

RETAIL DEVELOPMENT IN HISTORIC CITIES: EXPERIENCE AND LESSONS OF URBAN REVITALIZATION AND COMMUNITY MAKING

**Dr. June Taboroff with Kateryna
Botanova and Pavel Filin**

September 9th , 2015

Disclaimer:

**Views expressed here are not
necessarily EBRD's and EBRD
shall not be liable for any content
or error of the document.**

Table of Contents Executive Summary Recommendations

I. Background and Trends of Urban Retail Development in EBRD's Countries of Operations

- Overview
- Deterioration, Revival of Urban Heritage
- Conflicts
- Emerging Responses

II. Applicable Principles

- Application of EBRD Performance Requirement 8 Cultural Heritage
- UNESCO World Heritage and English Heritage

III. Key Parameters for Successful Retail Development in Historic Cities

- Preparation
- Planning
- Consultation
- Communication Strategy
- Architectural and Urban Design Quality
- Public Realm
- Public Transport and Environmental Sustainability
- Mix of Use for Economic Vitality and Economic Inclusion
- Link to Urban Tourism
- Conclusions

Annex 1 - EBRD Performance Requirement 8 Cultural Heritage

Annex 2 - Resources

Annex 3 -ICSC Awards

Acknowledgements

This Report on retail development in historic cities was made possible through the Technical Cooperation (TC) facility of the EBRD, for which we give our thanks and acknowledgement.

We appreciate the fine help of English Heritage, UNESCO and the International Council of Shopping Centres (including their London office and the national committees for Ukraine and Russia). Eduardo Rojas, formerly of the Inter-American Development Bank, generously shared his advice. We also consulted with the International Council on Monuments and Sites on the subject of new building in World Heritage cities.

Many of the findings are a result of field visits to the cities of Lviv, Ukraine and Yaroslavl, Russia. We would like to thank the EBRD's Kyiv and Moscow offices, Multi Development, Ronesans (Ronesans Development, Russia), ECE, the Lviv municipality, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Municipal Development and Rehabilitation of the Old City of Lviv project, and the Centre for Urban History of East Central Europe for their cooperation.

Finally, we would like to give our thanks to our EBRD colleagues; Viktoriya Protsenko for her excellent logistical support; our colleagues in the Banking teams Vlaho Kojakovic, Grigory Golovkin, Sergei Gutnik and Mark Soliman, for their valuable project insight; Nobuko Ichikawa, our Environment and Sustainability Department colleague, for managing and guiding the TC activities; the Bank's lead social councillor, Michaela Bergman's advisory, Rachelle Marburg, also from the Environment and Sustainability Department and Pavel Dvorak from Country and Sector Economics for their review.

June Taboroff, Kateryna Botanova and Pavel Filin

Executive Summary

“Shops and retailing form the lifeblood of many historic areas, providing vitality, vibrancy and an essential economic base. The retail world is fast moving and highly competitive, and the challenge is accommodating larger shops and complex retail developments in historic areas in a way that enhances their competitiveness and protects their historic character. It is vital to address this in an imaginative and proactive way.” English Heritage, Retail Development in Historic Cities (2005)

This Report is written with clients, developers, municipalities and civil society in mind so that they can make informed decisions to support sustainable retail development, with a focus on historic cities. Within large urban regeneration schemes, retail development can serve as an important footfall generator, by providing commercial viability with balanced integration into the sensitive historic urban fabric. The Report intends to illustrate ways in which business, government and civil society can together participate in modernisation process of historic cities in EBRD’s Countries of Operations.

The research and case studies in the Report were based on the EBRD’s experience in transitional Countries of Operations as well as other commercial developments in Europe. The Southern and Eastern Mediterranean (SEMED) region was not included in the examination as newly EBRD-funded retail developments in the region were, and still are, in the early phase of implementation. The examples provide practical ideas and lessons for future in urban regeneration led retail development, particularly in historic cities; shed light on potential risks; and highlight opportunities for civil society engagement. It is guided by EBRD’s 2014 Environmental and Social Policy’s Performance Requirements (PRs) in particular PR 8 Cultural Heritage (see Annex 1) and the Transition Impact mandate that relates to promoting efficient modern retail business, developing market-based skills and setting standards of corporate social responsibility and business conduct to involve civil engagement. While an Environmental and Social Impact Assessment (ESIA) plays a critical role in assessing a project’s impact on cultural and historical heritage and proposing the measures needed to mitigate adverse impacts, the Report specifically focuses on experiences and lessons applicable for future projects which have not been readily available.

The discussion begins with issues and emerging trends in retail development of relevance for stakeholders (e.g. clients, developers, municipalities and the civil society). It talks about the principles of EBRD PR8 Cultural Heritage, UNESCO World Heritage concerns and English Heritage guidance. Experience and lessons are drawn from retail development examples in historical centres from the practical and operational perspective. The findings suggest that for 21st-century retail developments to be successful in historic towns of EBRD’s Countries of Operations, it is essential to establish collaborative solutions among the stakeholders in order to achieve improved competitiveness while encouraging civil society initiatives to enhance community life.

¹ Initial field work in Lviv, Ukraine and Yaroslavl, The Russian Federation, was followed by a series of meetings with heritage and retail experts and leading organizations in London and Paris, including English Heritage, UNESCO, and the International Council of Shopping Centers (ICSC). Small workshops were then held in Lviv and Yaroslavl, and a final round table discussion in London, to share findings and engage local decision makers and civil society.

Recommendations

Practical actions recommended for the developers, clients, municipalities and civil society to achieve successful urban re-generation projects in historic cities are summarised as follows:

Planning and Communities

- Determine the level of protection needed to safeguard the character of the historic area in compliance with national and local laws and international conventions such as UNESCO's World Heritage Convention;
- Assess, appreciate and respond to the urban and social context in which the development is located;
- Acknowledge communities and their views of the local history and culture and encourage new ideas for urban space value making;
- Achieve architectural and urban design integrity and quality in relation to the historic townscape by taking up experts' as well as residents' views;
- Identify local stakeholders such as local business organisations, local NGOs, civic organisations, local news media, universities, and research organisations.

