

**Partnership on Urban Regeneration**  
**- Case Study in Taipei, Taiwan**

Thesis submitted for the degree of PhD

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## Abstract

### Partnership on Urban Regeneration-Case Study in Taipei, Taiwan

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Partnership has become an important policy for the Taipei City Government (TCG) especially since the Urban Renewal Act was published in 1998. The initial aims were to attract private investment and practise public participation as the partnership approach has benefited other countries. Almost 10 years have passed, however the aims have not been achieved well and it is difficult to identify the partnership as literature suggests in Taipei's urban regeneration projects. Possibly, the policy may have drifted from its original idea or the fundamental principles of partnership during the urban regeneration policies transferred, and it may be the reason for the difficulties in identifying partnerships in the projects. Thus, this research set out to review policies without neglecting the fundamental principles of the partnership.

This study reviewed the partnership in Taipei's urban regeneration projects by an appraisal framework which was established in this research by unpacking the fundamental principles from the definitions of partnership. These were based on the two premises that, firstly, the TCG has adopted a partnership approach into urban regeneration agendas since 1998 at least and, secondly, there are several fundamental principles which need to be achieved in a partnership. Four urban regeneration projects were studied in detail, each of them representing a type of urban regeneration project in Taipei. The study consisted primarily of interviews with key plays, supplemented by documentary evidence and observation.

There are three main results in this research. First, an appraisal framework, which is based on the partnership principles, was established to assist with policy making or revising. This framework can review the effect of partnership without neglecting the nature of partnership as it was based on the fundamental principle of it. Second, the Policy evolution, the types of partnership, the government's attitude and the regeneration process of case studies are analyzed. Compared with other research in Taiwan which normally only considered the projects under the Urban Renewal Act, this research provides a wider view of urban regeneration. In addition, the rebuilt regeneration process and the analysis of the case studies can help readers to understand the partnership in each project. Finally, the results of the appraisal show that the partnership is still at a basic level and is not evident in most of the urban projects are pointed out and can help the policy makers and researchers improve policies on an informed understanding of partnership.

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## Acronyms

<b>BAO</b>	Building Administration Office (Taipei City Government)	建管處
<b>CCP</b>	Chinese Communist Party	中國共產黨
<b>CP</b>	Community Planner	社區規劃師
<b>DSIP</b>	DaLi Street Improvement Plan	大理街改造計畫
<b>DOFD</b>	Department of Fashion Design in ShihChien University	實踐大學服裝設計系
<b>GIBP</b>	Graduate Institute of Building and Planning	台大城鄉所
<b>KMT</b>	KuoMinTang Government	國民黨
<b>MBIS</b>	Monkash Buiness Improvement Society	艋舺商圈促進會
<b>MRT</b>	Taipei Metro	台北捷運
<b>NDP</b>	Neighbourhood Development Plan	地區發展計畫
<b>NIP</b>	Neighbourhood improvement Programs	地區環境改造計畫
<b>NNEIP</b>	NanJiChang Neighbourhood Environment Improvement Project	南機場整宅案
<b>NTD</b>	New Taiwanese Dollar	新台幣
<b>TCMO</b>	Maintenance Office of Public Works Department	養工處
<b>PHO</b>	Public Housing Office (Taipei City Government)	國宅處
<b>PSLO</b>	Parks and street Light Office (Taipei City Government)	公園及路燈工程管理處
<b>RTNP</b>	Resettled Tenement Neighbourhoods Projects	整建住宅更新案
<b>TBAO</b>	Taipei Business Administration Office (Taipei City Government)	商管處
<b>TCCA</b>	Department of Cultural Affairs (Taipei City Government)	文化局
<b>TCG</b>	Taipei City Government	台北市政府
<b>TCMA</b>	Market Administration Office (Taipei City Government)	市場管理處
<b>TCNO</b>	New Construction Office (Taipei City Government)	新工處



<b>TCTP</b>	Department of Transportation (Taipei City Government)	交通局
<b>TCUD</b>	Department of Urban Development (Taipei City Government)	都發局
<b>TCUR</b>	Urban Redevelopment Office (Taipei City Government)	都市更新處
<b>URB</b>	Urban Renewal Board (Taipei City Government)	都市更新審議委員會

### **-PinYin systems**

“PinYin systems” are phonetic schemes used to transcribe character pronunciations. Both TongYong PinYin and HanYu PinYin are used in this research to reduce the difficulty of the English reader. Hanyu pinyin, the most commonly used system for Chinese Romanization is the main PinYin system used in this research. However, name of are, roads, and projects may have been transcribed into TongYong PinYin by the TCG. In this case, the research used the same transcription as the TCG.

# 1. Introduction

## 1.1. Introduction

Partnership became an important policy for the Taipei City Government (TCG) especially after the *Urban Renewal Act* was published in 1998. The initial aims were to attract private investment and practice public participation; however, neither of these purposes appears to be served in current urban regeneration projects. Private companies have lost interest and local people protest against regeneration projects. Moreover, the understanding of partnership this research has developed is difficult to see in the projects. This research proposes to reveal the reason why the objectives of practicing partnership is not being achieved, and why it is even difficult to identify in urban regeneration projects.

### Research area – Taipei, Taiwan

Taipei, the capital city of Taiwan after 1949, is located in the north of the Island. The total area is 271,7997 km<sup>2</sup>, the population is 2,627,527 people, and the average population density is 9,667 people / km<sup>2</sup> (TCG, 2007). WanHua, DaTong, and ZhongZheng districts were the earlier development areas which are located in the

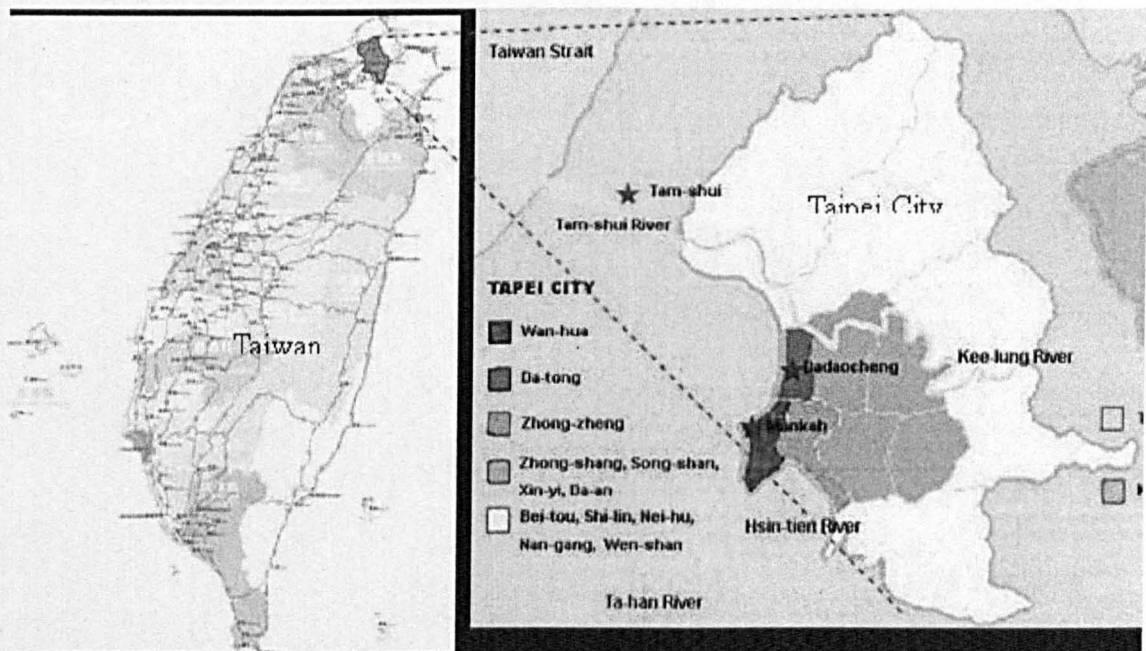


Figure 1.1 The map of Taiwan and Taipei City

west parts of Taipei. Because of the transportation of the TamShui River, ManKah (WanHua district) and DaDaoCheng (DaTong district) were the initial commercial centres in Taipei. However, the core of development moved from western to eastern parts of Taipei after the river embankment built in 1990 and the Taipei city government building moved from DaTong district to XinYi district in 1994. Comparing with other area, these earlier development districts became the older and shabbier areas in Taipei city. Thus, the TCG paid more attention on these western parts and intended to regenerate these areas since 1957. As urban regeneration projects needed to spend a lot of time and money, it became a heavy burden for the government. This was one of the important reasons for the TCG to apply the partnership approach which had helped many western countries to solve the final problems through involving the private investment. More details of the background and history of Taipei will be described later.

## 1.2. Partnership in urban regeneration

### Partnership in policy making

The idea of applying partnership approach in urban regeneration first emerged when a new chapter, incentive the private sector to invest urban renewal project, added in the *Regulations for Taipei Urban Renewal* in 1993. Partnership became increasingly important after the *Urban Renewal Act* was published by central government in 1998. In order to define in more detail how the *Urban Renewal Act* might be implemented in Taipei City, the *Taipei City Urban Renewal Ordinances* was published in 2001. The TCG announced that urban regeneration had moved into a new partnership generation (Lin, 2003). The government's financial problems were the main motivation for practising partnership in urban regeneration: it was hoped to attract investment from the private sector. In addition, it offered the TCG the chance to encourage public participation and reduce protests from local people (Wu C.J., 2002; Chen, U.J., 2001; Chang Y.Y., 1998). Generally, most of the approaches suggested in the government's policies were influenced by the partnership strategies or regulations adopted in the countries with a long history of practicing partnership. For example, the ideas relating to public meetings, Quasi-Autonomous Non-Governmental Organization, funding, incentives...etc were introduced.

### Partnership in practice – what went wrong?

But it was difficult to implement partnerships in Taipei's urban regeneration projects, despite the many policies and regulations introduced to impel it. After the *Regulations for Taipei Urban Renewal* was published in 1993, the government utilized incentives to encourage the private sector to participate in the process of urban regeneration. It seemed a good strategy to involve the private companies and provide a chance for residents to plan the environment they wanted; however, the effects were not as the TCG expected. By 2006, only 3 projects had completed whole application procedure; applications have declined steadily in recently years. Private companies seem to have lost interest in urban regeneration projects and the protests from local communities still occur (e.g. DaLi area and DaAn Park). It was difficult to identify examples of the partnership as literature suggests during the field work in Taipei. Of course, there were various types of partnership but they all fell far short of the researcher's understanding of the term.

This clear gap between the intention of the policies and the outcome of their implementation has motivated this research to explore: the outcomes of project are not what the TCG expected, *what made this? What were the actual problems?* If it so difficult to see partnership, *did they actually exist?*

### 1.3. The research

This research focuses on examining the idea of partnership in urban regeneration, and trying to reveal whether partnerships really exist and what the problems are. There are many different methods to review policies or regulations. In Taiwan, most of the researchers focus on the problems emerging during implementation and often solving the problems by adopt other countries' strategies or policies (翁樹楊, 1998; Liu, J.W., 2000; Chen, U. J., 2001; Liu, J.W., 2000). This methodology is helpful and effectually to make a new policy; however, it may be dangerous if researchers only focus on solving problems but omit the original purpose and meaning of partnership. Sometimes, the policy may lose its original ideas during the policy transferred, and it may be the reason for difficult to identify partnership in Taipei's urban regenerations projects. Thus, a method which can help the researchers or policy makers to consider

about the original ideas or principles of partnership may be able to reduce the dangerous. Following are two important premises underpin this research and the research aim will come after the premises.

### 1.3.1. Premises

*First, the TCG has adopted a partnership approach into urban regeneration agendas since 1993* - even if it was difficult to see this in the research. Not only has the TCG announced that urban regeneration has moved into a partnership phase, many researchers and books in urban regeneration field have commented on the quality of partnership in the past ten years. For example both Lin (2003) and the Urban Regeneration R&D (2002) Foundation have emphasised the importance of the public-private partnership approach enshrined in the *Urban Renewal Act*. Many people believe that the partnership approach is a good way to solving the problems in urban regeneration. Some researchers have focused on detecting problems in current practice (Chang, Y. Y.; Wu, C.J., 2001, Chen, U.J., 2001) while other have studied ways to improve the quality of partnerships in Taipei (for example: Chen, U.J., 2001; Wu, C.J., 2001; Liu, J.W., 2000; Sun, 1991).

*Second, there are several fundamental principles which need to be achieved in a partnership* - even if the idea or definition of partnership might vary. It is difficult to give the term 'partnership' a clear and definite definition and it is loosely used (Carly, 2003). McQuaid (2000 p.10) also stated: 'The term 'partnership' covers greatly differing concepts and practices and is used to describe a wide variety of types of relationship in a myriad of circumstances and locations'. Carly (2003) even argued that it is not worth labouring over a definition of partnership. However, it is assumed in this research that the concept of partnership includes certain indispensable elements or fundamental principles which have to exist in any partnership, and that these elements may present differently in different times, locations, cultures...etc. For example, a single-group project can not be called a partnership. This premise provides a direction of examining why it was difficult to identify partnership during the field work: it might be because the fundamental principles unpacked through this research were missing in the urban regeneration projects in Taipei.

### **1.3.2. Research Aim**

The main aims of this research are shaped in accordance with the motivation and the premises to improve policies without missing the fundamental principles of partnership. In order to help policy makers base their strategies or policies on an informed understanding of partnership, fundamental principles of the partnership will be developed and an appraisal framework will be sought using the principles outlined in the research.

After the partnership has been practiced in Taipei for about 10 years, it is necessary to ascertain whether partnership has been truly practised in Taipei's urban regeneration projects. It is necessary to develop an appraisal framework to review the urban regeneration projects in Taipei. In each case, according to the second premise above, there are fundamental principles which need to be achieved in any partnership. These fundamental principles of partnerships would be a good direction of appraising the projects and should provide strong evidence of whether partnership has been practised in each case or not. Before appraising the projects, it is also necessary to understand the purpose of the urban regeneration policies and reveal the effects of implementations. Finally, except the main aim motioned above, other aims of this research can be summed up as below:

- To develop an understanding of partnership based on the literature and expose the fundamental principles.
- To set up a framework based on the fundamental principles of partnership to look for evidence of partnerships in the urban regeneration projects.
- To understand the urban regeneration policies in Taipei and the effects of implementation.
- To appraise whether partnerships, as the term is understood in this research implemented in Taipei's urban regeneration projects.
- To reveal the actual problems of urban regeneration partnerships in Taipei

### **1.4. Structure of the thesis**

The research can be separated into three main parts. First part develops a methodology of this research and an appraisal framework for examining partnerships.

Based on the second premise, the partnership should be a concept with some important principles needing to be achieved, but not only a strategy. However, most of current studies in Taiwan only focused on solving the obvious problems. However, this research wanted to apply a different method to reveal the problem in urban regeneration partnership. Trying to make a new appraisal framework to reveal what principle of the partnership has been missed in current regeneration projects. Second part presents is based on the case study approach. People can improve strategies or policies by reviewing the policy itself, basing on its purpose, asking the opinions of experts, solving the facing problems, examining the implementation process, or appraising the effect. The focus of this research is not the urban regeneration policies itself but the effects of the policies. This research intends to understand the partnership in practise and the problems when it is implemented. Thus, case study approach is the main method applied in the research as it can help researcher to understand the complex social phenomena such as the organizational and managerial processes, neighbourhood change, and relations (Yin, 2003). In this research, the stories and analysis of four case studies will be described in Chapter 5 to 8. Final part is applying the appraisal framework of partnership developed in first part to further analyze the case studies, in order to reveal whether the partnership is evident in each case studies and the general situation of the partnership in Taipei's urban regeneration. Following are the structure of this thesis and the brief content of each chapter is provided.

