THE ROLE OF THE CITY DEVELOPMENT AGENCIES IN THE URBAN REGENERATION OF THE INNER CITY OF JOHANNESBURG

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A research report submitted to the Faculty of Engineering and the Built Environment, University of the Witwatersrand, in partial fulfilment of the requirements of the degree of Master of Science in Building.

Johannesburg 2013
DECLARATION

I, Nonkululeko Immaculate Ntshona, do hereby declare that this research is entirely my own work, except where otherwise stated, and has not been produced in any manner or form before. All references used have been accurately reported.

Signed: _______________________

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Johannesburg October 2013
ABSTRACT

The purpose of this research is to investigate the impact of the City Development Agencies on the regeneration of the Johannesburg inner city. Urban degeneration within Johannesburg has been a major challenge, which has an adverse impact on crime, pollution and loss of revenue. This study will investigate public private partnership city development agencies which play a role in establishing sustainable communities.

The City Development Agencies and their objectives are reviewed with the principle intention of establishing how successful they are in achieving these objectives. Interviews with senior management from these organizations provided conclusive evidence about their effectiveness and the state of regeneration. These structured interviews incorporated challenges associated with urban degeneration.

Key performance indicators were established to measure the success of the organizational structures. These are reviewed against the data from the interviews and government reports.

The results of this study show that organizational structures have a positive impact on the sustainable regeneration process and are structured to foster continuous regeneration. Management, communication and fiscal issues were identified as areas of difficulty

Organizational structures are essential for the regeneration process, as they provide a structured platform for managing the process. Proper management, communication and adequate funding will help in ensure sustainable regeneration.
ACKNOWLEDGEMENTS

I wish to thank the following people for their time and assistance in the preparation of this research report:

My supervisors, (Prof) Francois Viruly and (Prof) David Root, who provided me with valuable guidance during the preparation of the research.

My husband, Sisa, my children and friends for their encouragement, support and understanding.

The participants in the interviews, for their time and valuable information they shared with me.
CONTENTS

DECLARATION............................................................................................................................................... 1

ABSTRACT.................................................................................................................................................. 2

ACKNOWLEDGEMENTS............................................................................................................................. 3

CONTENTS ................................................................................................................................................ 4

LIST OF FIGURES...................................................................................................................................... 7

LIST OF TABLES........................................................................................................................................ 8

LIST OF ABBREVIATIONS AND ACRONYMS.......................................................................................... 9

CHAPTER 1 ................................................................................................................................................. 10

INTRODUCTION......................................................................................................................................... 10

1.1 BACKGROUND ................................................................................................................................... 10

1.1.1 The History and Current State of the City ..................................................................................... 11

1.2 STATEMENT OF THE RESEARCH PROBLEM ............................................................................... 14

1.2.1 Research Questions ...................................................................................................................... 14

1.2.2 Aims of the study .......................................................................................................................... 15

1.2.3 Research Objectives .................................................................................................................... 15

1.2.4 Proposition .................................................................................................................................. 16

1.3 RESEARCH METHODOLOGY AND DESIGN ............................................................................... 17

1.3.1 Research Process ........................................................................................................................ 17

1.3.2 Research Design .......................................................................................................................... 17

1.4 DELIMITATION OF SCOPE ............................................................................................................. 18

1.5 STRUCTURE OF THE RESEARCH REPORT .................................................................................... 19

Chapter 1: Introduction .......................................................................................................................... 19

Chapter 2: Theoretical Framework and Literature Review ................................................................... 19

Chapter 3: Research Design and Methodology ..................................................................................... 19

Chapter 4: Consolidation of Key Findings ............................................................................................ 19

Chapter 5: Summary, Conclusions and Recommendations ................................................................. 19

CHAPTER 2 .............................................................................................................................................. 20

LITERATURE REVIEW .............................................................................................................................. 20

OVERVIEW .............................................................................................................................................. 20

2.1 INTRODUCTION ............................................................................................................................... 21
LIST OF FIGURES

Figure 1: Upgrading and providing security in Ghandi Square ........................................... 39
Figure 2: Solution design model ......................................................................................... 58
Figure 3: Survey responses ................................................................................................. 61
LIST OF TABLES
Table 1: Interview analysis....................................................................................................................86
Table 2: Interview Analysis: Research Questions based ........................................................................89
LIST OF ABBREVIATIONS AND ACRONYMS

1. JDA: Johannesburg Development Agency
2. UDZ: Urban Development Zone Tax Incentive
3. CID: City Improvement Districts
4. CJP: Central Johannesburg Partnership
5. CBD: Central Business District
6. ANC: African National Congress
7. IDA: International Downtown Association
8. BID: Business Improvement District
9. SACN: South African Cities Network
CHAPTER 1

INTRODUCTION

1.1 BACKGROUND

Urban decay is defined as the process whereby a previously functioning city, or part of a city, falls into disrepair and decrepitude. Urban decay may result from deindustrialization, depopulation or changing population, economic restructuring, abandoned buildings, high local unemployment, fragmented families, political disenfranchisement, crime, and a desolate, inhospitable city landscape (Business Dictionary.com).

The effects of urban decay counteract development. This can be seen in most first world cities such as the United Kingdom, Europe and America where urban decay is manifested in peripheral slums while the city centre and the inner city retain high property values and a steadily increasing populace. Urban decay can be characterized by ‘blight’—the visual, psychological, and physical impact on a person of living amongst empty lots, buildings and condemned houses. Such desolate urban spaces attract criminals and street gangs, thereby increasing the volume of crime in that area (Business Dictionary.com).

Urban regeneration is defined as the process whereby an urban area or neighbourhood is improved and rehabilitated; the renewal process can include demolishing old or run-down buildings, constructing new housing or adding features like a theatre or stadium. Urban renewal is often undertaken to encourage wealthier individuals to live in the area and therefore often part of the gentrification process (Business Dictionary.com).

Proper organisation is essential in order to produce a planned outcome. The Johannesburg City Municipality understood that incorporating development agencies would enhance their ability to regenerate the inner city. A general description of development agencies by Business Dictionary.com (2009) refers to development agencies as entities which determine the manner and extent to which power, roles and responsibility related to inner city regeneration are delegated, controlled and coordinated. Tsenkova (2002, citing Roberts and Sykes, 2000) refers to urban regeneration as a process whereby integrated vision and action address urban problems
through implementing a lasting improvement in the economic, physical, social and environmental condition of an area. As otherwise stated:

1.1.1 The History and Current State of the City:

By reviewing the history and current affairs of a city it is possible to identify trends, structures and programmes. “Johannesburg is ugly hectic which makes the rest of South Africa tick” (Frasier, 2005). Johannesburg’s inner city is a major economic centre in South Africa and a significant contributor to the Gross Domestic Product (GDP) and Gross Geographic Product (GGP) of South Africa (Urban Life in Africa Paper, 2005). Frasier states that in 2005 the inner city had a population of 211 000 people which was estimated to grow to 256 000 by the year 2010 (ibid.). The city provides 12% of national employment and approximately R30 billion of current investments, as well as being home to over 40 000 dwelling sand R1.2 billion of capital investment in housing (ibid.). On an average day approximately 1 million people work and play in the inner city with an additional 800 000 commuters (40% by taxi, 27% private cars, 24% buses and 9% by train) (ibid.).

Johannesburg is perceived as the heart of Africa and has become the first stop for many migrants from other African countries. However, the city lacks sufficient work opportunities and this has resulted in a large number of migrants living in conditions worse than in their home countries (Frasier and Cox, 2005). These migrants are forced to share overcrowded accommodation which is poorly maintained, lacks water, electricity supplies and in many cases contravenes health and safety by-laws (Fraser and Cox 2005). According to a recent survey (Frasier and Cox, 2005) 67.1% of migrants are self-employed in small businesses like welding, hairdressing, tailoring and retail outlets. This immigration has caused urban fragmentation, despite good intentions.

During the 1970s, 1980s and 1990s the economic and social fibre of Johannesburg’s inner city began to deteriorate. This decline resulted in an exodus of businesses from the inner city to suburban areas compounding a polluted working environment, increasing crime levels and a dwindling tax base in the inner city. The city was faced with major challenges including crime, social disorder and squatting which resulted from poor management by the City of Johannesburg Municipality. The inner city's major was its high crime rate, which had reduced over the past
decade but was still unacceptably high. The high crime rate deterred investors which lead to a lack of service delivery, access to information, city codes, policy regulations and an efficient business environment. There are also numerous linked issues such as addressing the broken windows theory which suggests that a well-ordered condition urban environment is a deterrent for vandalism and serious crime.

The question of what causes some neighbourhoods to thrive while others decay has fascinated social scientists for decades and led to the broken windows theory, which puts forward the idea that ignoring apparently small problems (e.g. graffiti, litter, and shattered glass) creates a sense of irreversible decline which leads people to either abandon or avoid the area. Richard Morin says, “The theory, in turn spawn a revolution in law enforcement and neighbourhood activism.”

Broken windows? Get building owners to replace them. Graffiti on the walls? Scrub them clean and get tough with graffiti artists. Abandoned cars? Haul them away. Drunks on the sidewalks? Get them off the streets.

When an inner city requires regeneration it is critical to establish whether the development agencies established to deal with this are effective. In an attempt to restore order and financial stability in the inner city the Johannesburg Development Agency (JDA) was established by the City of Johannesburg Municipality in 1994 (Johannesburg website). Other developments agency objectives, such as Blue IQ, were developed to stimulate and support area-based economic development initiatives in the Johannesburg metropolitan area, particularly inner city(Johannesburg website). The JDA was developed through the results of interaction and best practice assessments. This included research and a consultative process conducted by the International City or Country Management Association, funded by the United States Agency for International Development (USAID) (Johannesburg Development Agency website). The urban regeneration of inner city Johannesburg started in 1996 and has steadily gained momentum, assisted by Mayor Amos Masondo of Johannesburg Metro who announced in 2000 that the inner city was one of six priorities during his term of office (City of Johannesburg website).

In 1999 a spatial framework was developed, followed in 2000 by the inner city framework(City of Johannesburg website). As a result, urban renewal has characteristics of a flagship programme
attracting investment support and identifying key economic sectors, establishing tax incentives in the Urban Development Zone (UDZ) and enhancing urban management. In the years since the inner city revitalisation programme started, there have been a number of completed projects such as the Constitutional Court, the Nelson Mandela Bridge, Brickfields, Hillbrow Medical Precincts and Metro Mall. These demonstrate the extent of the impact of the urban renewal initiative within the City of Johannesburg. How can Johannesburg now be developed into a sustainable metro city?
1.2 STATEMENT OF THE RESEARCH PROBLEM

The inner city of Johannesburg is faced with urban decay. Overcrowding and decaying buildings are on the rise, living conditions are compromised the crime rate is unacceptably high. This leads to capital flight as investment confidence diminishes.

1.2.1 Research Questions

1. What is urban decay?
2. What are the effects of urban decay?
3. What is urban regeneration?
4. Why is urban regeneration important?
5. Who is it important to?
6. What is the relevance of sustainability in urban environments?
7. How is urban regeneration related to sustainability?
8. What examples are there internationally of successful urban regeneration?
9. What best practices can be drawn from these examples?
10. What are development agencies?
11. How do development agencies support urban regeneration?
12. Are there any generic principles guiding successful development agencies?
13. What are these principles?
14. How is the success of the development agencies measured?
15. Does Johannesburg suffer from urban decay? Why?
16. Why is urban regeneration in Johannesburg important? And for whom?
17. How important is urban regeneration to the stakeholders/developers/public?
18. What is the City of Johannesburg’s policy on urban regeneration?
19. Why did the City of Johannesburg implement the regeneration process?
20. What were the City of Johannesburg objectives during the formation of the development agencies?
21. What was the stakeholder’s perspective on these objectives during the formation of the development agencies?
22. Should the development agencies have set objectives against international best practice?
23. Were the objectives and targets set by the City of Johannesburg based on international best practice?
24. What were the targets set by the City of Johannesburg?
25. What were the key performance indicators set by the City of Johannesburg to measure the success of the development agencies?
26. Why were key performance indicators used?
27. Why were these key performance indicators chosen?
28. Are key performance indicators appropriate to assess the performance of development agencies?
29. Were tenants, landlords and the media aware of the regeneration initiative?
30. Was there a partnership between the private sector and the City of Johannesburg in the urban regeneration process?
31. Were the public private partnerships effective?
32. Have the City of Johannesburg's objectives been met?
33. Were the goals and objectives set by the City of Johannesburg realistic and achievable?