Communications and Consultation

- Develop a comprehensive communication strategy to bridge the interests of the developer, municipalities and community through newsletters, websites and social media, and information sessions;
- Carry out early and continuous meaningful consultations while respecting legal procedural consultation requirements and seeking collaborative solutions;
- Explore new communication venues such as use of signage with its historical timeline of the site
- Involve local stakeholders in the project development and implementation process, for example inviting them for site tours, information sessions, events etc.;
- Involve young people such as university architecture and engineering students to learn about the project by site visits and small workshops.

Economic Revitalisation

- Integrate the development into the local economy by collaborating with the local businesses and suppliers;
- Promote local employments and tap local talent by organising such activities as job fairs, recruitment campaigns, and local design competitions for elements of the building and its interior;
- Encourage a mix of uses to sustain the vitality of the area in support of local economies;
- Link the project to urban tourism by providing cultural event information and nearby historical landmarks to visitors and collaborating with local tourism organisations and festivals, thereby stimulating the local economy and creating more extensive economic linkages.

Public Benefits and Sustainability

- Create public benefit by enhancing the culture of the public space, hosting exhibitions of local art, local food markets, children’s activities, traditional performances and festivals etc.;
- Balance traffic requirements and public transport accessibility by supporting pedestrian and bicycle access and public transport;
- Improve energy and resource efficiency of the building and associated facilities to reduce maintenance costs by bringing international standards such as Leadership in Energy and Environmental Design (LEED) and Building Research Establishment Environmental Assessment (BREAM) to promote sustainability and play a local sustainability leadership role.



Lviv Multi Forum (local architectural students’ tour at the site, 2014)

I. Background and Trends of Urban Retail Development in EBRD’s Countries of Operations

Overview

EBRD has a portfolio of retail projects, among which some are located in historic cities. Its current focus is to support projects which promote urban regeneration and the transfer of technology, knowledge and/or management skills as well as support socially inclusive job creation. Urban regeneration projects inevitably interact with the historical and cultural past and present of city centres and have the potential therefore to benefit and provide positive impacts for citizens if well and appropriately designed and managed.

To achieve a benchmark of successful retail development in historical cities, EBRD operates within specific national and local planning and policy contexts, which regulate new building in historical areas as well as within its own Performance Requirements (see below for a discussion of the application of PR8 Cultural Heritage). The retail landscape in each country is far from uniform, with different demographics, economic conditions, consumer habits and overall market maturity. In view of the difficulty of generalising, the approach adopted by the Report is to raise issues, point to good practice and suggest some principles and processes that are likely to improve the effectiveness of the investment in urban retail development.

In contrast to Western Europe, EBRD’s Countries of Operations have not yet achieved market

saturation in the large-scale retail sector. The emphasis in retail is on new shopping centre development and is shifting eastward to new markets in Central and Eastern Europe and Russia. This dynamic is also gaining momentum in the SEMED region. Refurbishment, in contrast, is the key trend in Western Europe. New developments are being squeezed by tighter financing conditions in the wake of the 2008 financial crisis: many new developments stalled after 2008. Marketing studies show that currently Russia and Turkey have the biggest shopping centre pipelines while the development pipelines in Ukraine and Romania exceed the overall volume of existing stock. Therefore, both Ukraine and Russia have been recognised as important growth areas for retail.

According to the International Council of Shopping Centres (ICSC), shopping centres in the 21st century serve foremost as meeting places. In common with traditional markets, bazaars and souks throughout the Middle East, North Africa, Central Asia and Europe, shopping centres play a key role as congregating places for social interaction. A clear emerging trend is that retail developers and investors are returning to a long tradition where shopping centres are more than a location for transferring goods. Shopping centres have to be a “destination” to compete and offer things to do other than just shop and they need to include amenities such as restaurants, leisure facilities as well as parking as a means to further attract customers. This has been termed the “reinvention of retail”. The growth of leisure amenities such as cinemas and food and beverage outlets now occupy up to 20% of floor space in contrast to less than 10% a decade ago in the UK. Attractive shopping centres, as is the case of the Duke of York’s Square in London, appeal to visitors through their concept of lifestyle and culture.

Concurrently, the key features of the retail landscape in western Europe and the US, include: explosive growth of internet shopping and e-commerce, competition between out-of-town and in-town shopping centres, trade-offs between enclosed shopping spaces or open-air urban shopping precincts, a mix of anchor stores and entertainment facilities, and social problems affecting underperforming or vacant malls.

The situation in Eastern Europe - and other EBRD regions - is quite different. Decades of unmet demand and poor quality shopping opportunities have resulted in a keen appetite for shopping centres. Consumers are eager to embrace consumers’ lifestyle, retail environments and choice from advanced economies. In-town shopping has been further promoted via improvements in public transport initiatives. Internet shopping is still in its infancy and not yet widely available in most of EBRD’s Countries of Operations.

Deterioration and Revival of Urban Heritage

While demand for urban retail has rapidly expanded in EBRD’s Countries of Operations, these countries have a rich and varied urban heritage that includes fine examples of architecture and urbanism. A significant number of historic urban centres and cities in these regions are included in the UNESCO World Heritage List (<http://whc.unesco.org/en/list>) and many others are protected by national and local legislation.

Throughout the 20th and into the 21st century, this heritage has suffered due to abandonment and misuse as a result of societal changes, methods of production and transport and rapid urbanisation. Buildings in the historic centres have suffered a dual process of obsolescence: functional obsolescence as the buildings no longer served modern uses; and physical obsolescence as buildings deteriorated due to abandonment or overuse.

With a growing urban middle class and a growing desire for modern retail experience in EBRD’s Countries of Operations, there is a growing interest in rehabilitating the urban heritage to put to use these assets whilst still preserving their social and cultural value. Developers, municipalities

and community have realised that retail plays an important role in the reclamation of urban heritage in EBRD's Countries of Operations, just as in other parts of the world. Municipalities and communities have recognised retail development in a historic city is a nexus for urban regeneration and economic development as well as a way to form communities based on its own historical and cultural character.

