizens left the meeting with mixed emotions. Subsequently, the December 15 deadline was extended to February 25, 1999, then to March 12.

On March 12, VSEA presented City Council with a cheque for $200,000. The money was deemed an 'insurance' payment, but essentially, it was an extension request. If the arena project went ahead, the money would return to VSEA; if the project failed, the $200,000 headed directly to city coffers. Council

agreed to extend the deadline to May 31. "We would be fools not to give the extension", said the mayor at a news conference (Wilson, March 1999, pg.1). This was the seventh extension given to VSEA. This extension was essential, however. Without any financial guarantees from the province, both banks that had previously offered to finance the project had now withdrawn their support. VSEA had to work even harder at this point in time— they had much to prove.

Two days prior to the May 31 deadline, an unnamed lender emerged. A letter of commitment from a potential lender was submitted to Council. In private meetings, Council was told the name of the lender, but VSEA insisted the name be withheld from the public. VSEA revealed few details about the lender: "I found it odd", said the mayor, "they [the lender] have done projects around the world. They have been involved in Europe and Hong Kong and in B.C. I want examples. That's part of my request. I want to know more about them" (Wilson, May 1999, pg.1). However, VSEA would only state that the lender was an international investment group, and insisted it remain confidential. Council again voted to extend the deadline— this time to June 30. This would be the ninth deadline in a span of a year and a half. A growing number of councillors and business people were displeased with the move. "It's insane", said Councillor Jane Lunt, "We have no business approving something with so much information withheld" (Wilson, pg.2); "There is a lawyer in Vancouver who represents a company that is a conduit for the money", said Councillor Friedland, "and the company that is the conduit for the money is technically known as the lender, although it is a company that has no money of its own. The whole thing is

ridiculous" (Wilson, June 1999, pg.1). VSEA did not meet any of the conditions asked of them, nor did they attempt to publicly reveal the name of the lender. That information was needed for a local consultant to do its due diligence on the lender and source of money. That never happened.

The project had been shrouded in secrecy for over a year. It seemed incongruous that leaders and officials only came to that realization now. The public-private partnership offered little opportunity for public input. The only input expected from the public was in the form of financial contributions. "The financial issues were great, but the secrecy, mistrust, and lack of public participation in the process basically 'killed' the project" (PP2). Tragically, even Council was often misled and uninformed. Each deadline extension left added doubt in the minds of local citizens.

The day came and went. June 30, 1999 marked the end of the public-private partnership between VSEA and the City of Victoria. After nine missed deadlines over a span of nearly a year and a half, VSEA finally admitted it did not have the financing in place for the $85-million multiplex facility. The partnership and the dream were now dead. A group of local business people had asked the City to consider an independent feasibility study on the VSEA project over a year ago, but Council refused. "That was seen as a major oversight by Council" (EO, 2005). The public-private partnership was based on private intentions and little public involvement. Even city officials were often left in the dark. The failure of the partnership was inevitable.

5.3 A Fresh New Start

The collapse of the arena deal with Victoria Sports and Entertainment Associates left a scar on the City and its officials. Months after the demise of the project, municipal elections took place. With the deal still fresh in their minds, voters chose decisively. Three members of the previous council were defeated, while the mayor did not even seek re-election. Alan Lowe, the newly elected mayor, sought to make changes where his predecessor failed. While a lack of financing eventually killed the arena deal, "the previous council's lack of direction and control, and the lack of public information were cited as key problems" (Harnett, 2000, pg.2). Despite the city's desire to work on a new deal, Lowe knew they had to proceed with caution. He could not justify failure, again.

In December of 2000, Council selected an independent firm to assess the size and cost of an arena, in preparation for proposal submissions in the new year. The agency would conduct a market assessment and financial analysis of a multiplex. "The information would provide the City and public with a benchmark it can use to evaluate the value of what the private sector might offer" (Harnett, pg.1). During the undertaking of this assessment, the City of Victoria also requested the services of a Vancouver-based arena consultant. The company was hired to draft a Request for Qualifications (RFQ) document for the City to send out to the private sector. Unlike previously, where sixteen proposals were received, three or four would now be chosen through a consultative process and *then* be given the opportunity to submit their proposals. This prudent approach was absent in the previous planning process, where councillors let anyone

submit a proposal. Genuine proposals are expensive and time consuming. The private sector is often wary of being involved unless the project has goals and objectives clearly outlined. In all partnerships, Council should understand the issues and determine City needs and goals *before* approaching the private sector.

Mayor Alan Lowe knew that a clear vision was important, but he also knew the City had to work more diligently. With this in mind, a 'multipurpose blue ribbon panel' was formed to advise Council. A similar advisory panel was encouraged during the partnership with VSEA, but was rejected by various councillors. There had been criticism in the deal with VSEA that municipal bureaucrats had grown too close to the project. The formation of this new advisory panel would help in the decision-making process and provide extra reassurance. The panel was comprised of six local business and community leaders.

On April 12, 2001, nearly two years after the collapse of the deal with VSEA, the City received Expressions of Interest from four companies seeking to construct a multiplex facility in Victoria. "This time around", said Mayor Alan Lowe, "the City told potential developers exactly what it expected" (Harnett, April 2001, pg.2). All four of the companies had experience in project management, as well as varying degrees of experience in arena construction. However, only one of them, R.G. Properties Ltd, had actually designed, built and operated a multiplex facility. On the basis of qualifications, experience, financial capability, financial-risk allocation and project vision, "only R.G. Properties satisfactorily met

all the criteria," said Lowe (Harnett, May 2001, pg.1). The Expression of Interest process was meant to shortlist candidates for the proposal stage. However, because R.G. Properties was the only one to satisfy the criteria, the City eliminated the Request for Proposals stage and worked with the company immediately to secure a proposal.

The market assessment and financial analysis for the new multiplex facility was sent in a report to Council shortly after the Expression of Interest phase. The accounting firm recommended a multiplex about half the size and less than half the cost of the $85-million, 12,500-seat facility previously proposed by VSEA. Ironically, the report echoed what many critics had stated years ago when David Pasant proposed his ambitious project— it was too big, too expensive, and it would lose money. The report recommended an arena with about 8,500 seats at a cost of $20 to $30 million. With this information in hand, and a private developer ready to take on the task, the project appeared to be moving in the right direction.

With the experience of constructing Prospera Place in Kelowna, R.G. Properties could now focus their attention on a new (but similar) venture. The company proposed a multiplex facility in Victoria providing 7,000 seats for hockey and up to 9,500 for concerts. R.G. would finance the project and operate the facility on the current arena site. The complex would cost about $30 million. In the coming months, negotiations focused on the details of the project and partnership. By November of 2001, a formal agreement was made with R.G. Properties to build a city-owned, but privately operated, $30 million facility. The

deal would hinge on a referendum (in April of 2002), and the acquisition of a hockey team as the facility's main tenant. The referendum would be the third one, following those in 1989 and 1992, asking Victoria taxpayers to approve a tax increase to fund a multiplex sports facility. A property tax hike of between one and three percent was sought. It was agreed upon that the City would finance the new facility through the Municipal Finance Authority (MFA). This was the ideal situation since the City could borrow the funds at a lower rate than the private company. Under the deal, the City would be guaranteed 2,000 hours of facility use for community rentals and programming, and an additional 500 hours of meeting room space. An important clause in the deal stated that all cost overruns would be borne by R.G. Properties, not the City.

The company would also pay a $2 million advance for the right to operate the facility during the first 10-year term, and an annual payment of $200,000 (indexed to inflation) for the remaining 20 years: "The risk on the building side is huge and the risk on the operation side is huge, but we're sharing the risk and we're going to make this work," said R.G. President, Graham Lee (Harnett, Nov 23 2001, pg.2). Certainly the risk is significant, but all public-private partnerships of this scale are a challenge. The deal between R.G. Properties and the City of Victoria was structured soundly and prevented the likelihood of failure once the facility was built. The City was in a good position even if R.G. walked away from the partnership. The injection of $2 million in advance by R.G. for the first ten years of operation would leave the City financially stable to handle a worst-case scenario. The arena debt and operation would be manageable. Said then-

Councillor Rob Fleming, "The guarantees are enough that it should allow the arena to operate well" (Harnett, Nov 25 2001, pg.2).

The mayor wanted additional assurances though. The City had sought assistance from neighbouring municipalities to help fund this regional facility. Alan Lowe knew however, that contributions from its neighbours would be difficult. One can recall the response rate after a similar request was made by the former mayor. In a region comprised of over a dozen municipalities, again, few expressed interest. In fact, Colwood and Langford (two growing communities west of Victoria) proceeded with their own plans to construct a 'competing' arena. In the end, only four municipalities[35] made financial contributions to the arena project.

On April 20, 2002, almost three full years after the collapse of the deal with VSEA, Victorians headed to the polls again. This time, the results of the citywide referendum were different. Over 71% of Victoria residents[36] voted in favour of a new multipurpose facility. The positive vote marked a fresh new start for Victoria.

5.4 Success?

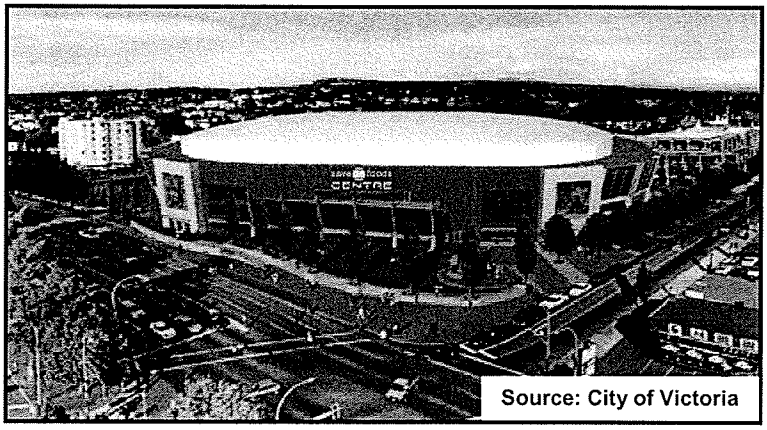
After years of failure and disapproval, Victoria residents were ready to embrace the latest arena venture. With failed referendums in the past, a resounding majority voted in favour of the partnership with R.G. Properties. Additionally, the vote confirmed the public's willingness to authorize the City of Victoria to borrow up to $30 million to pay for the design and construction of the

[35] these include the District of Saanich, the Municipality of Oak Bay, the Township of Esquimalt, and the Township of View Royal

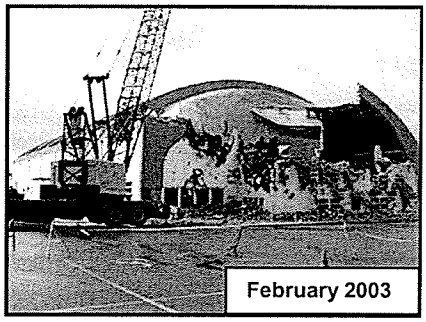
[36] A total of 13,823 voters took part in the referendum, which was about 28% of the electorate.

new facility. The borrowed money would equate to about $11 per household per year[37]. A few months after the referendum, Council unanimously passed a motion approving the Design - Build and Operating Agreements.

Under the partnership, a 7,000-seat (expandable to 9,500) multipurpose arena would be constructed at a cost of about $30 million. Under the 30-year agreement, R.G. Properties would design, build and operate the facility, and be responsible for any construction or operating cost overruns. R.G. Properties would pay the City $2 million up front for the right to operate the facility for the first 10 years. In years 11 through 30, R.G. Properties would make annual payments of $200,000. The City of Victoria would maintain ownership of the facility and be guaranteed 1,700 hours of ice time for community use, 300 hours for dry floor use, and 500 hours of meeting room space.


Source: City of Victoria

The deal was complete. Demolition of the old Memorial Arena began that October and finished several months later in March of 2003. Opening day for the new facility was set for August 28, 2004.


February 2003

[37] $11 based on a property value assessed at $188,000. Average property values are currently double this, and therefore the tax impact for property owners may be closer to $20 or $25 per year

During negotiations, Council had decided to drop the requirement to obtain a Western Hockey League team to be the main tenant of the facility. The acquisition of a hockey team to anchor the facility was proving difficult[38]. Council did not want this to impede on the progress of the partnership, and therefore, removed the condition. However, R.G. Properties did not relinquish the pursuit.