1.2.2 Aims of the study

The aim of this study is to analyse and evaluate the role of city development agencies in the City of Johannesburg's regeneration process. This evaluation includes both the public and private sectors in the City of Johannesburg.

In addition, this study aims to provide a better understanding of the following research objectives:

1.2.3 Research Objectives

- Establish the current best practice principles applied by the organisational structures in the regeneration process.
- Contribute to a better understanding of the underlying challenges faced by the organisational structures in the inner city regeneration process.
• Develop a model to support sustainable urban regeneration.

1.2.4 Proposition

The establishment of development agencies such as the Johannesburg Development Agency has had a positive impact on urban regeneration in the inner city of Johannesburg.
1.3 RESEARCH METHODOLOGY AND DESIGN

1.3.1 Research Process
The literature study was based on information gathered from the internet, newspapers, conferences and other sources including books, journals and professional magazines. It was not limited to South Africa and includes relevant projects and expert opinions from the United Kingdom and United States of America, as well as cities outside South Africa which have undergone a similar urban regeneration process.

Thirty questionnaires were completed alongside eight structured interviews with representatives of the JDA, developers and other stakeholders involved in the revitalization of the Johannesburg inner city. The data from these has been compiled and analysed. The selection of respondents was informed by the literature review after determining which stakeholders were involved. The respondents were approached, some accepted the invitation while others were not available. The information received was used and those who could have played a significant role were no longer relevant as information received was adequate to analyse the data.

1.3.2 Research Design
This study applies both qualitative and quantitative research methods. The research findings were consolidated and analysed. The conclusion and recommendations were informed by the literature review, the data gathered from the structured interviews and questionnaires, and a comparison of successful international examples of inner city revitalization.
1.4 DELIMITATION OF SCOPE

The inner city of Johannesburg is the area under investigation for this study. Financial and time constraints prevented a thorough survey. The data collected from Johannesburg is assumed to apply to other South African cities since Johannesburg is the business core of South Africa. Various models and case studies from the United Kingdom and the United States of America are considered both as a backdrop to Johannesburg’s situation and to provide best practice guidelines.

Guiding principles for the successful use of development agencies are not established for this study due to the limited resources. The focus of this research is the key performance indicators of development agencies and whether these have been achieved. The emphasis of the study is on the role of the city development agencies in the urban regeneration of inner city Johannesburg rather than the City of Johannesburg. The principles of the development agencies will be assumed to be the same as the key performance indicators, stated as objectives set by the development agency.

The study does not look at the policies, targets and key performance indicators of the City of Johannesburg as this is deemed to be determined by the establishment of the structures to deal with the inner city regeneration.

The study looks at examples of international best practice but assumes the development agencies set their own guidelines based on the objectives set by the City of Johannesburg.

The study touches on the awareness of the media about the regeneration process. It does not go into detail since sources were limited and the crux of the study was to establish the level of success of the development agencies in the regeneration process.

Instances of partnerships between development agencies or the City of Johannesburg are noted as a limitation. An assumption will be made on the targets set by the City of Johannesburg. The data collected is intended to establish the efficacy of the development agencies rather than whether or not the City of Johannesburg has met its objectives.
1.5 STRUCTURE OF THE RESEARCH REPORT

Chapter 1: Introduction
Chapter one is the introduction to the research. It outlines the subject matter and the structure of this research report. It includes background information, a statement of the research problem, details of the research methodology and design, along with the proposition and delimitation of Scope.

Chapter 2: Theoretical Framework and Literature Review
This chapter is a detailed literature review which partially responds to the research question and raises questions of how far the development agencies can succeed in making the inner city regeneration of Johannesburg a sustainable success.

Chapter 3: Research Design and Methodology
This chapter builds on the previous chapter and describes the research design and the methodology of this study.

Chapter 4: Consolidation of Key Findings
This chapter outlines and analyses the research findings.

Chapter 5: Summary, Conclusions and Recommendations
This is a summary of the research and the key findings from the literature review and research methodology. The analysis of these findings is presented in the conclusion alongside recommendations.
CHAPTER 2

LITERATURE REVIEW

OVERVIEW

This literature review is structured to determine the process of urban regeneration. It investigates the factors which have historically led to the implementation of urban regeneration programmes. In the process a clear definition of urban decay and urban regeneration is established.

Case studies reveal the effects of urban regeneration and highlight best practice to support sustainable regeneration.

The review focuses on Johannesburg but references case studies from the United Kingdom to establish what structures are required to facilitate the process of urban regeneration. These structures, or development agencies, are then reviewed against their key performance indicators.
2.1 INTRODUCTION

History is littered with the rise and fall of cities. Take for example, Babylon was the first world’s city and grew to become a ‘holy city’ and a centre of commerce. Despite a location conducive to trade, access to skilled labour and abundant resources, the city collapsed. It is clear that there are underlying factors which contribute to the decline of a city (Hunsinger, 2007).

Faber (2003) suggests cities decay due to internal and social strife. This study will focus on London, New York and Johannesburg as examples of urban decay and renewal.
2.2 UNITED KINGDOM: LONDON REGENERATION

2.2.1 History of London

There is evidence of settlement in the area now called London as early as 4500BC but it is generally accepted that the first major settlement was established by the Romans in 43 AD. The decline of the Roman Empire in the 5th Century meant that London was effectively abandoned. This sparked a decline in the city of London which lasted for several centuries.

London experienced a population surge during the 19th century, from about 1 million in 1800 to over 6 million in the 19th century. This sudden population explosion resulted in overcrowding and unsanitary conditions, including the dumping of raw sewage directly into the Thames.

Despite these conditions, the city continued to expand saw the construction of the London Bridge and was followed by the great railway boom.

London was heavily damaged during World War II and serious regeneration was required (www.BritainExpress.com). According to Tsenkova (2002) regeneration encompassing addressing issues like economic restructuring, unemployment, social deprivation and exclusion, contaminated land and environmental pollution.

2.2.2 Case study 1: United Kingdom Regeneration

2.2.2.1 Urban Regeneration

Unfavourable conditions in Britain’s cities post World War II led to government
focus on urban regeneration as a means to improve society (McDonald, Malys, Maliene, 2009)

The UKs regeneration policy has evolved over the last 50 years Comprehensive redemption was implemented from 1950 -1960, with the assumption that poverty could be built out and that upgrading the physical landscape would result in positive social and economic changes.

Public Welfare was implemented during the middle of the 1960s and continued until the late 1970s. During this time public welfare was promoted despite the welfare state of poverty and deprivation in the inner city areas. This policy was able to provide temporary relief to the victims of economic and social change.

Economic Development was introduced from the 1970s as the government realised that many urban problems were caused by structural economic change. This programme aimed to assist restore the area.

A private sector led property-regeneration programme was implemented in the 1980s to address problems associated with local government housing, in terms of property development and unblocking the supply side obstacles to land.

Local area-based partnership was introduced in the 1990s which stressed that a successful regeneration process should be based on harnessing the strength, resources and energy of local communities with the intention of building social capital and self-help. Local strategic partnership was implemented in the late 1990s which married these development strategies with action to improve governance and arrangements for urban regeneration.

A new holistic integrated policy was introduced at the beginning of the 21st Century based on the principles of design excellence, economic strength, environmental
responsibility, good governance and social well-being. This policy is called the sustainable regeneration for sustainable communities. McDonald, Malys, Maliene. (2009) (2003) defines sustainable communities as “places planned and built to support living with focus on economic sustainability and environmental sustainability.”

The free dictionary.com defines sustainability as a process of keeping something in existence and maintaining it. This means the United Kingdom introduced a policy of regeneration which ensures continuous growth of the economy and the preservation of the environment. The Egan review and the EU Bristol Accord were set. According to the Office of the Deputy Prime Minister of the UK (2006) the Bristol Accord provides detail on the approach to sustainable communities for member states of the European Union.

2.2.2.2 Sustainability of Regeneration

McDonald, Malys, Maliene (2009) used the Bristol Accord to identify eight key components of sustainable communities. These are:

2.2.2.3 Governance:

This component refers to the management of communities and includes effective and inclusive participation, representation and leadership.

2.2.2.4 Social and Cultural:

The policy should be active, inclusive, tolerant and cohesive with a strong local culture and shared community activities.

2.2.2.5 Housing and Built Environment:

The houses should be well designed and built, and feature the natural environment.
2.2.2.6 Transport and Connectivity:

The area should be well connected with good transport services linking people to jobs, health care and other services.

2.2.2.7 Economy:

The economy should be thriving or sustainable, with a diverse local economy.

2.2.2.7 Services:

The services should include public, private, community and voluntary services required by the community and they should be accessible.

2.2.2.8 Environmental:

Promoting environmental sensitivity by providing places for people to live that are considerate of the environment.

2.2.2.9 Equity:

Equity within the community should be promoted, extending to those in other communities. Successful regeneration involves incremental development - pilot projects and flagship schemes are implemented to attract and establish new uses for disused space.

In addition to these key components, Tsenkova (2003) added that partnerships are seen as major contributors to the process of urban regeneration and are known to accelerate the process. The public sector plays a role in the provision of strong leadership and the sector should ensure that positive synergies arise from different programs and strategies.

Tsenkova (2003) adds that public investment is a catalyst for change and that regeneration should be a ladder for opportunities for private sector involvement and community participation. People’s regeneration must be the primary object of
regeneration initiatives.

Private investment is as important as public investment. The Journal of Property Research (2000) states that the private sector is important in stimulating property development. The journal also highlights that the private sector perceives urban regeneration projects as being inherently risky. To minimise this risk and to encourage private investment, partnerships between private and public investors are formed.

The cooperation between private and public investors prompted the government to facilitate urban regeneration in the United Kingdom.

2.2.3 Urban regeneration initiatives

2.2.3.1 Reason for the implementation of the regeneration process

During the 1980s the United Kingdom government used land and property as instruments of urban regeneration. Inner city regeneration was supported by property led regeneration. The policies of the 1980’s were designed to promote the supply side and encourage property development through the following initiatives; urban programme, derelict land grant, urban development corporations (UDC’s), enterprise zones and urban development grant. These initiatives were intended to centralise power and responsibility (The Journal of Property Research, 2000).

The 1990s saw a change in the policy and the introduction of new initiatives such as the city challenges, English partnership and SRB (Single Regeneration Budget). These regeneration themes were based on community participation and the involvement of local governments (The Journal of Property Research, 2000).

Mutale and Edwards (2002) highlight the local level actors in regeneration as (i) the local authority (ii) business (iii) voluntary sector and (iv) community groups.
These sectors are considered important in facilitating regeneration. The role played by the local actors is to set the regeneration agenda based on experience and local knowledge and to take a leading role. Private financial initiatives are used to encourage partnerships between the private and public sectors. The initiatives encourage the effective use of public and private resources.

Security plays a vital role in the regeneration process since areas requiring regeneration are often associated with petty crimes and negative perceptions (Raco, 2001).

Implementing all the regeneration policies and strategies does not guarantee success and monitoring is required to check and measure performance. The UK government introduced regeneration performances indicators.

**2.2.4 Indicators based-approach for measuring regeneration success**

Hemphil, Berry and McGreal (2003) cite the Audit Commission (2002), and suggest that some key performance indicators are being adopted to assess the achievement of regeneration policy objectives, strategies and the impact of action taken. The targets and outcomes of a regeneration programme should be area specific. This highlights the importance of early, persistent and rigorous evaluation of the regeneration initiatives (Hemphil, Berry and McGreal 2003).