In order to develop the methodology and prepare for the examination, Chapter 2 focuses on the relevant literature discussing urban regeneration and partnership in both western countries and Taiwan. In addition to a general discussion these two topics, this research pays close attention to the definitions of partnership in urban regeneration. It focuses particularly on the definitions found in the west, which has more experience of partnership. At the end of Chapter 2, the direction of an appraisal framework based on the three fundamental principles of partnership is determined.

Chapter 3 outlines the evolution of urban regeneration in Taipei. It focuses on understanding the evolution of policies and how they have been implemented. This chapter also tries to understand the attitude of the government as revealed in the policies and regulations, as it has developed over in four different time period. Four

phases are separated by important regulations showing the different groups involved in each phase. In addition, a classification system for urban regeneration projects is provided at the end of Chapter 3, where four different types of urban regeneration projects are defined.

Following on from the summaries of Chapter 2 and Chapter 3, the methodology of this research is developed in Chapter 4. The research questions, research strategy and the analytical framework are provided in this chapter to give the reader an idea of how the research has been undertaken. Furthermore, the fundamental principles determined in Chapter 2 are applied to build an appraisal framework - a group of test questions used to review the urban regeneration projects later in the research.

Chapter 5 to chapter 8 present the stories and analyses of four case studies. First, the story of each case is described in order to familiarities reader with the case study area and the development process behind theses urban regeneration projects. The groups involved, the relationship between the groups, and their respective contributions and sharing are analysed later. These analyses will provide some useful material for the appraisal in Chapter 9.

Apart from the introduction and conclusion chapters, Chapter 9 is the final and most important chapter in this research. The appraisal framework, which is a group of test questions, is applied in this chapter to review four case studies, and the comparative analysis is undertaken here. After the appraisal, follows discussion of whether partnership was evidenced in each case study and what the actual problem in each case was. Finally, reflections upon the test questions and the key points to be drawn out from the examination are described.

Chapter 10 draws together the conclusions of this research, a summary of the findings, and discussion of the contribution it makes. Reflections are then offered on the research and the appraisal framework, and recommendations made for further study.



## 2. Urban regeneration and partnership

The definitions and principles behind urban regeneration in western countries will be reviewed first. In addition, details of how the partnership approach is utilized on urban regeneration issues will be described. Then, the concepts and relevant research in Taiwan will be described. The final section summarizes and reflects upon the literature.

### 2.1. Urban Regeneration

Urban regeneration has been an important issue in western countries in the last fifty years and many different terms have been used to describe this kind of general process which aims to transform an urban area. Different researchers are concerned with different issues and use terms differently from one another. The term “urban renewal” was used in America during the 1960s and 1970s, when slum clearance was a major aim of American urban renewal programs. It was only focused on renewing poor areas (Fainstein, 1994; Broudehoux, 1994). Later, the term “urban development” was used around the 1980s. Subsequent, the terms of “reuse” and “remodel” were employed to describe rehabilitation or conservation of a small scale areas (Urban Regeneration R&D Foundation, 2002). Terms such as “reconstruction”, “urban revitalization”, “rehabilitation”, “renovation” and “neighbourhood renewal” are used in the literature, often without definition (Roberts, 2000; Broudehoux, 1994). However, the aims of urban renewal were focused only on the physical environment, and the mission of urban development was without a well-defined purpose. Even the terms urban “revitalization” or “rehabilitation” failed to specify a precise approach (Couch 1990).

Compared with the terms above, the definition of “urban regeneration” is more comprehensive. This term has been used more commonly since the 1990s. Roberts defined it as a:

*“comprehensive and integrated vision and action which leads to the resolution of urban problems and which seeks to bring about a lasting improvement in the economic, physical, social and environmental condition of an area that has been subject to change” (Roberts, 2000, p.17)*

From the definition above, it is clear that urban regeneration is a kind of activity which relates to not only the physical environmental problems but also the economic and social environmental problems in a specific area. All of the issues have to be considered together when an urban regeneration project is implemented. Besides this, it is implemented in an area where the environment can not be improved only by market forces; as Adair et al. noted,

*“urban regeneration can be considered to be the process of reversing economic, social and physical decay having reached the point where market forces alone will not suffice” (Adair et al., 1999, p.2031).*

It follows from what has been said that, although urban renewal was the first manifestation of this kind of action, it represented a narrow view of urban regeneration in its concentration on only improving the physical environment. Later definitions encompass a broader view, taking into account not only the physical environment but also economic and social problems. Thus, the term urban regeneration is used to refer to this general process in this research.

### **1. The principles of urban regeneration**

Robson (1988) talked about the “*uniqueness of how things happen in a local area*”. Roberts (2000) echoes this and highlights the “need to recognize and accept the uniqueness of place”. Hausner (1933) also noted that an individual scheme should reflect the wider circumstances and requirements of the city or region where it is located. Thus, one of the principles of urban regeneration is that planners need to recognize and accept that every regeneration area is unique. Moreover, any individual scheme needs to reflect the circumstances and requirements of the local area. Another principle is ensuring that urban regeneration areas make a positive contribution to the attainment of a range of economic, social and environmental goals. It is important that, to be effective, a regeneration project must consider a wide range of actors and stakeholders, including local communities, governments, owners and investors, business people and environmental organizations (Roberts, 2000; Stegman, 1995).

Roberts (2000, p.20) described ten principles of urban regeneration and also provided an illustration of the urban regeneration process which puts substance behind the definition. Before implementation, an urban regeneration scheme has to be based

upon a detailed analysis of economy, society, and environment. Then, an individual urban area should be regenerated through a comprehensive and integrated strategy which makes the best possible use of resources and ensures consensus through the fullest possible participation and co-operation of all stakeholders. Moreover, strategies should be developed in accordance with the aims of sustainable development, and operation objectives should be quantified. During the regeneration process, it is important to measure the progress of strategy and monitor the changing nature and influence of the internal and external forces. Initial programmes of implementation may need to be revised as such changes occur (Roberts, 2000).

## **2.2. Partnership in Urban Regeneration**

Partnership has become important in urban regeneration in Britain; it has become the primary component of urban policy throughout Europe in recent years (Atkinson, 1999; Rodriguez, 2001). How partnerships are conceptualised and developed is further explored below.

### **2.2.1. What is partnership?**

It is difficult to give the term 'partnership' a clear and definite definition. As McQuaid (2000, p.10) stated, 'The term 'partnership' covers greatly differing concepts and practices and is used to describe a wide variety of types of relationship in a myriad of circumstances and locations.' Moreover, the definition of partnership may differ according to time or location. This is because the methods for implementing partnerships are only limited by the imagination, and the concept is being used in increasingly creative ways by government officers and planners (McQuaid, 2000). Carly (2003, p39) even stated, 'In any event it is not worth labouring over a definition of partnership...good partnerships define themselves in terms of the local urban renewal task, rather than by fitting into a fixed organizational or legal definition.' Thus, this research does not intend to describe the activities, tasks or organization of partnerships; rather it aims to reveal the fundamental principles of it by looking at a range of researchers' definitions (Table 2-1). These definitions suggest there are certain fundamental elements which a partnership needs to achieve.

Carly (2003) argued that the term partnership is loosely used and can mean almost any development activity involving two agencies. A definition used in the DoE report (Mason and Sopp, 1988 in Carly, 2003, p38) was given to support this point of view: “partnership schemes are those where a local authority and a private housebuilder **collaborate** [my bold] to develop low cost homes for sale on council owned land...” This conforms to the idea which is defined in the Longman dictionary of contemporary English (2000, p1032) “a relationship between two people, organizations, or counties that **work together** [my bold] regularly”. Carly (2003) argued that this definition covered only a limited type of partnership and was perhaps better termed a joint venture. Young (2000, p34) also argued that “**working together** [my bold] towards a common goal... require a multi-agency approach ...but multi-agency working is not enough...” Thus, some more key factors of partnership need to be revealed; the broader definitions provided by other researchers are in Table 2-1.

Even with this limited definition, more factors need to be considered such as the idea of **who should be involved**. At the beginning, people were more concerned about the collaboration between governments and the private sector, and so-called public-private partnerships were established. (Carley, 2003; McQuaid, 2000; NG and Tang, 2001; Bailey, 1994) These partnerships were more concerned with the relationship between central and local governments and private companies. Law (1988) defined partnership as a “collaboration of the (public-private) sectors at the local level, either in preparing and executing a comprehensive scheme for an area or working together in a particular topic area.” Local communities and voluntary groups may be considered but were not necessarily involved. Later especially after the 1990s, more researchers emphasized the importance of involving local communities in partnerships even if it was difficult (NG and Tang, 2001; Carley et al., 2000a; Young, 2000; Carley, 2003; McQuaid, 2000; Geddes, 1997). Young (2000, p36) stated, “Choosing the partner is the first stage...The local community is the most obvious partner but, in many ways, the most difficult to properly engage...”

Table 2-1 and the other literature suggest that more factors should be considered in the broader definitions. For example, the partnership’s **goal and strategy** should also be considered. It is important to establish a common goal and a common strategy in a

partnership (Bailey, 1994; McQuaid, 2000). Moreover, the regeneration project is better to look for a long-term regeneration strategy. A consultation paper by the Scottish Office suggested (1993): “the wide range of bodies with a contribution to make an urban development or regeneration to an agreed comprehensive long-term regeneration strategy for their areas”. Issues of **management, governance and power** are also mentioned by researchers. Young (2000) noted partnership is “a sharing of power between residents and government, and the creation of new forms of neighbourhood management and governance.” And Atkinson (1999) thought that urban regeneration is an exercise in power, as evidenced in power relationship which operates during the decision-making process or the strong influence of the powerful partners.

Another important factor in a partnership is the **sharing of profits and risk**. The Longman Dictionary of Contemporary English (2000, p1032) defines a partnership as “a business owned by two or more partners who share the profits and losses”. Some researchers only discuss the importance of sharing profits and mutual benefit (Carter, 2000; Holland, 1984). However, it is also important to share the risk or losses in order to achieve a degree of equality and reciprocity (Carley, 2003; Stratton, 1989; Geddes, 1997; Law, 1988). A final important factor evident from the literature is **the contribution of the partners**. Carter (2000) stated that partnership must be built on “reciprocal support and mutual benefit, with each partner contributing according to their respective resources, strengths and areas of expertise.” In other words, each partner not only needs to make some contribution to the project, but this contribution also needs to reflect their respective resources. Resources include properties, investment, human resources...etc. (Carter, 2000; Stratton, 1989; The Scottish Office, 1993). Reviewing the above literature, some definitions (concepts) are mentioned more often than others; these key factors will be examined in this research.

Table 2.1 Definitions of partnership

The definitions of partnership by other researchers	
-Young, R. (2000), p34	The current vogue for partnership working goes back many years. The concept of partnership is simple —working together towards a common goal...they require a multi-agency approach... But multi-agency working is not enough... So, partnerships are not just the result of the need for multi-agency...
-Young, R.	Partnership is seen as the way to do this – a working together of residents and

(2000), p35	service suppliers, a sharing of power between residents and government, and the creation of new forms of neighborhood management and the governance.
Carley, M.(2003), p.39	The term partnership covers a broad spectrum of activity, and is loosely used. Almost any development activity involving two agencies, one public and one private or voluntary, can be called a partnership. ... that 'true' partnerships involve a degree of equality and reciprocity.
Mason and Sopp (1988) in Carley (2003, p.38)	A recent DoE report (Mason and Sopp, 1988) uses this definition: "Partnership schemes are those where a local authority and a private house builder collaborate to develop low cost homes for sale on council owned land..." This defines a limited type of partnership, perhaps better termed a joint venture.
Law (1988) in Carley (2003, p 39)	Law (1988) suggested a broader definition: "collaboration of the (public-private) sectors at the local level, either in preparing and executing a comprehensive scheme for an area or working together in a particular topic area."
Carley M.(2003, 39)	In any event, it is not worth of current partnership efforts suggests good partnership define themselves in terms of the local urban renewal task, rather than by fitting into a fixed organizational or legal definition
Carter, A, (2000), pp.47-49	Principles of partnership Whilst the scale and scope of the partnership,...will vary according to the aims and objectives established, there are none the less certain defining principles which should underpin the process...Partnership must be built on shared interests, reciprocal support and mutual benefit with each partner contributing according to their respective resources, strengths and areas of expertise.
Ronald W. McQuaid (2000), p11	There are a number of assumptions underlying definitions of partnership. First, ...' the sum is greater than the parts'. Second, the partnership involves both development and delivery of a strategy of a set of projects or operations, although each actor may not be equally involved in all stages. Third, in public private partnership the public sector is not pursuing purely commercial goals.
Holland (1984) in McQuaid (2000) p11	Partnership involves cooperation-i.e. 'to work or act together' -and in a public policy can be defined as cooperation between people or organizations in the public or private sector for mutual benefit.
Bailey (1994), p.293	Provides a working definition of private-public partnership in Urban regeneration as 'the mobilization of a coalition of interests drawn from more than one sector in order to prepare and oversee an agreed strategy for regeneration of a defined area'
Stratton, C. (1989) Quoted in McQuaid (2002), P.81	(A) Partnership is a collaboration among business, non-profit organizations, and government in which risks, resources and skills are shared in projects that benefit each partner as well as the community.
Scottish Office (1993) Quoted in McQuaid(2002), P.81	Involving the 'voluntary commitment by the wide range of bodies with a contribution to make a urban development or regeneration (including local communities, the local authorities, Government departments and agencies and the private sector) to an agreed comprehensive long-term regeneration strategy for their areas' (McQuaid) incorporates a range of issues...although it omits the sharing risks.
Atkinson, R. (1999), pp.59-72	UR in the UK is an exercise in power which reinforces social relations. He argues that there is no single authentic mode of assigning meaning to terms such as partnership and that their meaning is constructed in the context of power and domination where official discourses have privileges over other.
Geddes (1997), p.130	Geddes (1997) thought that it is a strategy that can provide a framework to encourage the co-ordination and integration of policies and resources between the public, private and voluntary sectors and with local communities.
Ronald W. McQuaid (2000, p12)	Hence, partnership remains a varied and ambiguous concept. In order to refine the concepts underpinning differing types of partnerships it is necessary to consider some of their key dimensions or characteristics. Otherwise, we may be left at one extreme with such a wide level of generality that few lessons can be learnt, or at another extreme with a series of specific case studies which do not fully consider the external environment and possible underlying principles and pressure affecting partnerships.

## **1. Why is partnership needed in urban regeneration**

There are five main reasons why the issue of partnership has become so important in urban regeneration.

First, there is a financial incentive to form partnerships. Nelson (2000) pointed out that greater co-ordination and integration is required to find solutions to complex and interconnected problems in the more uncertain economic conditions that have prevailed since the 1970s. Young (2000) also pointed out that funding requirements are why partnerships are set up. Carter (2000) thought partnerships are a more efficient and equitable way of allocating public funds and can help to co-ordinate activity and extend across traditional policy boundaries. Thus, it seems there is an economic motivation underpinning the formation of many partnerships.

Second, multi-agency involvement is required to address the complex problems of urban regeneration. Carter (2002) pointed out that single-sector, single-agency approaches have major limitations in trying to tackle the social, economic, and physical problems found in many urban areas. Thus, most organizations involved in urban regeneration recognise that the issues they face have multiple causes and therefore need a multi-agency approach to devising and implementing solutions. Nelson (2000) noted that public-private partnerships have the ability to produce outcomes, which the public sector or the private sector working alone cannot achieve. Carley (2003) also noted that multiple agencies can help each other understand the real nature of the task of urban renewal from a holistic, more accurate, perspective which comes closer to the overall life experience of neighbourhood residents.

Third, a partnership can sometimes succeed where alone agency would fail. Carley (2003) noted that partnerships provide a relevant role for the community in a way which is impossible in the single agency approach. By representing a broad coalition of public, private and voluntary sectors a partnership can inspire greater confidence, and command more respect and resources, than any agency acting alone.