Months after the Memorial Arena was turned to rubble, R.G. Properties announced it had purchased the rights to the defunct Baton Rouge Kingfish of the ECHL[39]. The team would anchor the new arena in Victoria and become the first Canadian franchise in the all-American league. The team would be renamed the Victoria Salmon Kings, after a 'Name the Team' contest that received over 2,000 entries. Although the name was met with a mixed reception, the name of the new arena was even more controversial. In March of 2004, Save-On Foods (a large supermarket chain), paid R.G. Properties $1.25 million over ten years for the naming rights to the new facility. Originally the name was to be the Save-On Foods Centre, but war veterans were upset, and the name was altered to include the word, 'Memorial'.

Despite the controversy, the pieces of the puzzle were coming together. R.G. Properties proved to be a competent partner. However, a number of problems transpired. The final completion date for the new facility was pushed back several times. The real test came on March 26 (2005). Singer Rod Stewart was scheduled to perform at the new arena, even though the facility was not expected to be fully ready. In fact, city inspectors had examined the arena the

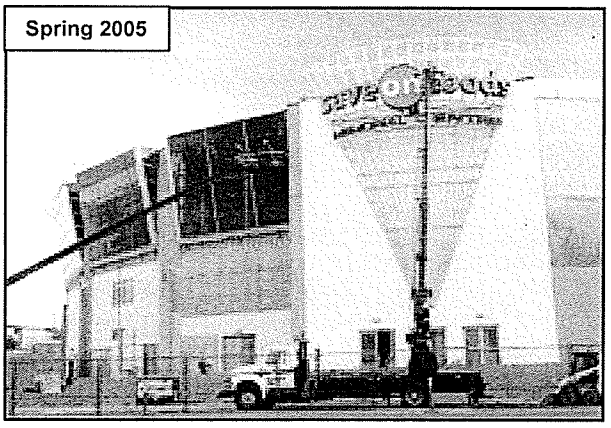
[38] Instead of a WHL team, officials were initially willing to settle for a local junior hockey team
[39] East Coast Hockey League

day before the concert and found a number of deficiencies. The necessary occupancy permit was secured only hours before the start of the show.

According to R.G. president Graham Lee, the construction delays were the result of several reasons. A construction boom in British Columbia, particularly on Vancouver Island, was creating a strain on the industry. "For instance", said Lee, "a shortage of skilled trades people had several projects in the city competing to pull from the shallow pool of workers. It has made it difficult for us" (Young, 2005, pg.1). Additionally, the project experienced cost overruns and many believed it was well over budget. Said Lee, "Costs for materials rose during the construction. That included a 30% hike in steel costs as well as drywall, steel studs and electrical supplies" (Young, 2005, pg.1). The construction costs had risen almost 40% since the original quote of costs.

The project cost overruns concerned many citizens. But the public need not worry. According to the terms of the public-private partnership, any cost overruns and delays in construction were the responsibility of the private partner. The City of Victoria and its citizens were not at risk, nor were they responsible for the project being over budget. It is believed the rise in construction costs and labour wages may have set the arena project over budget by millions of dollars. However, Graham Lee would not disclose a figure. A local sports analyst stated: "That would be a staggering loss for R.G., but an example of a public-private deal that has successfully protected the ratepayers" (Dheensaw, 2005, pg.A10).

The arena opened to a stellar performance by Rod Stewart. Since then, the facility has hosted numerous events ranging from music sensation, Cher to professional wrestling.



The facility has only been open for a short period of time, but its impact on local businesses has been felt. Hotels and restaurants in the region have noticed a considerable increase in their business since the facility opened. Over 40 major events[40] have been held in its first 20 months of existence. The facility has forever changed the landscape of the city.

5.5 Conclusion

The partnership between the City of Victoria and R.G. Properties can be deemed a positive venture, although lessons can be learned from the public participation process. The outcomes and lessons learned from both public-private partnerships will highlight the final chapter of this practicum. It is through this concluding chapter (Chapter 7.0) that lessons learned will translate into recommendations for a better public participatory process in public-private partnerships. The next chapter however, will focus on the results of the public participation survey.

[40] March 05 – December 06, not including any Salmon Kings games or community use events or meetings

6.0 Chapter Six: Public Participation Survey

The integration of public participation in the planning and decision-making process can often be a challenge. The process may be constrained by a hierarchial structure, with dominant players making the decisions. A legitmate process includes all stakeholders. At the heart of the planning and decision-making process are people— average citizens with valid opinions and real concerns. Public involvement in the public-private partnership process may be challenging given the contrasting ideologies of the public and private. Yet, this is only true from a fundamental level. Many of the challenges stem simply from apathy, ignorance, and a lack of commitment. It is unrealistic to expect planners and the planning profession to resolve these issues quickly. However, as planners, our appreciation and understanding of these issues have helped accelerate our commitment to providing a genuine public process.

6.1 Survey Background

In order to respond to some of the challenges, particularly as they pertain to the issues discussed in the case studies, this chapter will examine the survey results from a questionnaire (Appendix E) undertaken in the summer of 2007. The survey sought the opinion of municipal planners in regards to public participation in the decision-making process. An emphasis was placed on public involvement and participation in public-private partnerships. The survey consisted of seven in-depth, open-ended questions and was sent via email to a number of cities and municipalities in British Columbia. The survey was sent to 26 locations. In most cases, the survey was sent to multiple contacts within a

muncipality, thereby generating a greater number of potential respondents. Locations were chosen due to their current or past involvement with a public-private partnership. However, most were chosen to provide a better geographical representation.

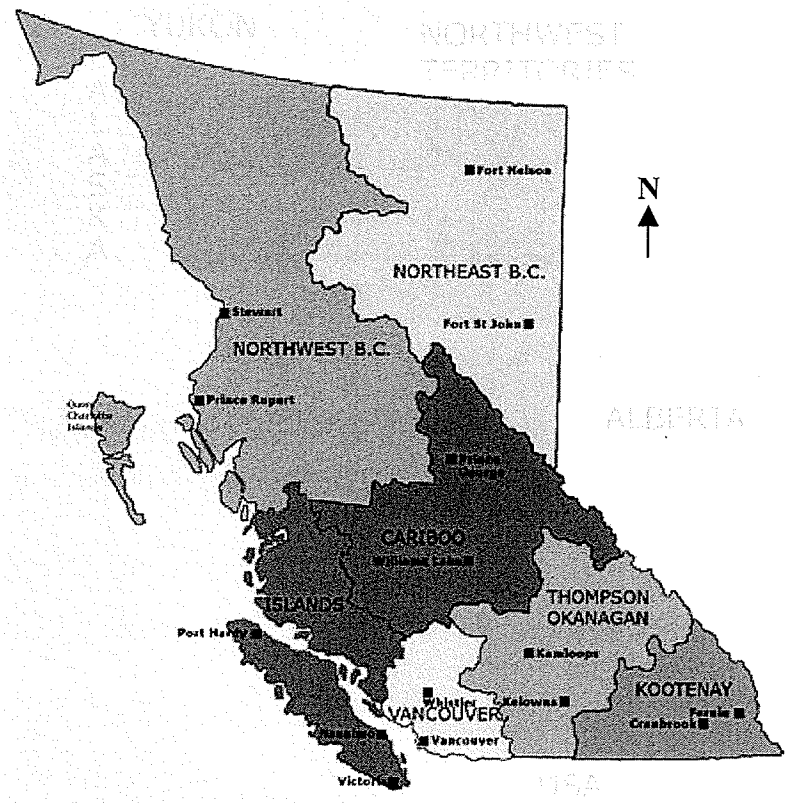
The survey was sent to 40 Planning Directors and Senior Planners. A total of 29 surveys were completed and returned via email, representing a 72.5% response rate. This is considered a high response rate. However, this rate may be skewed, since the survey was often forwarded from the original contacts (ie: Planning Directors) to a number of other senior planning staff. Although 40 surveys were sent out by the researcher, the resulting respondent group was significantly greater. Therefore, the response rate may, in fact, be much lower than the 72.5% stated. However, it still represents a sizeable response rate, given the limitations discussed in Chapter 1.4.

6.2 Who Responded?

The 29 respondents comprised a seasoned group of planners, all of which are currently in local government planning practice. The 'youngest' respondent has been involved in planning for 10 years, while the 'veteran' planner has over 30 years of planning experience. The average number of years of experience is 19.1. The respondents also represented varying degrees of public and private involvement. In one case, a respondent was employed for three years in public practice, three years in private practice, and an additional twelve years were dedicated to academia. Another respondent was a former municipal planner, who is now a private planning consultant. Eighteen of the respondents were

Directors or Managers (of Planning) and eleven were Planners or Senior Planners.

The survey garnered responses from a wide range of municipalities. The respondents came from places ranging from Vancouver Island to Northern B.C., and from the Lower Mainland (Greater Vancouver) to the Kootenay region. The cities / municipalities ranged in size (population) from about 15,000 to over 500,000. Nine out of twenty-nine (31%) of the respondents stated they had been involved in the planning process of a public-private partnership at some point in their career.



Source: www.relocation2bc.com/areas.htm

6.3 Survey Results and Analysis

Respondents were asked to comment on public participation in the decision-making process, with an emphasis on public-private partnerships. The questions in the survey allowed planners to respond openly and comprehensively. The responses were overwhelming. In most cases, respondents replied with very lucid and thorough answers. Their passion was clearly evident. The detailed opinions provided considerable enrichment to my research. This section will provide an analysis of the survey results. A full copy of the survey is attached as Appendix E.

1) How important do you feel public involvement and participation in the decision-making process is? Why?

All respondents stated that public involvement and participation was important in the decision-making process. Although most answers were similar, some respondents were particularly passionate.

- *"Very important because decisions are to be for the public good, and decision makers need to know what the public wants" (City Planner, 28 years of experience).*
- *"In theory, I believe public participation to be the foundation of planning / community development, and as such believe it to be very important. In practice, this belief is continually challenged by ignorance, arrogance, greed, fear, fatigue and apathy on the part of all parties" (Supervisor of Planning, 15 years).*
- *"Public involvement is important! Without it, the decision-making process becomes superficial. Community decisions need public input because real human qualities and values are at stake" (Senior Planner, 13 years).*
- *"It is important primarily to enable the public to feel like they tend to own the decisions and plans" (Director of Planning, 30+ years).*

- *"Public participation is critical, for at least two reasons: 1) as stakeholders in the public realm, the public has a material interest in how public land or public finances are allocated; and 2) from a pragmatic point of view, public acceptance of a P3 project is likely to be greater if there have been ample opportunities for real input into the process" (Manager, 18 years).*

- *"The benefit of public consultation is that it can help identify community priorities and issues that may not have been otherwise been identified and addressed" (Planner, 11 years).*

- *"Very important in order to maintain openness and transparency" (Director of Planning, 25 years).*

- *Public participation is very important. A platform for public input and involvement keeps the process open and honest. Often it is the same public individuals that participate however, and therefore, planners must be conscious that these same participants don't become the driving force behind the decision-making process" (Director of Development, 19 years).*

Planners alike agree in the importance of public input and involvement in the decision-making process. Most respondents believe that a successful participatory process lies in addressing the fundamental [human] issues—honesty, needs / wants, apathy, ignorance, et al.

2) Has your community been involved, or plans to be involved in a public-private partnership? If so, name the project(s). Was the public involved in the planning and decision-making process? If so, how?

Approximately one-fifth (6 of 29) of the respondents stated that their community was either currently or previously involved in a public-private partnership. Three other respondents denoted that they were involved in a P3 with a previous municipal employer. In general, respondents revealed that the P3 decision-making process lacked public input. Subsequently this led to failure,

distrust, misinformation and / or miscommunication. Comments from respondents paralleled the problems encountered in the case studies.

- *"Public involvement was evident, but certainly could have been considerably improved. The process was more reactive, and this certainly was a problem" (Director, 25 years of experience).*

- *"The public should have been involved early in the process— before the project was given initial approval to proceed. Their involvement at an early stage helps create a sound process, and helps alleviate problems later on" (Senior Planner, 20 years).*

- *"In our case, the Planning Department had minimal involvement. Council and the private partner handled most of the decision-making process. Public input could have been deemed nominal, given the lack of opportunities to participate" (Manager, 24 years).*

- *"It can be difficult to offer opportunities for public input, given the involvement of a private partner in the process. That was often the problem in our case. However, I believe planners and politicians can do much better to promote and encourage public participation, whether in a P3 or in a general basis. There just has to be the effort (and care) to do so" (Manager, 19 years).*

3) A document was published in 1999 by the provincial government called, "Public Private Partnership: A Guide for Local Government".
www.cserv.gov.bc.ca/lgd/policy_research/library/public_private_partnerships.pdf
Have you heard of this document, and/or had the opportunity to read through it? If so, do you feel the document adequately addresses public involvement and participation in the planning process for P3s?