Evaluation ensures that programmes can be improved or terminated while in progress. Future initiatives benefit from the evaluation process since new and effective ways of managing regeneration initiatives can be implemented and best practices shared (Hemphil, Berry and McGreal 2003).

The indicators can be used to measure the performance of individual regeneration agencies or initiatives. Most of indicator-based approaches do not demonstration why differences exists but reflect on issues and raise questions in the process (Hemphil,
Berry and McGreal 2003).

2.4 SOUTH AFRICA: JOHANNESBURG

Business Dictionary.com (2009) describes development agencies as entities implemented to determine the manner and extent to which power, roles and responsibility are delegated, controlled and coordinated. In an attempt to restore the inner city, the organizational structures were established in 1994. Their objectives were to stimulate and support area based economic development initiatives throughout the Johannesburg metropolitan area, particularly in the inner city. The structures were modelled on best practice assessments, including research and a consultative process conducted by the International City or Country Management Association, funded by the United States Agency for International Development (USAID).

The urban regeneration of the city started in 1996 and is steadily gaining momentum, assisted by the Mayor of Johannesburg Metro who announced in 2000 that the inner city was to be one of the six priorities of his term of office. In 1999 a spatial framework was developed, followed by the inner city framework in 2000. Subsequently, urban renewal is considered a prestige programme which seeks to attract investment support and identify of key economic sectors, tax incentives (UDZ) and enhanced urban management.

In the years since the inner city revitalisation started a number of projects have been completed including: the Constitutional Court, the Nelson Mandela Bridge, Brickfields, Hillbrow Medical Precincts and Metro Mall.

The Inner City Paper (January 2001) puts forward the Urban Development Corporation model as the most appropriate model for what became the JDA. In
addition the paper mentions that this model is generally used in major metropolitan areas. It has demonstrated success in guiding or leading important processes such as the development of existing industrial businesses, new business creation, further downtown development, neighbourhood development and growth management.

After assessing core documents, including the spatial framework for Johannesburg, evaluating the current plans, projects and future strategies for the city, it was determined that, in line with Johannesburg 2030, the core mission of the JDA should be to address two of the city’s five key challenges which were (Inner City Paper, January 2001):

- Creating an effective business environment
- Upgrade areas of decay

Examples of the International Urban Development Corporations are:

- Abyssinian Development Corporation (Harlem, New York, USA)
- Urban Development Corporation (New York City metro level)
- North Milan Development Agency – Agenzia Di Suippo Nord Milano (ASNM – Inner City)
- Glasgow Development Agency

The paper maintains that the JDA does not act as a long term operator for the initiatives it establishes but acts as a development manager, organises finance for the initiative, oversees and manages city regulatory processes and ensures timely completion of development projects. Upon completion the JDA organises a marketing launch of the site. Thereafter another entity manages the operations of the new building/property.
The development agency charges project management fees. The JDA developed an aggressive action plan to reduce crime, regulate the informal trade industry, establish effective taxi and public transport systems and ensure timely basic service delivery.

The Blue IQ is an initiative of the Gauteng provincial government, specifically the Department of Finance and Economic Affairs, which is designed to lift Gauteng’s economy and shift the mix towards three sectors: smart industries, high volume manufacturing and tourism.

To date Blue IQ involves partnerships with the private sector, or other government departments, to fund infrastructure development through 11 projects – two in smart industries, four in manufacturing and five in tourism. The inner city projects being funded by Blue IQ include Constitutional Hill, the Mandela Bridge and certain Newtown developments.

From the above mentioned statements on Blue IQ and it’s initiatives it reinforces the objectives of this study as these are the projects which both JDA and Blue IQ have played a role and This study aims to determine the successes of these projects and the challenges faced during the regeneration process.

The literature review in the University of Aberdeen and Kevin Murray Associates paper on ‘Towards more Sustainable Places ’expresses a definition of sustainable places as places of place making, holism, people and place, self-sufficiency and temporal. The paper adds that the concept of sustainable places or communities currently has limited meaning for the majority of city wide or regional level partnerships and even less direct impact upon their activities. The report goes on to state that while there has been limited recognition among practitioners of the need to accommodate changes over household lifecycles, even at a neighbourhood level, there is little evidence of a long term perspective which addresses the need for sustainable places to be flexible and dynamic. In the regeneration process the
concepts of sustainable places and sustainable communities remains cloudily and the goals of partnerships tend to be much narrower and focused on more immediate objectives.

The University of Aberdeen and Kevin Murray Associates paper details challenges in the development of sustainable places and sustainable communities. The Eagan Skills task group had highlighted a severe shortage of skilled regeneration professional but interviewees did not feel this existed.
However, there was a mixed picture. Where shortages of suitably qualified and experienced people existed the solution was felt to be very simple – higher salaries to attract better practitioners. In addition, the article reports that steps were being taken by regeneration professionals and institutions of higher educational to address the issue of skills and knowledge shortages. The research clearly highlights that in the opinions of regeneration practitioners themselves, a suitable skills base is less of a challenge than has been suggested by the government and other bodies. The real issue of delivering sustainable places and urban regeneration through partnerships is believed to be concerns of people, processes and tools.

In a bid to achieve sustainable places and urban regeneration, City Improvement District (CID) was introduced.

2.4.1 City Improvement Districts

A CID is defined as “a geographic area within which property owners and/or tenants agree to pay for certain services supplementary to those supplied by the Local Authority and which will enhance the physical and social environment of the area”. A more recent definition specifies the ultimate goal of CIDs is “to maintain and manage the public environment at a superior level and thus enhance their [the majority of the property owners] investments” (KUM 2005: 6)

2.4.1.1 City Improvement District in Johannesburg and creation of economic core and political transition

Since the 1994 democratic transition in South Africa, CIDs have been introduced in various forms in the Johannesburg metropolitan area, as well as in Pretoria and Cape Town.

In Johannesburg, CIDs enjoy the support of the public authorities and have become an integral part of urban regeneration policies. They are also seen as an innovative solution to boost and foster economic development in suburban areas. Johannesburg
is confronted by problems of business and residential vitality: a declining inner city affected by waning industry, the development of suburban shopping malls, the decentralization of office spaces to suburban parks, and ‘white flight ’ from inner city residential areas.

This is a vicious cycle which leads to high levels of unemployment, poverty, rising crime rates, and the rise of an informal economy in the inner city (J. Beall, O. Crankshaw and S. Parnell, 2002; Beavon, 2004).

Johannesburg displays some key characteristics of a well-developed and attractive city. Its economic base is dual, with certain aspects resembling those of Northern cities and others similar to Southern cities. There has been little direct integration between formal and informal activities; a marked contrast can be observed between the latter and the development of evermore sophisticated services, both financial and other (Mabin, 2004). A unitary state since 1910, South Africa now has three spheres of government: national, provincial and local. The 1997 constitution established greater equality between the three spheres of government (see the White Paper on Local Government in 1998) (Mabin, 2004). Over the last decade, Johannesburg local government has been reformed: a multiplication of small racially-based municipalities under the apartheid regime; a federation of four councils, in an interim arrangement (1995-2001), brought together previously divided black and white areas; and a Unicity in 2000, with local government elections, from which Johannesburg emerged as a unified metropolitan council led by an Executive Mayor (Mabin, 2004).

The forerunner of South African CIDs was a voluntary pilot project in the inner city of Johannesburg set up by business and property owners from the Central Johannesburg Partnership (CJP) as early as 1993, two years before the change of government. The CJP was launched in 1992 by a prominent figure of Johannesburg as the result of an Inner City Strategic Workshop held the previous year. Initially
conceived as a trilateral partnership – business, the City of Johannesburg and the community – the CJP concentrated on the sole representation of inner city business from 1995 onwards and became a private, non-profit Section 21 company in 1998. It is a consultancy which specialises in urban regeneration, establishes and manages CIDs within the inner city.

The CJP began implementing CIDs in reaction to the general shabbiness and decay in the inner city and the high level of violence in a context of “political paralysis of white councillors” (Neil Fraser quoted in Davie, 2002: 1).

The first CID stretched over a few blocks in the Central Business District (CBD) and focused on security, cleaning and maintenance, and upgrading facilities for informal traders. It is said to have been very successful in reducing crime levels. After this pilot project, the CJP introduced the first voluntary CID, known as a Central Improvement District, in 1994. Under the municipal structure which emerged in 1995 as the first post-apartheid ANC-run city council five other CIDs were launched between 1995 and 1999; the South Western Improvement District, the Retail Improvement District, the Legislature/City Hall Improvement District, the Gandhi Square Improvement District and the Newtown Improvement District.

Johannesburg was restructured into four regions governed by a central metropolitan council and four local regional authorities. Under the ANC slogan ‘One City, One Taxpayer’, the municipal boundaries encompassed wealthy suburbs like Sandton and Randburg, townships like Soweto and Alexandra and informal settlements like Orange Farm. The idea was to cross-subsidise between wealthy, traditionally white areas and poorer black areas (J. Beall, O. Crankshaw and S. Parnell, 2000).

In 1995 the CJP became a member of the International Downtown Association (IDA), based in Washington DC, and the Executive Director of the CJP was
appointed to the Board of
IDA (Davie, 2002). The same year, a study tour to the UK and the USA was
organised by the CJP. It included senior officials from the City of Johannesburg and
provincial government, as well as business and community representatives. The tour
 aimed to visit CID sites and learn from international experiences in order to set up
practices and legislation for a CID in Johannesburg.

The CID legislation was later drafted using CJP legal resources and was revised by
the legal department of Provincial Government. It was approved by Gauteng
Provincial Legislature at the end of 1997 (Gauteng City Improvement District Act
number 12 of 1997) and became effective in 1999.

The North-American BIDs heavily influenced the Johannesburg’s CIDs. The
introduction of each of the CID business plans includes examples of successful
improvement districts like Times Square, Downtown Baltimore, Downtown
Philadelphia or Central Houston where crime was reduced and there was enhanced
street maintenance, marketing and economic development.

The Johannesburg’s model of a CID was not restricted to the inner city and rapidly
spread to other parts of the city under the leadership of the Partnership for Urban
Renewal (PUR) and Kagiso Urban Management (KUM), two organisations set up by
the CJP. PUR was established in 1997 primarily to provide consulting and
management services beyond the inner city, which remained the focus of the CJP.

Johannesburg was in a slow and persistent decline throughout the 1980s and the
early 1990s; there was a drop in gross geographic product and in formal employment,
mostly as a result of the declining manufacturing sector (Tomlinson,1999).
Johannesburg’s inner city suffered from general shabbiness and decay
(Bremner,2000). Since the 1970s, the CBD has been affected by the flight of capital,
particularly to the northern suburbs, due to the decentralisation of offices and
shopping centres.

This has resulted in a drop of office occupancy rates in the CBD (Larsen, 2004). The immigration of impoverished African people in the early 1990s contributed to the changing social geography of the inner city. Property invasions took place in the inner-city residential zone where several apartments, no longer connected to services, had been vacated, along with the informal occupation of vacated office space (Beavon, 2004).

The inner city was gradually affected by physical blight as landlord-tenant relationships collapsed and maintenance levels declined. Partial boycotts of rent to landlords were organised and payments water and electricity suspended.

The increasing ‘informalisation’ of the inner city began with the construction of shacks in the yards of buildings, on the pavement in areas near the main taxi ranks, in some of the parks in the CBD, and on vacant stands. Crime and grime escalated, ranging from petty theft to serious crime, hijacking and drug-related crime. The streets of the CBD became deserted after dark. The intense volume of legal and illegal taxis, and traffic congestion, contributed to crime and the degradation of the city centre, and to the out migration of high-end shops (Beavon, 2004).

According to Beavon (2000), these suburbs were becoming a “neo-apartheid city” with property prices becoming a new form of exclusion. The “relocation of material and political power” and the emergence of business centres in the northern suburbs such as Sandton and Rosebank, meant that the centrality of the city was fragmented (Mabin, 2004).