In a complementary manner, the developer has taken this heritage as an important marketing tool to create uniqueness rather than the globally standardised shopping centre format and has also used it as a communication tool. In some cases, harmonising a shopping centre design with the historical surrounding is the only way to exploit scarce land in a historic city and still adhere to cultural heritage legal requirements. In other cases, the first retail investor enjoys a privileged position, as additional entry tends to be more difficult. Collaborative problem solving for mutual benefit is becoming a practical objective among stakeholders.

Conflicts

Whether it is the construction of an arcade or 19th century 'passage' - the Burlington Arcade, London, is the oldest shopping centre in Europe (opened in 1818) - each new retail development entails significant urban transformation, as land is amalgamated and new buildings erected to form modern shopping venues. Although there are ample examples of shopping centres adding value to historic urban areas, there are also cases of shopping centres built in sensitive historic places that have created flashpoints for criticism and civic protests in the backdrop of urbanisation, increasing the price of scarce urban land and public space. Lack of transparency in the decision-making process or poor design are often cited as the motives for the protests. The public are often suspicious of developers, which hampers productive communication; perhaps, at least, partially due to past experience.

Gezi Park in Istanbul, Red Square in Moscow and central St. Petersburg are among recent high-profile examples of a backlash against shopping centres and retail development. In Istanbul, the construction of a shopping centre and felling of trees in a historic area of the city became a rallying point for criticism of perceived autocratic government decisions in 2013.²

In Russia, retail in historic city centres has also come under fire. A retail pavilion that was erected in Red Square, Moscow, aroused the ire of local citizens for the commercialisation of a site of national significance. In St Petersburg, two large-scale shopping centres have been constructed in the last five years that have met with strong local opposition. Opened in 2010, the Nevsky Prospect Shopping Centre resulted in public calls for a boycott. Covering some 100,000 square meters, the project involved the demolition of historic buildings, exceeded the maximum allowable height.

In Kyiv, the Hostynny Dvir, a historic landmark built in 1809 as a trade complex, has become a flashpoint in a disagreement between activists and developers. Developers are reconstructing the building as shopping mall while activists, after occupying the building, continue to use social media in an effort to preserve the building complex, protected by heritage legislation until 2011 and since removed by the city council (due to claims of its poor condition).³

While it is not one of EBRD's Countries of Operations, an example of a controversial shopping centre is on the island of Chiloe, Chile where the construction in the city of Castro a few meters away from the church, a World Heritage site, has been highly criticized by conservationists and civil society. The mall is considered very large in size, hindering the visual integrity of the church and overpowering the scale of the surrounding historical buildings.⁴

Emerging Responses

Acknowledging good practice in design and functionality is the motive for the ICSC European Shopping Centre Awards, which regularly singles out outstanding projects in historical areas. Many of these projects demonstrate ways in which new shopping centres can be inserted into historic environments to create handsome new retail and public spaces (see Annex 3 for award recipients since 2007). Among EBRD's Countries of Operations, Poland provides examples where new shopping malls are using industrial heritage as a defining feature. Stary Browar, in the city of Poznan, is a retail centre opened where an old brewery used to operate within the historical part of the city. A winner of ICSC awards, the centre is based on "50% of art, 50% of business" philosophy of the owner-company, Grazyna Kulczyk. The centre has an art centre and serves as a place for community gatherings and a number of social programs.

The Silesia City Centre shopping mall is located midway between Katowice and Chorzow in Poland on the site of an early 20th century coalmine. A combined retail, food and entertainment complex, the original 65,000 square metre building was opened in 2005 with over 300 shops. The shopping mall incorporates features of the former mine, such as the original mineshaft tower - now the symbol of the centre. The visual history of the mine and local culture are exhibited in the mall, where memorabilia from their mining past is also on sale. The Silesia City Centre shopping mall is an anchor retail investment that combines modern housing and office development in the context of a larger EU funded urban regeneration effort to revive the former coal-mining town.



Silsea shopping centre: the past image of the mining town is on

² For Gezi Park, see "Gazi Park protesters win a concession, but Erdogan insists they must still leave," the Guardian, 14 June 2013.

³ For Red Square, see "Outrage as Russian government rents out Red Square to Louis Vuitton," the Glove and Mail, November 26, 2013; for St. Petersburg, independent websites; and for Kyiv see "Suspicious fire intensifies Hostynny Dvir dispute" Kyiv Post, February 14, 2013.

⁴ This type of value is, however, not protected under the Chilean planning system.

II. Applicable Principles

Application of EBRD Performance Requirement 8 Cultural Heritage

EBRD's 2014 Environmental and Social Policy's Performance Requirements (PR1-10) outlines the responsibilities of the client in the process of assessing the potential environmental and social impacts and issues associated with the project, and developing and implementing procedures for management and monitoring these impacts and issues in respective issues. Performance Requirement (PR) 8 Cultural Heritage provides guidance for EBRD clients for cultural heritage issues (see Annex 1 for the full text).