Fourth, the forming of partnerships is encouraged by policies or regulations; government policy is increasingly making such partnerships a requirement when

agencies are bidding for resources from the limited regeneration budget. For example, the Department of the Environment announced that 'Bids must be supported by partnerships representing an appropriate range of interests which should include relevant interests in the private and the public sector and in local voluntary and community organizations' (Department of the Environment, 1995).

Fifth, partnerships are becoming increasingly popular with the public, who want to participate in the process and have their voices heard. In addition, it may be also influenced by another popular issue of public participation. The public are increasingly asking for appropriate responses to the challenges facing their locality (Carter, 2000). Thus, the partnership approach may be suitable for many different reasons, which vary case by case.

## **2. Models and Types of partnership**

Many researchers mentioned that there is no single model of partnership, and that it is very difficult to categorize partnerships because they are overlaid upon complex organizational, political environments, with the number of potential partners in any area being large and diverse (Bailey, 1995). However, many researchers have tried to provide a framework or typology for researchers to work from and avoiding researchers somewhat limited their analysis only in particular individual circumstances or a process of partnership (Carter, 2000; McQuaid, 2000). Different researchers consider different dimensions or categories.

Mackintosh devised three main conceptual models of partnership (Mackintosh, 1992, p.210; Tsenkova S., 2002): 1. The synergy model is based upon the premise that the whole is greater than the sum of the parts. All partners combining their knowledge, resources, approaches and operational cultures, the partner organizations will be able to achieve more together than they would working on their own; 2. The budget enlargement model is based upon the knowledge that by working together the partners will gain access to additional funds that neither could access on their own; 3. The transformational model suggests that there are benefits to be gained by exposing the different partners to the assumptions and working methods of other partners. Mackintosh suggests that successful partnerships always result in such transformation.



According to the nature of partnership objectives, the relationship between partners and the specific activities of the partnership, Stewart and Snape (1995, p4) defined three organizational models of partnership: 1. facilitation partnerships: negotiation of contentious or politically sensitive issues; partners have differing perspectives; wide-ranging objectives and balance of power is crucial; 2. co-ordination partnerships: address relatively new and non-contentious issues; often led or managed by one partner and balance of power not as delicate. 3. Implementing partnerships: specific objective and time limited; outputs clearly defined and power relations unproblematic.

Carter (2000, p.46) offered a typology of alternative categories of partnership according to the area of coverage, range of partners, and activities: development partnership (joint venture), development trust, informal arrangement, agency and strategic. A similar idea was put forward by Tsenkova (2000): the type of partnership and its institutional framework depends upon the characteristics of the area, partnership objectives, activities and relationships between the partners.

McQuaid (2000, p13) did not offer any typology but posted five main dimensions of partnership which are useful for analysing partnerships or developing models. The five dimensions are: 1. what the partnership is seeking to do; 2. who is involved; 3. when – i.e. the timing or stage of development of the partnership process and changing relationships and activities over time; 4. where; 5. how the activities are carried out, the implementation mechanisms. A different typology which only depends on the degree of partners' participation, especially that of local communities, was defined by Carley et al (2000a, p15): consultation, representation, service involvement and empowerment. It is not necessary for this research to provide a new typology for partnership models. However, the dimensions and categories considered by other researchers maybe relevant when this research reviews and compares the various regeneration projects in Taipei.

## **2.2.2. Key issues and assessment criteria**

### **1. Key issues of partnership**

There are many factors that influence the effectiveness of partnerships, such as leadership, inclusiveness versus efficiency, attitudes and values, how to translate vision into workable objectives, the role of and relationships between partners, distribution interests...etc (Carley et al., 2000; Nelson, 2001; Young, 2000; Bailey, 1995). These factors can be used to review or assess the effect of the partnership in a specific case.

The question of who should be involved is always asked at the initial stage of the urban regeneration process. At the beginning, the idea of partnerships was to emphasize cooperation between central and local government, and then between governments and private companies. However, as Young (2000) noted, although a multi-agency approach can tackle some issues in urban regeneration which cannot be tackled by any agency alone, this is not always enough. Residents and local communities need to be involved to ensure that they benefit from the regeneration activity, and to make the process of regeneration properly effective. It is also necessary to consider how deeply the partners should be involved whether through consultation, representation, service involvement or empowerment. However, the more groups are involved, the less efficient and streamlined the decision and management process may become. (Young, 2000; Carley, 2000; Carter, 2000)

The issue of relationships also needs to be considered and this is at the heart of partnerships. This includes the relationships between residents and their council, between residents and other service providers, and between agencies themselves. If we want to understand the relationships between partners, it is important to identify the partner responsible for initiating the partnership (Young, 2000). Any discussion of the relationship must include discussion of the role of each partner. Bailey (1995) described the roles of the three main groups involved in partnerships: the private sector - provides assistance in funding and makes effective business decisions; community organizations are flexible, informal, and support the long term interests of the community; governments (the public sector) - the key roles of local and

national government are to encourage co-operation, support local initiatives and decision-making, and provide resources and administrative support.

Interests and risks are also an important issue in partnerships. Nelson (2001) pointed out that the distribution of risks and benefits between partners is also a key aspect of partnership. However, it is difficult to assess the public benefits of public-private partnerships in terms of economic objectives. Carter (2000) emphasized that partnerships should be built on shared interests. In practice, it is very important for partners to have common ambitions and mutual understanding (Carley, 2000; Carter, 2000).

According to Wilson and Charlton (1997), there are five stages to the development of a partnership: 1. because the partners may not have worked together before, it is very important to build trust and respect. They may need some training to operate effectively in the new organization. 2. Through the process of dialogue and discussion, they must produce an agenda for action. 3. The executive arm of the partnership selects or appoints a management team to oversee the work of the initiative. 4. After the plan is put into practice, all partners should assess the operation of the partnership. 5. Then, the partners should plan their forward strategy, not only developing a new set of goals for continuation of the initiative, but also seeking to transfer the assets of the partnership back into the community with which they work. They also need to have a clear strategic vision and framework for action.

## **2. Criteria for assessing the effect of partnerships**

It is very difficult to assess partnerships because the relationship between the quality and the outcomes of the partnership are difficult to understand such as the relationship between partnership operation and the commitment of partner organizations. However, Carley (2000) and his team made a preliminary partnership evaluation framework and used it to review urban regeneration projects in Britain. He noted that a variety of key factors appeared relevant to success or failure. This may prove useful in this research when reviewing and assessing the case studies.

- the role of political and executive leadership in fostering the partnership;
- use of visioning processes at the city-region level and consensus-building towards regeneration strategy;

- translation of vision into practical, workable objectives to be monitored over time;
- the breadth of membership of the partnership;
- Various methods of partnership operation;
- the role of human resources and personal aptitude for partnership;
- the development of an organizational culture which rewards partnership working

(Carley, 2000, p.278)

This preliminary partnership evaluation framework will be useful for the development of test questions to review partnerships in Taiwan. Additional discussion of these key factors appears elsewhere in research co-authored by Carley (Carley, M., et al., 2000a pp11-24). Strong leadership can play a vital role in partnership success, whereas lack of leadership will stifle partnership action. Thus, the leader should bring visibility to a partnership, cement partnerships by diplomatically drawing in reluctant partners, drive forward any area of the regeneration agenda which is contentious, and make a framework for action. Visioning processes discuss about visioning and consensus building. The processes provide the opportunity for prospective partners to come together to develop a shared agenda for the future and can help the partnership determine the general thrust of regeneration. In addition, these processes can link vision to community participation, for example through community vision conferences. The vision needs to be translated into workable objectives and the key objectives need to be monitored over time. As Carley (2000a, p.15) stated, 'vision statements must be carried through in a systematic manner to produce consensual, workable medium and short-term objectives...; otherwise the vision will be discredited and the quality of partnership eroded.' Thus, it is important to tie visioning to specific objectives and targets, and the key objectives need to be monitored.

Two main ideas were mentioned by Carley in his discussion of the breadth of membership: One is including key stakeholders and another one is inclusiveness and efficiency. Carley thinks it is important to build community into partnership and four kinds of community participations are defined by different aspects: consultation, representation, service involvement, and empowerment. He argues that, "from the community side, many groups still feel that 'purse holders' and information hoarding agencies dictate the terms and conditions of partnership" (Carley, 2000, p.16), and that officers respect the ideas of professionals more than the needs of residents.

Besides the community, it is also important to draw business into partnership because most of the social problems in regeneration areas relate to a lack of employment opportunities. However, developers need to avoid the partnership becoming a “talking shop”, as business leaders guard their limited time resources carefully. Other important players also need to be drawn into the development of regeneration strategy and objectives. Carley (2000, p 18) provides some examples, such as ‘higher and further education organisations and universities, the police, the employment service and health authorities and trusts.’ However, all this does not mean “the more the merrier” where partnership are concerned: ‘many partnerships suffer tension between the need to be inclusive as to partner organisations and the need for effective, streamlined decision and management processes.’ He thinks there should be a limited number of formal (core) members and no more than around 15 persons on the main board or in the core management team.

When considering the role of human resources and personal aptitude in partnerships, Carley states that, to ensure high-quality human resources, there must be full-time paid staff who can encourage participation, shape agendas, represent the partnership in discussion at all levels, and foster communication. These staff must show an aptitude for communication and diplomacy skills, and the building of trust and mutual understanding; they must be aware of how power sharing can increase agency effectiveness, and be adept at confidence building (Carley, 2000, p22). The final important factor relates to the organizational culture. He states that different organizations have different cultures, and the cultural barrier should be broken down in the early days of partnership. It is also important to remain a learning organization after a culture of partnership is built, and to be able to relaunch a partnership that has failed in the past by learning the right lessons from the experience.

### **2.2.3. Power relationships**

McQuaid (2002) said partnership is an exercise in power. Many papers have tried to understand partnerships by discussing issues of power, empowerment, or governance (for example: Atkinson, 1999; Lawless, 1994). The initial idea behind public-private partnerships was that the government would release some of its power to the private sector in order to attract them to participate in urban regeneration projects. In this situation, the private sector provided the financial support and the public sector its

power. Ultimately, the aim was to create a new form of management. Thus, a good way of understanding the relationship between partners is to analyze their power relationship.

### **1. Ideas of power**

The same as the idea of Partnership, the concept of power can have different meanings depending on the context in which the term is used. Moreover, different researcher's analysis of power has their own definition of it which can be seen later in this section and it is often without full agreement with any other analyst. However, this section does not intend to deeply explain all the idea of power but get a brief idea of what power is, what need to be concerned, and how to reveal it in an action. First, much analysis is based on the idea that power is exercised from innumerable points in interplay between many unequal and mobile relations. And it is meaningless unless it is exercised (Hall, 1987; Flyvbjerg, 2001). Bauman's (1993, P113) idea also supports this idea that "Power is, indeed, best understood as the ability to act..." Moreover, he noted that people who have power, they can choose any action more free and their command are more likely to be realistic (Bauman, 1995). Most of all, the relationship between power, knowledge and rationality needs to be considered together deeply when people discuss about power and it could help researchers to reveal the power which is hidden behind knowledge or rationality. That is because knowledge and rationality which people used to use in the planning action may not represent reality or truth. Sometimes, power can design knowledge and it may not be the truth. The rationality which is used in the planning process may be dominated by power (Foucault, 1987; Flyvbjerg, 2001).

*'Power is brought to bear on the problem only after we have made ourselves knowledgeable about it. In reality, however, power often ignores or designs knowledge at its convenience' (Flyvbjerg, 2001, p 143)*

*'Power, quite simply, often finds ignorance, deception, self-deception, rationalizations, and lies more useful for its purposes than truth and rationality, despite...' (Flyvbjerg, 1998, p.38)*

The next question to be asked is how power can be seen and analysed. Understanding power relationships can help us understand the important parts of the relationship between partners.

## **2. Analysing power**

Dahl's work suggested a way of analysing power, using a simple definition: 'A has power over B to the extent that he can get B to do something that B would not otherwise do'. Dahl thought that power can be analysed only after careful examination of a series of concrete decisions (Dahl, 1957 in Lukes, 1974); these ideas are central to Lukes' one-dimensional view of power. Lukes (1974) discussed three different views of power. The one-dimensional view of power was only focused on the behavioural study of decision-making power by political actors and people criticize that it may take over the bias of the optical system under observation and is blind to the ways in which its agenda is controlled. The two-dimensional view of power is wider than the first but still too narrow. It lacks a sociological perspective and poses a number of serious difficulties. Finally, the three-dimensional view of power allows for a much deeper analysis of what power is and the ways in which it can be used (Lukes, 1978, p57) According to Lukes' (1974) three-dimensional view of power, four things should be considered in the study of power: (a) decision-making and control over political agenda (not necessarily through decisions), (b) issues and potential issues, (c) observable (overt or covert) and latent conflict, (d) subjective and real interests. He thought these four points can help people to consider the potential issues which may be kept out of the politics or occur in the absence of actual, observable conflict. They may have implicit reference to potential conflict.

### **2.3. Other Countries' Experience**

In order to understand the experience in other countries, brief descriptions of the urban regeneration regimes and policy evolution in the United States and Britain follow. In line with the aim of this research, illustration will focus on the main developers in each country.

#### **2.3.1. Britain**

There follows a brief description of urban policies chiefly in England. The British government's approach to the attempted resolution of urban problems reflects the apportionment of roles and responsibilities between central and local government, and between the public and central and local government, and between the public,

private and voluntary sectors. (Roberts and Sykes, 2000) the policies below reveal the government's changing attitudes to urban regeneration. The origins of modern urban policy can be traced back to the 1930s and the designation of slum clearance areas and to the comprehensive development designated under the 1947 Town and Country Planning Act (Roberts, 2000). Policy tended towards state-led wholesale redevelopment up until the 1960s in scheme such as Urban Aid (NG, M.K. and Tang, W.S., 2001). With the change of government in 1979, the government placed increased emphasis on private investment (Roberts, 2000). The purpose of policy was to attract private investment and various forms of public support were provided, such as pump-priming finance or infrastructure. Thus, private-sector-led regeneration was the main policy during the 1980s. In the early 1990s, there was a short period of property-led regeneration. However, with the economic recession, urban policy moved towards a broader-based agenda as exemplified by City Challenge and the Single Regeneration Budget (SRB) (Adair, A., et al., 1999, p.2031). City Challenge was introduced in 1991 and it invited local authorities to bid for funds in partnership with other public sector, private and voluntary bodies. The private sector took a more active role in urban regeneration following the private finance initiative of 1992 (Roberts, 2000). The SRB which is a more co-operative style of policy-making, was introduced in 1994, and empowered the local level to execute urban regeneration. It relied on local partnerships and contended for the allocation of funds (Adair, A., et al., 1999; Brennan, A., et al., 1999). From the brief description above, it is evident that policies increasingly emphasized the role of partnerships in urban regeneration. They involve central government, local authorities, the private sector, voluntary groups, communities and others. The aim of policy also changed during this evolution. Although the provision of infrastructure and improvement of the economy may have been the main purpose, all of the issues of training, unemployment, crime and public participation became increasingly important (Weng, 2003).

### **- The experience of partnership**

Partnership became the key concept of the 1990s. According to the literature review, there has been evolution from a state-led to a partnership approach. Following is a brief description of the evolution of urban regeneration from Post-WWII to date. From 1945 to the 1960s, national and local governments were the key actors in the first phase, which can be called the period of state-led redevelopment. Then, the



private sector became increasingly important in the 1960s. Governments moved towards a balance between the public and the private sector. At the end of the 1970s, new policies appeared building up the role of the private sector in urban regeneration and decentralizing the governance. In the 1980's emphasis was placed on partnership between the private sector and special agencies. Ng (2001) noted this was a kind of public-private partnership in the property-led urban regeneration. After the 1990s, partnership became the dominant approach in urban regeneration: partnerships between state and the private sector and with communities (Weng, 2003; Ng, M.K. and Tang, W.S., 2001; Roberts, 2000; Adair et al., 1999; Tsenkova, S., 2002).