Urban design activities for inner cities often include the transformation and upgrading of public space through capital improvement, landscaping and the introduction of
pedestrian zones. Main Street, a voluntary CID in the inner city, is an example of a re-design and reconstruction project intended to attract people back into the streets \((\text{Figure 2})\). This major redevelopment project, managed by the CJP after it was appointed as co-ordinator in 2003, covers six city blocks. With the re-design of the street, vehicle access is limited, pavements have been extended to allow for open-air coffee shops and restaurants, and trees have been planted along the streets. Attention has been paid to the historical identity of the area: a mining theme has been developed with lighting based on 19th century city light standards and selected heritage artefacts related to the mining industry. This complements the concentration of mining houses that line the streets.

A legislated CID in the inner city, the Braamfontein CID, is being developed for mixed use; commercial, retail, and cultural spaces will be alongside hotel and residential accommodation, aimed particularly at students on the permeable border with the Witwatersrand University Campus.

The corporate area delimitated by the CID was upgraded and the Civic Theatre Park and National Ballet School were developed in a joint-venture with the JDA. A public square was created where urban designers and professional consulting teams created distinctive street lighting designed to cater to pedestrians, unique paving patterns and street furniture to give the area a clear identity. Future plans in Braamfontein include a new reception centre for the council offices, pedestrian walkways to Constitution Hill (a cultural and historical precinct), public art, the reopening of the historic Alexander Theatre, as well as social facilities like a health care clinic, residential apartments and more sidewalk coffee shops.

Newtown, a previously neglected western sector of the inner city, is being developed as a mixed-used cultural precinct. CIDs enhance town planning and transportation, in particular through precinct development plans. The Rosebank Management District
(RMD) developed its own urban design framework, funded by Rosebank’s property owners. The RMD engages with council regularly regarding the nodal plan within the Regional Spatial Development Framework of the concerned region. The RMD compiled the Rosebank Urban Development Framework which includes guidelines on public space, land use management, municipal infrastructure investment and private sector investment (Finweek, 2007).

Interventions in Sandton includes a planning strategy and an integrated Urban Design Framework. This framework aims to; increase landscaping (street furniture, signage and banners in public spaces), change the architecture, improvement pedestrian and traffic flows, improvement roads and service infrastructures, assess the effect of the Gautrain on the area, and, finally, aid the implementation of an urban management and municipal service plan.

CIDs in Johannesburg encompass a wide range of institutional and financial arrangements between public and private stakeholders, with different degrees of public intervention and different legal frameworks. There are legislated CIDs under private management (including the Board of Directors and the management agency) operating with private funds derived from levies (e.g. in Sandton, Rosebank, Illovo). There are also public private co-financing schemes. The property owners secured funding of R12 million after negotiations with the JDA and the City Council agreed to provide an additional R28 million for public environment upgrading. A CID was established by the CJP in the upgraded area in 2004.

Gandhi Square is a designated ‘special project’ which is managed as a ‘Safe and Clean Precinct’ within the CID. It is the result of an individual initiative that led to another type of arrangement.

The CJP was approached by the owner of a property which bordered the Square. The
property owner wanted to address the issues of homeless people, street children and petty crime because of the negative impact on the area. In response the CJP established a consortium consisting of the majority of property owners contiguous to the Square. A lease agreement over the Square was negotiated with the Council that required the consortium to upgrade the Square and maintain it at their cost. The consortium named the Square after Gandhi in recognition of the significant role that Mahatma Gandhi played in Johannesburg. When the project was completed in 1999 the CJP retained responsibility on behalf of the Consortium for maintain and managing Ghandi Square.

**Figure 1: Upgrading and providing security in Ghandi Square**
Additional examples of governance and finance arrangements include the appointment of the CJP to co-ordinate a voluntary project in Main Street in 2003. The seed capital was provided by the City Council via the JDA and major funding supplied privately by property owners. The CJP managed the public space via a CID under the name of Main Street Mall.

In Yeoville, a neighbourhood of mixed African cultures, home to exotic restaurants and markets, the JDA launched and funded an initiative to introduce the concept of CID by means of a pilot clean-up project managed by the CJP.
2.4.1.2 CIDS and changing urban policies

While BIDs enjoy various forms of support from the public authorities worldwide (Ward, 2007), it is Johannesburg’s CIDs which have found a supportive political context. The local government fiscal crisis, which became acute in 1997, meant that private funding was welcomed to fund public services. The budgetary crisis was the result of long-term unpaid debts connected to rent and service boycotts during the apartheid struggle. It was also the result of rate boycotts in the former ‘white only’ suburb of Sandton. During the 1995-2001 interim phase, during which the design of local government was renegotiated, residents resisted the decision made by the newly elected local councillors to standardise rates across the metropolitan area (Mabin, 2004).

CIDs are included in the Inner City Strategy under the objective to “undertake intensive urban management”. This includes efforts to ensure effective by-law enforcement, manage informal trading, improve service delivery and utilities, and maintain the public realm. CIDs represent alliances between private and public interests around key issues, in particular in the inner city where stakeholders work closely together. The alliances between business and property owners and the metropolitan council can be explained by a convergence of interests as far as maintenance, improvement and control of urban space are concerned. CIDs contribute to enhancing the city’s economic value by strengthening the property market: the appreciation of property values and business activities in the nodes generates increased tax revenues for the local government (Spiropoulos, Fraser, 2003).

2.4.1.3 Socio-spatial implications of CIDs

BIDs have been widely acknowledged as an efficient regeneration tool, as demonstrated by successful international examples, but their impact on urban patterns and local democracy needs to be explored (Peyroux 2006, Hoyt /Gopal-Agge, 2007).
The risks and implications of CIDs, as pointed out in the northern cities in terms of ‘fiscal exclusivity’, ‘splintering’ management and privatisation of streets (Graham, 2001), have a highly political significance in South Africa. By creating distinctive fiscal and service enclaves, CIDs give rise to concerns about the risk of reinforcing spatial inequalities: wealthy suburbs where businesses and property owners have the ability to pay additional taxes versus low-income townships whose commercial and economic base remains poor. It is acknowledged that CIDs tend to be run largely by ‘blue-chip corporations’ - small property owners in areas affected by decay cannot afford extraexpenses. The fact that a transposition of the CID concept into low-income areas is currently being explored by the City of Johannesburg (for example in Lenasia) shows that this potential shortcoming has already been taken into consideration. On the other hand, proponents of CIDs see them as a way to provide opportunities for upgrading and enhancing public spaces without burdening the state. They also see a benefit for public authority. As stated by the former CJP director, in an urban context characterised by strong structural inequalities there is a risk of ‘protection for profit’ and ‘sanitisation’ of public places (Zukin, 1995) within CIDs. This was also highlighted in the Northern cities (Dinges and Sack, 2000).

Eick (2006) raises concerns in South Africa; while the crime prevention component of CIDs might work towards a safer environment more conducive to social life it also enforces more control and surveillance of public space according to profit-driven strategies. Eick argues it is a potential source of discrimination and exclusion for certain segments of the population. This is particularly true for marginal social groups like street vendors, sex workers and the homeless who rely on public spaces for their material maintenance (Gulik, 1998; Eick, 2006).

The issue of access to public space is highly sensitive in Johannesburg where the mixing of people in public spaces from different social and ethnic backgrounds remains a challenge. Scholars investigating private policing and gated communities
have already pointed out the risk of a new urban apartheid based on socio-economic lines (Shearing and Kempa, 2001; Landman, 2002)

As CIDs are implemented to defend the interests of property owners and corporate businesses, the main question revolves around how private and public interests are balanced in issues raised and dealt with by these organizations (Briffault, 1999)

In South Africa, CIDs foster new forms of local participation and community empowerment – two major issues in the political agenda associated with community development. However, this form of ‘shareholders’ democracy’ (Glazse, 2003) might not be the best option to fulfil these political expectations. Scholars have suggested CIDs may lead to a perversion of the concept of community development as interests differ between owners, tenants and users, while property owners and businessmen, who retain voting privileges, might be from the community themselves (Gross, 2005).

2.4.1.4 Conclusion on the impact of CIDs in Johannesburg

CIDs emerged and developed in Johannesburg in a context of a shifting economic base; the former mining and industrial city has emerged as a metropolitan centre dedicated to financial and business services. CIDs fit into the new economic paradigm that links urban renewal with the search for economic growth and competitive restructuring driven by the vision of Johannesburg as a ‘World-Class African City’.

The implementation of CIDs raises issues around the goals of redistribution and the fight against the inequality. CIDs risk accentuating intra-urban inequalities and social polarisation through interventions targeted to improve land and housing values and projects prioritising economic objectives over social issues. Through the rationalisation of urban management, CIDs could disconnect local issues from a broader framework of analysis. This mirrors criticism of the New Urban Policy in
European cities: “the limited and spatially targeted interventions associated with project-based urban restructuring policies prevent (neighbourhood) movements from transcending the localized issues associated with a project’s implementation and from translating these social demands into more generalised policy models at higher spatial scales” (Swyngedouw, Moulaert and Rodriguez, 2002). While being acknowledged as a success story (Hoyt and Gopalagge, 2007), the use of the CID model in cities characterised by strong socioeconomic and spatial inequalities, should be implemented with caution.

2.4.2 Johannesburg Development Agency:

Introduction

The Johannesburg Development Agency (JDA) was established in 2001 as an agency of the City of Johannesburg to stimulate and support area-based economic development initiatives throughout the Johannesburg metropolitan area in support of 'Joburg 2030’ - Johannesburg's economic development strategy for the next three decades.

As development manager of these initiatives, the JDA co-ordinates and manages capital investment and other programmes involving both public and private-sector stakeholders. The JDA is also an implementing agent of three Blue IQ projects. Blue IQ is the Gauteng Provincial Government's Plan for a Smart Province.

Johannesburg Development Agency (JDA) was established by the City of Johannesburg with support from national and provincial government, the private sector and international donors. The mission of the JDA is to stimulate and support area-based economic development. As a driver of economic development for the City of Johannesburg, the JDA is responsible for initiating, stimulating, and supporting development projects particularly within the inner city but also throughout the greater Johannesburg metropolitan area.
\textbf{2.4.2.1 JDA’s Responsibilities}

The JDA serves as the development manager for a broad range of initiatives. It coordinates and manages capital investment, promotes productive partnerships and cooperation between relevant stakeholders. Its vision is to be a world-class, area-based, development agency for the City of Johannesburg and it is constantly striving to develop new best practices in its developments and operations. Serving as a one-stop for investors, government, and citizens, the JDA is successfully rebuilding the inner city as a formidable place that connects people, commerce and culture in a safe and mobile urban environment.

They have demonstrated success in guiding or leading important processes such as: the development of existing industrial businesses, new business creation, further downtown development, neighbourhood development and growth management. As one of the team members noted, “It became clear to us that to deal effectively with the urban decay that an urban development corporation would have to be established which would give it sufficient autonomy to be outcomes-based. We looked at the types of interventions which had been successful and the structure of these organizations, i.e. the relationship with local government, business and the community.”

By assessing core documents including the Spatial Framework for the Johannesburg inner city, evaluating current city plans and projects and considering future strategies for the city, the consulting team determined that in line with 'Johannesburg 2030', the core mission of the JDA should be to focus on addressing two of the city’s five key challenges: (1) Creating an effective business environment; and (2) Upgrading areas in decay.
2.4.2.2 Structure of the JDA

The JDA officially launched in April 2001 to support economic development, primarily in the inner city. Over time, that vision has been expanded to include area-specific economic growth throughout Johannesburg in support of the Economic Development Unit – 'Johannesburg 2030'. The JDA is an agency of the City of Johannesburg, guided by a board of directors that includes members of organized labour, business, community leaders and elected officials.
Two committees provide oversight and input on JDA activities: the Inner City Committee and the Inner City Advisory Committee. The Inner City Advisory Committee acts as the formal interface between the City Council of Johannesburg and organized interest groups such as business, NGOs, and housing coalitions. The Inner City Committee is the decision-making structure of Council that officially sanctions initiatives and reviews the JDA’s annual performance.