Most respondents stated a general familiarity with the document, "Public Private Partnership: A Guide for Local Government". However, only a fraction of respondents (17% - 5 of 29) had read the document. Those that had read it believe that the document does very little to address public involvement and participation in the planning process for P3s. A step-by-step guide for public participation would not be expected of a provincial government document.

However, the document should remind local government to emphasize the need for public input in the process.

- *"The document does an acceptable job in covering the basic fundamentals of public-private partnerships. Little is discussed on public participation, but this may often be the case for a provincial document" (Community Planner, 17 years of experience).*

- *"Such documents are marketed to a specific audience (local government for the most part) and as such is not meant to be a step by step guide on how to run a public participation process, that is why local governments hire professional staff" (Supervisor, 15 years).*

- *"Although these documents may often be general in nature, there still needs to be adequate weight placed on the importance issues. I believe the issues and concerns regarding public input are important, and thus should have garnered more significance in the document" (Director of Planning, 22 years).*

4) Public-private partnerships represent an alliance between government and the private sector. How can the public be better integrated into the planning and decision-making process for P3s, given this unique partnership?

This question was the first to delve specifically into the issue of public participation in public-private partnerships. Although many of the respondents did not have considerable involvement in the planning process for a P3, all respondents provided valuable responses.

- *"I suspect that the complications of such structures will be hard for the public to grasp. Their [public] role should be to confirm whether generally such mechanisms [P3s] are ones they wish in their jurisdiction and then let specific applications be dealt with by Council" (Director, 30+ years of experience).*

- *"I do not think P3s are a unique partnership and as such need a better or different form of public participation. The planning fundamentals pertaining to public involvement apply across the board, regardless of the situation" (Supervisor, 15 years).*

- *"Public input must be garnered at the initial stages when the project is being planned. This helps to stem the fears, miscommunication and problems later" (Senior Planner, 16 years).*

- *"Like any other planning and decision-making process, planners and politicians must recognize public concerns, even before they are raised. The private partner must also recognize the importance of public input, if the project and the process is to be successful" (Manager, 26 years).*

- *"I think the public can be better involved in three ways: 1) the public should have the ability to advise government on what their priorities are; 2) the public must be given full disclosure on how a P3 deal compares with doing the same project as a 'straight-up' public project, BEFORE the decision is made to proceed; 3) the public should be consulted on the long-term effects of various P3 scenarios" (Manager, 18 years).*

- *"The public should be involved right from the beginning of a project at public open houses, etc. All decisions made regarding the P3 should be in open council meetings to ensure transparency" (Director of Planning, 25 years).*

- *"I believe the government part of the alliance has a built-in public element, in that governments are ultimately accountable to the public" (Planner, 11 years)*

- *"There must be better participatory platforms / programs for the public to become involved. Politicians and planners must be more proactive to encourage public input from all citizens, rather than the same 'usual suspects', which show up again and again" (Director, 27 years).*

The survey proved that many of the issues and problems seen in the case studies could have been avoided if the appropriate public participatory programs were in place. Comments prove that in both theory and practice, the inclusion of public participation is important.

5) Scholars and theorists have long advocated the importance of citizen empowerment and public participation. Arguably, (Planning) practice

has been slow to embrace these themes. Why may this be the case, and how can theory and practice be better integrated? And how do private entities and civic politicians (in a P3) help or hinder the planning process?

In the academic world, scholars and theorists like Amitai Etzioni and John Friedmann have long advocated the importance of citizen empowerment and public participation. Students have embraced these positive themes. Yet, the worlds of academia and practice can often represent two completely different realms. The integration of the two may not always be easy, as is evident by some of the survey respondents:

- *"In the trenches of local government planning, the reality of citizen involvement does not often reach the ideals of civil and democratic discussions touted in academia" (Manager, 18 years of experience).*

- *"Often there is a reluctance for open dialogue, as advocated by scholars, in practice. The addition of private entities and politics places a new dimension of concerns and issues as well" (Senior Planner, 12 years)*

- *"The public today are much more aware and capable of responding to local decisions. The challenge is for Council to stand firm on broad policies and principles, and not be playing to votes for the next election. Private entities need to catch up and speak when they see trends emerging that indicate negative public support" (Director, 30+ years, speaking on the hindrance of politics and private entities).*

- *"I believe that planning, more than most sectors, has embraced citizen empowerment and public participation— sometimes to the detriment of the community. I do not advocate that the public should be removed from the decision-making process, but I believe more effort needs to be made to define the public's role" (Planner, 11 years).*

- *"I think citizen empowerment and public participation waxes and wanes as a result of other forces, namely: ignorance, arrogance, greed, fear, fatigue, and apathy on the part of <u>all</u> parties" (Supervisor, 15 years).*

- *"The ideas and wisdom of theory is positive on paper, but in practice, it becomes more complicated. Unfortunately, stakeholders (government, citizens and developers) are seldom on the same page. For theory to be better ingrained into practice would require significant, proactive effort from all parties, particularly planners" (Senior Planner, 13 years).*

Some respondents mentioned that Planning practice has not been slow to embrace the importance of empowerment and participation. They argued that these themes are currently an integral and fundamental component of planning practice.

Conversely, one respondent questioned the need for this integration, and instead, posed the question, *"should planning theory and practice be integrated?"* In argument, the respondent defines a theory as a "belief that can guide behaviour", and states:

- *"Theory is a purist approach that can define the optimal and most honourable way to approach a situation. The practice of planning is ephemeral and mired in day-to-day realities, to attempt to 'better integrate' the two is a fool's errand" (Supervisor of Planning, 15 years of experience).*

This respondent's statement summarizes the ongoing struggle between theory and practice. The real world is mired in real issues and problems. While the integration of theory and practice will always be a challenge, planners will continue to appreciate the importance of both realms.

6) As an experienced planner, how do you feel the planner and the planning profession can better address public concerns and distrust in the decision-making process?

Similar responses were received for this question. Generally, respondents highlighted the value and significance of honesty, respect and better participatory programs.

- *"I believe that planners need to do more 'proactive' consultation, rather than 'reactive' consultation with the public. We need to tap into new ways of engaging people. Politicians need to be coached in the importance of this 'proactive' consultation" (Manager, 18 years of experience).*

- *"Planners must work more diligently to gain the trust of the public by presenting the facts and providing transparency in the process. It is important to avoid being perceived as being in an advocacy role for the developers" (Manager of Community Planning, 21 years).*

- *"There should be public input sessions, design charettes or other such events / mechanisms to solicit public opinions, comments and recommendations in the early stages of a proposed P3 project" (Senior Planner, 15 years).*

- *"The decision-making process can be complex. The public must be able to grasp and understand the issues through real facts and figures. Hidden agendas and secrecy is a recipe for failure. Planners must help make the process open, honest and transparent" (Director of Planning Services, 23 years).*

- *"By being consistent, thoughtful, answering questions openly and ensure that the facts are correct. It is important to not get too involved in the political process, but focus on planning issues (Director of Planning, 25 years).*

- *"The essential element is communication. Strong values of honesty and transparency [are] reinforced by [appropriate] behaviours" (Manager, 27 years).*

- *"I expect there are some things that can be done to address this problem, but I also believe a large part of the distrust is wilful ignorance. A few suggestions are: a) encourage citizens to participate in planning process; b) discourage vocal activists from usurping public participation for their own purposes; c) provide feedback about participation processes and how it is incorporated into decision making; d) don't involve the public if there is not intention to accommodate their concerns". (Planner, 11 years).*

- *"To be of value, a planner needs to understand the difference between theory and practice, have a love of learning and a steadfast moral compass, enjoy people and their eccentricities, and truly believe in the inherent value of community. Gaining and maintaining the trust and respect of participants is the only way a planner can truly address public concerns and distrust in the decision-making process. Being effective as a planner in any situation ultimately comes down to basic human decency, coupled with political and organizational 'street smarts' (Supervisor of Planning, 15 years).*

Respondents have generally indicated that in order to address public concerns and distrust in the decision-making process, there needs to be an exploration and understanding of the reasons and values behind the distrust. An appreciation of these issues (dishonesty, secrecy, public gain/loss, misguidance, politics, et al) will help alleviate the process. Additionally, concepts like 'social learning' and 'popular education' are at the heart of these comments. Respondents advocated for greater initiative and closer relationships with the public. These social or 'soft' issues, as discussed later, are inherently vital to a successful decision-making process.

7) Other comments or thoughts?

This question gave respondents the opportunity to add any additional comments or thoughts. Only half of the respondents chose to answer the question. However, most of the respondents presented heart-felt remarks. A sampling of the responses are below.

- *"Planning exercises go a long way in igniting and promoting participation. They can be simple open house sessions or more extensive focus group gatherings. In fact, this survey itself has helped*

me reflect upon the adequacies and inadequacies within our own community!" (Manager of Planning & Development, 20 years of experience).

- *"I often hear that the planner's role is to 'educate' the public. I find this language offensive because it assumes the public's opinions are mis-informed or plain wrong. I believe the planning profession and others need to recognize and accept that good planning decisions may conflict with the opinions and preferences of the public" (Planner, 11 years).*

- *"The decision-making process can be complex, and often planners may be in a (political) environment where their skills and experience have little effect on the process" (Senior Planner, 10 years).*

- *"The public benefit of any P3 project should be clearly outlined and examples of other similar projects illustrated in detail" (City Planner, 28 years).*

- *"Planners and the planning profession must work harder to 'teach' and 'listen' to the public. This learning process will help both parties, and create better relationships" (Senior Planner, 11 years).*

- *"Public participation is at the heart of the decision-making process. While I believe the public should not control the process (planners should still lead the way), citizens should be given more opportunities. These opportunities are only genuine if planners and politicians have a real interest in people and are willing to listen" (Senior Planner, 14 years).*

The survey results prove that public participation issues remain an important matter in planning practice. Planners have not forgotten the signficance of public involvement in the decision-making process. Participatory opportunities are often hindered by various factors including politicians, private interests, and apathy. However, respondents provided passionate accounts of past experiences and potential solutions. Although the respondents ranged from 10 to 30+ years of experience, survey analysis showed that the 'younger'

planners[41] tended to be more passionate about participatory issues than their 'older' counterparts[42]. The 'younger' planners responded with concerns about humans and human qualities (ie: relationships, teaching, listening, ignorance, fear, empowerment, et al). The 'older' planners discussed the matter on a more general basis, choosing to focus on policies, process, facts and figures, and being proactive. It would appear the 'younger' planners may have a greater appreciation (and recollection) of their time in academia. Thus, attributing to this distinction in their survey responses. Regardless, respondents confirmed the importance of the public participation process and chose to speak passionately about their experiences.

[41] Those planners under the average number of years of experience (19.1)
[42] There were 12 'young' respondents and 17 'veteran' respondents

7.0 Chapter Seven: Synthesis and Conclusion

This concluding chapter concentrates on a synthesis of the literature review, case studies and survey results. This allows for a fusion of ideas resulting in conclusions on public participation, particularly in public-private partnerships. The lessons learned have helped to instigate the formulation of recommendations. The chapter ends with a final summary and concluding thoughts that may suggest directions for further study.

7.1 Case Studies: Public Participation in Public-Private Partnerships

Local governments today are searching for new ways to manage infrastructure / service inadequacies. The options considered often require the involvement of the private sector in the form of public-private partnerships. Given the nature of these partnerships, public participation in the decision-making process may often be lacking The two case studies have provided examples to learn by. This section will provide an evaluation of the case studies and public-private partnerships.

7.1.1 P3: Prospera Place, Kelowna

The public-private partnership in Kelowna was unique. Prospera Place was envisioned and built during a time when public-private partnerships were new to local government. While it may be difficult to criticize given these circumstances, much can be learned by evaluating this partnership. One of the most essential aspects of ensuring the success of a public-private partnership is public input in the decision-making process. Citizens need to be involved early in

the process, even before the search for a [private] partner begins. The creation of clear goals and objectives are imperative. Local governments should clearly state their goals and objectives to set forth how competition, transparency and fairness will be achieved during the process.