The key provisions relevant to retail development clients are as follows:

- The client shall apply PR8 when a project is likely to affect irreplaceable cultural heritage. The term cultural heritage is defined as a group of resources inherited from the past which people identify independent of ownership, as a reflection and expression of their constantly evolving values, beliefs, knowledge and traditions. (para. 6)
- It encompasses tangible (physical) and intangible heritage, the boundaries of which are a subject of debate among heritage experts. The cultural heritage may be valued at the local, regional or national level; or within the international community.
- PR8 recognises that tangible and intangible cultural heritage are important assets for economic and social development.
- PR8 recognises that sites or objects representing cultural heritage value or significance could be uncovered in unexpected locations, during the actual implementation of an approved project. Therefore, a project is subject to the provisions of this PR, if it:
 - involves significant excavations, demolitions, movement of earth, flooding or other changes in the physical environment;
 - is located in, or in the vicinity of, a cultural heritage site recognized by the country of operation.
- If applicable, the client develops how the requirements of this PR will be addressed and managed as part of the client's overall Environmental and Social Action Plan (ESAP) and/or Management System.
- Where a project may affect cultural heritage, the client will consult with affected communities within the host country who use or have used the cultural heritage within living memory within living memory for longstanding cultural purposes to identify cultural heritage of importance, and incorporate into the client's decision-making process the views of the affected communities on such cultural heritage. Such consultation must follow the requirements of PR10 Information Disclosure and Stakeholder Engagement and could be part of a wider consultation process on the project's environmental and social impacts. (para15)

The PR8 covers the whole project cycle: stages of the client's appraisal, consultation, and implementation & monitoring. Early identification of risks and opportunities, compliance with national and international conventions for cultural heritage (i.e. the UNESCO World Heritage Convention and UNESCO Convention on Safeguarding Intangible Heritage) and public consultation are keys to ensure the client's adherence to PR8. The requirements of PR8 should be closely synchronized with the client's overall environmental and social management, especially in accordance with PR10 Information Disclosure and Stakeholder Engagement.

UNESCO World Heritage and English Heritage

There are cases where EBRD projects are located in World Heritage cities such as Lviv and Yaroslavl. This implies particular care by the client for the concerned projects to meet the provisions of the World Heritage Convention.

To achieve World Heritage status, the key concept is Outstanding Universal Value (OUV) as defined by ten criteria set out in the “Operational Guidelines for the Implementation of the World Heritage Convention” (revised 2005). The relevant criteria are: i) to represent a masterpiece of human creative genius; ii) to exhibit an important interchange of human values, over a span of time or within a cultural area of the world, on developments in architecture or technology, monumental arts, town-planning or landscape design; iii) to bear a unique or a least exceptional testimony to a cultural tradition or to a civilization; iv) to be an outstanding example of a type of building, architectural or technological ensemble or landscapes; v) to be an outstanding example of a traditional human settlement, land-use or sea-use which is representative of a culture (or cultures) interaction with the environment; and vi) to be directly or tangibly associated with events or living traditions, ideas, or with beliefs, with artistic and literary works of outstanding universal significance.

The “World Heritage Operational Guidelines” give instructions on impact (paras. 172-174) and are a reference point for decisions on UNESCO historic cities. Although the majority of cultural World Heritage sites are urban, urban ensembles are not defined in the World Heritage Convention nor does the Convention provide tools to address their respective conservation issues. The Convention and related charters regard cities as “monuments” or groups of buildings rather than an urban fabric with historical, economic and visual links to its surroundings.

The majority of urban cases brought before the World Heritage Committee for infringement of Outstanding Universal Value involve skyscrapers or large-scale infrastructure, such as bridges (for example Dresden, which lost its World Heritage status), where protecting important views and infractions of height and volume are the primary concern in the urban setting. The incidence of shopping centres to date is limited and most are retail centres re-use older structures. Examples are Potsdam where a shopping centre was built near the railway station, Vienna where a new skyscraper (Vienna Mitte) was erected, and most recently the case of Valparaiso, Chile where a large retail centre is under construction in a World Heritage buffer zone. A high-profile recent case of retail in a World Heritage city is the Benetton Group project for the conversion of the iconic 13-16th century Fondaco dei Tedeschi in Venice to a combined department store and cultural space area. There has been controversy over these plans, with a number of conservation groups opposing the project because it will alter the original structure of ca. 11,000 square meters. After more than two years of review, the city of Venice granted permission for the project.

According to the Operational Guidelines for World Heritage (paras. 172 ff.), it is the responsibility of the State Party to inform the World Heritage Committee of changes within the World Heritage property. The International Council on Monuments and Sites (ICOMOS) then reviews the documentation as a desk review or as a field mission, if it is determined to have a detrimental effect (through a State of Conservation report). Another option is that the State Party requests (and funds) an Advisory Mission to review the proposed project; Vilnius, Tallinn and Salzburg are recent examples of these. The review is not about the aesthetics of the project, but the height and volume of a proposed new building, its potential impact on traffic and matters related to Outstanding Universal Value. The intention of ICOMOS is to initiate consultation early on to be

sure that projects are on the right track. They emphasize the importance of investing, from the beginning, in appropriate expertise to assess impacts.

Shopping centres, according to UNESCO experience of World Heritage cities, could have contradictory impacts. Out-of-town centres could drain life from urban centres and result in unwelcome competition for small retailers. A counter example is a shopping centre in Jerusalem, which although outside the city walls, provides an opportunity for cultures to mix and meet in an otherwise largely segregated society.²

The lead UK heritage body, English Heritage, has produced two important documents that analyse retail development in historic areas over the last decade. The first study, issued in 2005, “Retail Development in Historic Areas”, was followed in 2013 by “The Changing Face of the High Street: A review of retail and town centre issues in historic areas” which provides informative case studies of successful integration of large-scale developments to historic areas.

⁵ The UNESCO World Heritage Cities Network is a further point of reference. Regensburg, the Secretariat of the World Heritage Cities North West Europe, led an EU funded project, Heritage as Opportunity (HerO, 2008-2011) on heritage management which explored: securing the multi-functionality of the historic centre and the balance of retail development with needs of inhabitants through local action plans; and integrating new architecture into the historic cityscape without harming the historic, spatial and townscape characteristics. The challenge of “integrating large scale structures (i.e. large-scale retail) into the small-scale historic structure has been studied by the Regensburg Design Advisory Board which developed an integrated concept for retail development.

⁶ UNESCO interview (December 13, 2013)

III. Key Parameters for Successful Retail Development in Historic Cities

While retail development in historic centres follows the same planning procedures applied to all new development, what is important about a location in a historic urban area is the sensitivity of the surrounding historic environment, as well as the possibility to capitalise on traditions of commerce and culture. A successful development will be a dialogue between old and new, rather than a rupture. Necessary, above all, and for all parties concerned (i.e. the client, developer, – municipality and community) is a commitment to urban planning and architectural excellence that will help create distinctive places that are sensitive to the historic character.