2.4.2.3 Performance Indicators

The JDA is led by a Chief Executive Officer appointed by the JDA board. With the consent of the board, the JDA establishes formal performance contracts with Johannesburg’s Central Administration. The agency’s performance is measured annually by key indicators. Early performance indicators responded to the following questions:

1. Is Johannesburg becoming a 24-hour City? This measures attendance at various inner city entertainment venues.
2. Is the inner city property market improving?
3. Are rentals stabilizing in the inner city?
4. To what extent has business increased in impact areas?
5. Is confidence in the inner city improving? Specifically, is business satisfied with the cleanliness of the inner city? And, how have perceptions of crime changed?
6. How aware are people of the JDA and are they satisfied with its work?

The JDA serves as a development manager. It takes full responsibility for economic development initiatives from initial concept through to implementation before handing over to an appropriate long-term operating entity. In the course of carrying out these roles, the JDA engages with shareholders, the Johannesburg national and provincial government, and various other public and private agencies.
The JDA’s capital projects are self-financing, though it receives a subsidy from the City for operational short-falls and the cost of feasibility studies. The agency charges a project management fee for services, which is charged to the originator of the development (the City of Johannesburg, other development agencies, business etc.). The City of Johannesburg also provides seed capital for developments which are used to leverage additional funding, like the Constitution Hill initiative.

In 'getting the basics right', the JDA developed an aggressive action plan to reduce crime, regulate informal trade, establish effective taxi and public transport management systems and ensure timely delivery of basic services as a means of attracting private sector investment. Some of the initiatives that JDA has implemented to tackle these issues, and key results, are highlighted below.

The JDA worked closely with relevant city authorities to encourage stronger enforcement of regulations related to illegal trading, building controls and illegal land-use, all of which have helped curtail crime in the inner city. The agency has also worked closely with City Improvement Districts to incorporate the principles of ‘Crime Prevention through Environmental Design’ into urban design. The roll-out of closed circuit television across the city centre was a first in Southern Africa and has demonstrated a significant positive impact. The 2004 JDA Indicator Report noted modest increases in citizen perceptions of safety and cleanliness in the inner city. With funding from the City Council of Johannesburg, the JDA served as the development manager of the 8 million Rand Jeppe Station Precinct project, which was completed in 2003. The goal of the project was to use the existing Jeppe Rail Station, located just east of the city centre, to put in motion a chain of economic activities that would encourage and support the surrounding formal and informal traders and regulate the taxis that service the station and environs.
The inner city has seen the arrival of black-owned, small-scale enterprises whose owners represent the different ethnic groups of South Africa, the African continent and the world. Many of these businesses are textile vendors, designers and manufacturers, and form a critical element of Johannesburg’s economy. During the Apartheid era, development of this kind was stifled by official policy towards black-owned businesses in central business areas.

To capitalize on the tremendous potential of the city’s garment industry, the JDA is managing infrastructure upgrades to a formally designated ‘Fashion District’ that occupies eight streets in the inner city’s eastern section. Roads and telecommunications are being upgraded and the refurbishment of old buildings is underway. The JDA has leveraged financial support to match the Council of Johannesburg’s initial investment. The initiative’s objectives are to create a safe, secure, attractive and functional district, to address access to social and economic opportunities and to maximize economic growth. The Fashion District provides services through various partnerships organized by the JDA. One such partnership is a training initiative with the Department of Labour, which focuses on attracting young entrepreneurs and retooling existing business owners with new technologies.

The JDA initiatives highlighted above, as well as others not showcased in this case study, were established in partnership with government, community and the private sector. They have contributed to creating an enabling and profitable environment for investment in Johannesburg.

According to the JDA’s 2004 Annual Report, the agency has delivered 3,331 short-term jobs and 275 sustainable jobs. In 1998 - 2008, R8 billion of property was purchased in the JDA’s intervention portfolio (as defined for this study). Most notably 93% or R 7, 5 billion of this investment occurred from 2001 to 2008. During this period the number of transactions has also increased steadily (47% per annum) on
an annual basis, peaking in 2007 with 1,907 purchases. The data suggests a close correlation between JDA activities and increased investment. In particular this is most clear in the case of Braamfontein and Jewel City.

2.4.2.4 Private sector investment

Total private sector investment in the JDA’s intervention areas was assessed on the basis of interview responses as well as a model developed for this study. Specifically the investment model assumes that the level of investment in conversions, refurbishments and upgrades is at least equivalent to the purchase value of the properties. While this approach has limitations, the detailed investor data received during the study supports the conservative ratio of 1:1 for purchase value and additional investment. R 7.5 billion has been invested in property in the five intervention areas since 2001. Assuming the 1:1 ratio, an additional R 5.8 billion in refurbishment, conversion and upgrade has been invested in the same period. This level of private sector investment stands in strong contrast to the R 393 million spent to date by the JDA.

There is little doubt that JDA investments in the inner city areas of Johannesburg have had a significant impact and, as a consequence, a beneficial impact on the reversal of fortunes of the inner-city as a whole. While it is not possible to attribute the resurgence of the inner city property market solely to JDA interventions, it has been a key contributing factor to the physical regeneration, changed perceptions and increased investor confidence.

The data indicates that, during and after JDA and related investments, property markets in these areas experience substantial increases in both the volume and value of transactions, in some cases in excess of the average in the inner city as a whole. Certain interviewees (e.g. Paul Jackson from TUHF) mention that TUHF have, to a greater extent, followed JDA investments in key areas. This indicates the importance
of the JDA’s initiatives in leading and mobilizing private sector confidence and investment.

However, it is important to place the period of JDA investment in the inner city (and particularly the 2002-2007 period) within the context of a ‘property boom’ experienced throughout the world, which boosted the positive impacts that JDA investments had on inner-city areas.

Initially as the hallmarks of successful ABI interventions. This includes decreased vacancy rates, increased rentals, increases in property turnover and increases in property values. A relatively larger decrease in vacancies (and of the spread of vacancy rates across JDA areas) indicates increased interest in these intervention areas from those already living there. The research shows consistent yet relatively higher increases in rentals within JDA investment areas compared to the rest of the inner city.

Deeds data is one of the only relatively reliable data sources available indicating changes in the inner city property market. This data shows a rapid increase in the quantity and value of property. Some interviewees thought they would have invested in the inner-city without JDA intervention in these areas but this is not universally the case, particularly for new investors in inner city property. In addition, the turn-around of certain areas has had the effect of halting capital flight from the inner-city (that is, convincing significant investors in these areas to rather work with the City to improve their areas rather than leaving the inner city) as well as encouraging new investment in these areas. Braamfontein is a key case in point here, where companies considering migrating to decentralized business nodes committed to invest with the JDA in stabilizing and improving the precinct. Braamfontein now has all the indicators of a stable, effective area. Whilst the property transaction data tells a compelling in the story, it is also important to bear in mind the physical changes that have occurred in
the inner city investment areas. Over the space of five years, significant geographic areas of the inner city have changed from desolate 'no-go' areas to attractive, sought-after locations.

The impact of this increased amenity is hard to pinpoint, but is a critical part of regenerating such areas. Sustained interest, investment in, and effective urban management of regenerated areas is as critical to their long term success as the initial investments. Many interviewees mentioned the immediate threat that unresolved (and recurring) ‘crime and grime’ issues pose in breaking down goodwill generated by the initial investment. Importantly, private sector investment takes time to be mobilized (as demonstrated by the lag time between JDA investment and overall deeds trends), and will dissipate if initial interventions in an area are eroded.

2.4.2.5 Analysis of the impact of the JDA’s area-based regeneration projects on private sector investments

In terms of sustainability and inclusivity, it is important to go beyond the physical built environment and invest in social infrastructure; this includes social programmes to compliment the physical upgrades and to support education, specifically building civic awareness.

Indications are that the JDA’s original intervention methodology (as applied for example in Newtown and Braamfontein) yielded more direct, long-term impacts than some of the recent, smaller and more focused interventions. General consensus amongst interviewees is that Newtown and Braamfontein are considered very successful interventions, while some recent interventions like Jewel City and High Court are not considered to have been as successful in generating investor confidence and property turnaround.
Certain interviewees mentioned the change in focus of the JDA’s methodology from larger, longer-term initiatives (which included comprehensive interventions with substantial professional assessments and planning investments, and follow through investment and social programmes which led to multi-faceted, negotiated capital management undertakings) to a new approach with smaller, more capital investment-focused initiatives. The perception is that more capital-focused and less process-focused interventions are likely to have less impact over the medium to long-term.

The process through which regeneration initiatives are planned, launched, marketed and carried through, during and after capital investment, is a critical component of their success. This is because these ‘social processes’ assist in identifying and generating investor interest in these areas which ensures the focus and objectives for the capital investment remain clear.

Certain intervention areas show signs of an increasing residential component. However, this may be counter-acted by JDA nodal investments, as the key success factor of this residential conversion is the availability of cheap buildings for upgrade or conversion to residential use.

Discussions with property owners about incentives and the impact of the UDZ within the identified areas revealed that it is not so much a driver as a 'nice to have'. The latest SACN report on urban incentives states: “According to property investors in the Johannesburg CBD, the main investment driver has been growing market demand combined with visible urban management improvements. They believe that the UDZ tax incentive has not made a substantial impact on attracting investments that would not otherwise have taken place…” The UDZ tax incentive is perceived as having had a marginal impact on improving profit levels and is not considered a strong enough benefit to attract additional investment in Johannesburg. There is an impression that the take up of the UDZ depreciation allowance in Johannesburg has largely served to improve returns for large property owners rather than unlocking significant new
property investments.
CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This section gives detail of the research design, the population studied, and the research instruments and tools used in this research report. Burn and Grove (1997) refers to research design as a blueprint to conduct a study that maximizes control over the factors that could interfere with the study’s desired outcome.

For the purpose of this study a literature review, questionnaire and interviews were conducted to satisfy the following objectives:

- Establish the current best practice principles applied by the organisational structures in the regeneration process.
- Contribute to a better understanding of the underlying challenges faced by the organisational structures in the inner city regeneration process.
- Develop a model to support sustainable urban regeneration.
3.2 QUALITATIVE RESEARCH

Qualitative research seeks 'the why not the hows' of topics through the analysis of unstructured information. Interview transcript, emails, notes and feedback forms can be used to gather qualitative data. Qualitative research does not rely on statistics or numbers which are the domain of quantitative research. Focus groups and in depth interviews are among the approaches used.

One of the advantages of qualitative research is the use of open ended questions allows participants to respond in their own words rather than choosing from a series of phrases.

For the purpose of this study structured interviews were conducted using open ended questions. This was designed to encourage participants to share their expert knowledge on the topic. The nature of the questions asked requires that the research is qualitative.
3.3 RESEARCH PROCESS

Information from thirty questionnaires and eight structured interviews with representatives of the JDA, developers and other stakeholders involved in the regeneration of the Johannesburg inner city was gathered and analysed.

3.4 RESEARCH DESIGN

This study applies qualitative research. The data gathered was evaluated and analysed. From this is was possible to draw a conclusion and make recommendations by comparing the research findings with examples of successful inner city regeneration.

The research methodology applied to this study makes use of the model below to design the solution. Critical success factors for the solution (model) are; affordability, value for money, sustainability and risk transfer.

The following diagram describes the research design.
3.4.1 Best Practice

The Best Practice Principles relevant to the study were researched and defined. These principles guided the study in an ideal world.

3.4.2 Context

The context of the inner city regeneration environment was defined. This included operational constraints, the regulatory framework, staff, organizational arrangements, capacity, funding, budgets and other operational issues.
3.5 METHODS OF DATA COLLECTION

3.5.1 Questionnaires

Questionnaires were developed in accordance with the research question, with the main aim of answering all the underlying questions and sub questions. These questionnaires were emailed to relevant people in different spheres and sections of the economy. Open and closed questions were included in the questionnaire.