#### **- Main developers**

**Public sector:** In order to improve the economic and physical environment, central and local government published policies, such as the Simplified Planning Zone Quangos: These are non-departmental public bodies, such as Urban Development Corporations (UDCs). These institutions can get funding from government but are not part of the official organization in government structure. They try to cooperate with the private sector by improving the transportation or public infrastructure system.

**Private developers:** private companies engaged in making profit; also voluntary groups of people working together for the same purpose or task. There are also not-for profit associations, such as Community-Based Housing Associations or Trusts. (Li, 1995; Wates N., and Knevitt C.)

### **2.3.2. United States**

Post World War II, the history of redevelopment can be traced through five periods: firstly, slum clearance (1945-1953). Improving residential areas and the slum clearance were the main activities during this period. After the slum clearance, public housing was built for those on the low-incomes (1954-1963). Rehabilitate and conservation were introduced as part of a programme of urban renewal. The government tried to attract investment from the private sector. The renewal programmes were extended to every kind of area, not only residential areas. Thirdly, there was the national promotion of social change (1964-1974), combining the resources of central government, local government and the private sector to carry out

urban renewal. The renewal programme ordered not only the physical environment but also social, economic and educational problems. Fourthly, in the redevelopment of central business districts (1975-1984), great attention was paid to improving these districts rather than slum clearance. Finally, the federal retreat from cities was an important change. Community development corporations and public-private partnerships were identified as the potential solutions for problems of redevelopment and displacement. (Koebel C., 1996; Kleinberg, B., 1995)

### **- The experience of partnership**

The United States was one of the first countries to use partnerships for urban regeneration, and their experience has influenced many other countries. Public-private partnerships have become an increasingly important force shaping the politics and economics of U.S. cities (Levine, M., 1989). In many cities, public-private partnerships began to be implemented in the 1950s or even earlier through the establishment of formal business-local government alliances. Acceptance and enthusiasm for the benefits of capitalist enterprise are an ingrained cultural norm in America. Carley (2003) concluded there are nine characteristics of US partnerships: 1. there is no one model of the partnership or the partnership city in the USA; arrangements are locally-fashioned, vary from city to city, and evolve over time (Law, 1988); 2. Another point is that city governments in America are very dependent on local taxation and political power is decentralized; 3. The federal urban policy framework in the USA has long encouraged city authorities to adopt an entrepreneurial role; 4. there tend to be strongly-rooted indigenous regional and local economies in America; 5. local urban regeneration in America depends very substantially on the impetus of US federal grants such as the Urban Development Action Grant (UDAG) (Cowie, 1986, p.8); 6. the US federal government also backs up partnerships with finance for infrastructure through grants or tax exemption; 7. direct U.S. federal grants are complemented by federal investment in Research and Development, mainly for military purposes; 8. the private investment in American regeneration invariably requires up-front public investment to reduce risks to commercially acceptable levels. A sufficient degree of public investment to boost local business confidence is often followed by a flood of private investment (Cowie, 1986); 9. Local urban regeneration in the USA is largely financed by the use of industrial revenue bonds. All these factors suggest that American success in urban

generation is due to the existence of an appropriate national policy and institutional framework.

#### **- Main developers**

Public sector: central and local government departments

Quasi-public development agencies: management by committees which include people from government and the private sector; they can get funding from public and private sources.

Private developing companies: private companies engaged in making profit but they are eligible for tax discounts and can rent land from the government. There are also not-for profit associations similar to the quasi-public development agencies

Enterprise groups...etc. (Robert, K., 1982; Li, 1995)

## **2.4. Urban Regeneration in Taiwan**

Since this research focuses on Taipei, the capital city of Taiwan, it is necessary to understand the circumstances and research relevant to Taiwan. Thus, the relevant literature will be reviewed in this section in order to know what kind of issues people care about most, and to establish where there are gaps which this research might address. The first section discusses the definition, environment, and main issues of urban regeneration in Taiwan. The topic of partnerships in urban regeneration will then be addressed, including reviews of the definition and effects of partnership and the methodology used by other researchers.

### **2.4.1. Urban regeneration**

The review of urban regeneration policy in other countries highlights how important it is to recognise the uniqueness of the proposed regeneration site. It is therefore necessary to examine what urban regeneration means, and the specific characteristics of, the research area, i.e. Taiwan.

## 1. Idea of urban regeneration in Taiwan

First, the term "DuShiGengXin"<sup>1</sup> needs to be introduced. In Taiwan, almost all the actions involved in urban regeneration such as rebuilding old buildings, improving the environment, or growing the local economy were named DuShiGengXin. Now, almost all the terms<sup>2</sup> used in western countries were named the same as DuShiGengXin in Taiwanese regulations but they may have different meanings. The idea of urban regeneration was at first influenced by American practice, and the term urban renewal was used in most of the regulations. In the *Urban Renewal Act*, the definition of urban regeneration is as follows:

*"This Act is enacted to promote a well-planned urban land redevelopment, revitalize urban functions, improve urban living environments, and to increase public interest." (Urban Renewal Act, 1998, Article 1)*

No doubt the physical environment is an important issue in the definition and people may also suppose that the social and economic issues are included in the topics of living environments and public interest. However, the Article quoted below makes it clear that the idea of urban regeneration in Taiwan still focuses more on the physical environment. Three methods of regeneration - reconstruction, renovation and maintenance- are defined in the *Urban Renewal Act*.

*"...1. Reconstruction: Refers to the demolishing of the former buildings within the renewal area, and resettlement of the tenants, improvement of public facilities within the area, and change in the usage characteristics of the land or its usage density. 2. Renovation: Refers to remodeling, renovating the buildings or to improving equipment within the renewal area, and improvement of the public facilities within the area. 3. Maintenance: Refers to the strengthening of management within the renewal area, improvement of the public facilities within the area, and the maintenance there of in good condition." (Urban Renewal Act, 1998, Article 4)*

Many people think urban regeneration only means reconstructing or rebuilding poorer and deteriorated neighbourhoods (Urban Regeneration R&D foundation, 2002). Compared with the recent interpretation of urban regeneration in Western countries, the economic and social issues have not been considered deeply in Taiwan.

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<sup>1</sup>都市更新

<sup>2</sup> Such as urban renewal, urban redevelopment, urban reuse, urban regeneration...etc.

## 2. Urban regeneration environment in Taipei

Earlier policy in Taipei focused on building new towns and cities. However, urban regeneration is increasingly important for two reasons. First, the ex-minister of the Interior (Lin, Y. H., 1999) announced that population growth has reduced recently, predicting it will stop increasing after 2038. Second, some early development was not implemented under a long-term plan, and these areas have been affected by socio-economic degradation or insufficient public facilities and spatial structure. Small subdivided lots and narrow roads have been the main barrier to further development (Chang, L. C., 1999; Lee, 1997). Thus, urban regeneration is an important strategy for promoting efficient land use and improving the quality of life for people in the blighted areas. Both government and private companies are paying more attention to this issue. However, three special considerations make implementation in Taipei more difficult.

First is the high cost of urban land, influenced by traditional Taiwanese thinking regarding property ownership. People think owning a house is essential to financial security and that no fortune can be accumulated without owning a piece of land. Because of this strong demand in the urban land market the increase in land prices always higher than inflation rates. Second is the complex nature of property ownership. The main residential building style in Taipei is four to seven floor apartment blocks, so one piece of land is usually co-owned by several families. This makes it more difficult to acquire this kind of land. The third issue relates to squatters and non-permitted buildings. Two large waves of migration happened in Taipei after World War II. One was the people who withdrew from China with the KMT government in 1949; the other was made up of immigrants from the rural areas of Taiwan around 1960. Taipei City Government (TCG) did not have enough accommodation to settle the huge amount of immigrants during the 1960s. Thus, many squatter buildings were built on undeveloped public land which had been planned for future parks, infrastructure...etc. Theoretically, TCG or land owners could expel these illegal squatters but it would cause more social problems and protests. For these reasons, land speculation and squatters are the major difficulties in Taipei's urban regeneration.

### **3. Main issues of urban regeneration in Taiwan**

From the literature review, it can be seen that not only the government but also many academics are interested in this field. Many extended issues relevant to urban regeneration have been studied in the past few years, such as sustainable regeneration, public participation in regeneration projects, historic building renewal, partnership in urban regeneration, policy making, the finance problems in regeneration...etc. However, most of the research papers have focused on the topics of finance, and increasing private investment and public participation. This may have been influenced by the government's attitude and also reflect the main difficulties currently facing urban regeneration in Taipei.

#### **- Finance Problems**

Here, the financial problem means the money used to implement an urban regeneration project rather than the economic problems in a regeneration area. Since the government suffered for its huge spending on previous urban regeneration projects, finance has become an important issue in Taipei's urban regeneration and much research has addressed this issue, giving rise to suggestions such as real estate securitization being used in urban regeneration (for example: Chen, Y.F., 1997). Other researchers have advocated creating urban renewal investment trust systems or companies (for example: Yeh, C.H., 2000; Chen, W.L., 2000). Many research papers have urged the involvement of private investment in urban regeneration projects in order to relieve the financial pressure on the government.

#### **-Private investment**

Learning from other countries' experience, it has been felt that a useful solution to the finance problem would be the attraction of private investment into urban regeneration projects. Studies were initially focused on the incentives, especially the prospect of additional floor space (for example: Chang, Y.C., 2001; Wu, C.W., 2001; Su, Y.W., 2000). For the government, giving additional floor space was the main way of attracting private investment and controlling the quality of the projects. For private companies, more floor space meant more saleable units so it did become a main stimulating factor. However, it was difficult to judge how much additional floor space was advisable as the increased space might reduce the urban space quality.

Thus, there was much debated about whether this incentive was a good policy or not. At the same time, the idea of (public-private) partnership was imported by many researchers. They thought it was also a good strategy to involve the private sector and their investment in urban regeneration projects. As time has passed, it has become an increasingly popular topic.

#### **- Public participation**

The issue of public participation has been influenced by the political and social environment. Since the mid-1990s, in the context of stronger competition between political parties and the increasing power of grassroots, Taipei city government has been more concerned for its political legitimacy than increasing revenue. Thus, departing from its early policy of slum clearance, in the late 1990s it changed its approach, providing public infrastructure, conducting historical preservation and involving community participation (Huang, L.L., 2001). However, there were many protests when these policies were put into practice at the perceived choice the government had made between long-term plans (good for the future) and short-term plans (good for the election), and conflict arose between private companies and residents (Hong, K.Y., 2002; Chen, H.C., 2000). According to Lin's (2001) survey, most residents were glad to have a better environment after regeneration but they were not willing to participate in the urban regeneration project. The main reason was that residents did not have enough information and knowledge about urban regeneration. One study analysing the implementing of the *Urban Renewal Act* pointed out that public meetings were the only vehicle for public participation, but this was not enough (謝文娟). In brief, the principle of public participation has not been practised well during the urban regeneration process.

#### **- Others**

Besides the three issues above, two other topics are discussed extensively by researchers. One is the designating of urban renewal areas, one is Land Readjustment, and another one is Transfer of Development Rights (TDR). According to the regulations, the government needs to identify those areas which need to be regenerated and designate them as renewal areas. Once a place has been designated as a renewal area, it is eligible to get more incentives. Thus, many researchers have

tried to set up a reasonable and effective method to select urban renewal areas (for example: Huang, H.C., 2002; Tseng, Y.H., 2001).

Land Readjustment which was imported from Japan to Taiwan by researchers is another popular topic. It is because the key problem of urban regeneration in Taiwan is the distribution of property and interests. Some research papers have tried to solve the problem by looking at the experience (For example: Lin, M.Q. 1995; Huang, W. D. 1994; Hong K.Y., 2002). It is an important part of the *Urban Renewal Act* but it's still difficult to put into practice. The following is some more explanation about Land Readjustment in Urban Renewal Act and more details can be found in Chapter 7.4.2.

*“Land Readjustment: Refers to the land owners, legal building owners, and owner of other legal rights as implementers in regeneration project, that provide lands, buildings, ownerships of other legal rights or funds, participating or implementing the urban renewal businesses, and who, after the implementation of the urban regeneration project is completed, The distribution of the regeneration buildings and the land partition owned or its royalty according to the right value before the regeneration and the proportion of the funds provided.” (Urban Renewal Act/ English version, Article 3)*

In addition, Transfer of Development Rights (TDR) is another policy need to be mentioned in urban regeneration projects especially for conservation or historic area. It refers to a method for protecting land or buildings by transferring the "rights to develop" from one area and giving them to another. In Taiwan, it is often applied to regenerate historic areas such as DiHua Street (Tan, 2006). In order to conserve the historic building style, the government allows an increase in development densities or "bonuses" in other areas that are being developed. The costs of purchasing the easements are recovered from the developers who receive the building bonus.

#### **2.4.2. Partnership in urban regeneration**

Due to government finance problems and the difficulty of implementing urban regeneration, partnership has become an increasingly popular issue, especially since the *Urban Renewal Act*, which tries to involve the private sector using incentives, was published in 1998 (Chen, U.J., 2001). At the beginning, most researchers focused on how to build public-private partnerships or how to involve the private sector in projects. Later on, researchers tried to modify policies or improve




partnerships by learning the experience of other countries. They attempted to revise or copy other countries' regulations or policies in order to solve the problems in Taiwan. This will be discussed in more detail later.

### 1. Definition of partnership in Taiwan

According to the literature review, most of the discussion about partnership focuses on public-private partnerships. Many researchers use Wu's (1994) classification of the cooperation between the public sector and the private sector to show the degree of collaborative operation in Taiwan. He classified these collaborations according to how much the private sector is empowered by the government (refer to Table 2.2). PUBLIC OWNERSHIP is when the government takes all the responsibility and Control, while LAISSEZ-FAIRE is when the government releases almost all of its power to the private sector and avoids intervening. In his definition, the PARTNERSHIP collaboration needs to be built on cooperation for mutual benefit, shared risk and responsibility according to an agreed contract, and agreement to work for a common goal (Wu 1994). However, most collaborations in Taiwan are the INDUCEMENT or PROMOTION type, and not easy to see the type of PARTNERSHIP. Thus, some people have offered a broader definition of partnership, to include both the INDUCEMENT and PARTNERSHIP type of collaborations (Chen, U.J., 2001; Liu, J. W., 2000). INDUCEMENT happens when the government acknowledges it has only limited time, resources, or budget to develop a project. It then tries the private sector by providing incentives. However, the government is remains the main developer and supervisor (Wu 1994).

Table 2.2 Cooperation between the public and private sector

	Type	Type (in Chinese)
Control  Empower	Public ownership	政府所有式
	Regulation of control	法令管制式
	Inducement	誘因誘導式
	Partnership	公私合夥式
	Promotion	倡導促進式
	Privatization	民營化型式
	Laissez- faire	自由放任式

(Content refer to Wu's (1994) research and translated by this research)

## 2. Main issues of partnership in urban regeneration

As mentioned before, the most important motivation to implement partnerships in urban regeneration projects is the increase of private investment. *Legislation* was initially one of the popular issues for researchers and government officers. New regulations were made and old were modified in order to attract private investment. Studies addressed issues such as how to arrange government funds, how to get enough budget for implementation, what kind of finance that government could provide, what were reasonable incentives...etc.(for example: Sun, W. J., 1991; Wu, C. J., 2001).

Subsequently, the issue of *improving partnerships* in urban regeneration became more important to research. People noticed where partnerships seemed not to be working well and tried to solve the problems. Some researchers thought a third party institution such as those set up by many western countries could improve the quality of partnership in Taiwan (For example: 翁樹楊,1998; Liu, J. W., 2000). Others *focused on the process of implementation, advising different cooperative styles* for different district, different duties for different partners...etc. (For example: Chen, U. J., 2001; Liu, J. W., 2000).