Long before Prospera Place was envisioned, numerous private developers came forward with ambitious plans to construct a facility in Kelowna. We recall Mr. Gordon Oxley, who proposed to build a $28-million, 6,800-seat facility. Staff and Council decided to proceed with this project, despite the mediocre proposal. The project failed due to incompetence of all parties. Sadly, the public had minimal involvement in the decision-making process. Citizens were uninformed of all the issues regarding the Oxley proposal. In fact, even City staff and Council were often unaware of the problems surrounding the project. "Public input must be garnered at the initial stages when the project is being planned. This helps to stem fears, miscommunication and problems later" (Survey Respondent, Senior Planner). Another respondent (Director) stated the importance of enabling the public so "they feel like they tend to own the decisions and plans within a community". These statements are significant in the promotion and establishment of greater participatory programs in the process.

Subsequently, the proposal (by R.G. Properties) was a substantial improvement over its predecessor. Credit is warranted for all parties associated with finalizing the partnership, given the constraints of the Municipal Act. However, one party (the citizens of Kelowna) was noticeably absent. Public participation and involvement in the decision-making process for Prospera Place

was lacking. It is important to state however, that while citizen input is necessary, it should not *always* be the sole driving force behind planning and decision-making. This researcher believes most decisions, with public input, should be the responsibility and execution of professionals (ie: planners). This is echoed by a survey respondent, who felt it was inappropriate to subjugate the role of professional planners to that of "hand maidens". The respondent believed that planners should lead the participatory process, and not simply hand over *all* aspects of planning and decision-making to the general public. "To do so makes me question why any planner makes the conscious effort to pursue and continue life long rigorous study in this field" (Survey Respondent, Supervisor of Planning). This respondent *does* believe in public input, and in fact ardently advocates for its delivery. However, the advocacy for a strong role for planners and the planning profession remains a passionate theme for this respondent.

Although the respondent encourages a strong role for planners, public involvement remains a significant component of the process. Again, this becomes the responsibility of the planner, whose role is to endorse greater participatory programs. "Citizen empowerment and public participation is an integral / fundamental component [of the process], without it you do not have planning" (Survey Respondent, Supervisor of Planning). The level of participation that corresponds to the respondent's plea, according to Arnstein's (1969) Ladder of Citizen Participation[43], is *Partnership*. At this 'rung', citizens are given the opportunity to share roles and responsibilities in decision-making, and thereby, the planning process becomes more legitimate. The authoritative

[43] as discussed in Chapter 2.5

powers still make the final decisions, but they are influenced and held accountable by local citizens. Token participatory programs and events, like those illustrated in the case studies, are not welcome at this level.

7.1.1.1 Kelowna: Partnering Together In The Decision-Making Process

The decision-making process in Kelowna was often very reactive. The Municipal Act at the time created significant barriers to the success of the public-private partnership. Yet, this hindrance should have yielded greater 'outside' input and support. The establishment of a project team responsible for the partnership from its initial planning stage to its completion is essential. The team would also be concerned with monitoring the private partner's performance. The project team should consist of government staff with direct interest in the project. "It is also important to have someone as part of the team who has a thorough understanding (technical or otherwise) of the service to be delivered" (Industry Canada, 2001, pg.35). The P3 guide by Industry Canada also notes that it is beneficial for local governments to engage the expertise of those outside the government realm to help lead the process. This ensures there are members on the team that have "an arm's length relationship to the government with no bias" (pg.35). This 'outside' expertise is imperative because they (consultants, architects, engineers, planners, public citizens) often bring skills not found within the government domain. These 'experts' can also help bring credibility to the government's commitment in pursuing public-private partnerships.

In Kelowna, a Project Negotiating Team / committee was formed to review proposals and advise Council. This Committee was chaired by a councillor and

included various other City staff. This councillor was also chair of the Multi-Purpose Facility Committee[44]. As a pro-growth individual with a private business close to the city centre, it could be argued that this individual would not have been the ideal person to lead the team on this matter. There may have been some bias to pursue this type of partnership given the individual's stance.

Additionally, a member of Council should not have led the project team. Government staff with 'outside' expertise should have played a more prominent role in the process. The most significant drawback was the choice to keep the doors closed throughout much of the planning process. This is unfortunate, as success stems from involvement by all parties— public and private. Public input at an early stage is important, even during the envisioning of project goals and objectives. Botes and van Rensburg (2000) indicate that it is important to "promote co-decision-making in defining needs, goal-setting, and formulating policies and plans in the implantation of these decisions" (pg.53). This represents one of the twelve 'commandments' that Botes and van Rensburg identify as critical to greater participatory development. More on Botes and van Rensburg's 'commandments' will be provided later

Survey respondents strongly advocated for transparency and openness in the decision-making process. Public participation in the process is "very important in order to maintain openness and transparency" (Survey Respondent, Director of Planning). Yet, citizens in Kelowna were given little opportunity to inform or advise staff and Council. There was no public advisory committee created to provide recommendations and promote dialogue. We recall Paulo

[44] This committee was originally formed to promote and pursue an arena project in Kelowna

Freire's 'conscientization', which argues that the success of popular education[45] relies on dialogue. Individual consciousness helps end the 'culture of silence', and means breaking through prevailing mythologies to reach new levels of awareness. The process of conscientization involves identifying contradictions in experience through dialogue and becoming part of the process of change.

Practicing planners also advocate dialogue, as evident by the survey respondents: "To keep the process open and honest, there must be a constant dialogue and discussion between all parties" (Survey Respondent, Manager). "Communication! All parties must come together to discuss the issues open and outright" (Survey Respondent, Manager). "There must be a channel of communication, where all parties can work, learn, teach, and feed off each other" (Survey Respondent, Senior Planner).

7.1.2 P3: Save-On Foods Memorial Centre, Victoria

The public-private partnership in Victoria also encountered great challenges. In 1995, the City asked for Expressions of Interest from private firms and subsequently received 16 proposals. Council was shocked by the results, and were ill-prepared for the result. Before carefully identifying the City's needs and objectives, Council proceeded. A reasonable decision-making process is important. One recalls Friedmann's seven stages in the typical decision model as a means of identifying optimal courses of action. Their procedural model based on rationality. The seven identifiable stages are:

[45] a teaching and learning process where communities acquire a minimum level of economic, social and political consciousness

1) Formulation of goals and objectives
2) Identification and design of major alternatives for reaching the goals identified
3) Prediction of major sets of consequences
4) Evaluation of consequences in relation to desired objectives
5) Decision based on information gathered in the preceding steps
6) Implementation of decision through appropriate institutions
7) Feedback of program results and their assessment in light of the new decision situation (Friedmann, 1987, pg.78).

These basic steps form the foundation of a standard decision model. Unfortunately, many of these fundamental steps were not applied. The process lacked the necessary professional advice and proper project planning.

Additionally, the shrouded secrecy over the proposals led to considerable unrest amongst local citizens. The undermining of public interest and the public's opinions greatly marred the process. This was particularly the case when the project was taken over by David Pasant. He renamed Pilot Pacific to the Victoria Sports and Entertainment Associates, and maintained control of negotiations. VSEA led the project planning process, while the City appeared to play a supporting role. The project would clearly cater to the needs of VSEA, not the needs of the City. While Council should be criticized for allowing VSEA to miss numerous deadlines and commitments, their most significant mistake was to keep project proceedings a secret. This lack of communication and hierarchal control remains a concern for many scholars and theorists.

Amitai Etzioni (1967) reminds us that societal guidance is not about "downward flows of directives, guidelines and communications", but also includes "upward flows of directives, guidelines and communications, as well as 'horizontal' flows" (pg.200). Therefore, control in conjunction with consensus

makes for societal guidance. Where authentic consent has not been formed to endorse a project, distrust and resentment are manifest. John McKnight (1995) contends that citizenry requires structures and systems that serve and support, not ones that control.

A plausible process serves to promote and encourage public participation. Yet, the process in Victoria never accomplished either. "Public acceptance of a P3 project is likely to be greater if there have been ample opportunities for real input into the process" (Survey Respondent, Planning Manager). "Mistrust and misinformation can be avoided if citizens are given genuine participatory opportunities to deal with their fears, concerns, issues. Greater effort must be made to encourage this involvement" (Survey Respondent, Senior Planner). The ambitious, initial project never materialized. A lack of information, and insufficient public input and support marred the process.

Another public-private partnership in a local municipality in B.C. drew similar parallels. A P3 proposal to redevelop Maple Ridge's downtown core became extremely secretive and lacked public support. The City had failed to obtain public approval to borrow money for the financial commitment necessary. In this matter, a public referendum is required by provincial law— it was not conducted. Additionally, Council did not maintain openness and transparency in the decision-making process. In fact, the process was contested by a local citizen, who took the municipality to court. "We were involved in building a new civic centre with a private partner. Our process was contested by a member of the public, so it was flawed" (Survey Respondent, Director of Planning). In the

end, the City had to make millions of dollars in payouts to the private contractor so it could exit from its contractual arrangements. Examples of public-private partnerships like this, have proven the importance of public participation and involvement in the decision-making process.

The acknowledgment of public concern is vital. The failure of the VSEA project in Victoria led to changes. While city officials may have made mistakes, the lessons learned presented an opportunity to start fresh. Ironically, as in Kelowna, R.G. Properties benefited from these past failures. In fact, these disappointments greatly shaped the subsequent project planning and decision-making processes. The previous Council's lack of direction and commitment were key concerns. The newly elected mayor vowed to change this. The new mayor promptly requested the services of an independent firm to assess the size and costs of an appropriate arena for the city. This was in preparation for future proposal submissions. (Members of the previous Council balked at the idea).

The new Council also requested the services of a consultant that would draft the Request for Qualifications document. The new mayor knew that project goals and objectives were important, as well as a clear project vision. But he also knew that city officials needed to work more diligently. With this in mind, the Mayor's Blue Ribbon Panel was created. The advisory panel was formed "to provide sound advice as a means of facilitating a fair and equitable decision-making process that protects the interests of the local taxpayer" (City of Victoria website). The panel comprised local business and community leaders that were selected on the basis of their expertise and professional experience. There were

no city officials or staff on the panel. The City should be applauded for their efforts to keep the process open and honest.

The composition of the advisory panel however, could be challenged. The members of the Mayor's Blue Ribbon Panel comprised citizens that were either wealthy or had attained a significant level of standing or recognition in the community. Arguably, the panel should have also included members of the general public, who wished to participate. According to Arnstein's Ladder of Citizen Participation (1969), the astute selection of 'worthy' citizens on panels and committees is an example of the *Placation* rung. At this level, citizens have a greater opportunity to influence the decision-making process. However, tokenism is still apparent. Officials and the elite still hold the power and "right to judge the legitimacy and feasibility of the (citizen's) advice" (pg.220). Therefore, the decision-making process may still lack legitimacy.

Botes and van Rensburg (2000) agree with Arnstein. They state that often it is the most visible, wealthy and educated citizens that are given the opportunity to participate. Botes and van Rensburg call this 'selective participation'. They argue that it is a very selective process, whereby the chosen members often think and act alike: "This selective identification usually happens when development workers ask the 'best known' members of the community to serve on a committee" (pg.46).

The most significant assets of the partnership between the City of Victoria and R.G. Properties were government commitment and public support. These are qualities that cannot be overlooked in a public-private partnership. While the

private entity may have a general commitment to the public, their basic goal is profit-driven. Their goals and objectives are visibly different than those of local government. Essentially this presents a clash between public and private interests. Therefore it is imperative that local government not only reiterate its intent in the partnership, but also be in control of the process and offer greater opportunities for public involvement and participation. Partnership goals and objectives should meet the needs of the city, without significantly sacrificing the interests of the private partner. There must be commitment and compromise from each team member. This clear vision and commitment is necessary before the process begins

Early arena proposals in Victoria (and Kelowna) failed because of a lack of support. Past referendums and previous projects (VSEA) showed no community backing. This time, the support in Victoria was evident. Results proved that over 70% of voters were ready to endorse the partnership with R.G. Properties. This support may have stemmed from the frustration left from previously failed projects. But ultimately, citizens supported the project because they were better informed. This researcher believes the 'public' in public-private partnerships must be emphasized. The case studies have demonstrated the issues and problems that arise. The success of public-private partnerships relies heavily on public input and public support. Without these foundations, they fail.

7.2 Citizen Participation: Plagues and Commandments

According to Botes and van Rensburg (2000), there exist a number of important impediments or obstacles to public participation. They describe these as the 'nine plagues' of community participation. These plagues, which prohibit participation, range from institutional to socio-cultural to technical. They do not pertain specifically to public-private partnerships. However, the issues explored show significant parallels, and represent a reasonable outline of the obstacles to public participation in public-private partnerships. Botes and van Rensburg's Nine Plagues are outlined below.