3.5.2 Structured Interviews

Structured interviews were formulated covering all the research questions. This was intended to gain in depth knowledge from individuals directly involved in the regeneration process. A property developer and management within the development agencies were interviewed.
3.6 SAMPLING

The total study population size was thirty eight people. These people were issued with questionnaires but did not reply to the request. Eight interviews were planned and six interviews were achieved. The study assumed that eight interviews with people directly involved in regeneration would provide conclusive results.

The sampling method employed in this research judgment sampling, based on deliberate choice and excludes random process. Judgment sampling is chosen for small samples from a population that is well defined and where there is a clear method for picking the sample.
CHAPTER 4
DATA ANALYSIS AND FINDINGS

4.1 INTRODUCTION

Analysis is defined as “the examination and valuation of the relevant information to select the best course of action for among various alternatives” (InvestorWords.com).

This chapter analyses the responses from interviews. The purpose of each question is discussed followed by a an analysis of the responses in table form.

4.2 SURVEY RESPONSE

From eight planned structured interviews, six interviews were achieved. This expressed as a percentage shows a response of 75 percent, as shown by the figure below.

Figure 3: Survey responses
4.3 INTERVIEWS ANALYSIS:

All interviews were to different spheres and people were grouped together to attain a more conclusive outcome.

INTERVIEW NO.1

Interviewee: Journalist

A. The past/The problem

1. What challenges did the inner city of Johannesburg face in the late 1980s, early 1990s?

   • This question was designed to identify the problems faced by the inner city of Johannesburg.

   Answer: Journalist pointed out that overcrowding within the inner city resulted in decay and attracted a bad environment within the city, for example crime.

2. Why were organizational structures like the Johannesburg Development Agency (JDA) and Blue IQ formed?

   • This question was designed to highlight the importance or key roles of organizational structures in the Johannesburg city centre.

   Answer: They were necessary to implement best practice to deal with urban renewal.
3. How were these organizational structures meant to deal with the inner city challenges that you have highlighted?

*Answer: To create green patches, a sense of order and confidence in the future of the inner city.*

4. What other urban regeneration initiatives did the City of Johannesburg municipality (plus Gauteng Government) implement besides setting up organisations such as the JDA and Blue IQ?

*Answer: Inner City Charter started 2006/2007 - which involved stakeholders and the public; it is a commitment from the municipality to implement some sort of list as a charter. A better build programme started 2000/2002, this initiative takes bad buildings and posts a tender to developers to get them to develop or buy the building.*

5. What were the key objectives of these organizational structures/City Developments Agencies?

*Answer: N/A*

6. Do you believe that the media, municipality entities and other stakeholders fully understand the mission and objectives of the structures? If so, why? If not, why?

*Answer: The Journalist believes that the mission and objectives are well published and clearly communicated.*

7. Were there key performance indicators (KPIs) established in order to monitor the performance of these organizational structures? Yes/No
Answer: Yes

8. If so, what were these KPIs?

Answer: N/A


Answer: Cannot be measured yet since there was a stoppage from the developer’s side.

B. The Present

1. Overall (to date), how do you think the JDA has performed against/I.T.O these KPIs?

Answer: The Journalist stated that the JDA has been very effective in its own way, which can be seen as individual success

2. How was your first experience of working with an organizational structure?

Answer: The Journalist said he had a good working relationship with the JDA and other structures.

3. Do you think that the establishment of organizational structures, such as the JDA, has had a positive impact on the regeneration of the inner city of Johannesburg?
Answer: Organizational structures had a positive impact on the regeneration of the Inner City.

4. If so, why? If not, why?

Answer: Because of its effectiveness. He also highlighted the fact that it cannot operate in vacuum as it needs support from the council/Authorities and follow through.

C. The Future /Recommendation

1. What can be done to ensure that organizational structures like the JDA are more effective in fast tracking urban regeneration and the creation of a sustainable inner city community?

Answer: Council should carry out its commitments; he gave an example of the council following through with JDA to check that owners fix up their properties. He also suggested that expanding JDA’s role to take over property management can improve fast tracking of the renewal project.
INTERVIEW NO.2

Interviewee: Chairman of Johannesburg Development Agency

A. The past/The problem

1. What challenges did the inner city of Johannesburg face in the late 1980s, early 1990s?

- This question was designed to identify the problems faced by the inner city of Johannesburg.

*Answer: The inner city was faced high crime, building hijacking, decaying and capital flight - banks based in the city were moving out of the city.*

2. Why were organizational structures like the Johannesburg Development Agency (JDA) and Blue IQ formed?

- This question was designed to highlight the importance or key roles of organizational structures in the Johannesburg city centre.

*Answer: Organizational structures were formed to accelerate delivery by creating independent structures to make quicker decisions.*

3. How were these organizational structures meant to deal with the inner city challenges that you have highlighted?

*Answer: Since they are independent from the city they will accelerate deliveries on behalf of the city. Also to consult from the UK and the USA for international best practice to be adopted in dealing with urban renewal or regeneration.*
4. What other urban regeneration initiatives did the City of Johannesburg municipality (plus Gauteng Government) implement besides setting up organisations such as the JDA and Blue IQ?

Answer: mentioned the following as other initiatives in dealing with urban regeneration: City power, Johannesburg Routes Agency, City Parks, 'Pick it up' - all these are independent from the city. The JPC was also formed to manage all the City of Johannesburg assets

5. What were the key objectives of these organizational structures/City Developments Agencies?

Answer: N/A

6. Do you believe that the media, municipality entities and other stakeholders fully understand the mission and objectives of the structures? If so, why? If not, why?

Answer: Believes that the mission and objectives are well published and clearly communicated.

7. Were there key performance indicators (KPI’s) established in order to monitor the performance of these organizational structures? Yes/No

Answer: Yes

8. If so, what were these KPI’s?

Answer: N/A

**Answer:** Cannot be measured yet since there was a stoppage from the developer’s side.

**B. The Present**

1. Overall (to date), how do you think the JDA has performed against/I.T.O these KPI’s?

   **Answer:** JDA performed relatively well and money within the organization was spent well, he said there was a lot of job creation which is one of objectives and measures of performance.

2. Do you think that the city of Joburg’s establishment of the organizational structures such as JDA has successful/had a positive impact to the regeneration of the Inner City of Johannesburg? How was your first experience of working with an organizational structure?

   **Answer:** Yes, it had a positive impact
3. If so, why? If not, why? Do you think that the establishment of organizational structures, such as the JDA, has had a positive impact on the regeneration of the inner city of Johannesburg?

Answer: *JDA has implemented a lot of capital projects and spent the apportioned budget well given they do not get enough resources. The JDA has had a positive impact against the measurable objectives.*

C. The Future /Recommendation

4. What can be done to ensure that organizational structures like the JDA are more effective in fast tracking urban regeneration and the creation of a sustainable inner city community?

Answer: *Suggested that the City of Johannesburg should have a clearer mandate and enough apportionment of resources and the ability to make decisions that can lead to an increase in effectiveness of the organizational structures.*

D. Other Questions (Kagiso Urban Management)

5. How was your first working experience with organizational structure/City Development Agencies such as the JDA?

Answer: N/A
INTERVIEW NO.3

Interviewee: Senior Partner at Urban Inc.

A. The past/The problem

1. What challenges did the inner city of Johannesburg face in the late 1980s, early 1990s?

   • This question was designed to identify the problems faced by the inner city of Johannesburg.

   Answer: There was a lack of confidence within the city, which resulted in more people moving out of the city together with big institutions. Office buildings were left vacant as companies and institutions moved out of the city. Crime was also a problem that drove people away from the CBD and general decay of buildings followed as owners neglected their buildings.

Why were organizational structures like the Johannesburg Development Agency (JDA) and Blue IQ formed?

   • This question was designed to highlight the importance or key roles of organizational structures in the Johannesburg city centre.

   Answer: They were formed to assist the inner city with respects to the vision.
3. How were these organizational structures meant to deal with the inner city challenges that you have highlighted?

*Answer: Highlighted the responsibilities of the JDA and the Blue IQ. The JDA determines what kind of projects are needed to put the vision in place and get the confidence back in the city. The Blue IQ then inject funding to implement the projects.*

4. What other urban regeneration initiatives did the City of Johannesburg municipality (plus Gauteng Government) implement besides setting up organisations such as the JDA and Blue IQ?

*Answer: Vision and strategy were formulated in 1997 and the Inner City Charter started 2006/2007-which involved stakeholders/public. It is a commitment from the municipality to implement some sort of list as a charter. Many other initiatives formed by the provincial Government which failed.*

5. What were the key objectives of these organizational structures/City Developments Agencies?

*Answer: N/A*

6. Do you believe that the media, municipality entities and other stakeholders fully understand the mission and objectives of the structures? If so, why? If not, why?

*Answer: There is a lot of confusion on the stakeholders/media and with the council as well, he pointed out that the confusion is more on the responsibility, implementation and management*
7. Were there key performance indicators (KPI’s) established in order to monitor the performance of these organizational structures? Yes/No

Answer: Yes

8. If so, what were these KPI’s?

Answer: Independent agencies had their own KPI’s which were not necessarily lined up.
INTERVIEW NO.4

Interviewee: Director at Urban Genesis

A The Past/The problem

1. What challenges did the inner city of Johannesburg face in the late 1980s, early 1990s?

• This question was designed to identify the problems faced by the inner city of Johannesburg.

Answer: There was a breakdown of management within the City of Johannesburg; significant capital flight due to business moving out of Johannesburg and the vision of the city was not well defined.

2. Why were organizational structures like the Johannesburg Development Agency (JDA) and Blue IQ formed?

• This question was designed to highlight the importance or key roles of organizational structures in the Johannesburg city centre.

Answer: The structures were mainly for the regeneration of the inner city and also to help in the decision making for rapid changes and implementation within the city.
3. How were these organizational structures meant to deal with the inner city challenges that you have highlighted?

**Answer:** *They were meant to focus on the basics and service delivery, which included stabilizing the residential environment and creating a platform for investment from both private and public sector.*

4. What other urban regeneration initiatives did the City of Johannesburg municipality (plus Gauteng Government) implement besides setting up organisations such as the JDA and Blue IQ?

**Answer:** *Referred to the mayoral committee and the partnership forum as other initiatives by the City of Johannesburg.*

5. What were the key objectives of these organizational structures/City Developments Agencies?

**Answer:** *The objectives were to effectively stop the decline in the city, stabilize taxes, stabilize growth and reduce vacancy within the city and crime levels.*

6. Do you believe that the media, municipality entities and other stakeholders fully understand the mission and objectives of the structures? If so, why? If not, why?

**Answer:** *There is a lot of confusion between the Blue IQ and the JDA. The regulatory power of the council is not as strong as it should be and the responsibilities are not well communicated within the council.*
7. Were there key performance indicators (KPI’s) established in order to monitor the performance of these organizational structures? Yes/No

*Answer: Yes there are KPI’s*

8. If so, what were these KPI’s?

*Answer: Listed the following as the KPI’s used by organizational structures*

1. Vacancy
2. Rentals
3. Utilisation Rates
4. Crime
5. Surveys-Business confidence Index
6. Submitted building plans
7. Jobs created in JDA projects

**B. The Present**

1. Overall (to date), how do you think the JDA has performed against/I.T.O these KPI’s?

*Answer: The set were always met and bettered and even said maybe the targets were not realistic.*

2. How was your first experience of working with an organizational structure?

*Answer: The KIP’s changes over time and that the JDA always spent capital budgets well and do well in covering all the set targets.*
3. Do you think that the establishment of organizational structures, such as the JDA, has had a positive impact on the regeneration of the inner city of Johannesburg?

*Answer: Yes*

If so why, If not why?

*Answer: Identified focus, responsiveness and leverage as the three critical things associated with the success of the organizational structures.*

C. **The Future/Recommendation**

1. What can be done to ensure that organizational structures like the JDA are more effective in fast tracking urban regeneration and the creation of a sustainable inner city community?