Most of these issues relate to public-private partnerships. However, as *public participation* has become more significant, this has been reflected in the work of research. Some researchers think that local people's opinions are also important and that they should be involved in the decision-making process as a partner. Ideas such as community planners and neighbourhood partnerships have been proposed by these researchers.

## 3. The problems and dilemmas of partnership in Taiwan

According to the relevant literature, the policy of inviting the private sector to participate in the process of urban regeneration has not been conducted effectively in Taiwan. The private sector seems to have lost interest after a few years, and there are several reasons for this: 1. the difficulty of acquiring land; 2. the complicated nature of the application process; 3. the requested number of the agreement papers was difficult to achieve; 4. the value of depressed areas is too low in the real estate market; 5. finance problems; 6. the difficulty of coordinating the balance of interest

between private companies and residents (Wu, C.J., 2002; Chang, Y.Y., 1998). The TCG has also faced a number of problems: 1. it has not had enough human and financial resources to support the schemes; 2. the policy and regulation have not been completed; 3. the TCG has also found it difficult to acquire land; 4. it has had difficulty dealing with social issues, such as preserving community networks and relocating squatters. (Chen, U. J., 2001). Several solutions have been proposed by Chang (1998), such as more complete regulation, autonomous agencies, and an easier application process (Chang, Y.Y., 1998).

#### **4. Other relevant research**

Besides addressing the problem of partnership, much research has tried to utilize other countries' experience or policies to improve the implementation of partnerships in Taiwan, such as Tax Exemption or Land Readjustment (Wu, C.J., 2002). Hsu (2001) thought that the process of urban regeneration requires a lot of money and time, which and depends upon its people, the local economy and the urban environment. The regarded, finance as the most important issue and argued that a regeneration project should try to benefit both public and private sectors (Hsu, C.W., 2001).

The literature review offers a brief idea of the situation and problems of partnership in urban regeneration and some suggestions as to how these might be addressed. However, most researchers in Taiwan have tried to solve the problems by inputting relevant policies or methods from other countries. No doubt, this has helped government significantly during the policy making process. However, it might ignore the fact that other countries' policies may not suit the culture and social environment in Taiwan; indeed, it may be dangerous to input policies without deeply understanding this original meaning, background and purpose.

#### **2.5. Summary**

This section will review potentially useful ideas drawn from the literature review, specifically relating to urban regeneration and partnership. Then, the problems and situation in Taiwan will be reviewed in order to build a suitable theoretical framework for this research.

### **2.5.1. Urban Regeneration**

Urban Regeneration should involve economic, physical, social and environmental issues. The understanding of urban regeneration differs both between countries and between different periods in time. At first, urban regeneration schemes only focused on slum clearance (Fainstein, 1994). Later, people thought that comprehensive and integrated action was necessary to resolve urban problems and effect lasting improvement upon the economic, physical, social and environmental condition of an area (Lichfield, 1992; Adair et al., 1999; Roberts, 2000). As mentioned before, almost all the relevant terms<sup>3</sup> which have been used in western countries are named the term DuShiGengXin in Taiwan but they may all have different meanings and actions. Thus, it is very important to clarify what this term means when it is used in different policies or regulations. Urban regeneration in Taiwan was first influenced by America, and was most concerned with the issue of physical environment. Even though the government has started to notice recently that more issues should be considered, this is still difficult to see in the implementation process. As evidenced in the *Urban Renewal Act*, the regulation still focuses more on improving the physical environment. This may be the reason why urban regeneration actions have always faced protests from residents or local communities and it is something this research can study.

The literature suggests it may be useful to study urban regeneration policies, given their significant influence in partnerships. New regulations invariably impact upon the development style of urban regeneration projects, such as the move from public-led to private-led. An understanding of the evolution of Taiwanese policies should be a good way to gain a detailed insight into urban regeneration in the country. Thus, this research will want to ask the questions 'how have urban regeneration policies changed? And why have they changed?' in order to map the evolution of policy and identify the problems which have arisen along the way.

### **2.5.2. Definition of partnership**

It is important to understand the principle of partnership in this research and what it means for the Taiwanese people, given the variety of definitions identified in 2.2.

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<sup>3</sup> such as urban renewal, urban redevelopment, urban reuse, urban regeneration...etc.

Even though Carley (2003, p39) believed that “it is not worth laboring over a definition of partnership”, there must be some basic principles to which a partnership needs to adhere. It is particularly important to define the meaning of partnership in this research in order to help readers understand the foundation of the analysis. More detail about how partnership is defined in this research will be given in 2.5.4.

However, this research will not try to find a definition which encompasses the activities, tasks or organization model of the partnership; it seeks only to define its main idea or fundamental principle. As Carley (2003, p 39) suggested, “good partnerships define themselves in terms of the local urban renewal task, rather than by fitting into a fixed organizational or legal definition.” Moreover, the partnership may differ according to time or location (McQuaid, 2000); the circumstances of each project should be different even though they are all located in Taipei. The activities and organization of partnerships may vary and be influenced by many factors such as local environment, partners, policies, and culture. Thus, it is important to understand the background, culture and policy of the urban regeneration area before studying the case studies.

### **2.5.3. Partnership in Taiwan**

Before moving to the definition and the principle of partnership, it is essential to review the current situation regarding partnerships in Taiwan.

#### **1. Who should be involved**

As mentioned in 2.4, the main purpose of urban regeneration in Taiwan is to improve the physical environment and this always requires a lot of money. Thus, Taiwan’s researchers are more focused on how to attract investment from the private sector; the opinions of the groups who do not have money, such as the residents or local communities, carry less weight. This may be the reason why partnerships in Taiwan are more concerned with the relationship between the government and private companies (refer to Figure 2.1). This kind of situation creates matters between private companies and residents and the third parties who often support them. Thus, it is important to consider governments, private companies, and residents at least in the research.

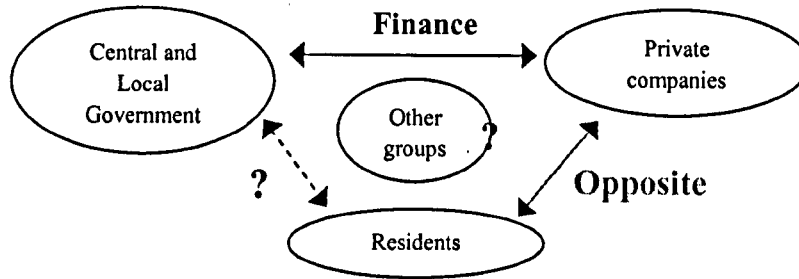


Figure 2.1 Group relationships in Taiwanese partnership

As described in 2.3, many more different kinds of developers are involved in the West, Local government, quangos, quasi-public development agencies, private developers, enterprise groups and voluntary groups...(Li, 1995; Wates N. and Kneivitt C.; Robert. K., 1982; Li, 1995 ). In Japan, there are the public sector and the private sector; in Taiwan, the public sector, private developers, local communities and residents are the main developers. Most of the main developer groups are similar in the various countries; they fall into five broad categories: 1.the public sector, including Taiwan's central government, Taipei city government (TCG) and other organizations in the government structure; 2.the private companies including private developers or companies which engage in making private profit; 3.residents including local communities and individual residents; 4.politicians voted in by the public to supervise government, such as local councillors, Head of Li ; 5.voluntary groups including not-for profit associations, experts...etc.. These are the potential groups which need to be considered in the case study analysis.

## 2. Partnership research in Taiwan

It has been proved by other Taiwanese researchers that partnership is an increasingly important issue in Taiwan, with the potential to solve the current urban regeneration problems. Recently, the focus has shifted from public-private partnership only to partnership between varied groups. Accordingly, the study aims to review the relationship between all the potential groups, not only that between the public and private sector. As stated earlier, current researchers in Taiwan prefer to adopt other countries' ideas or policies to build better partnerships. This methodology was helpful to policy-making when the idea of partnership was first imported to Taiwan. However, it may be dangerous if researchers adopt this approach exclusively when

reviewing policy, especially if they do not have a full understanding of its original purpose and meaning.

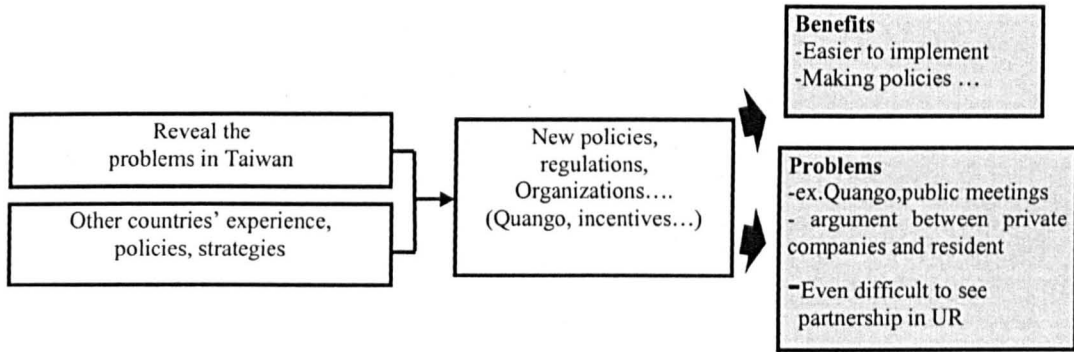


Figure 2.2 the Methodology of most Taiwanese research in partnership

Thus, this research intends to find another method to review the case studies. It is intended to review the case studies according to the definition of partnership prevalent in western countries. Even through definitions may vary, it should be possible to identify some fundamental factors or principles by western definitions; more details about finding fundamental principles will be discussed later in 2.5.4 in order to build the theoretical framework of this research. Finally, the fundamental factors could be applied in the review of the case studies. By analysing the case studies, this research can find out if any important principles have been omitted therein and to reveal the problems in these particular partnerships. Finally, the results of the examination should tell people whether the partnerships evidenced in the case studies fulfill the definition of partnership applied in this research. In addition, the findings may prove a useful reference for the government when they want to revise regulations or policies. The principles could also be used to monitor the partnerships operation in any given project.

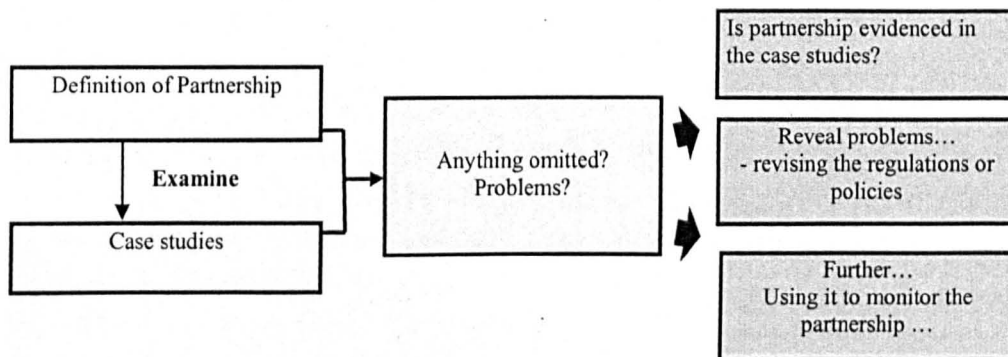


Figure 2.3 Reviewing the case studies by the definition of partnership

### 2.5.4. Theoretical frameworks

As stated above, this research will review the case studies using the definition of partnership which is accepted in western countries. However, as section 2.5.2 suggests, it is difficult to arrive at a manifest definition of partnership, as it may mean different things in different locations. Thus, this research will not try to set up a task-fixed or model-fixed idea of partnership; rather it will reveal the foundation principles which an action named partnership should have. Because they have been implemented in western countries for longer, these foundation principles will be based on those definitions in western countries.

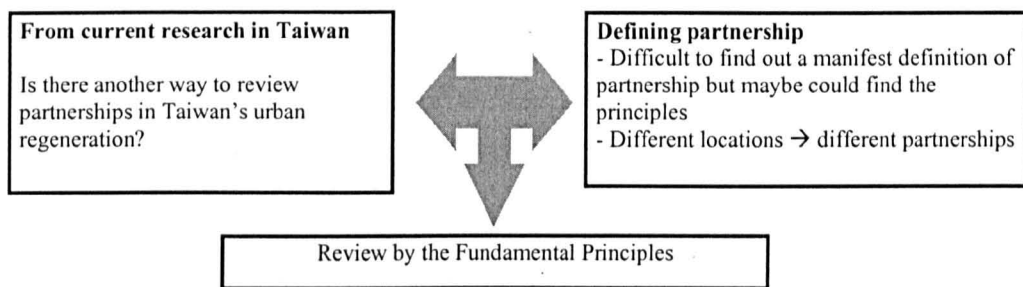


Figure 2.4 The methodology that will be used in this research

In order to identify the fundamental principles, three steps will be taken in this section: Step 1: Review the definitions of partnership found in western countries; Step 2: Reveal the fundamental principles behind these definitions; Step 3: Build the questions which should be asked of these principles.

#### 1. Key factors in the definitions of partnership

First, the definitions listed in Table 2.1 were reviewed in order to identify the criteria which people use to define partnerships in the field of urban regeneration. As the process showing in Table 2.3, the key factors in these definitions were analysed by interviewing planners and researchers. All definitions in Table 2.1 were provided and asked planners and researchers to highlight the key factors of each definition. Of course, different person may highlight different factors. However, all the key factors highlighted were listed on the right side of the final table in Table 2.3. Only two definitions are provided here as an example and the entire key factors are listed in Table 2.4.



Table 2.3 The process of finding the key factors in partnership definitions

Please highlight the Key Factors in below definitions of partnership	
-Young (2000) p.35	Partnership is seen as the way to do this – a working together of residents and service suppliers, a sharing of power between residents and government, and the creation of new forms of neighborhood management and the governance.
Carley, M.(2003), p39	The term partnership covers a broad spectrum of activity, and is loosely used. Almost any development activity involving two agencies, one public and one private or voluntary, can be called a partnership. ... that 'true' partnerships involve a degree of equality and reciprocity.
...	...



**Highlight by other planners and researchers**

Please highlight the Key Factors in below definitions of partnership	
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**List all the key factors on the right side**

Definition by other researchers	→	Key Factors
Partnership is seen as the way to do this – a working together of residents and service suppliers, a sharing of power between residents and government, and the creation of new forms of neighborhood management and the governance.		-Working together -Sharing of power -Creation of new forms of management and governance
The term partnership covers a broad spectrum of activity, and is loosely used. Almost any development activity involving two agencies, one public and one private or voluntary, can be called a partnership.... 'true' partnerships involve a degree of equality and reciprocity.		-Involving two agencies -a degree of equality and reciprocity

## 2. Principles of partnership

The thirty key factors listed on the left column of Table 2.4 were highlighted by the planners or researchers. Similar or related key factors are grouped into nine simplified ideas. As this research tries to reveal the fundamental principles of partnership, the main ideas were more general than the key factors. For example, some people think that it is important to find a common goal and strategy in a partnership; whereas some other people feel it is sufficient to have an agreed strategy but the goal can be slightly different. Some people even further emphasize that the public sector should not look for purely commercial goals and the strategy need to

be planned for long-term. For the purpose of this research, one the main idea that a partnership needs to have “a shared strategy” is selected to represent this group. It is not to say that other ideas are not important. This is just the process to find the fundamental principle to reveal the basic ideas first. All other ideas gathered are, indeed, important data for further assessment about the quality of a partnership. Finally, 9 main ideas are defined in the middle column in Table 2.4: more than one sector, working together, goal, an area, power, management, resources, risks and profits. It should be noted that the idea titles may not represent the complete meaning of each factor.