The important urban planning and architectural design issues, irrespective of specific national and local laws and regulations, for urban retail development projects in historic cities that are under consideration by the client and retail developer, the municipality and communities, are:

1. Assess, appreciate and respond to the urban and social context;
2. Determine the level of protection needed to safeguard the character of the historic area;
3. Carry out early and continuous meaningful consultations;
4. Develop a communication strategy;
5. Achieve architectural and urban design integrity and quality in relation to the historic townscape;
6. Create public realm;
7. Balance traffic requirements and public transport accessibility as well as promote environmental sustainability;
8. Encourage a mix of uses to sustain the vitality of the area;
9. Link to urban tourism.

Preparation

The urban context in which a new retail development is slated can range from highly sensitive to less sensitive. An area within a World Heritage site is generally considered to be of highest sensitivity with those in the World Heritage buffer zone considered less sensitive. In countries where conservation areas are demarcated, there are accompanying controls on new building or changes to the historic environment. In some countries, legal protection is on an individual building basis, with limited protection for historic districts. Other countries do not have clear guidance.

The developer, in coordination with the municipality, will need to carry out an in-depth analysis of the attributes of the historic urban setting and come to an understanding of its significance. Important sources of information will be heritage experts, urban planners and archival material about the evolution of the area in question.

A further source of information on the retail history of an area is the visual records of the area in question. Examining early photographs, film footage and other visual material can shed light on such important features of the urban environment as shop signs, the form of shop windows, and street lighting and furniture. In turn, these earlier features may be incorporated into new shopping centre design or become a design inspiration. For example in Lviv, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) project has documented the early retail landscape of the

city and in Lucca, Italy, shop signs originating in the 17th century are in themselves protected heritage that contribute to the town's character.

Understanding the significance of historical and cultural values is vital to inserting new retail development in historic environments. This focuses on the importance of the buildings' past use and their setting. The process begins with identifying potential and assessing the special architectural or historic interest of an area. An approach that draws on the heritage of a place takes into account the setting of historic buildings and does not detract from their significance. Among tools for understanding significance are "Conserving Place: Conservation Area Designation, Appraisal and Management"(English Heritage 2012).

Planning

The level of legal protection required by the heritage area will help determine the scope for redevelopment or new development and will provide assurances to the developer. Buildings or group of buildings requiring "strict protection" (allowing only minor adaptations) present a greater challenge for their adaptive rehabilitation to retail use compared with buildings or group of buildings requiring only typological (maintaining the key features of the typology) or contextual protection (maintaining mostly the bulk and facade). The level of legal protection determines "the carrying capacity" or the design, volume and use of the buildings or heritage area.

Similarly, new development will need to respect the existing historic environment, without being slavishly constrained. New retail development needs to enhance its surroundings and respond to context, that is the character of the area and adjacent buildings (see below on design). Sensitivity to the historic street patterns, viewpoints, scale and massing that complement adjacent buildings, and materials that refer to local architectural styles is characteristic of good projects.

A protected area that will undergo redevelopment needs a detailed conservation area plan that is approved and enforced by the municipality or responsible government agency. The plan should specify the transformations allowed for each building and area according to the level of protection desired. The developers need to know in advance what they can do with existing buildings and urban spaces so that they can prepare their business plans. Developers in turn should provide detailed plans, cost estimates and contractual commitments to the municipality for their review.

Consultation

Consultation is not mandatory in many countries although some countries hold public hearings for approving large urban development projects. When carefully managed, this practice provides a constructive forum to discuss community concerns, priorities and preferences to agree on mitigation measures and ensure the acceptance by different groups within the local community. This can also help to ensure that different interests of men and women, the young and older members and those who are less 'prominent' can have a voice. In some cases, this is required under Environmental Impact Assessment protocols.

The first stage of effective consultation involves **stakeholder identification**. Typically retail projects in historic city centres will concern the following stakeholders: those affected by the project; the population which will experience impacts, such as through changes in the traffic patterns; impact of the construction process; and, any form of resettlement and economic displacement/impact especially on local retailers. Those who will be interested and/or concerned are likely to include NGOs and civil society groups, neighbours, cultural heritage and environment professionals, architects and planners. Those who can have an influence on the project realization are local or national authorities and project partners, namely financial partners, municipalities etc.

For projects in UNESCO World Heritage areas, special attention should be paid by the developer and client to communicate with the national UNESCO Commission and, if necessary, with the UNESCO World Heritage Centre in Paris.

Continuous consultation can be a way for developers to demonstrate their openness to community concerns and to avoid reputational damage. It can also benefit the developer by providing information regarding consumer preferences and community capacities. Good corporate practice that values community involvement makes sense in the long-term given their presence as retail business in the community.

Communication Strategy

New construction in historical cities - and not only shopping centres - has often proved to be a challenge due to the high level of critical attention from the community as well as urban activists. For this reason, the developer and/or client may wish to use the full range of communication strategies, commencing in the preparation stage of the projects and continuing well into the post-construction period. Their goal is not only to minimise possible risks of negative publicity, but also rather to build solid and trustful relations with all key stakeholders right from the beginning, and communicating the benefits the project carries with it to the local economy and urban space. The communication strategies can include a diverse variety of tools and include involving local agents of influence in order to reach all key audiences and can change to ensure the message is received and the communication is kept two-way. They must clearly include, however, a component that explains how communities will and/or will be enabled to benefit.

Prior to the launch of a project, possible strategies include:

- Public hearing(s) or consultations, where applicable, environmental and social impact analysis results are communicated, concerns aired, and the base for trust is established; and
- Possible creation of a community support and monitoring group that may include members of community, urban activists and representatives of local authorities.