7.2.1 The Nine Plagues

i) The paternalistic role of development professionals

Botes and van Rensburg believe that [private sector] development professionals often dominate decision-making, and manipulate instead of facilitate the process. Typically, these development experts believe that they know what is best and transfer this knowledge to communities, which by definition 'know less'.

> "The reason for this is that professionals are predominantly trained in ways that disempower and who tell other people what they should do and think. This has contributed to professionals (unconsciously or consciously) regarding themselves as the sole owners of development wisdom and having monopoly of solutions which consistently underrate andunder-value the capacities of local people to make their own decisions as well as to determine their own priorities" (pg.43).

Botes and van Rensburg further argue that because of this attitude, public participation is not a genuine effort to empower communities, but rather is an

attempt to sell preconceived proposals. They state that often the participation process begins only after a project has already been designed, and that consultation with the community is only made to legitimate existing decisions. This can be seen in the case studies, particularly in Victoria when the four proposals were placed on display at City Hall. The event was merely a show and was only conducted due to public pressure. Arnstein (1969) argues that these reflect 'degrees of tokenism'. "Participation remains just a window-dressing ritual" (pg. 219).

ii) The inhibiting and prescriptive role of the state

Botes and van Rensburg argue that the central goal of government in community participation is less about improving conditions, and more about maintaining the existing power relations in society and ensuring the silence of the poor. This is a form of social control, as Botes and van Rensburg state. In the end, public participation is limited and often undermines people's own governing ability. Most public-private partnerships tend to generate an inhibitive and prescriptive environment. However, this social control is a result of both government and private influence.

iii) The over-reporting of development successes

Development projects and initiatives often encounter problems and failures. Yet, it is the successes and positive aspects that are quantified, documented and communicated at length. Failures and disappointments are seldom exposed. Consequently, there is a lack of understanding of lessons learned. Development experts acknowledge that failures are an important part of

the learning process, but their objective is to portray a picture of success. "Success is rewarded, whereas failure, however potentially informative, is not" (pg.45). The over-reporting of development successes and under-reporting of failures can also lead to public secrecy and distrust. One can recall the cynicism and mistrust that led to the failure of the arena project in Victoria proposed by VSEA. Unfortunately, the failures in both Kelowna (Oxley) and Victoria (VSEA) were considerably downplayed.

iv) Selective participation

The public participation process itself may also be tainted. Botes and van Rensburg state that often it is the most visible, wealthy and educated citizens that are given the opportunity to participate. In reality, this represents a self-appointed group, which may not accurately reflect the views and perspectives of the broader community. The 'blue ribbon' panel created in Victoria to offer public input in the decision-making process was a positive step. However, as Botes and van Rensburg argue, it is a very selective process, whereby the chosen members often think and act alike. "This selective identification usually happens when development workers ask the 'best known' members of the community to serve on a committee" (pg.46).

v) Hard issue bias

'Hard' issues represent more tangible concerns such as finances, technology, and materials, while 'soft' issues focus on community involvement, decision-making procedures, and social and cultural aspects. Consequently, the 'hard' issues tend to be perceived as more important for the successful

implementation of P3 projects. The case studies in this practicum have proven that this is the case, particularly in Victoria. If we recall the project with VSEA, the continued revision in the project size and scope exemplified the importance of the 'hard' issues. Subsequently, the lack of public consultation and approval confirmed the trivial nature of the 'soft' issues. Furthermore, Botes and van Rensburg note that the majority of professional organizations (both public and private) are more oriented towards 'product-related hard issues' rather than process-related soft issues'. "Participation is not a value or norm for these professions, but it is a matter of convenience" (pg.47).

vi) Conflicting interest groups within end-beneficiary communities

According to Botes and van Rensburg, development introduces marginalized communities to limited resources and opportunities, which very often increases the likelihood of development as a divisive force. Development is always the result of decisions that require choices about whose needs deserve priority. Often some interests can only be accommodated at the expense of others. As a result, conflict can arise in situations where citizens may feel neglected or even oppressed in decisions that affect their lives. Many public-private partnerships result in this type of conflict because true public participation may not be an integral part of the process. Each successive P3 project in Kelowna and Victoria made improvements to the decision-making process. However, much can be learned from the case studies that will benefit future partnerships.

vii) Gate-keeping by local elites

This 'plague' according to Botes and van Rensburg highlights the problem when local elites resist public action. In these instances, local elites may effectively prevent attempts to engage directly with beneficiaries (the public), since this threatens their (the elites) control. "This behaviour by more dominant groups has often deprived the weaker and more vulnerable social segments of participation in community affairs" (pg.50). These actions of 'gate-keeping' are evident in many public-private partnerships, including the case studies. A closed decision-making process leads to public distrust and misinformation. In the long run, this damages both the success of the process and the project.

viii) Excessive pressures for immediate results: the accentuation of product at the expense of process

The issues of 'product' and 'process' were discussed earlier in Chapter Three. Roberta Gratz (1998) reminds us of the importance of process over product. Botes and van Rensburg agree with this, but add to this discussion. In most development projects, particularly in public-private partnerships, there are excessive pressures for immediate results. This often undermines the public participation process and forces officials to take decision-making matters out of public hands. Frequently, both government officials and private entities agree that public participation can be time-consuming and not cost-effective, "because participation in practice is always a slow and uncertain process and is likely to involve more paperwork and soul searching" (pg.50-51). However, Botes and van Rensburg argue that this is not always valid. They insist that participatory inputs can often be incorporated within a reasonable time frame. Additionally,

they argue that when complaints are made regarding the failure of public participation, most often participation has not been given a chance, or else it has been wrongly facilitated.

> "Most failures are unfairly blamed on the beneficiaries, when in fact officials are more responsible for shortcomings in design and implementation. Secondly, although true participation involves greater costs for the identification, design and planning phases, it may actually be saving more time and money during the implementation and evaluation phases, because it ensures that people take ownership of a project" (pg.51).

This argument by Botes and van Rensburg illustrates the significance of public participation in the process, and demonstrates its applicability to public-private partnerships. Genuine public input *can* be time and cost efficient, thereby demonstrating the importance of 'process'. The case studies have shown that authentic public participation is important. Without this input, public-private partnerships often fail at the outset.

Nonetheless, Botes and van Rensburg remind us not to over-emphasize 'process' or 'product'. They argue that this can be dangerous. Process without product leaves a community believing that time, money and social energy is lost because there may be too much talk and no action. Consequently, product without process may result in detrimental consequences, as discussed by Gratz.

ix) The lack of public interest in becoming involved

The final 'plague' focuses on the notion that citizens are in fact not interested in participating in the decision-making process. This may be reasonable, however, this argument would only represent a small proportion of society. Botes and van Rensburg state that one reason for this lack of interest

may stem from the fact that governments are often reluctant to build participation into their project designs. Because of this, the public often loses faith in the system resulting in disempowerment, and thereby *forcing* citizens not to participate. As we recall from the case studies, there was no lack in public interest. In fact, eager citizens were often not given a stage to voice their concerns.

7.2.2 The Twelve Commandments

Botes and van Rensburg's Nine Plagues summarize the obstacles and impediments to community participation. In response, they propose twelve 'commandments' for promoting stronger community participation. The 'commandments' they state, are merely guidelines and should be viewed as a framework of values, principles and approaches, as opposed to blueprints or even recipes. These guidelines should also serve to inform both public and private entities seeking to enter into a public-private partnership. The twelve guidelines may be a positive step towards facilitating a healthier public participation process. Botes and van Rensburg's twelve 'commandments' are important to those that wish to become involved in participatory development:

1) *Demonstrate* an awareness of their status as outsiders[46] to the beneficiary community and the potential impact of their involvement;
2) *Respect* the community's local contribution as manifested in their knowledge, skills and potential;
3) *Become* good facilitators and *catalysts* of development which stimulate community-based initiatives and challenge practices that hinder public participation;
4) *Promote* co-decision-making in defining needs, goal-setting, and formulating policies and plans in the implantation of these decisions;

[46] The outsiders refer to private companies that wish to develop a project or provide a public service, much like those delivered in a public-private partnership

5) *Communicate* both project successes and failures— often failures are more informative;
6) *Believe* in the spirit of 'Ubuntu'— a South African concept encompassing key values like solidarity, respect, human dignity and collective unity;
7) *Listen* to community members;
8) *Guard* against the domination of a small unrepresentative leadership clique or oligarchic tendencies;
9) *Involve* a cross-section of groups to collaborate as partners in jointly defining project goals and needs, and designing appropriate processes to reach these goals;
10) *Acknowledge* that process-related soft issues are as important as product-related hard issues;
11) *Aim* at releasing the energy within a community without exploiting or exhausting those engaged;
12) *Empower* communities to share equitably in the fruits of development through active processes whereby beneficiaries influence the direction of development initiatives rather than merely receive a share of benefits in a passive manner.

The twelve 'commandments' proposed by Botes and van Rensburg may be viewed as ethical norms for facilitating greater citizen participation. These guidelines remind us that the motto of planning should be planning <u>with</u> people, not <u>for</u> people. In public-private partnerships, both the government and private partner must learn to understand the needs and concerns of a community, and provide opportunities for citizens to articulate them. "Facilitators should never come with ready-made solutions or tell people what to do, they must rather encourage and assist people to think about their problems in their own way" (pg.55). The case studies attest to this. The projects that lacked community input and support were prone to failure.

Botes and van Rensburg argue that self-investigation and reflection among citizens is important to empowerment and participation. This parallels the discussion in Chapter Two in regards to Paulo Freire's notion of conscientization.

If we recall, conscientization is about the end of the 'culture of silence', in which the socially dispossessed internalize the negative images of themselves created and propagated by the oppressor. It means breaking through prevailing mythologies to reach new levels of awareness— in particular, awareness of oppression, being an 'object' of others' will, rather than a self-determining subject. The process of conscientization involves identifying contradictions in experience through dialogue. John Friedmann also emphasizes this self-investigation and reflection. He maintains that these are a process of linking knowledge and action. Through this process, individuals and communities are better able to realize their own skills and abilities.

7.3 Lessons Learned: Public Participation

According to the Best Practices Guide to Public-Private Partnerships (1998), "a clear, open, and transparent public tendering process with clear and objective evaluation criteria is integral to protecting the public interest" (pg.3). This is reasonable because confidence and credibility in the project planning process is vital. A clear vision with set goals and program needs is fundamental to a successful public-private partnership. As we recall in the case studies in Kelowna and Victoria, this clear vision was significantly important. Often this forethough is overtaken by political agendas and over-ambitiousness. Early preparation with clear goals and objectives are key to a successful partnership.

While the process needs to be clear and open, city officials must also be prepared to both 'teach' and 'listen' to its citizens. Public-private partnerships are often met with public resistance and confusion. In many cases the public is

uncertain about what a partnership between the public and private sectors may mean. Often public-private partnerships represent a territory that is completely unknown to the average citizen. This uncertainty is an opportunity for local government and planners to change public attitudes and harness wisdom through 'teaching' and 'listening'. This parallels Hal and Sullivan's form of learning called 'popular education', discussed earlier, as well as Friedmann's 'transactive planning'. These types of learning are the basis of non-hierarchical exchanges between planners and clients. The emphasis lies in the sharing of knowledge and experiences. Thus, knowledge results from experience, is validated in practice, and forms an integral part of action. Therefore, the linkage between knowledge and action through social experimentation is a central theme of these types of 'education' and 'learning'.

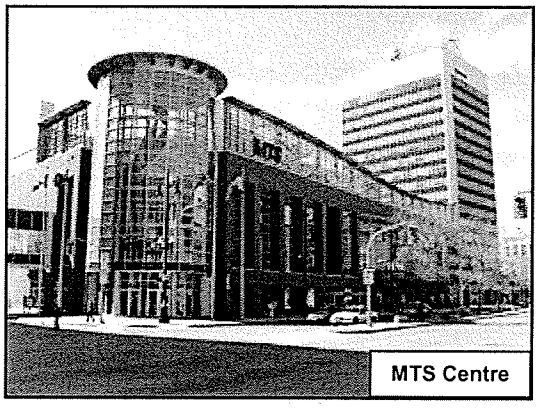
Undoubtedly these structures do not occur instantaneously, but need to be developed through a collaborative effort involving consultation and coordinated work. Often this practice is missing. Public interest and support form an intricate, yet important part of the public process in public-private partnerships. Both local government and the private sector need to understand that public acceptance is essential. Acceptance equals trust and trust equals acceptance. Without this, the 'public' in public-private partnerships become ambiguous.