*Answer: Increasing operating budget and formation of partnership can improve the effectiveness of the organizational structures.*

D. **Other Questions (Kagiso Urban Management)**

2. How was your first working experience with organizational structure/City Development Agencies such as the JDA?

*Answer: (he does not work with JDA himself) There is a very close relationship between JDA and the people he works with.*
3. What were the challenges your organization faced, while working with the organizational structures/city development agency?

*Answer: They had the same challenges as the one faced by JDA such as cooperation with other departments.*

4. How did your organization deal with the challenges?

*Answer: Did not answer this question, but said it is very difficult to deal with the challenges.*
INTERVIEW NO.5

Position: Member of the Mayoral Committee (City of Johannesburg)

A. The Past/The Problem

1. What challenges did the inner city of Johannesburg face in the late 1980s, early 1990s?

   • This question was designed to identify the problems faced by the inner city of Johannesburg.

   Answer: Overcrowding, levels of crime, lack of management; neglect and urban decay were the challenges.

2. Why were organizational structures like the Johannesburg Development Agency (JDA) and Blue IQ formed. This question was designed to highlight the importance or key roles of organizational structures in the Johannesburg city centre.

   Answer: Organizational structures were formed to drive improvement and development of the city and to mobilize public and private sector investment within urban renewal.
3. How were these organizational structures meant to deal with the inner city challenges that you have highlighted?

*Answer: They deal with challenges through project managing capital investment through the government. They facilitate joint capital investment in public spaces. They also facilitate City Improvement District*

4. What other urban regeneration initiatives did the City of Johannesburg municipality (plus Gauteng Government) implement besides setting up organisations such as the JDA and Blue IQ?

*Answer: Identified Better Building Programme, Urban Management Units in the city and UDZ as other initiatives for regeneration.*

5. What were the key objectives of these organizational structures/City Developments Agencies?

*Answer: Urban Renewal, public infrastructure, investing in public infrastructure*

6. Do you believe that the media, municipality entities and other stakeholders fully understand the mission and objectives of the structures? If so, why? If not, why?

*Answer: The public sector fully understand the mission, because of their continuous involvement in the improvement initiatives by the council*

7. Were there key performance indicators (KPI’s) established in order to monitor the performance of these organizational structures? Yes/No

*Answer: Yes there are KPIs*
8. If so, what were these KPIs?

**Answer:** 1. KPIs were ado. Most of them are project based and he said the ideal situation would have been to determine quantitative KPIs measurable.

**B. The Present**

1. Overall (to date), how do you think the JDA has performed against/I.T.O these KPI’s?

**Answer:** N/A

2. How was your first experience of working with an organizational structure?

**Answer:** N/A

3. Do you think that the city of Johannesburg’s establishment of the organizational structures such as the JDA has successful/had a positive impact to the regeneration of the Inner City of Johannesburg?

**Answer:** Yes

4. If so why, If not why?

**Answer:** Measured against their KPIs they have had a positive impact on the regeneration.
C. The Future/Recommendation

1. What can be done to ensure that organizational structures like the JDA are more effective in fast tracking urban regeneration and the creation of a sustainable inner city community?

   Answer: Clear mandate should be given with measurable outputs not just focusing on projects implementation
INTERVIEW NO.6

Interviewee: Director at Atterbury Property Development (Pty) Ltd

A. The past/The problem

1. What challenges did the inner city of Johannesburg face in the late 1980s, early 1990s?

   - This question was designed to identify the problems faced by the inner city of Johannesburg.

   Answer: When he started he was not sure of the challenges.

2. Why were organizational structures like the Johannesburg Development Agency (JDA) and Blue IQ formed?

   - This question was designed to highlight the importance or key roles of organizational structures in the Johannesburg city centre.

   Answer: They were formed to assist/manage the challenges and to manage the inner city to achieve the desired growth
3. How were these organizational structures meant to deal with the inner city challenges that you have highlighted?

Answer: They formalized ways for things happen for example the coordination of public transport, they ensure that proper planning is done which accommodates the growth of the Inner City and prevent result of inner city decay. They also help in creating an investing friendly environment within the city.

4. What other urban regeneration initiatives did the City of Johannesburg municipality (plus Gauteng Government) implement besides setting up organisations such as the JDA and Blue IQ?

Answer: The UDZ which is the JDA/Blue IQ initiative and the Newtown Improvement Districts since the city had been divided into districts.

5. What were the key objectives of these organizational structures/City Developments Agencies?

Answer: Mentioned the overall objective of regenerating the city

6. Do you believe that the media, municipality entities and other stakeholders fully understand the mission and objectives of the structures? If so, why? If not, why?

Answer: Believes there is an understanding of the mission and objective and more promotion and advertisements can still be done by the media
7. Were there key performance indicators (KPI’s) established in order to monitor the performance of these organizational structures? Yes/No

**Answer: Not aware of the indicators.**

8. If so, what were these KPI’s?

B. **The Present**

1. Overall (to date), how do you think the JDA has performed against/I.T.O these KPI’s?

   **Answer: N/A**

2. How was your first experience of working with an organizational structure?

   **Answer: The JDA performed very well and helped them as developers.**

3. Do you think that the establishment of organizational structures, such as the JDA, has had a positive impact on the regeneration of the inner city of Johannesburg?

   **Answer: Yes**

4. If so, why? If not, why?

   **Answer: They were specifically focused on a mandate given which fosters developments to be a lot faster and easier.**
C. The Future /Recommendation

1. What can be done to ensure that organizational structures like the JDA are more effective in fast tracking urban regeneration and the creation of a sustainable inner city community?

Answer: Training is essential with the JDA and that more people should be trained to work within the urban regeneration structures.
### INTERVIEW ANALYSIS

**Table 1: Interview analysis**

<table>
<thead>
<tr>
<th>QUESTIONS</th>
<th>CATEGORIES: Response to the question were sorted into:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Why were organizational structures like the Johannesburg Development Agency (JDA) and Blue IQ formed?</td>
<td>2. For best practice, urban renewal, accelerate delivery, quicker decision making, assist and drive inner city’s vision. Inner city regeneration, rapid changes and implementation.</td>
</tr>
<tr>
<td>3. How were these organizational structures meant to deal with the Inner City challenges that you have highlighted? How were these organizational structures meant to deal with the inner city challenges that you have highlighted?</td>
<td>3. Create green patches and confidence, accelerate confidence, accelerate delivery, facilitate urban renewal, identifying project’s needs, inject funding, service delivery, stabilize residential environment, create platform for investment.</td>
</tr>
<tr>
<td>4. What other urban regeneration initiatives did the City of Johannesburg municipality (plus Gauteng Government) implement besides setting up organisations such as the JDA and</td>
<td>4. Inner City Charter (2006/2007), Better Build (2000/2002), City power, Pick it up, Johannesburg Routes Agency, City parks, JPC, Mayoral committee, partnership forum.</td>
</tr>
<tr>
<td>Blue IQ?</td>
<td></td>
</tr>
<tr>
<td>---</td>
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</tr>
<tr>
<td><strong>5. What were the key objectives of these organizational structures/City Developments Agencies?</strong></td>
<td><strong>5. Stop decline of the city, stabilize taxes, reduce vacancies, and reduce crime.</strong></td>
</tr>
<tr>
<td><strong>6. Do you believe that the media, municipality entities and other stakeholders fully understand the mission and objectives of the structures? If so, why? If not, why?</strong></td>
<td><strong>6. Well published, mission clearly communicated, confusion about implementation and management, responsibilities not well communicated.</strong></td>
</tr>
<tr>
<td><strong>7. Were there key performance indicators (KPIs) established in order to monitor the performance of these organizational structures? Yes/No</strong></td>
<td><strong>7. Yes, agencies have their own KPIs.</strong></td>
</tr>
<tr>
<td><strong>8. If so what were these KPI’s?</strong></td>
<td><strong>8. Vacancy, job creation, rentals, utilization rate, crime, survey business confidence index, submitted building plans.</strong></td>
</tr>
<tr>
<td><strong>9. How is the success of sustainable inner city regeneration measured? Media/Public perception.</strong></td>
<td><strong>9. Cannot be measured.</strong></td>
</tr>
<tr>
<td><strong>10. Overall (to date), how do you think the JDA has performed against/I.T.O these KPIs?</strong></td>
<td><strong>10. Successfully, well managed, well money spent, job creation, met targets.</strong></td>
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<tr>
<td></td>
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<td>---</td>
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</tr>
<tr>
<td>11. Do you think that the establishment of organizational structures, such as the JDA, has had a positive impact on the regeneration of the inner city of Johannesburg?</td>
<td>11. Positive impact.</td>
</tr>
<tr>
<td>12. If so why? If not why?</td>
<td>12. JDA’s effectiveness, creation of capital projects, focus, responsiveness, leverage.</td>
</tr>
<tr>
<td>13. What can be done to ensure that organizational structures like the JDA are more effective in fast tracking urban regeneration and the creation of a sustainable inner city community?</td>
<td>13. Council increased involvement, JDA’s property management role. Clear mandate, enough resources, increasing operating budget, partnership formation.</td>
</tr>
<tr>
<td>14. How was your first working experience with organizational structure/City Development Agencies such as the JDA?</td>
<td>14. Good experience.</td>
</tr>
<tr>
<td>15. What were the challenges your organization faced, while working with the organizational structures/city development agency?</td>
<td>15. Corporation with the departments.</td>
</tr>
</tbody>
</table>
Table 2: Interview Analysis: Research Questions based

<table>
<thead>
<tr>
<th>QUESTIONS</th>
<th>CATEGORIES: Response to the question were sorted into:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. What are the effects of Development Agencies on urban regeneration?</td>
<td>1. They create green patches and confidence, accelerate delivery, facilitate urban renewal, identifying project’s needs, injecting funding, stabilizing residential environment, creating a platform for investment.</td>
</tr>
<tr>
<td>2. What is urban regeneration?</td>
<td>2. Infrastructure upgrade, Renewal.</td>
</tr>
<tr>
<td>5. How is urban regeneration sustainable?</td>
<td>5. Having development agencies which employ best practices, these agencies ensure constant and sufficient funding.</td>
</tr>
<tr>
<td>6. What are development agencies?</td>
<td>6. Facilitators, Cells with the main aim/purpose of delivering the required development.</td>
</tr>
<tr>
<td>7. Why did the City of Johannesburg, implement the regeneration process?</td>
<td>7. To start urban renewal, lower crime, overcrowding and to prevent building high jacking. To create green patches and restore investment confidence within the</td>
</tr>
<tr>
<td>Question</td>
<td>Answer</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>8. What were the City of Johannesburg objectives during the formation of the development agencies?</td>
<td>8. To stop the decline of the city, stabilizing taxes, reducing vacancies and reducing crime.</td>
</tr>
<tr>
<td>10. What were the best practice principles applied by the development agencies?</td>
<td>10. All the agencies had KPIs which were used to measure their success towards Urban Regeneration; these KPIs were in alignment with the City of Johannesburg’s objectives.</td>
</tr>
<tr>
<td>11. How is the success of the development agencies measured?</td>
<td>11. Through their different KPIs.</td>
</tr>
<tr>
<td>12. Were tenants, landlords and the media in general aware of the regeneration initiative?</td>
<td>12. Yes they were aware, the mission was well communicated.</td>
</tr>
</tbody>
</table>

90
CHAPTER 5

CONCLUSIONS

5.1 OVERVIEW OF THE RESEARCH

This research was undertaken to explore the effectiveness of the organizational structures on the regeneration of the inner city. The responses from the planned interviews and the questionnaire provided a small sample size which might not reflect an accurate picture of the situation. Judgment sampling is prone to bias, and the sample is small, which can lead to a lack of credibility. The sample results cannot be extrapolated.

Therefore the study assumed that responses in excess of five people directly involved in the subject matter will yield conclusive results, which can be used to draw conclusions.

5.2 RESEARCH FINDINGS

5.2.1 AIM: establish the current best practice principles applied by the organisational structures in the regeneration process.