These were then combined into three groups. First group combines the basic ideas upon which a partnership operates including “more then one sector”, “working together”, “sharing strategy”, and “an area or topic”. We must consider, however, what is meant by “working together” and what quality of working together is a real partnership asking for. The following two groups are also important to a partnership. One is focus on the operation process including “power” and “management”; and another one is about contribution and sharing including “contribution”, “sharing risks”, and “sharing profits”. Eventually, three fundamental principles are defined: (1) More than one group working together toward a shared strategy in a particular area or topic; (2) The sharing of power and a new form of management; (3) Contribution and the sharing of risks and profits. These fundamental principles will be used to build a framework for then analysis of the case studies in this research.

Table 2.4 Fundamental principles of partnership identified in this research

Key factors →	Main ideas →	Fundamental principles →
<ul style="list-style-type: none"> <li>● Involving two agencies</li> <li>● More then one sector</li> <li>● Involving a wide range of bodies</li> <li>● Two or more partners</li> <li>● Each actor may not be equally involved in all stages</li> </ul>	more then one sector	More than one sector working together toward a shared strategy in a particular area or topic
<ul style="list-style-type: none"> <li>● Working together (regularly)</li> <li>● Collaborate a joint venture</li> <li>● Collaboration</li> <li>● Cooperation</li> </ul>	Working together (regularly)	
<ul style="list-style-type: none"> <li>● A common goal</li> <li>● Not pursuing purely commercial goals (the public sector)</li> <li>● An agreed strategy</li> <li>● An agreed long-term strategy</li> </ul>	shared strategy	

<ul style="list-style-type: none"> <li>● Particular topic / area</li> <li>● A defined area</li> </ul>	An area (topic)	
<ul style="list-style-type: none"> <li>● Sharing of power</li> <li>● An exercise in power</li> <li>● A degree of equality and reciprocity</li> </ul>	Power	Sharing of power and a new form of management
<ul style="list-style-type: none"> <li>● Creation of new forms of management and governance</li> </ul>	management	
<ul style="list-style-type: none"> <li>● Reciprocal support</li> <li>● Contribution</li> <li>● Sharing resources and skill</li> </ul>	Contribution	Contribution and the sharing of profits and risks
<ul style="list-style-type: none"> <li>● Sharing of risk</li> <li>● Sharing of losses</li> </ul>	Sharing risks	
<ul style="list-style-type: none"> <li>● Sharing interests</li> <li>● Sharing of profits</li> <li>● Mutual benefit</li> <li>● A coalition of interests</li> <li>● Benefit each partner</li> <li>● Sharing of profits</li> </ul>	Sharing profits	

**- More than one group working together toward a shared strategy in a particular area or topic**

When people discuss partnership, almost everybody considers who the partners are. Some researchers have focused solely on the public and private sectors (Law, 1988; Carley, 2003), while others have also considered residents or the voluntary sector (Young, 2000; Carley, 2003), and yet others have included all of the public sector, private sector, and the resident or voluntary sectors (Geddes, 1997). To sum up, the public sector, the private sector, residents and voluntary groups most likely to be involved in partnerships. However, some of the definitions did not point out any specify the involvement of any particular groups, stipulating only that any involved groups must be working together (Young, 2000; Carley, 2003). However, not only need to find out who was involved but also need to reveal who was inclusive, because not all the relevant groups can be involved in the core of the partnership. Having more groups in the partnership does not necessarily end to improved quality, as it can have an adverse effect of efficiency. Having a wide range of partners necessitates more managerial resources to maintain enthusiasm and commitment (Carley..., 2000). A common or agreed goal is also always mentioned in the definition of partnership (Young, 2000; Bailey, 1994; McQuaid, 2000). McQuaid even noted it needs to be a comprehensive long-term strategy. However, I think the most important thing is “agreed”. All of the partners should recognize what the goal is at the very beginning. Law (1988), Bailey (1994) and McQuaid (2000) also mentioned that the project needs to be defined within a particular topic or area, as

this will influence who should be involved in the partnership. Thus, "more than one group working together toward a shared strategy in a particular area or topic" seems to be a basic principle upon which a partnership operates.

#### **- Sharing of power and a new form of management**

As McQuaid (2000) noted, partnership is an exercise in power; a numbers of papers have also tried to understand partnership by discussing issues of power (empowerment) and governance. This may be because the initial idea behind public-private partnerships was to encourage the participation of the private sector in urban regeneration projects. In this situation, the private sector provided the economic support and the public sector shared their power. This can lead to a new form of management. Thus, power is a very important issue in the discussion of partnership. Analysing the power relationship is also a good way to deeply review the relationship in a partnership. According to Lukes' (1974) three-dimensional view of power, four things need to be taken into account when studying the power relationship: (a) decision-making and control over the political agenda (not necessarily through decisions), (b) issues and potential issues, (c) observable (overt or covert) and latent conflict, (d) subjective and real interests. He thought these four points can help people to consider the potential issues which may be kept out of politics and occur in the absence of actual, observable conflict, but which may have implicit reference to potential conflict. It is important to identify the obvious and latent relationships in all of the situations (decision – making, nondecision – making and others) in a partnership because a real partnership should be a kind of collaboration and sharing of power.

#### **- Contribution and the sharing of profits and risks**

As Carley (2003 p.39) noted "a 'true' partnership involves a degree of equality and reciprocity". This is shown in the sharing of resources, profits and risks.

##### **(a) Contribution**

McQuaid (2000) noted that a partnership needs to involve a wide range of bodies, each of which has a contribution to make. Geddes (1997) thought that partnership is a strategy that can provide a framework to encourage the co-ordination and integration of policies and resources between partners. Thus, it is very important for the partners involved in a partnership to make a practical contribution, and that this is

measured according to the resources which the partners have. As Carter (2000) and McQuaid (2000) noted, a partnership needs to be built on reciprocal support; each partner's contribution should be determined according to their respective resources, strengths and area of expertise. Finally, Bailey (1995) stated the possible roles of three main groups in the partnership and it could help this research to analyse the resource and contribution of each group: government of the public sector - the key roles of local and national government are encouraging co-operation, supporting local initiatives and decision-making, providing resources and providing administrative support; the private sector - provides assistance in finding and makes effective business decisions; the community - noted that the community organizations are flexible. It closes to an informal network and supports the long term interests of the community.

#### **(b) Profits and risks**

Partners not only need to share the power and resources but also risks and profits. This is a recurring theme in many definitions of partnership; indeed, the Oxford English Dictionary defines the partnership arrangement as a sharing of risks and profits. Carter (2000) also noted that "partnership must be built on shared interests, reciprocal support and mutual benefit..." McQuaid (2000) thought partners should cooperate for their mutual benefit and share the risks, resources and skills. Thus, it is important to share the profits in a partnership according to what partners contributed and the risk they took.

### **3. Further details of three principles**

These three fundamental principles may provide too sketchy a framework for the analysis of the case studies; this section addresses the principles in further detail. Moreover, the important issues which should be asked when the review of the partnership in an urban regeneration project is taken are listed.

#### **(1) More than one group working together toward a shared strategy in a particular area or topic**

There are three main questions to be asked here: Who was involved in the partnership? According to McQuaid (2000 p.11), the partners may not be equally involved in each stage but they do need to be involved in both development and

delivery of a strategy for a set of projects or operations. Thus, this research will review each stage (pre-development, development and post-development) and find out which groups were involved at each stage. The study will only consider whether the groups participated in the project, not how deeply they were involved. The issue of how deeply groups were involved at each stage will be examined later. The second question relates to the establishment of the goal of the project; this research will examine if the groups identified a common goal which was agreed by all of the partners. The question of whether they had particular area or topic to address will also be considered.

## **(2) The sharing of power and a new form of management**

One of the main ideas of partnership is the sharing of power. At the beginning, (public-private partnership) government shared their power with the private sector in order to attract private companies to invest in urban regeneration projects. A new form of management emerged from this change. Recently, as different kinds of partnership have arisen, the sharing of power has become an important issue requiring analysis. During the power relationship analysis process, the real relationship between partners can be revealed. Thus, two main questions will be asked in this part, in order to understand the deeper relationships at work in each project. The first is how decisions were made at each stage. This is in order to understand who was involved in the decision-making process and whether they influenced the final decisions. As the decision-making process is very complicated, this research will review it from four perspectives: concept collection, content discussion, decision making and implementation. Of course, some groups may be involved but not have any real power to influence as others do.

According to Lukes (1974), the decision-making process alone does not afford a full picture of a relationship. Thus, it is very important to review other issues such as the potential problems which may be hidden or the latent conflict which may be controlled by the main developer. Thus, the question which will be asked here is: "How did the relationship between the groups?" Attempts will be made to look at those aspects of the relationships which are not evident during the decision-making process. The discussion will focus more on the interaction between the main

developer and other groups because the main developer is usually the partner who wants to control everything.

### (3) Contribution and the sharing of profits and risks

The final principle to be reviewed here is the sharing of resources, profits and risks. There are three main questions to be asked. Firstly, "How did partners contribute to the project?" This will be discussed by looking at their contribution in property, money and human resources. Their respective contributions will be compared with the original resources held by each partners. The question: "Did they share risks and profits?" will also be asked. Finally comes, the question: "Does the profit of each partner balance their level of resource contribution and risk sharing?" It is important not just to know whether partners shared resources, risks and profits, but also whether they shared them with a degree of equality and balance.

Table 2.5 Questions or issues which need to be considered for each principle

Main ideas	How to estimate?	Important questions and issues
More than one group working together toward a shared strategy in a particular area or topic	- more than one group	<b>Who was involved?</b> - At what stage were they involved? - pre-development - development - post-development
	- a common goal	<b>Was the goal the same or different but found a shared goal?</b>
	- a particular area / topic	<b>Did they have a particular area or topic to address?</b>
The sharing of power and a new form of management	Sharing power? - partners were involved in the decision-making process	<b>How were decisions made at each stage?</b> - What was the decision-making process? - Who was involved? Who made decisions? - Relevant issues or conflict?
	- controlling - latent conflicts or hidden issue	<b>How did the relationship between the groups?</b> → discuss the relationship outside the decision-making process at each stage (focus on main developer vs. other groups)
	- a new form of management	<b>Was a new form of management built?</b> - a management team or organization - built trust and respect
Contribution and the sharing of profits and risks	- contribution according their resources	<b>How did partners contribute at the project?</b> → in terms of properties, finance and human resources → compared with partner's original resources
	- sharing profit and risk with a degree of equality - balance	<b>Did they share the profit and risk?</b> → balance

### 3. Evaluation of urban regeneration in Taipei city

In Chapter 2, we saw how many researchers emphasize the importance of understanding the local identity in urban regeneration whether the aim is to implement a project or conduct a survey. In addition, urban regeneration has also been influenced by the attitude of the regulations and government. The urban regeneration environment in Taiwan was briefly described in 2.4.1 so this chapter will focus more on understanding the evolution of policies and how they have been implemented. This chapter also tries to infer the attitude of government from the evolution of urban regeneration policies and regulations.

First, a brief history and background of Taipei City will be described in Chapter 3.1 to provide a rudimentary idea of the research area. Secondly, the meaning of the term 'urban renewal', as used in the regulations will be defined. Thirdly, the existing legal structure and government system will be described in order to help readers to understand later case studies more easily. The four phases in the evolution of relevant policies and regulations in Taipei will then be described. These phases are marked by the introduction of successive regulations, which reflect the evolving attitude of the government; for example, with the publication of the *Urban Renewal Act* (1998), the government announced that it was adopting a partnership approach to urban regeneration.

#### 3.1. Taipei City

As mentioned, the main purpose of this section is to provide a rudimentary idea of Taipei City. First, the development process and the changing of the governance are described in the history of Taipei. Then, the population and area of each district will be presented.

##### 1. A brief history of Taipei

"To give you your nomenclature bearings, the character 'tai'(台) is short for 'Taiwan', the character 'pei/ bei'(北) means 'north' (Department of Information Taipei City Government, 2004) Taipei means the north of Taiwan, which points out the location of the city on the Island. Taipei Basin was originally inhabited by a



small indigenous group – the Ketagalan, one of the PingPuZu groups, - up until the 17th century. At the beginning of the 17th century, the Dutch occupied Tainan, the biggest port in southern Taiwan. The Spaniards occupied the other two ports in northern Taipei - KeeLung and TamShui - in 1626 and 1628 respectively. The other original inhabitant groups who lived in the plain along the northern coast were forced to move to the Taipei Basin from the coast area. Up until 1642, when they were driven out by the Dutch, the Spaniards traded sulphur, rattan and deerskin with the original inhabitants. They did little building in Taipei. On the other hand, the Dutch were concentrating their attention on the construction of Tainan. Real settlement development in Taipei did not start until 1644 when the Han people (Chinese) immigrated to the Taipei Basin. Between 1644 and 1661, when KaoXinGa repelled the Dutch and built up the first Han regime in Taiwan, the Han people in Taipei played a role as trade agents between the original inhabitants and the Dutch.

KoXinGa fought off the Dutch and obtained the dominion of Taiwan in 1661. An increasing number of Han people also immigrated to Taiwan with KaoXinGa's troop. Among them, a small percentage of Han people inhabited and cultivated the Taipei Basin, while most settled in southern Taiwan. The Ching dynasty took over the government of Taiwan in 1685, but showed little interest in the island at first. Emigration from China to Taiwan was strictly limited. The real development of Taipei did not start until 1720 when southern China suffered an acute shortage of food supply. People were encouraged to emigrate to and cultivate land in Taipei. As a result, several settlements were established at the beginning of the 19<sup>th</sup> century. Among them, ManKah was the largest port and settlement in the Taipei Basin. At the intersection of HsinTien River and TaHan River, ManKah was the commercial centre for tea and rice in Northern Taiwan before 1860. Trade activities were controlled by three main firms. However, when the river port silted up in the 1850s, DaDaoCheng replaced ManKah as the commercial centre, becoming a large settlement from the 1860s onwards.

Under the Tianjin Treaty signed by the Ching and the British Government in 1858, TamShui became a concession and was opened to foreign countries as a trade port (Fu, 1998). DaDaoCheng (DaTong district), which is nearer TamSui than ManKah, became the commercial centre of Taipei. Foreign businessmen and companies set up

their firms in TamSui and traded with the Han businessmen who owned shops in DaDaoCheng High Street. Even today, DaDaoCheng remains the commercial centre for agricultural products in northern Taiwan.

The new governor of Taiwan discovered the importance and good natural conditions in Taipei in 1887 and suggested the Ching court move from Tainan to Taipei. The Ching court agreed to his request and started to build up the city walls of Taipei in 1894. The city was established in the same year and the main settlement moved from ManKah and DaDaoCheng to the new city area which is departed from the river. Today, the areas of ManKah and DaDaoCheng have named as WanHua District and DaTong District, and the walled Taipei city is the Zhong-zheng District.

Following of the Sino-Japanese War (1894~1895), Taiwan became a Japanese colony in 1895. The Japanese government governed Taiwan for 50 years (1895-1945). At first, the Japanese chose Tainan as their capital city in Taiwan, but they moved the centre of government from Tainan to Taipei in 1915. They destroyed the Taipei city wall on their arrival in 1895, but they set most official buildings within the area that had been the Walled City. Likewise, they led the direction of development from the riverside area toward the east by the disposition of public buildings. In particular, the river embankment that was built in 1900 to cut off the relation of city and river had a major influence on the spatial development of Taipei (Shi, 2001).

After World War II, the KuoMinTang (KMT) government took over Taiwan from Japan, only to lose dominion to Mainland China in the civil war with the Chinese Communist Party (CCP) in 1949. The KMT government chose Taipei as the new capital of Taiwan. Under the KMT, policy shifted the core of development from western to eastern parts of Taipei. Firstly, the Taipei administrative area was extended from 67 km<sup>2</sup> to 272 km<sup>2</sup> (Figure 3.2) in 1967 (Shi, 2001). Then, the Taipei City Government moved its offices from DaTong district to XinYi District in 1994. The earlier development areas of western Taipei such as DaDaoCheng became another edge area of Taipei City.