According to *Building Partnerships* (1996), the task force on public-private partnerships states that public involvement and interest are critical in a public-private partnership. The report maintains that all stakeholders, though not legally bound as partners in a P3 contract, have a direct interest and need to be

included in the process. This inclusion is imperative to the partnership. Public awareness and acceptance is key to a successful alliance. With acceptance comes trust; and trust needs to be earned. According to Albrechts (2002), exclusion and mistrust are significant barriers to public participation in the planning process. Because of this, public confidence and pride is undermined. "Building trust implies real collaboration (and accountability) in all phases of the process" (Albrechts, pg. 337).

Public trust and involvement were missing throughout the partnership between the City of Victoria and Victoria Sports Entertainment Associates. The distrust and secrecy throughout the process led to the demise of the partnership. Because of these issues, subsequent partnerships proved to be a challenge. Public support is weak when they are not involved and uninformed. "They [the public] have to experience that their interest and needs are being fully considered, that their views matter in policy making" (pg. 340). The lack of credibility in the process was also missing in another P3 project. Similar to the cases in Victoria and Kelowna, the example in Winnipeg exemplifies the need to deal with real public concerns.

The project planning process for the MTS Centre in Winnipeg is another example of a public-private partnership where there was a lack of public involvement and participation. The plan was to build a 15,000-seat multiplex



MTS Centre

facility in downtown Winnipeg located on the property that once housed Eaton's Department Store— a heritage building which dated back to 1905.

Eaton's closed its doors in 1999 leaving behind a historic landmark in the heart of downtown Winnipeg. The opportunities for the vacant building were endless, but perhaps its fate was already sealed by a select group of individuals who strongly promoted a new arena for the site. A small number of business people and political leaders endorsed their arena deal as the only viable option. This was despite the project not having the required planning approvals or project financing in place. The Arena consortium was in a deal-making frame of mind, not a process-oriented one. The arena project was revealed as a *fait accompli*. The pending loss of a heritage building angered citizens, but even more concerning was the way the arena project was pushed forward. Considerable political support made the project possible. These same political officials, elected to represent the public, were now denying its citizens the opportunity to voice their concerns.

A lesson learned from this scenario, as well as the case study examples, is that citizens should never be left out of the process particularly when public funds are involved. There must be recognition of public issues and concerns, and there must be a platform for community members to openly express their views. As developers or as officials, there needs to be a way to talk about the issues professionally and outright. It is acknowledged that decisions driven by political imperatives and public interest may not be the norm in the private realm.

However, private partners must recognize this and be prepared to think and act differently.

According to *Building Partnerships* (1996), the private sector should "understand that partnering with government means negotiating in an open and often public environment" (pg.25). The document also reminds the private partner to "enter into open and frank dialogue with the public sector at the earliest opportunity" (pg.25). The private partner often contends that the participatory process is a slow, time-consuming and uncertain process. However, we recall Botes and van Rensburg's argument stating that genuine public input *can* be time and cost efficient. They argue that when public participation is lacking, the participatory process has often not been given a chance, or else it has been wrongly facilitated.

The decision-making process in a public-private partnership may be more complicated[47], however, public input should always be welcome and encouraged. "Involving all people in the planning process acknowledges that everyone has something important to contribute" (Martz, 1995, pg.5). When the public is involved in important planning matters, they feel empowered and hold a level of civic pride. "It [public participation] is a process that involves a good deal of mutual trust and confidence among all participants" (Hodge, 1998). When this trust and confidence is taken away, the public feels undermined and unappreciated. Good planning encourages everyone to contribute. Good planning "is a process of trust building" (Albrecht, pg. 340). Although not everyone may be happy with the end result, at least everyone would have been

[47] as compared to traditional project procurement, given the involvement of a private partner

given a fair and open chance to express his or her own opinion. That, in itself, is progress. While the 'public' in public-private partnerships is important, this researcher argues that 'planning' should also be accorded importance in these partnerships.

7.4 The Role of the Planning Profession

It is arguable that the planning profession is old and static, with former ideas recycled again and again. Theorists like John Friedmann have long advocated the need to adapt and accept new paradigms in planning and planning knowledge. Today, planning and the planning profession continue to be complex and dynamic. Planning takes shape in an ever-changing society, and we have learned to adapt to this change and work to bridge the gaps. As planners, we have the ability to appreciate both the public and the private.

The emergence of public-private partnerships is an opportunity for planners to bring their expertise to the forefront. Ironically, planners can often be shut out of the process for public-private partnerships. "We didn't have a planner. Actually in our committee there was no planners. We used the planners as our resource people only, but the planners played almost a zero role in this deal" (Kelowna City Councillor). Planners s*hould* be an integral part of the decision-making process for P3s. The planner's place and role should not be absent. "Planning involvement is essential, if Council is to really integrate public concerns into the process. It is planners that help to empower citizens to think, act and understand" (Kelowna Planning Staff). "I believe the planners could have been far more involved in the process, to deal with public concerns, but that was

not Council's objective. The process became very closed" (Victoria Planning Staff). Planning is a decision-making process, and decision-making is an exercise that intrinsically involves people. Therefore, the public participation process is inherently entwined with the discipline of planning. "They (planners) can influence the conditions that render citizens able (or unable) to participate, act, organize effectively regarding issues that affect their lives" (Forester, 1989, pg.28).

The project planning process is often very political in nature. Consequently, public involvement can often be compromised. Planners may play a minor role in the process. The examples in this practicum have exemplified this. This is unfortunate since planners and the planning profession can bring skills and experience to the table. Working as a part of a team, planners have the ability to act as collaborators, as coordinators, and ultimately as leaders. Instead, there are people with no planning background making planning decisions. These people often work to process the deal. Planners however, deal with the process.

Planning for the 'good of the public' may not be so simple. Today, the idea of 'public good' or 'public interest' is not easily defined since there are multiple publics. Leonie Sandercock reminds us of the importance of dealing with difference and multiple publics. In *Cosmopolis II (2003)*, Sandercock emphasizes the need to rely on practical wisdom, with an emphasis on 'people-centered' planning. "To be of value, a planner needs to...have a love of learning and steadfast moral compass, enjoy people and their eccentricities, and truly

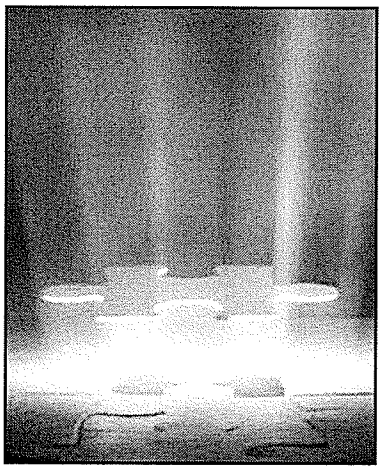
believe in the inherent value of community" (Survey Respondent, Supervisor of Strategic Planning). One would agree with Sandercock and the survey respondent, yet planners themselves need to be additionally proactive. With issues like public mistrust and apprehension, planners must be willing to reach out to the community. Despite the consensus that planners are playing a reasonable role in the process, respondents advocated for greater action by planners. "I strongly believe that planners need to do more 'proactive' consultation, rather than 'reactive' consultation with the public" (Survey Respondent, Manager of Community Planning). "Planners must promote and encourage greater participatory programs in the decision-making process" (Survey Respondent, Director). "If planners are to truly endorse the positive sentiments of planning scholars and theorists, they must build upon their roles through greater action, greater commitment and greater [com]passion" (Survey Respondent, Senior Planner).

In today's diverse society, planners need to work harder to better understand and better communicate with different populations. Again, the notions of popular education and social learning come to mind. Planners have the ability to bring better balance and cooperation amongst all parties. Planners continue to acknowledge and appreciate colleagues like Sandercock for their wisdom and foresight. It is this appreciation that helps planners work across boundaries and cultures. It is this understanding that keeps the planning profession progressive and dynamic. Sadly, as planners, we are often underappreciated for the knowledge and proficiency we can provide. Planners

understand and recognize the need to plan with respect to a wide array of disciplines and across a multitude of borders and cultures. Because of this appreciation, planners have the ability to alleviate the difficulties that lie ahead.

7.5 Reflecting on Recommendations

The case studies and survey results have shown the importance of public participation in public-private partnerships. The research has proved that the decision-making process can often be inadequate. Clearly, greater participatory programs and a greater role for planners and the planning profession are advocated. It can be seen that perspectives on these issues match closely to those found in the literature review. Theory informs practice and practice informs theory.



Friedmann reminds us that this 'reflection' in planning is a process of linking knowledge and action. The literature and research findings have demonstrated that citizen empowerment and public participation are common approaches to facilitating a genuine decision-making process. Yet, the case studies have proved that these same scholarly theories do not always transpire in practice. Political forces, private interests, time constraints, and limited funding are examples of obstacles to authentic public participation. However, these hurdles should not be viewed as insurmountable. If the erudite theories persist, then it is plausible to assume that public participation will play a more important role in the decision-making process.

This section will provide recommendations on how to improve public participation in the decision-making process for public-private partnerships. While the recommendations are reasonable, they do not represent the 'only', or the 'best' approach. Because of the evolving nature of public-private partnerships, where learning from mistakes is the key to advancement, there may always be different approaches. Some will work better than others depending on the context where they are found. However, this researcher believes that the recommendations below will provide readers with plausible means to tackle the issues and concerns discussed in previous sections.

Recommendation #1: Goals, Objectives and the Public

The determination of a clear vision for the P3 project, along with appropriate goals and objectives, are imperative to the success of the partnership. The involvement of local citizens even at this early stage is highly recommended: "The public should have been involved early in the process—before the project was given initial approval to proceed" (Survey Respondent, Senior Planner). The case studies showed that the lack of goals and objectives created problems and confusion: "Public input must be garnered at the initial stages when the project is being planned. This helps stem fears, miscommunication and problems later" (Survey Respondent, Senior Planner). A clear vision with goals and objectives is essentially a commitment by government. This commitment sends a strong message to the private partner, thereby allowing all parties to fully understand their appropriate roles and responsibilities. City officials must not be easily seduced by grand projects with

sleek photos and flashy presentations. They must be committed to the process and remember that they are accountable to the public at large.

Recommendation #2: Building Trust

Scholars and survey respondents agreed that an honest process that maintains openness and transparency is vital to the decision-making process. The case studies have truly exemplified the importance of building trust amongst all parties. Good planning "is a process of trust building" (Albrecht, 2002, pg.340). Hodge (1998) agrees, "It [public participation] is a process that involves a good deal of mutual trust and confidence among all participants". These aspects are inherent to any decision-making process. However, in a public-private partnership, where the process becomes more intricate, trust and honesty become particularly important. The complexity of a public-private partnership may instil fear and concern for the average citizen. When this is accompanied by a perception of mistrust and secrecy, public interest is undermined: "The public must be able to grasp and understand the issues through real facts and figures. Hidden agendas and secrecy are a recipe for failure" (Survey Respondent, Director of Planning Services). An open and honest decision-making process will innately assist in the empowerment of citizens. This is based on the assumption that if citizens' concerns and opinions are valued, they will naturally be empowered to participate. "Involving all people in the planning process acknowledges that everyone has something important to contribute" (Martz, 1995, pg.5).

A closed process, where mistrust and secrets exist, is essentially a reinforcement of the top-down approach to governance. We recall Illich (1970), who believes the disempowerment of communities is mainly the result of a dominant ideology. This hierarchal structure, as Etzioni (1967) states, is about "downward flows of directives, guidelines and communications" (pg.200). He maintains that this societal guidance should also include "upward flows of directives, guidelines and communications, as well as 'horizontal' flows" (pg.200). Etzioni claims these dominant structures disrupt the intricate relationships that exist in society, and break down communication and the sharing of knowledge. Consequently, city officials and dominant players must remember to respect the concerns of citizens, and keep the decision-making process open and honest.

Recommendation #3: Selective Participation

The inclusion of citizens and 'outsiders' in decision-making is a positive step towards a more holistic and collaborative process. Yet, this inclusion is often absent in public-private partnerships. Input and participation within a public-private partnership should incorporate all interested parties. In some cases, governments have selected experts or created advisory panels to maintain a level of transparency in the process. These are encouraging efforts. However, an argument lies in the selection process of these participants. We recall the discussion in Botes and van Rensburg (2000) on 'selective participation'. Often the most visible and wealthy citizens are selected to participate in the decision-making process. This is echoed by Arnstein (1969), who states that the astute selection of 'worthy' citizens on panels and committees

is an example of tokenism. Albrechts (2002) also agrees, stating that problems occur when the process works to filter out the weak:

> "In many cases these circumstance will generate a development in which interests and opinions are being subtly 'removed' from the core of decision-making, resulting in process outcomes that merely reflect the views of dominant players or reflect the interests of citizens and groups that already have full access to certain consultative structures" (pg.332).