Throughout the development phase of the project, possible strategies include:

- A series of public events, such as a job fair to recruit local people or exhibitions exploring the history of the location and neighbourhood;
- Pre-launch art and public outreach program in public spaces of the neighbourhood and with institutional partners (galleries, cafes or restaurants, book shops of the future tenants); and
- Publication of a newsletter with delivery to all key stakeholders. After construction of the project, possible strategies include:
- Distribution of a shopping centre brochure which serves as a store guide and guide to the historic neighbourhood;
- Establishment of public space community programs to communicate key values of the project such as historical heritage; and
- Partnership with key institutions and initiatives of the community and involving them in using public space of the project.

Projects that have put effort into a communication strategy have often benefited from positive press reports and higher acceptance by the community. Typical forms of communication are a website, a newsletter, brochures or signage.

Websites are used by almost all shopping centres. Of particular relevance are those that feature sections on Art & Culture (for example www.dukeofyorkssquare.com, www.onenewchange.com) and Community (www.princesshays.com). These websites are a means to publicise cultural/ community events and programmes.

Newsletters are used by developments, such as the Duke of York's Square, provide the updates and the latest offers, with an email signup facility. The Multi Forum project in Lviv also produced a newsletter for distribution. By developing a distribution system that provides information to municipal authorities and consumers alike, the developer can promote and provide visibility to its shopping centre.

Brochures, such as a store guide, which are distributed at the shopping centre, are another way to welcome and orient visitors. Not only do they display the retail and catering outlets on offer but also they encourage visits to the cultural and historic sites nearby.

Signage provides another medium for sharing information. Some developers have used boarding's effectively to convey the significance of the site. The signage at One Tower Bridge, London, with its timeline of the site is an excellent example.

Signage provides another medium for sharing information. Some developers have used boarding's very effectively to convey the significance of the site. The signage at One Tower Bridge, London, with its timeline of the site is an excellent example.



Architectural and Urban Design Quality

Retail architecture is arguably one of the most influential and innovative types of architecture. Shops were important in the development of 20th century architecture: La Samaritaine introduced the art nouveau style to Parisians; Barkers in London brought art deco architecture; and Peter Jones also in London gave a taste of modernism. Shopping and architecture remain inextricably linked. Moreover, retail development is an opportunity for historic and modern architecture to meet as part of larger urban renewal initiatives and community making.

Good design is difficult to ensure and depends on many factors: the vision of the developer, the talents of the architects, the guidance of the municipality, coherence with the community's needs and the availability of resources. Good design goes beyond clichés to provide a memorable experience of architecture and space. The developer and client may wish to utilise peer reviews and discussion with the community (including conservators and urban specialists) as a means to avoid costly mistakes in the future. ⁷

⁷ Design, although it can be seen as subjective, has some agreed attributes. These are summarized by the Council on Architecture and the Built Environment (CABE) in its Design Review: How CABE evaluates quality in architecture and urban design (2006) and Design Review: Principles and practice, A Report (2013). The key points are: design that is fit for purpose; responsive to context; coherent; efficient; flexible; good looking; and sustainable.

Public Realm

New retail centres can play an important role in creating a high quality urban environment. They can become important **hubs for social inclusion and cohesion**, opening new experiences and opportunities, for example, jobs offered, to otherwise neglected communities of the city; promoting the active use of shared spaces by the public; developing programmes for children and youth; and by providing quality entertainment and/or cultural activities alongside a more educational shopping experience.

Working closely with planners, architects and landscape architects shopping centres can improve public spaces - although they occupy private land. In countries where winter conditions are accompanied with hard weather, a roofed public space is valuable. An integrated approach to overall development scheme would mean investing in high quality lighting, street furniture, paving and all elements of the public space. In some projects, there is continuity between interior and exterior spaces. Attention to the history and the context of the place, demonstrated through the overall architectural plan, exterior and interior design details, signage and public programming, can significantly add to the overall value and awareness of the public realm.

Shopping centres can be an important factor in cultural place making. They can reaffirm the image of a city, as is the case of Stadsfeestzaal in Antwerp, Belgium, which preserves the historic character of the building while providing a new shopping destination and a meeting place in the city centre. In the Netherlands, Hoochwoert shopping centre contributed to an ambitious town regeneration scheme in the heart of historic city of Woerden. By creating a central town square and carefully adding buildings for shops, restaurants and bars, as well as apartments, the shopping centre established a new dynamic in the town centre. A stark contrast to Woerden's previous shopping area, which consisted of one main street. Adding a second shopping axis helped bring pedestrians, shoppers and life to a large area of streets and alleyways. The plan took as its starting point historic buildings in the centre of Woerden and includes an archaeological element as the site was formerly a Roman castellum. In its EC-funded project in Turkey, My City, the British Council chose a shopping centre in Trabzon as the favoured venue for an exhibition of photographs, taken by youth at risk, which showed their attitudes towards their urban environment. The exhibition attracted a large audience, of whom many were not regular museum visitors.

Shopping centres can become a valuable landmark and attraction through their use of re-created public space, contributing to local creative economy development and supporting new experiences for the centres' customers. An example is Trinity Leeds, which through its active promotion of shared spaces for public art and sculpture enhance the city's role in the Yorkshire Sculpture Triangle.

Public Transport and Environmental Sustainability

Shopping centres, when well designed, are a means to strengthen broader urban connectivity as well as to manage inner city traffic. Shopping centres in historical downtowns are likely to be readily connected to existing public transportation and/or public transport systems, which can be improved as part of a larger regeneration project, or by means such as pedestrian passages. Traffic congestion, traffic safety and air quality, however, are major concerns in relation to new buildings in downtown centres.

Shopping centres can indeed help upgrade transport in historic cities. In the case of Princesshay, Exeter, besides improvements to car parking facilities in the city centre, the shopping centre brought improvements to roads and public transport facilities in and around the city. A new entrance to the car park and footway were created, thereby reducing traffic volume and opening

up new space for an improved cycleway and cycle parking facilities. Additionally, by means of planning obligations under the Town and Country Planning Act (Section 106 agreement), the developer (Land Securities) financed improvements to Exeter's park-and-ride bus services, information systems for parking space availability and the installation of transponders that change traffic signals to favour approaching buses over regular car traffic. The developer also produced a travel plan of the site for the City Council, which provided detailed analysis on existing transport services in and around the city and a summary of new initiatives the developer was undertaking in order to improve transport services.