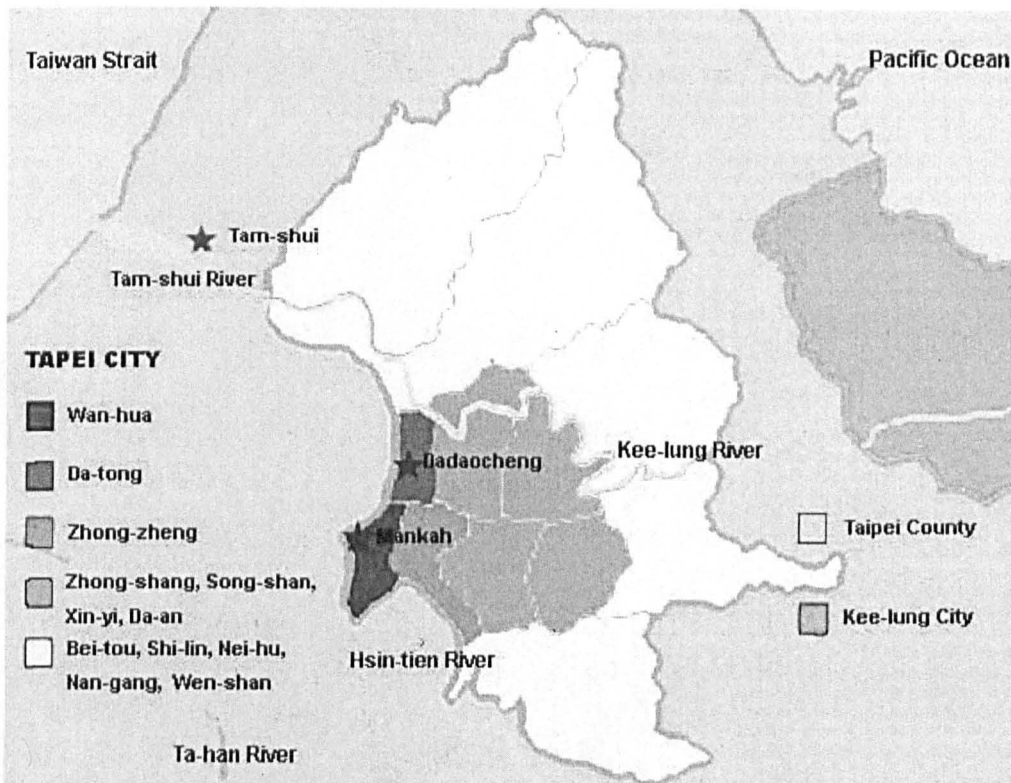


Figure 3.1 The administrative area of Taipei City and its environment

From the brief history of Taipei above, we can see that the development of Taipei has been from west to east, and that most of the older areas are around the TamSui River. Both the WanHua and DaTong districts were established and developed before 1895 when the Japanese started their colonial governance. The ZhongZheng district has been the national political centre since 1915. These three districts are called the West District, as opposed to the East District which includes the ZhongShan, SongShan, XinYi, and DaAn Districts. The East District is where the Taipei City office and most new commercial areas are located. They are the new development area while the old development areas are defined as West District. Even in geographical pattern, those five districts merged into city after 1967 are real east part of the city. It may be the reason that most of the regeneration cases are in the West District.



Figure 3.2 Changing of Taipei City

## 2. Background of Taipei

Taipei is the capital of Taiwan and it is the city that has the most numbers of urban regeneration cases in Taiwan. There are 12 District<sup>1</sup> in Taipei (Table 3.1 and Figure 3.3).

Table 2.1 The population and area of the districts in Taipei

Item	Population	Area (km square)
All Taipei	2,639,139	271.7997
SongShan District	205,198	9.2878
DaTong District	130,676	5.6815
NeiHu District	258,889	31.5787
ShiLin District	291,116	62.3682
XinYi District	237,065	11.2077
WanHua District	202,901	8.8522
DaAn District	315,118	11.3614
ZhongShan District	217,448	13.6821
NanGang District	113,636	21.8424
BeiTou District	249,245	56.8216
ZhongZheng District	161,518	7.6071
WenShan District	256,329	31.519

<sup>1</sup> The District (區) is the administration area under the City (市) level and is equal to the 'Township (鄉)' and 'Town (鎮)' level under the County (縣) level. (Chen, 2002)

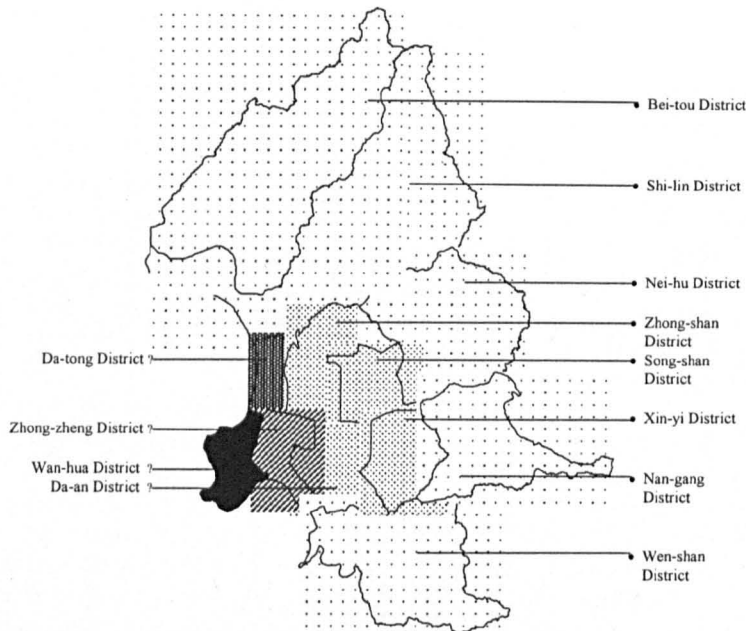


Figure 3.3 Taipei Map

### 3.2. The legal system and the organization in Taipei

In order to make the discussion below clear, the key terms will be defined first. Many different terms are used to represent the action of regeneration in an area, such as urban renewal, urban redevelopment, urban regeneration...etc. All of these terms have slightly different activities in urban regeneration process. In light of the findings of the literature review, it has been decided to adopt the term urban regeneration in this research. However, the term “urban renewal” is used in all of the regulations in Taiwan, as defined in the *Urban Renewal Act* (1998).

*“Urban Renewal: Refers to the implementation of reconstruction, renovation, or maintenance within the urban plan area in accordance with the procedures instituted in this Act.” (Article 3, Urban Renewal Act, 1998)*

#### 3.2.1. Legal system in Taiwan

A brief description of the legal system in Taiwan will be given first in order to clarify the structure and hierarchy of regulations. The constitution is the highest level in the legal system. The middle level is Law or Act. Then, on the lower level are Regulations, Enforcement Rules, Standards, and Ordinances (Laws and Regulations Database of the Republic of China, 2006). Figure 3.4 shows a simple version of the legal system in Taiwan, with the top and middle level regulations being issued by central government and approved by the National Assembly or the legislative Yuan of

R.O.C.<sup>2</sup>. The lower level regulations are issued by executive authority under the government. Under this hierarchy of regulations, the regulations issued by central government take priority or those issued by local governments (Department of Civil Affairs Ministry of Interior, 2003).

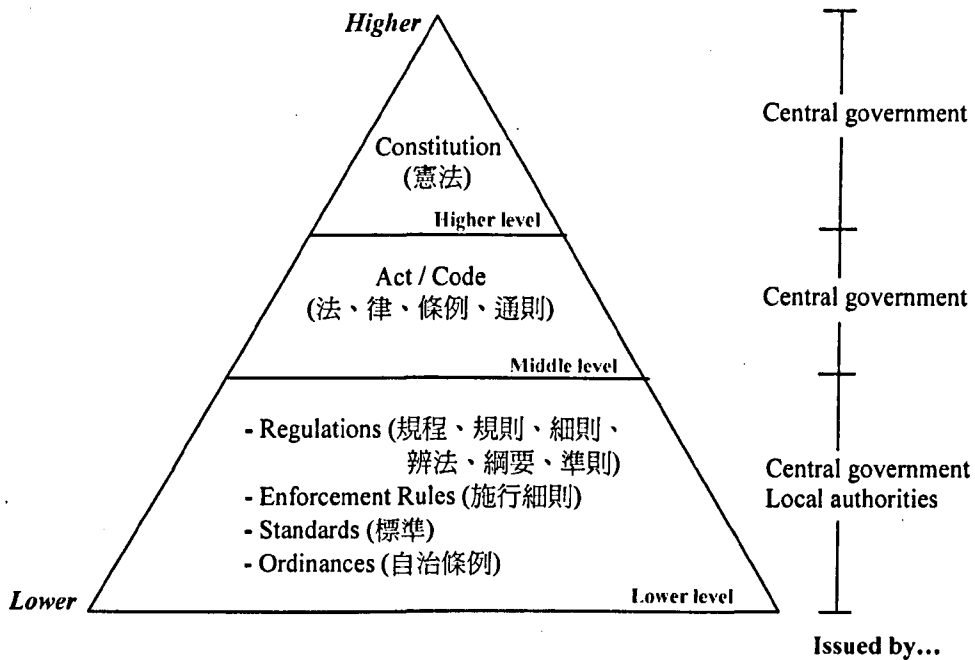


Figure 3.4 The legal system of Taiwan

### 3.2.2. Organization of the Taipei city government

In order to give readers an idea of the departments in the Taipei City government (TCG), a brief schematic of the organization of the TCG is presented in Figure 3-5. It should be noted that only the units relevant to the urban regeneration tasks in this research are listed (TCG, 2006). The mayor is the leader of the TCG and he is

<sup>2</sup> The legislative Yuan of R.O.C Under the five-power framework set up by Dr. Sun Yat-sen, the founding father of the Republic of China (R.O.C), the National Assembly exercises political power on behalf of all people, while the five Yuans of the central government, namely, the Executive, the Legislative, the Judicial, the Examination and the Control Yuans, share the governing power. This model defines the Five-Power Constitution and the role of the Legislative Yuan. The Constitution of the Republic of China stipulates that the Legislative Yuan shall be the supreme national legislature with its members elected by the people, it shall exercise the legislative power on behalf of the people. In terms of its power and function, the Legislative Yuan is equivalent to a parliament in other democracies (The website of The Legislative Yuan Of R.O.C.,21/09/2006), [http://www.ly.gov.tw/ly/en/01\\_introduce/01\\_introduce\\_01.jsp](http://www.ly.gov.tw/ly/en/01_introduce/01_introduce_01.jsp)

elected every four years. Under the mayor of Taipei City, there are 21 departments, 6 commissions and 12 district offices. Following are more details about the authorities who deal with the urban regeneration issue. The Public Housing Office (PHO) was founded in 1975 and was the first department given the task of addressing urban regeneration issues. Their main agenda was to push ahead with the regeneration of old housing and military social housing<sup>3</sup>. In 1977, an urban regeneration section was organized under the Urban Planning Office, which was the predecessor of the Department of Urban Development (TCUD). In 1993, the Urban Planning Office was elevated to become one of the departments in the TCG, with urban regeneration as part of its units. Finally, in March of 2004, the PHO was merged with TCUD division dealing with urban regeneration issues to create the Urban Redevelopment Office (TCUR). The TCUR is the main authority within the TCG who dealing with urban regeneration issues (Li, 2003; Tung, 2003).

### **3.3. Urban regeneration evolution and practice in Taipei city**

Generally, new regulations or policies are produced by government in response to problems which have already happened. It is therefore useful to review the evolution of regulations relating to urban regeneration in order to clarify the development of urban regeneration in Taipei. In Lin's research, the process of urban regeneration is separated into three phases (Lin, 2003), according to the publication of important regulations or policies. This research covers the period from 1973, when the first regulation relating to urban regeneration was published, to 2003. However, the process of urban regeneration in Taipei will be separated into four phases in this research, considering those activities which could also be seen as urban regeneration projects, where the term "urban renewal" is not used. Thus, the period before 1973 will also be considered in this research.

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<sup>3</sup> Military's social housing is the neighbourhood which government built for the military and their families.



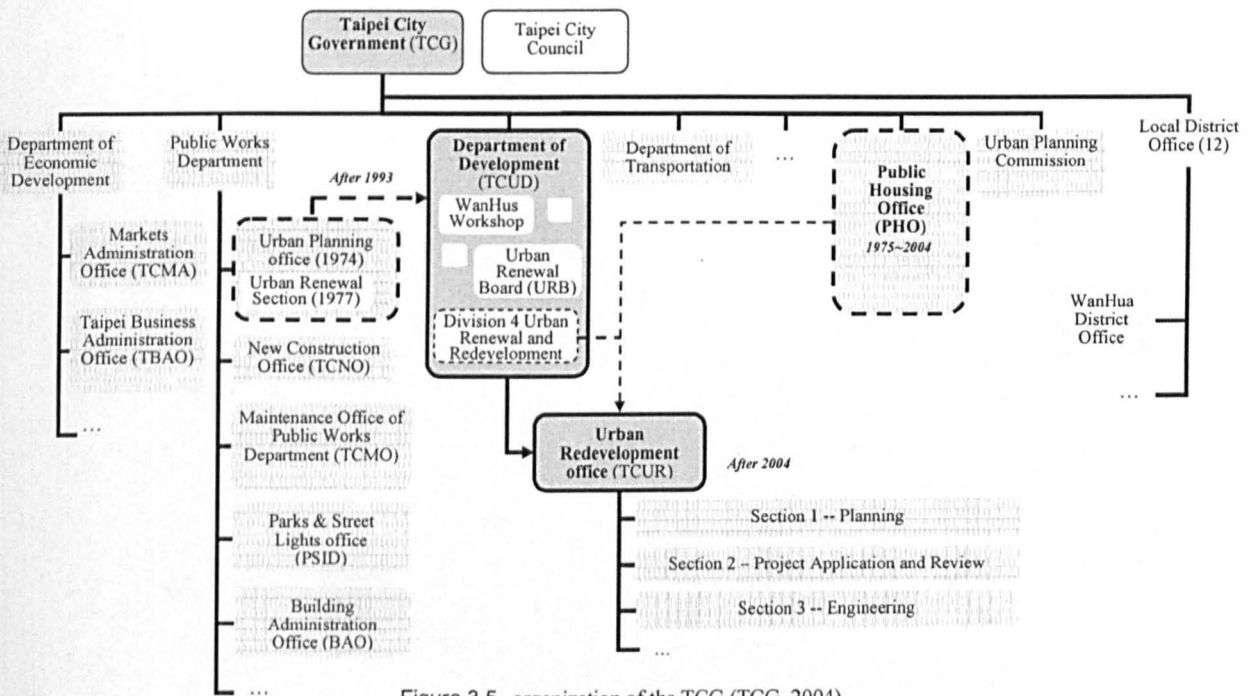


Figure 3.5 organization of the TCG (TCG, 2004)



Figure 3.6 shows the four phases defined in this research. The first phase, which does not appear in Lin's research, is defined as that period when the government did not have a clear idea of or policy for urban regeneration. According to the relevant literature, the plan for the redevelopment (rebuilding) of ZhongHua Market was the first example of urban regeneration projects in Taipei (1957). The government did not have a long-term plan for these cases during this period. Most of those cases were implemented to coordinate with the construction of new public infrastructure (Wu, 1997). After 1973, people paid more attention to the idea of urban regeneration and central government started to devise regulations for it. The second phase started in 1973 when a new chapter, addressing "City Centre Renewal", was added to the *Urban Planning Act*. This new chapter gave urban regeneration a legal position. The third phase started in 1993 when another new chapter: "Incentive for the Private Sector to Invest in Urban Renewal Projects"- was added to the *Regulations of Taipei Urban Renewal*<sup>4</sup>. The most important change in this period was that the government gave more power for development to the private sector. The final phase started in 1998, when the *Urban Renewal Act* (都市更新條例) was issued by central government. A variety of ideas for implementing urban regeneration are provided in this regulation. In the next paragraph, the four phases will be described.