As a result, the decision-making process lacks legitimacy. A genuine process will incorporate participatory opportunities that promote greater diversity.

Recommendation #4: Learning Through Dialogue and Communication

Scholars and theorists have long advocated the value of citizen empowerment and participation. Central to these themes is the promotion and significance of dialogue. Communication! Inherent to this is the art of 'listening' and 'teaching', as advocated by Hal and Sullivan's (1995) popular education and Friedmann's (1987) social learning. Survey respondents agreed with the scholarly theorists. This is also endorsed by Freire's (1970) conscientization, which applies a dialectic methodology: "[We] must work harder to 'teach' and 'listen' to the public" (Survey Respondent, Senior Planner). We recall the discussion by Etzioni (1967), who believed there should be a continuous wave of communication to guide and inform.

Public-private partnerships are inherently a form of privatization. Citizens often become apprehensive given this fact. The inclusion of a private partner in the decision-making process can create a new set of issues and concerns. A constant exchange of dialogue is essential to maintaining an open and honest

process. "An intensive dialogue expands people's sense of themselves. It can produce new ways of understanding in decision processes, leading to creative and diverse solutions that more participants can identify with" (Albrechts, 2002, pg.333). This is particularly important in the early stages of the process when the public is eager for factual information. The willingness to inform and *be* informed is key to avoiding distrust in the decision-making process.

Naturally, concern and misinformation may be a problem for all parties—public and private. The complexity of a public-private partnership may be overwhelming. As a result, early dialogue and communication between all parties (politicians, private partners, citizens, and planners and consultants) is vital. This is an opportunity to 'coach' each other— to exchange ideas and concerns, and to be innovative and collaborative. Without these opportunities to communicate (speak, teach, listen, coach), the success of public-private partnerships become particularly challenging.

Recommendation #5: Willingness to Act Differently

In any partnership, there must be a willingness to cooperate, collaborate and commit. This commitment is the foundation of a public-private partnership. Given the self-regarding objectives and interests of each partner, there must be a level of eagerness and enthusiasm to work together on issues. Yet, often this is not the case. It is acknowledged that decisions driven by political imperatives and public interest may not be the norm in the private realm. The ultimate goal of any private company is profit-driven, and therefore a public process may be considered a hindrance. However, the private partner must be willing to accept

the public process as a standard element of the partnership. This is intrinsic to the decision-making process for a P3, and may require additional roles and responsibilities by all parties. Private partners must recognize this and be prepared to think and act accordingly. We recall *Building Partnerships* (1996), which states that the private sector should "understand that partnering with government means negotiating in an open and often public environment" and that the private partner needs to "enter into open and frank dialogue with the public sector at the earliest opportunity" (pg.25).

At the same time, local government must be willing to be open and honest to both parties— the private partner and public citizens. While local government needs to show more leadership, commitment, and prudence during the partnership, they must also be innovative and flexible to accommodate the private partner. However, this flexibility should not be at the expense of the public, whose interests are often at stake.

Recommendation #6: The Role of the Planner

The planning and decision-making process for any project can often be controversial. The absence of public involvement and participation can further hinder the situation— often leading to conflict and uncertainty. This disagreement and distrust remains a struggle. Planners have the knowledge and appreciation to help bridge this gap. Planners not only can act as mediators, but act as 'collaborators with a vision'. This is important because "the future of planning practice depends on our efforts to find ways to restore faith in government as a public problem-solving instrument" (Baum, 1990, p.64).

The role of the planner and planning is dynamic. The planning profession continues to transform and reinvent itself. Planning is no longer one-dimensional. Today, planning must span a multitude of disciplines— social, economic, environmental et al. Regardless, planners essentially have the same role. According to Eversley, a basic definition denotes that planners are "allocator[s] of scarce resources" (1973, p.5). While this holds true from a fundamental level, the role of planning today is far more complex. Changes to planning practice in recent decades have witnessed the metamorphosis of the role of the planner in the planning process. Calls championing a more democratic planning process have played a significant role in allowing mulitple publics to make important decisions as part of the planning and decision-making process.

We recall Sandercock's discussion on difference, and planning for multiple publics. In the planning realm, there not only needs to be an acceptance of these issues, but an appreciation for them. Sandercock contends that our cities need a new paradigm to better address an ever-changing society. Included in this is the need for a new vision of planners. This vision would see planners as not merely mediators or advocates, but rather "planners must be champions of communication" (Doehler, 2002, p.364). The role of planning does not stop with borders and segregation. The heart of planning entails bringing different interests together to create some form of balance or agreement. This is why planners need to be 'champions of communication'. Communication implies the need to both speak *and* listen.

> "It appears over the last few decades that planners have, to a certain extent, lost their ability and readiness to *listen* and to

> *speak*. If planning does not embrace such concerns, planners will no longer be understood by society" (Doehler, p.364).

In the realm of public-private partnerships, planners can certainly be 'champions'. Theorists like Friedmann have long challenged the paradigms of planning. Yet, the underlying philosophy is not lost upon us. Social learning, one of Friedmann's (1987) four traditions of planning practice, advocates for non-hierarchal exchanges between planners and clients. This exchange stresses 'learning by doing', and linking knowledge and action through social experimentation.

It appears that public-private partnerships can offer planners a chance to span the conflicting realms and interests of public and private. Planning is one profession where its members have the ability to recognize the need to plan with respect to a wide array of disciplines and across a multitude of values. Public-private partnerships can be another arena where planners can put their formidable skills to work. Through new experiences and new knowledge, this arena can also represent a place where the planning profession can continue to grow and progress in an ever-changing landscape.

7.6 Synthesis & Conclusion

Cities of today have recognized the importance of the downtown. After years of neglect and suburban growth, city officials have refocused their efforts to revitalize the core. As we recall, large-scale urban projects should add upon existing strengths, not replace them, with an equal emphasis on process and product. Building upon these strengths is important to the vitality of our cities. As planners, we need to help create cities that are vibrant and dynamic.

Cities strive to strengthen their downtowns through large-scale development efforts. These types of projects often require significant financial and human resources. Given these challenges, local government is presented with few options for procurement. One option however, is public-private partnerships. Public-private partnerships are strategic in nature, and are created to achieve long-term objectives. Evidence has shown that the decision-making process for public-private partnerships can often be deficient and fallacious. The case studies have helped to highlight the weaknesses in the process. We recall, Hal and Sullivan's notion of popular education, Freire's 'conscientization', and Friedmann's social learning and transactive planning. They all represent plausible alternatives to the conventional forms of planning, involvement and participation. It may not always be easy to integrate theory into practice, but the ideas of these theorists have not fallen by the wayside.

The planning profession strives to restore public trust and confidence in the planning and decision-making process: "Private entities and civic politicians, or any party for that matter, help a situation by being honest about their biases

and remaining open to changing their beliefs and positions for the good of the entire community" (Survey Respondent, Supervisor of Planning). The decision-making process, particularly in public-private partnerships, is complex and extensive, requiring the collaboration and consensus of many stakeholders including politicians, private developers, and citizens. The survey results have shown that planners, new and old, believe in the importance of public participation in the decision-making process. Inherent to this discussion is the importance that planners have placed on appreciating the human values and qualities that can greatly affect the process. Respondents emphasized that planners need to have a love of learning, enjoy people, and believe in the inherent value of community. This is the fundamental approach to gaining and maintaining the trust and respect of the public: "Being effective as a planner in any situation ultimately comes down to basic human decency" (Survey Respondent, Supervisor of Planning).

Planners continue to help mold the planning process to create participatory programs that will engage the concerns of the average citizen. Current planners and practitioners believe the profession must continue to re-invent itself, if theory is to be integrated into practice. While this integration may be arguable, the significance of public involvement in the process remains high.

The research conducted has provided a better appreciation and understanding of the lack of public participation in public-private partnerships. The lessons learned and conclusions drawn should act as guidelines, particularly for local government. The continued documentation of failures and lessons

learned, as discussed by Botes and van Rensburg in Chapter 7.2, represent an opportunity for further study. The continual documentation and advocacy for greater participatory processes will help to establish advances in the decision-making process for public-private partnerships.

This research has solely focused on public-private partnerships at the municipal level. However, it would be advantageous to explore the public participation process for P3s at the provincial level as well. Examples like the controversial Canada Line and Sea-to-Sky Highway Improvement Project in British Columbia offer key opportunities for further study. The Canada Line is a rapid transit line that will connect downtown Vancouver with the City of Richmond and the Vancouver International Airport. The Sea-to-Sky Highway project will provide major improvements to the highway that connects Vancouver with the Resort Municipality of Whistler. Both P3 projects have been criticized for the lack of commitment by the provincial government in addressing public concerns. Traditionally, interaction and communication between citizens and municipal government is greater (and easier), as opposed to their provincial or federal counterparts. It would be interesting to explore how the absence of the municipal level of government in the decision-making process affects the public-private partnership.

Each planning process and each public-private partnership is unique to the character of its own community. There is no standard template, but lessons can be learned which may be applied to a community's own circumstances. While participatory programs and processes remain a challenge, they are no

longer new. History has shown that they work, given the right conditions and with the right people at the helm. But similarly, they can fail if there is no genuine effort and commitment. Recommendations and lessons learned here will hopefully lead to a better understanding and appreciation of the issues regarding public involvement and participation in public-private partnerships. With this knowledge, it is hoped that as city officials, as citizens, and as planners, we have the ability to better navigate the challenges ahead.

8.0 Appendix

Appendix A: The Interviews

Kelowna

Initial contact with the interviewees was made through electronic mail. Subsequent e-mails and telephone calls were made to confirm the date, time and location of the interviews. A consent form was e-mailed to each participant informing them of the objective of the research and my desire to audiotape the dialogue. Participation was voluntary and interviewees were free to end the interview at any time during the process.

Two interviewees were chosen in Kelowna and both agreed to participate. One of the participants was a staff member of the Parks & Recreation Department. This individual was sent a copy of the interview guide and questions prior to the interview. The interview lasted about 100 minutes.

The second participant was a member of City Council in Kelowna. This interviewee did not receive a copy of the interview guide prior to meeting, and at any length, the interview was quite informal and spontaneous. Consequently, this element added considerable insight to the research and analysis. The interview lasted about 75 minutes.

KELOWNA INTERVIEW GUIDE

A) Talk about the past two attempts to build an arena:

- Pegasus Development Group Ltd (1990-92)
- Gordon Oxley (Edmonton developer; 1995/96)

1) introduction to the company & the project proposal

2) how was this company chosen
3) what were some of the reasons the project failed?
4) looking back, do you think anything could have been done better to have helped the project succeed? And what lessons do you think can be learned from the failed experience?

B) Prior to the deal with RG Properties, what level of public support was there for building an arena in the city, because wasn't there 2 or 3 referendums in the past that were rejected by Kelowna taxpayers?

C) What or who would you say was the driving force in wanting to construct a new arena in Kelowna?

D) There was discussion in the past of a couple of possible locations for a new arena. What led to the decision to construct in downtown, over somewhere in the suburbs?

And the land that Prospera Place is now on, was it an empty parcel of land before?

E) In entering the agreement with RG Properties, how do you think the past failed attempts affected the mindset of those involved? (ie: what do you think was done correctly this time, and what specific precautions did the city take from the lessons that were learned from the failed attempts, if there were any).

F) My understanding is that Kelowna taxpayers are paying about $17.50 per year to cover the costs for the new arena, is this correct? What does this amount include? Does it pay for the approximate $1 million per year that the city pays in user fees? And what about the $6 million that was paid in shares, where did the money come from for that?

G) In terms of public-private partnerships, what do you think are some of the most important aspects of this relationship that made the Prospera Place deal so successful? What lessons could be learned from the partnership?

H) In a past email, you mentioned that at the time the P3 deal was put together, the legislation governing municipalities in BC did not anticipate P3s and infact had regulations that made it extremely difficult. Could you comment on this?

I) You also mentioned that you had to be very innovative in how the deal was structured, and that the process was often more reactive than planned. Could you elaborate a little more on this as well?

J) In terms of the design of the planning process, how successful did you feel it was? Did you find that the implementation of the process departed from the intended process design? And were goals met, and were there delays that the process did not anticipate?

K) How well did the process plan for post-construction impacts, such as transportation issues, crowding, impact on the local neighbourhood, etc. Were there issues that you had to deal with, after the fact?