Literature review confirmed that urban regeneration, within the inner city of Johannesburg was modelled with reference to the UK. Best practice from the UK were followed and incorporated into the regeneration framework of the City of Johannesburg. Individuals who are involved in the regeneration process also confirmed that best practices are in place and that the main objective is the creation of a sustainable community. Under this objective the study answers the research question on best which best principles are applied by the agencies, the principles are clearly defined under the literature review and are then emphasized by the responses from the structured interviews.

5.2.2 AIM: Contribute to a better understanding of the underlying
challenges faced by the organisational structures in the inner city regeneration process.

Poor management and a lack of finance were mentioned as the challenges which the organizational structures in inner city regeneration. From the interviews the study can conclude that the division of responsibility is not well communicated. There remains work to be done within the management to clearly define the roles and responsibilities of individuals, agents and structures.

Insufficient funding has resulted in a lack of progress.

5.2.3 AIM: Develop a model to support sustainable urban regeneration.

The literature review established the history of the City of Johannesburg. The implementation of the organizational structures have either solved or help reduce challenges face by the city. This is confirmed by the interviews conducted. The regeneration of the inner city restored safety within the city and resulted in people, businesses and organizations having confidence in the city. Interviewees confirmed that investments within the city have increased and the city is safer and clean. This study provided conclusive answers on the question of the success of the development agencies; this was achieved through the exploration of the individual development agencies’ key performance indicators against the results they achieved.
5.3 SUMMARY OF THE FINDINGS

The study’s objectives were met. The study established current best practice principles that have been applied by the organizational structures in the regeneration of the Johannesburg CBD. Best practices from the United Kingdom were reviewed and compared to organizational structures within the City of Johannesburg and the results showed that there’s a best practice model adopted from the UK that is in use within the regeneration process in Johannesburg. This result provides a better understanding of the underlying problems and challenges faced by the organizational structures in the inner city regeneration process. The study helped in establish challenges faced by the organizational structures, including problems within management and insufficient funding. Establishing whether the formation of the organizational structures is a critical success factor in the regeneration of the inner city. This was confirmed by the literature review and the interviews, the success of the organizational structures is well documented and figures were obtained, which confirms a change in the state of the inner city. These changes are in terms of safety and investment. The implementation of the organizational structures has yielded positive results and has improved the economic status of the city. The study defined urban regeneration at the beginning and later expanded the whole process by reviewing the whole mechanism in terms of how urban regeneration is implemented with aid of development agencies.
5.4 IMPLICATIONS FOR PRACTICE

From the literature review and the data analysis in this study, challenges associated with the city degeneration were well identified. This allows the opportunity for these challenges to be addressed in the future. Loop holes within the regeneration process were identified and they can now be improved to a point where it becomes self-sustaining. Realistic targets can be set for funding and man power available. The study also established the objectives of different organization structures which will help the City of Johannesburg to monitor their projects success.

5.5 RECOMMENDATIONS

This study can be taken further. Further study will establish how organizational structures can be made more efficient.

This study recommends that the government encourages the involvement of more private institutions in the regeneration of the inner city Johannesburg. Private sector involvement means greater financial stability; this will help in sustain regeneration and enable the city to undertake large scale regeneration. This study recommends that the government reviews the regeneration process and outlines the responsibilities of different organisations clearly.

5.6 REFLECTIONS ON THE RESEARCH PROCESS

Urban degeneration was taking its toll within the inner city of Johannesburg. Establishing best practice was urgently required to deal with this phenomenon. Through these study procedures, measures and entities to deal with urban regeneration were established through the conducted literature review and structured interviews. An urban area is important to different stakeholders. Ensuring urban areas or inner cities are well maintained is crucial since most of these urban areas are the
core of business. Investment confidence is shown to be on the rise where the cities are well maintained and managed.

Poor management can however fail the process of urban regeneration. Multiple stakeholders are involved and loop holes can occur if responsibilities and roles are not clearly defined. The process requires extensive community involvement to be successful.

The sustainability of urban regeneration is dependent on; capital injection, management, partnership and citizens’ involvement. Private sector involvement facilitates rapid progress since additional funding accelerates the decision making process and procurement. City Development Agencies play different roles in the regeneration of the inner city, but they all are responsible for the sustenance of regeneration.
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APPENDIX 1: QUESTIONNAIRE

THE ROLE OF THE ORGANISATIONAL STRUCTURES CREATED BY THE JOBURG (JOHANNESBURG) CITY MUNICIPALITY IN THE URBAN REGENERATION OF THE INNER CITY

March 2010
INTRODUCTION

This questionnaire is aimed at determining the formation of the organisational structures and whether they are a critical factor for success in the regeneration of the inner city of Johannesburg.

Kindly complete the questionnaire carefully and send the completed questionnaire to:

Attention: Nonkululeko Ntshona

Email: nna@ananzi.co.za/Fax: 011 234 2078

It would be appreciated if completed questionnaires could be received by 12h00 on Thursday 1 April 2010.

Please feel free to disseminate the questionnaire to your colleagues involved in the inner city regeneration in Johannesburg.

COMPLETION OF THE QUESTIONNAIRE

For the purposes of this questionnaire, please take note of the following abbreviations and definitions:

Johannesburg Development Agency: JDA

City of Johannesburg: COJ

This questionnaire comprises of two sections:

Section A must be completed by all respondents.

Section B is to be completed by all respondents by selecting either B1 or B2. B1, is
Section A: Organisational and Biographical Information

* In this Section please tick the box that applies to you

1. What is your occupation, relative to the construction/property Industry?

| Practicing Built Environmental Professional. |  |
| Client / Developer |  |
| Organisational Structure: please specify: JDA, Blue IQ, Municipal Stakeholders etc. |  |
| Other, please specify: Academics, Researcher, City of Johannesburg, etc. |  |

2. What is your professional background/current profession?

<p>| Quantity Surveyor |  |
| Architect |  |
| Town Planner |  |
| Project Manager |  |
| Civil and/or Structural Engineer |  |</p>
<table>
<thead>
<tr>
<th>Role</th>
<th>Box</th>
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<tbody>
<tr>
<td>Electrical and/or Mechanical Engineer</td>
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<tr>
<td>Development Manager</td>
<td></td>
</tr>
<tr>
<td>Contractor</td>
<td></td>
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<tr>
<td>Other, please specify:</td>
<td></td>
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</tbody>
</table>

3. What is your gender?

<table>
<thead>
<tr>
<th>Gender</th>
<th>Box</th>
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<tbody>
<tr>
<td>Male</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td></td>
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</tbody>
</table>

4. How long have you been working?

<table>
<thead>
<tr>
<th>Years</th>
<th>Box</th>
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<tbody>
<tr>
<td>0-5 years</td>
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<tr>
<td>6-10 years</td>
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<tr>
<td>10+ years</td>
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</table>

**SECTION B** – Tick box relevant to you and respond to that section

<table>
<thead>
<tr>
<th>B1</th>
<th>Box</th>
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<tbody>
<tr>
<td>B2</td>
<td>Box</td>
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</tbody>
</table>
(B1): To be completed by the Professional Consultants/ Clients/ Developers/ Contractors/ Municipal Stakeholders:

1. What do you understand by the regeneration of the inner city?

2. Which objectives drive the regeneration process?

3. a) Does your profession contribute to the regeneration of the inner city? Yes/No
   b. If yes, to what extent does your profession contribute in the regeneration of the inner city?

4. a) At which level should your profession be involved in the regeneration of the inner city?
   b.) Why should it be involved at this level?
5. Have you been involved in the regeneration of the inner city? Yes/No

5 b.) If yes, what were the problems you were faced with?------------------------------------

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6. What were the outcomes?---------------------------------------------------------------------

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7. Are there any best practices applied to deal with the inner city regeneration? Yes/No

a) If yes, which ones are the most important best practices?-------------------------------

-------------------------------------------------------------------------------------------------------
8. Which organisational structure did you work with in the regeneration of the inner city?
b) Did the organisational structure follow any best practice?

9. What were the challenges you faced working together with the organisational structures?

10. How did you deal with the challenges?

11. What was the success of your regeneration project?

12. What do you think can be done to ensure sustainable success in the regeneration process?
13. What are your views towards the formation and involvement of the organisational structures in the regeneration process?

(B2): To be completed by the Municipal Stakeholders/Organisational Structures/Clients/Developers/Contractors:

1. What do you understand by the regeneration of the inner city?

2. Which objectives drive the regeneration process?

3. A) Does your profession contributes to the regeneration of the Inner City? Yes/No

b. If yes, to what extent does your profession contribute in the regeneration of the inner city?
4.a) At which level should your profession be involved in the regeneration of the inner city?

b.) Why should it be involved at this level?

5. How are you compensated?

6. Are there any incentives available for undertaking inner city regeneration?

7 a) Have you been involved in the regeneration of the inner city? Yes / No

7 b.) If yes, what were the problems you were faced with?
c) How did you deal with these problems?

8. What were the outcomes?

9. Are there any best practices incorporated to deal with the inner city regeneration?
   Yes/No
   a) If yes, which ones are the most important best practices?

10. Who takes ownership of the developments?
11. Which organisational structure did you work with in the regeneration of the inner city?

12. What are the challenges of working with the organisational structures?

13. What impact does the IDZ zones have on the inner city developments?
APPENDIX 2: STRUCTURED INTERVIEW

QUESTIONNAIRE

THE ROLE OF THE ORGANISATIONAL STRUCTURES/CITY DEVELOPMENT AGENCIES CREATED BY THE CITY OF JOBURG (JOHANNESBURG) MUNICIPALITY IN THE URBAN REGENERATION OF THE INNER CITY
INTRODUCTION

This interview questionnaire is aimed at determining views of various local authority representatives and stakeholders on whether the establishment of the organisational structures/City Development Agencies, such as the Johannesburg Development Agency, had a positive contribution/impact on the urban regeneration of inner city Johannesburg thus far.

**BASIC INFORMATION ON RESPONDENT**

<table>
<thead>
<tr>
<th>Respondent Name</th>
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<tbody>
<tr>
<td>Name of the Organisation</td>
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<tr>
<td>Position in the Organisation</td>
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<tr>
<td>Respondent’s Role in the urban regeneration of the inner city</td>
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</tr>
<tr>
<td>Name of the previous organisation</td>
<td></td>
</tr>
<tr>
<td>Respondent’s role in the previous organisation in urban regeneration</td>
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</table>
INTERVIEW QUESTIONNAIRES

THE PAST/THE PROBLEM

What challenges did the Inner City of Johannesburg face in late 1980’s, early 1990’s?

Why were organisational Structures like the Johannesburg Development Agency (JDA) and Blue IQ formed?

How were these Organisational Structures meant to deal with the Inner City challenges that you have highlighted?
What other Urban Regeneration Initiatives did the City of Johannesburg Municipality (plus Gauteng Government) implement besides setting up Organisations such as the JDA and Blue IQ?

5. What were the key objectives of these organisational structures/City Development Agencies?

Do you believe that the media, municipal entities and other stakeholders fully understand what the mission and objectives of the structures were/are? If so, why? If not why?

Were there key performance Indicators (KPI’s) that were established in order to
monitor performance of these organisational structures? Yes/No

If so, what were these KPI’s?

THE PRESENT

During your tenure at the JDA, how did the JDA perform against the KPI’s?

Overall (to date), how has the JDA performed in terms of these KPI’s?

Do you think that the City of Joburg’s establishment of the organisational structures such as the JDA has successful/ had a positive impact to the regeneration of the Inner City of Johannesburg? Yes/No

If so, why? If not, why?
THE FUTURE / RECOMMENDATION

What can be done to ensure that organisational structures like the JDA are more effective in fast tracking urban regeneration and the creation of a sustainable Inner City community?

OTHER QUESTIONS

*How was your first working experience with an organisational structure/City Development Agencies such as the JDA?

*What were the challenges your organisation faced, while working with the organisational structures/City development agency?
*How did your organisation deal with the challenges?

*What can be done to minimise the challenges – City of Johannesburg?