South Gate in the World Heritage city of Bath, UK, features a state of the art transport interchange to provide an integrated public transport gateway and first port of call for the many shoppers and visitors to Bath. The scheme also meets **sustainability objectives** associated with minimizing trip numbers and distances. It is estimated that the resulting pedestrianisation has removed 3,000 vehicles a day, allowing the City Centre to be appreciated in comfort and safety, in particular, the City's 2,000 year old Roman Wall. In Lviv, Multi is working with the municipality to improve traffic circulation and bus stops near the new shopping centre and is considering providing bike racks on site. In Yaroslavl, the Aura Centre underground parking garage will reduce pressure on street parking while there are concerns about increased traffic volumes.

Buildings account for significant energy consumption, therefore energy saving is critical for long-term efficiency. By investing in green buildings, such as Leadership in Energy and Environmental Design (LEED) and Building Research Establishment Environmental Assessment Methodology (BREEAM), retail development can promote modern energy and resource efficiency. The LEED and BREEAM retail centres play a lead role to promote sustainability in the building sector and throughout society. An important example is Multi's -BREEAM Lviv shopping centre, which is the first commercial building with BREEAM certification in Ukraine, and local architectural and civil engineering students have visited the construction site as a study visit.

Mix of Uses for Economic Vitality and Economic Inclusion

Experience worldwide demonstrates the benefit of a mix of uses in and around shopping centres. The combination of shopping centres with residential and office use is becoming more widespread. As inner city locations return to preferred areas for living and working, it is inevitable that shopping centres will benefit from offering more than just shopping. A lively street scene and areas for social interaction are particular attractions.

The Silesia City Centre re-generation project in Poland comprises of a mix between retail, office and residential buildings anchored by the shopping mall as mentioned in the preceding section. Cabot Circus, Bristol is another example of new retail, leisure and residential space that integrates with the city centre and provides the city with new urban amenities. One New Change in London has become a hub of activity, seven days a week, in an area that was previously considered a weekday only business quarter. The introduction of family friendly features, a weekend craft and food market and events such as film screenings have made it a destination. Many shopping centres in countries such as the Netherlands and France bring together shopping, housing, offices and cultural spaces.

Job creation brought by retail centres is a critical element, which the communities strongly wish to benefit from. The One New Change development supports the community through BeOnsite, a targeted training initiative of the construction industry, which saw Bovis Lend Lease working with their trade contractors to provide a wide range of training and employment opportunities on the site. In an effort to ensure long-term economic impact on local communities, Land Securities has worked with the Cheapside Initiative, London Employers Accord, the City of London and the Mayor

of London to establish the Cheapside Employment Charter, which is designed to encourage retailers (who sign up) to employ locally. Princesshay in Exeter plays an active role in community initiatives. The Blue Water Shopping Centre and on-going Kings Cross re-generation project have similar community enhancing programmes such as retail and construction work training and job placement. This conscious effort for economic inclusion is mutually beneficial, both to the community and to the developer/operator, as they also need quality employees from the adjacent communities.

Link to Urban Tourism

The majority of historic cities - and World Heritage cities – attract tourists/visitors. Shopping centres can become new tourism attractions in such cities. There are multiple examples of shopping centres working alongside the tourism sector. In Yaroslavl, the developer is considering creating links with the historic city's established tourism industry. In the case of Princesshay, Exeter, the developer provided a new entrance to, and visitor centre for, the city's 14th century underground passages. In addition, the centre houses the city's new tourist information centre. One New Change works closely with the nearby City of London Information Centre and highlights nearby cultural sites in its free Store Guide. Its aim is to combine cultural and retail experiences - a visit to the Museum of London with lunch or shopping.

Some noteworthy shopping centres are located in historic train stations, which have been refurbished to accommodate shopping. They provide a gateway to the historic city centre. An award-winning example is the 19th St Lazare station in Paris, which restored the station's former glory. With the ample internal spaces, characteristic of shopping centres, accommodating smaller-scale tourist information booths or offices can be possible.

Cultural activities are elements for urban tourism. They range from participation in festivals to commissioning of art works to education. Stary Browar shopping and art centre in Poznan places arts as a vital part of their core activities. The artistic programing includes visual art, theatre, dance and design and supports artistic residency program. It is operated through the Art Stations Foundation by Grazyna Kulczyk that positions itself as "a platform for creative encounters for the city, the country and the region". As part of the City of London Festival, a cityscape artist hosted a drop-in studio for locals and passers-by to help him create a mural on the boarding's that surrounded One New Change during construction. In 2013, The Duke of York's Square launched its first public photography competition, accompanied by a photography workshop. Winners were exhibited at the neighbouring Saatchi Gallery. At the Trinity Leeds Shopping Centre, the developer commissioned artists, in the region and beyond, to develop permanent and temporary art installations and interventions. The aim of the Land Securities 'Art Programme' is to create a series of engaging and cultural relevant artworks to enhance the visitor experience of the new environments and thoroughfares as well as offering job experience within the scheme. The permanent art works were developed with the Trinity Leeds design team.

Conclusion

Urban retail development in historical cities in the EBRD's Countries of Operations has been rapidly evolving, often functioning as an anchor development of urban regeneration investment.

As in other countries, such development requires effective collaboration among the stakeholders (e.g. the developer/operator, municipality and community) to maximise its economic impact while taking into account the urban and historical setting. Despite strong civic traditions in many cities, lack of communication for as well as underlying mistrust amongst the public often hinder productive dialogue and compromise the possible positive outcomes for the community.