L) I noticed that downtown Kelowna has undergone considerable revitalization in recent years. How do you feel Prospera Place fits into this revitalization?

M) Discuss public participation in the decision-making process for the public-private partnership. Was it adequate? Where were the flaws? What could have been done differently?

N) How important or unimportant do you feel the role of the planner is in the planning process for public-private partnerships? What role do you think planners can play in the planning process for P3s? Are these roles realistic?

Victoria

Initial contact with the interviewee was made through electronic mail. Subsequent e-mails and telephone calls were made to confirm the date, time and location of the interviews. A consent form was e-mailed to the participant informing them of the objective of the research and my desire to audiotape the dialogue. Participation was voluntary and the interviewee was free to end the interview at any time during the process.

One interviewee was chosen in Victoria. This individual was a former Victoria City Official. This official agreed to participate in the interview, but specified that his/her name not be mentioned in the practicum. This individual was sent a copy of the interview guide and questions prior to the interview. The interview lasted about 60 minutes.

VICTORIA INTERVIEW GUIDE

A) Talk about the past attempt to build an arena:

- Pilot Pacific Developments Inc / Victoria Sports Entertainment Associates

    i. Selection process, location and partnership
    ii. Change in scope and financial commitment of project
    iii. Public participation
    iv. Discuss the relationship of local government and the partner during the process
    v. Lessons learned from failure

B) The public participation process was criticized in the last partnership with VSEA. Do you feel the current partnership with R.G. Properties has successfully addressed the issues and concerns that arose in the past? What would you have changed?

C) In terms of public-private partnerships, what do you think are some of the most important aspects of this relationship that made the Save On Foods Memorial Centre deal 'successful'? What lessons could be learned from the partnership?

D) Discuss public participation in the decision-making process for the public-private partnership. Was it adequate? Where were the flaws? What could have been done differently?

E) How important or unimportant do you feel the role of the planner is in the planning process for public-private partnerships? What role do you think planners can play in the planning process for P3s? Are these roles realistic?

Appendix B: Consent Form

Interview Consent Form

This research project is conducted to explore the planning process for multiplex sports facilities, particularly when it pertains to projects constructed through public-private partnerships. There will also be emphasis on the role of the planner as it relates to the planning process in these partnerships. The research conducted will be disseminated through a Master's Practicum.

This study is being conducted by Donald Nip as part of the graduate requirement in the City Planning Masters program at the University of Manitoba. Dr. Rae Bridgman, an Associate Professor in the Department of City Planning at the University of Manitoba, is advising this practicum project.

Within this interview, you will be asked to comment on the planning process that occurred for the local arena, as well as talk about public-private partnerships and the role of the planner. These comments may come from your experience and/or involvement with the project at any time, or they may be comments that reflect your opinion on the matter.

With your permission, this interview will be audiotaped so that analysis at a later date will be of greater ease and accuracy. Additionally, written notes will be taken to supplement the recordings. If at any point during the interview you feel uncomfortable, you may choose to have the tape recorder turned off for your response, refuse to answer the question, have a section omitted, or terminate the interview all together. If you have any question before or during the interview, please feel free to ask.

The information gathered from the interview will be included in the final report. However, if you wish to keep your confidentiality, please let me know and I will not include your name, position, organization, or any other personal information that will reveal your identity. The interview transcripts and recordings will be kept secure, and will be destroyed accordingly, upon completion of the project.

If you have any questions or concerns after this interview is completed, feel free to contact myself, Donald Nip, at or at c or my practicum advisor, Rae Bridgman, at (204) 474-7179 or bridgman@cc.umanitoba.ca.

The Joint-Faculty Research Ethics Board has approved this research. If you have any concerns or complaints about this project you may contact any of the above-named persons or the Human Ethics Secretariat at (204) 474-7122, or email: margaret_bowman@umanitoba.ca.

I would like to thank-you for setting aside some time in your busy schedule to participate in this interview. Your insights will be highly valuable to my research and are greatly appreciated. Thank-you!

I, _____, give Donald Nip permission to use the information garnered during this interview, under the conditions stated above, for the purpose of conducting research for a Masters Practicum.

Respondent's Signature _____ Date _____

Researcher's Signature _____ Date _____

Appendix C: Partnership Terms

Kelowna

- Partnership between R.G.Arenas Ltd (a subsidiary of R.G. Properties Ltd) and the City of Kelowna to build a 6,000-seat multi-purpose facility for $20 million
- R.G. will design, finance, construct, own and operate the facility (Prospera Place)
- Financing for the project is the responsibility of the R.G. Arenas
- The City will make a $6 million investment upfront by way of a non-participating share purchase. These shares will entitle the City to acquire the facility after thirty years, for one dollar
- The added cost to the tax bill of an average value residential property is estimated to be about $17.50 per year, representing a tax increase of about 1.6%
- The Community Use Agreement, which may be renewed by the City for up to 30 years, requires the City to make annual payments to R.G. These payments, on average $1 million per year, will allow the City to receive 750 prime time hours and 750 non-prime time hours per year for community use
- R.G. is responsible for paying approximately $49,000 per year into a fund to be used to pay for major repairs or capital works for the facility over the thirty years

Victoria

- Partnership between R.G. Properties and the City of Victoria to build a 7,000-seat multi-purpose arena for $30 million
- Under the 30-year agreement, R.G. Properties will design, build and operate the facility. The City will retain ownership of the facility and R.G. will pay the City $2 million upfront for the right to operate the facility for the first 10 years
- After that ten years, R.G. will pay $250,000 annually in years 11 through 30
- Ownership of the facility guarantees the City a set number of hours for community use: 1,700 hours of ice time, 300 hours of dry floor use, and 500 hours of meeting room space
- The City of Victoria borrowed $30 million through B.C.'s Municipal Finance Authority to finance construction of the facility
- The cost for an average household will be about $11 per year or about a 1% tax increase
- The neighbouring municipalities of Saanich, Esquimalt, Oak Bay and View Royal also made financial contributions towards the facility
- The financing costs (the $30 million and interest) are the responsibility of the City, but will be offset in part by: the $2 million payment from R.G., by a share of the revenues generated from the facility (ice time sales, ticket revenue share, naming rights), and by other funding sources such as the regional contributions from local municipalities and through business license fees
- R.G. is responsible for all cost overruns; the City will not bear the risk if expenses are higher than anticipated or if projected revenue targets are not met

Appendix D: Project Timelines

Kelowna Arena Timeline

- Summer 1987: 60% of Kelowna residents reject a plan to fund a $17.5 million multi-purpose facility in a city-wide referendum
- January 1990: Private developers seek to build a $11 million facility near Kelowna's airport; the proposal never materialized
- December 1992: Private developers seek to build a $15.5 million facility near Kelowna's airport; again the proposal never materialized
- Summer 1994: The City of Kelowna receives a number of proposals; Gordon Oxley's company was chosen the winner
- February 1996: The City signs an agreement with Oxley to construct the new facility; Oxley had one month to make a $100,000 non-refundable deposit
- March 4, 1996: Cheque is delivered by Oxley
- March 13, 1996: A stop payment was put on the cheque; Oxley was then given two days to deliver a certified cheque for the $100,000. Oxley never met the deadline and the deal died
- Summer 1996: A Request for Qualifications / Request for Proposals process took place to search for a new developer
- Summer 1996: An engineering and development company named Axor won, but the project died shortly after when the City refused to put up a municipal loan guarantee and Axor refused to put up their corporate assets
- Winter 1996: The City held discussions with R.G. Properties
- September 25, 1997: The City of Kelowna signed an agreement-in-principle with R.G. Properties to construct a $20 million, 6,000-seat multi-purpose facility in the north-end of downtown Kelowna
- Winter 1998 / Spring 1998: Discussions between the City and R.G. focus on the specifics of the agreement, including issues surrounding the Municipal Act
- May 5, 1998: Construction begins on Prospera Place (called Skyreach Place at that time)
- September 23, 1998: Amendments made to the Municipal Act to make it easier for local governments to enter into public-private partnerships
- August 9, 1999: Prospera Place opens to a rousing party which included the rock group, Moist

Victoria Arena Timeline

- 1989 and 1992: Victorians reject plans for a new facility through a referendum
- April 1995: The city seeks expressions of interest in a public-private deal to build a new arena
- May 1995: 16 submissions arrive at city hall; council is overwhelmed
- April 1996: Only four parties are still interested
- June 1996: Plans of the four proponents are displayed at city hall; Council chooses Pilot Pacific's plan although an opinion poll found citizens preferred the waterfront proposal
- September 1996: Victoria signs a memorandum of understanding with Pilot Pacific to build an 8,000-seat arena with two auxiliary ice sheets
- April 1997: Californian David Pasant joins, and his Victoria Sports Entertainment Associates takes over the project

- Spring 1997: Plans call for the building to open in September 1999, but deadlines come and go
- Mid-December 1998: VSEA finally admits the banks want provincial loan and operating loss guarantees for the project
- February 1999: Council votes to send VSEA final notice that deal is dead as of mid-March
- Mid-March 1999: VSEA gives the City of Victoria $200,000 deposit to extend the deadline
- End of May 1999: Victoria grants another extension to June 30 after the developer says banks are out of the picture and an unidentified lender is willing to provide $55 million US
- June 30, 1999: City council loses patience and the deal dies

- Spring 2000: A public consultation and communication program to gain public input and gauge public support resulted in 93% of those polled supporting the need for an entertainment and sports facility
- December 2000: A market study and financial analysis is conducted; Council decides to proceed with a Request for Expressions of Interest. Four proposals are received, but only one- R.G. Properties- met the City's criteria
- March 2001: Mayor Alan Lowe announces the Mayor's Blue Ribbon Panel
- April 20, 2002: Victoria residents vote over 71% in favour of a new multipurpose facility in the city-wide referendum
- April 25, 2002: The City of Victoria adopts a bylaw formalizing a partnering agreement with R.G. Properties
- October 10, 2002: Council unanimously passed a motion approving the Design-Build Agreement, Operating Agreement and Guarantee Agreement
- Spring 2003: Memorial Arena is demolished
- June 2003: Work begins on the new facility
- Spring / Summer 2003: A call to artists for Expressions of Interest to design a public art piece in front of the new arena; a local artist is chosen the winner, but the artwork is met with mixed reviews
- Spring 2004: The new facility is named the Save-On-Foods Memorial Centre
- August 28, 2004: The original opening date of the facility, it was delayed by two and half months to November 15
- November 15, 2004: Completion is again delayed, now until the end of February
- February 2005: The facility will not be ready by the end of February. In fact, R.G. expects to work around the clock to have the facility ready (but not fully completed) by March 26- in time for the Rod Stewart concert, which was booked months in advance
- March 26, 2005: The Save-On-Foods Memorial Centre, although still unfinished, holds its first event— a packed arena welcomes Rod Stewart to Victoria An occupation permit is granted only hours before the start of the concert
- April 2 - 10, 2005: The facility plays host to its first major sports event— the Ford World Curling Championships
- May 2006: Save-On-Foods Memorial Centre hosts its 35th major event. Most work is finished on the facility, including the opening of its restaurant and lounge

Appendix E: Public Participation Survey

Public Participation and Public-Private Partnerships (P3s)

Survey Questions

1) How important do you feel public involvement and participation in the decision-making process is? Why?

2) Has your community been involved or plans to be involved in a public-private partnership? If so, name the project(s). Was the public involved in the planning and decision-making process? If so, how?

3) A document was published in 1999 by the provincial government called, "Public Private Partnership: A Guide for Local Government".
www.cserv.gov.bc.ca/lgd/policy_research/library/public_private_partnerships.pdf
Have you heard of this document, and/or had the opportunity to read through it? If so, do you feel the document adequately addresses public involvement and participation in the planning process for P3s?

4) Public-private partnerships represent an alliance between government and the private sector. How can the public be better integrated into the planning and decision-making process for P3s, given this unique partnership?

5) Scholars and theorists have long advocated the importance of citizen empowerment and public participation. Arguably, (Planning) practice has been slow to embrace these themes. Why may this be the case, and how can theory and practice be better integrated? And how do private entities and civic politicians (in a P3) help or hinder the planning process?

6) As an experienced planner, how do you feel the planner and the planning profession can better address public concerns and distrust in the decision-making process?

7) Other comments or thoughts?

Please fill-in the following information. This information will not be used/entered in the final report.

Name:
Position:
Organization:
Years in Planning Practice:

Thanks for setting aside time in your busy schedule to participate in this survey. Your comments and insights will be highly valuable to my research and are greatly appreciated. Thank-you very much!

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