EBRD's role as a facilitator to the community via its association with retail developments, demonstrated in Lviv and Yaroslavl, suggests that it is possible to break down barriers and explore mutually beneficial opportunities. As shown in numerous cases, experienced developers are also aware of the important benefit of working with the communities in which they operate and of committing to environmental and social sustainability and ensuring legal compliance. The practical experiences and methodologies provided in the Report are applicable to the upcoming urban retail development in historical cities, with adjustments for the specific socio-economic and cultural context.

In summary, successful urban retail developments in historical cities respect the city's heritage and community and offer opportunities for socio-economic development. Retail developments are required to comply with legal requirements, conduct meaningful consultation and engage in continuous communication with the community. Architecturally their design must fit the urban environment and be of outstanding quality. These developments, which include mixed-use buildings, need to be environmentally sustainable and provide the public with transportation facilities as well as opportunities for economic inclusion and links to urban tourism.

We expect many more success stories to arise in the EBRD's Countries of Operations while anticipate some important challenges.

Annex 1.

EBRD 2014 Environmental & Social Policy: Performance Requirement 8 Cultural Heritage

<http://www.ebrd.com/who-we-are/our-values/environmental-and-social-policy/performance-requirements.html%20>

Annex 2. Resources

English Heritage

International Council on Shopping Centers (ICSC)

Property EU. European Retail Atlas (2013). ICSC Europe

CABE

Monocle, “Know your market - meet the players who are reinventing retail”, Issue 67, Volume 07, October 2013

Essential Reading

English Heritage, Retail Development in Historic Areas, 2005

English Heritage, The Changing Face of the High Street: Decline and Revival: A review of retail and town centre issues in historic areas, 2013

ICSC, ICSC European Shopping Centre Awards - 2006-2013

Inter-American Development Bank, City Development. Experiences in the Preservation of Ten World Heritage Sites, E Rojas and F Lanzafame editors, 2012

Annex 3.

ICSC Awards

The ICSC European Shopping Centre Awards recognize achievements in the European retail property sector. Many of the Shopping Centre Award finalists are in town, and play a role in city regeneration. Over the course of the ICSC European Shopping Centre Awards, shopping centres in historic town centres have been chosen as finalists. Increasingly they have created new and unique public spaces for leisure and entertainment. Among the award winning Shopping Centres in historic areas in the period 2008-2013 are the following:

2013

New Developments: Small St Lazare Paris, Paris, France

St Lazare Paris uses the historical and architectural significance of the 19th century train station to create new retail space.

Commendation

Bulvar Yasam ve Alisveris Merkez, Samsun, Turkey

Bulvar Yasam ve Alisceis Merkezi is an urban renewal project in the middle of Samsun’s main

shopping street, alongside the restoration of late 19th century tobacco factory. Commendation
Altmarkt-Galerie Dresden, Dresden, Germany

Altmarkt-Galerie Dresden is located in the Altmarkt quarter and links the heritage of the area with the centre. Dresden was de-listed as a World Heritage site.

2012

New Developments: Small

Shopping Centre Vieuterweide, Utrecht, Netherlands

Shopping Centre Vieuterweide, located on the waterfront, utilizes traditional Dutch gables reminiscent of canal houses for a new, open air shopping center. New Development: Medium K in Kortrijk, Kortrijk, Belgium

K in Kortrijk is an inner-city shopping centre in the historic centre of Kortrijk that is situated on the site of an old convent and school. Refurbishments and Expansions: Small/Medium Europa-Galerie Saarbruecken, Saarbruecken, Germany

Europa-Galerie Saarbruecken has transformed the old Berweksdirektion, the former mining headquarters into a shopping centre while preserving the historical aspects of the original building.

Refurbishments and Expansions: Small/Medium Bromma Blocks Galleria, Stockholm, Sweden

Utilizing a mid-century listed aircraft hanger, Bromma Blocks Galleria brings together cultural history with innovative architecture to provide a shopping experience complemented by specially commissioned art and sculpture.

2011

New Developments: Medium

Forum Usti nad Labem, Usti nad Labem, Czech Republic

Forum Usti nad Labem is situated in the center of town in the area of the formerly rundown market hall. The project restored the original urban pattern of the town, with its design inspired by the medieval town walls. New Developments: Large SouthGate, Bath, UK

SouthGate is comprised of six individual buildings set in a pattern of pedestrian streets with a public square which is part of the urban regeneration of the southern retail quarter of the historic **World Heritage** city.

2010

New Developments: Small Forum Barreiro, Barreiro, Portugal

Forum Barreiro is a new retail project developed in an old industrial site in the middle of Barreiro city and is a core part of the regeneration of the centre of the town.

New Developments: Small

Sandans Shopping Center, Kristiansand, Norway

Sandans Shopping Center, located in the heart of Kristiansand, is developed around 16 buildings

which are now linked by an open atrium. New Developments: Small Stadtgalerie Passau, Germany

The Stadtgalerie Passau integrates a modern shopping gallery into its historical urban environment and features the landmarked Bahnhofstrasse 1. New Developments: Extra Large Liverpool ONE, Liverpool, UK

Liverpool ONE is a retail-led, mixed-use that transformed 17 hectares of Liverpool City Centre into a vibrant hub of shopping, leisure, and cultural activities in a World Heritage city.

2009

New Developments: Small

Stadsfeestzaal Shopping, Antwerp, Belgium

Stadsfeestzaal is an important historical monument which was almost completely destroyed by fire in 2000 and was refurbished with an eye for historic detail. New Developments: Large Palladium, Prague, Czech Republic

Located on the site of an old stable and military barracks, Palladium is a new shopping destination in the historic city and incorporates portions of the original foundation and architectural style of former structure with local artwork incorporated into interior and exterior spaces.

2008

New Developments: Small - De Parade, Bergen op Zoon, Netherlands

Situated in the heart of the historic city of Bergen op Zoon in an area slated for regeneration,

De Paradies is an open shopping area.

New Developments: Small - Fees-en Cultuurpales, Oostende, Belgium

The project links the main shopping street of the city, Kapellestraat, with the Wapenplein.