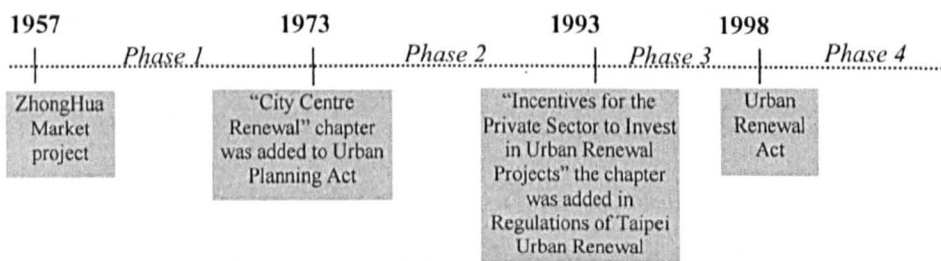


Figure 3.6 Four phases in the evolution of urban regeneration in Taipei

### 3.3.1. First phase – implementation by the TCG

About six million soldiers and their families immigrated to Taiwan when the KMT government withdrew from China in 1949. There was not enough housing for them at that time. Some of them lived in *military social housing*, which was meant only for

<sup>4</sup> Incentives for the private sector to Invest in Urban Renewal Projects (獎勵私人團體興辦都市更新建設事業) was added to the Regulations for Taipei Urban Renewal (台北市都市更新實施辦法)

those soldiers who had withdrawn from China with the government and their families, but most lived in squatter buildings, which had no legal licences and were built on non-residential areas, such as land set aside for transport or open spaces which had not been developed. According to a survey in 1958, one third of the population in Taipei were living in squatter buildings (Tung, 2003). After 1957, the TCG started to clear these squatter buildings in order to develop public transport and parks in Taipei City. The TCG was the main developer during this period (Wu, 1997) and the Public Works Department was the main authority to implement these projects. Most of the squatters only got little compensation and a minority of them were settled in Resettled Tenement Neighbourhoods<sup>5</sup> (Tung, 2003). This seems to have been an attempt to regenerate the environment, even if the TCG did not describe it as an urban regeneration action. Thus, it is defined as the first phase here, even though there were no specific regulations for urban regeneration during this period. Between 1957 and 1972, two urban regeneration projects were implemented. The first was the redevelopment of ZhongHua Market (1957), the first acknowledged example of urban regeneration case in Taipei. The second was the WanDa project (Chang, 1999).

Reviewing the government's effects in this phase, it is clear the TCG did not have a long-term plan in these cases, simply seeing them as part of the development of the new public infrastructure. Although the action in this phase looks like urban regeneration, improvement of the environment was not its main purpose.

### **3.3.2. Second phase – government planning and practice**

During this period, squatter buildings were the biggest problem in Taipei, most becoming poorer and more run-down. Even though the government was the landholder in most of the affected areas, it was still difficult to request squatters to move out of squatter buildings. However, as the political environment gradually moved into the democratic consolidation stage and martial law was lifted in 1986, people grew more aware of their rights and started to protest against the government (Tang, 2000; Chen, 2006). More voices were heard from third parties urging help for disadvantaged minorities such as squatters or poorer people. The controversy became

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<sup>5</sup> Resettled Tenement Neighbourhoods will be explained in more detail in 8-2-1

obstacle for urban regeneration. Thus, new regulations were published during that time in order to make the urban regeneration procedure more feasible.

A new chapter of "City Centre Renewal," was added to the *Urban Planning Act* by central government in 1973. This was the first regulation relating to urban regeneration. The regulation defined the main ideas of urban renewal but did not define the details of how to implement it. Then, the *Public Housing Act* was issued by central government in 1975; its main purpose was to announce that urban regeneration actions should cooperate with the public housing plan. Based on the principles set out in this new chapter in the *Urban Planning Act*, the TCG issued the *Regulations of Taipei Urban Renewal*, to define how urban regeneration projects should be implemented in more detail. However, only four projects were completed in this phase, each of them taking about 5 years. In 1991, the TCG decided to change their regeneration strategy in response to the limited human resources and finance available. They started to make new regulations in order to attract the private sector to invest in urban regeneration projects (Lin, 2003; Guo, 1987). In the second phase, the TCG was the key actor driving all the projects. Three of the finished projects were located in residential districts and one was located in a business district. The total area affected was about 4.17 hectare (ha.). Compulsory purchase was the most important strategy used in these four projects. More than half of the land belonged to the TCG but they still spent a long time on purchasing the land.

Reviewing the effect of the projects, two improvements are evident in this phase. First, the environment was improved. Second, some of the land compulsorily purchased during the regeneration process was freed up to build public housing. However, there were also some problems. First, the financial burden was too heavy for the local government. Second, the compensation offered to local residents was low. Third, other departments of the TCG did not cooperate with the authority driving the urban regeneration projects well, because of the low ranking of the Urban Renewal Section (refer to Figure 3.5) within the TCG organization (L.M.G., 1996). Fourth, local people expected to benefit from the urban regeneration but did not want to provide any contribution. Fifth, the ownership of properties was very complicated and the TCG had to spend a long time dealing with it.

Table 3.1 Four cases completed in phase 2

	Liu-xiang community	Crossroads of Ba-de Road and Rao-he street	Da-long Area	Northern area of Taipei college
Developer	TCG	TCG	TCG	TCG
Land Using of the District	Residential	Commercial	Residential	Residential
Area	1.25 ha.	1.008 ha.	1.0258 ha.	0.8979 ha.
Ownership of the land	Public : 46% Private : 52%	Public : 52% Private : 48%	Public : 40% Private : 46.5%	Public : 53.5% Private : 46.5%
Practice Period	1980.5-1985.1 (3.5 years)	1982.7-1988.6 (6 years)	1983.1-1987.6 (4.5 years)	1983.12-1991.6 (7.5 years)
Practice Method	Compulsory purchase	Compulsory purchase and redistribution the public land.	Compulsory purchase	Compulsory purchase
Expense (Taiwanese dollars)	725,200,000	464,220,000	505,950,000	385,170,000

(Data source: Department of Urban Planning, Taipei City Government, 1991, Research into subsidy measures and policy of Taipei urban regeneration)

### 3.3.3. Third phase – the encouragement of the private sector to participate in urban regeneration projects

The third phase was the period when government started to draw up new regulations to attract private companies or local communities to invest in urban regeneration projects. In the previous two phases, the government spent a lot of money and time on urban regeneration projects, and this became a heavy burden on the TCG. In September 1993 a new chapter “Incentives for the Private Sector to Invest in Urban Renewal Projects” was added to the *Regulations of Taipei Urban Renewal*. Four main issues were defined: first, the specific circumstances under which an area should be designated as a renewal area were set out; second, the incentives to be offered to private developers were defined; third, the Urban Renewal Fund was proposed; fourth, details about compensation and the resetting of residents were modified. Under this regulation, the respective roles of public and private sectors in the urban regeneration process were changed. The private sector, rather than the TCG, became the main developers in urban regeneration projects. In the same year, a regulation proposing the formation of an Urban Renewal Board (URB) was issued by the TCG, with the first URB being set up a year later. In 1994, the TCG started to designate renewal areas in Taipei, with 167 areas being designated in the next five years. The first urban regeneration project proposed by a private company was submitted in March 1995. By 1997, the private sector was showing more interest in urban

regeneration. Meanwhile, the TCUD produced a brochure advertising the incentive offered and the application procedure to private sector developers interested in investing in urban renewal projects.

Between 1993 and 1998, private sector developers applied for 29 projects, 21 of which were approved by the TCG. Most of the projects were applied for by private companies but one was applied for by a local community. On average, each project took about 1.56 years to complete (Li, 2003). In this phase, incentives – particularly that of additional floor area - were the main strategy used by the TCUD to attract the private sector. The regulations and implementation procedure will be described in more detail in the next section.

Table 3.2 Twenty-one projects approved by the TCG in the third phase

Type Analysis		Case location	Area / m <sup>2</sup>	Practice Period	Addition floor area / m <sup>2</sup>
Developer	Incentive item	(District)			
Private companies	For providing public facilities (to the community) after renewal	NeiHu	1918	1995.3 - 1996.4	2084.53
		ZhongShan	1586	1995.9 - 1996.7	2486.5
		DaAn	3105	1995.3 - 1996.11	2489.2
		XinYi	1024.6	1997.2 - 1999.11	1102.6
		BeiTou	1233	1997.12 - 2000.7	1070.48
		NeiHu	5151.53	1998.3 - 2001.1	5495.47
		ZhongShan	2080	1999.5 - 2001.11	2376
		DaTong	1622	1999.3 - 2000.6	2243.15
		NeiHu	1472	2000.3 - 2002	2356
		DaTong	1390	2001.4 - 2002.4	2200
	For conserving historic buildings	DaTong	1030	1997.10 - 1998.6	2060
		WanHua	3106	1998.8 - 2000.1	5532.13
	Other types	NeiHu	2228	1996.8 - 1997.10	2361.8
		NeiHu	2124	1997.2 - 1999.11	2353.7
		NeiHu	1802	1998.7 - 2000.1	2027.25
		WanHua	864	1998.12 - 2002.2	1629.48
		DaAn	2546	1998.12 - 1999.12	2472.83
		DaAn	1233	1998.10 - 2000.9	1812.18
		DaAn	1162	1999.10 - 2001.1	430.73
Local communities	ZhongZheng	5483	1997.5 - 1999.4	6168.27	
Public sector	ShiLin	10813.92	1998.8 - 2000.5	3492.62	

(Data source: 1998, The Urban Development Department of Taipei. A review of practice in Taipei's urban renewal area)

In this way, the TCG successfully changed their role from that of developer to that of supervisor. However, not all of their expectations were fulfilled. Five main

improvements were evident under the new regulations: first, with the investment from the private sector, the financial burden on the TCG was reduced; second, residents felt more secure in their properties without the strategy of compulsory purchase; third, the regulations defined more ways in which the public could participate in the process, and stipulated that private sector could be the developer in urban regeneration projects; fourth, the environment was improved through the public facilities provided by developers as part of the tasks in urban renewal. Fifth, the URB was able to help the TCG to control the quality of urban regeneration projects and reduce any adverse impacts on the environment (Lin, 2003; Chang, 1999). On the other hand, five main problems emerged in this phase. First, it was difficult to get the 100% agreement from owners required by the regulation. Second, a project might need to take a long time to pass through the implementation procedure, possibly increasing the risk for private developers. Third, the private sector sometimes needed additional financial help, especially where the main developer was the local community (Lin, 2003). Fourth, although the TCG intended only to act as a supervisor in the phase, private sector developers sometimes needed their help with the education of and resettling of residents. Fifth, most of the squatters were not treated well, even though incentives were offered encouraging developers to resettle residents.

1. Addition of, "*Incentives for the Private Sector to Invest in Urban Renewal Projects*" to *Regulations for Taipei Urban Renewal* in 1993

This was the first regulation specifically issued for the urban regeneration business. Before this regulation, the relevant articles about urban regeneration were defined in many different regulations such as the *Urban Planning Act* (central government) and the *Enforcement Rules for Taipei City Planning Act* (local government). However, most of these articles only defined the principles of urban regeneration, not the details of implementation. The *Regulations for Taipei Urban Renewal* were issued by the TCG in 1983 in order to give impetus to urban regeneration. An important revision of the regulation was made by the TCG in 1993 in response to the problems mentioned in 3.2.3. A new chapter, "*Incentives for the Private Sector to Invest in Urban Renewal Projects*" (chapter 8, Article 26 - 34) was added. Unable to afford the heavy final investment required by urban regeneration projects, the TCG added this new chapter to the regulation in order to encourage the private sector and local

communities to become involved. Article 33<sup>6</sup> was the most attractive article to private companies, setting out details of the additional floor area incentive. The government provided no other support. On the other hand, the developer took all responsibility for the project.

Figure 3.7 illustrates the implementation procedure under the *Regulations of Taipei Urban Renewal*. Before main developers (private companies or local communities) submitted their application form to the TCG, three tasks had to be completed. First, they needed to get agreement papers from more than 2/3 of the owners of the land and legal buildings within a renewal unit. Second, they needed to make an Urban Renewal Plan. Third, the relevant certificates needed to be collected (Article 27). Only then could their application be reviewed by the URB. The URB decided how big an incentive (additional floor area) the developer could be awarded according to Article 33. If there were any big problems with the documents, all would be returned to the developer. After that, if the developer still wanted to apply, they had to modify the documents and go through all of the procedure from the beginning again. If the documents were in order, developers could move to the next stage - approval by the TCG. In addition to the documents were correct, besides the documents, it was important for the developer to prove that they had got agreement paper from 100% of owners (Article 12). Finally, the developers could start construction after they had passed all the procedure above and been approved by the TCG.

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<sup>6</sup>Article 33 of *Regulations of Taipei Urban Renewal*

$$V = V_0 + v_1 + V_2 + V_3 + V_4 + V_5 + V_6$$

V = final floor area after incentives

V<sub>0</sub> = original statutory floor area

V<sub>1</sub> = for providing public open space after renewal

V<sub>2</sub> = for applying to implement the renewal at a certain time will be given additional floor area

V<sub>3</sub> = for providing public facilities (to the community) after renewal

V<sub>4</sub> = for settling squatters in the renewal area

V<sub>5</sub> = for conserving historic buildings

V<sub>6</sub> = add or decrease floor area according to the environmental impact statement



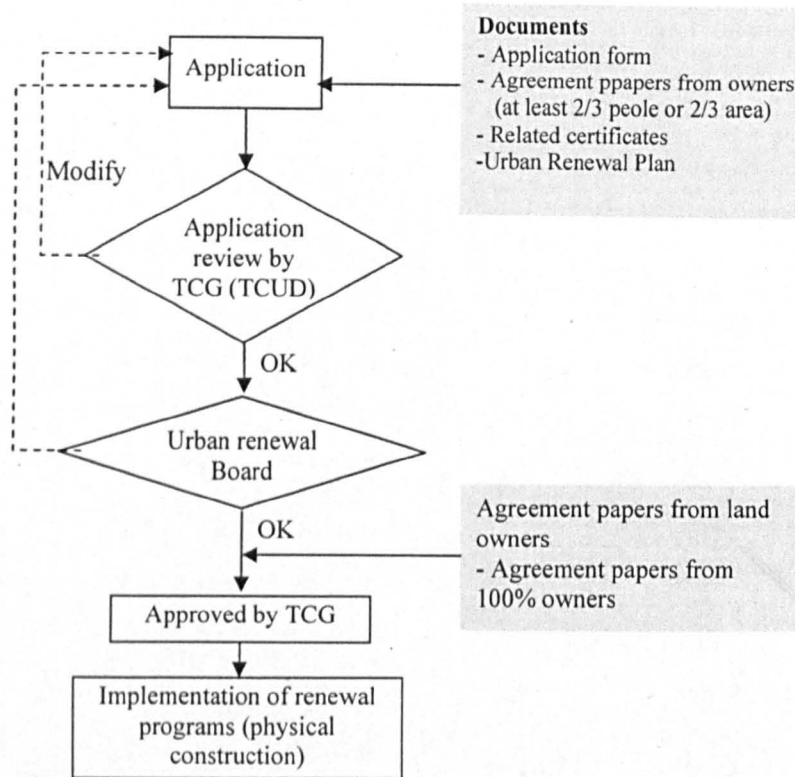


Figure 3.7 Urban Regeneration Implementation procedure under the *Regulations for Taipei Urban Renewal* (refert to Lin, 2003)

## 2. Neighbourhood improvement programs - NIP (1995)

The Neighbourhood Improvement Programs (NIP) was introduced by the TCG in 1995. The TCUD was put in charge of this policy. The TCG provide a little funding as the catalyst to encourage local communities to make their own plans for improving their environment. However, as it is difficult for residents without a background in planning to make such a planning program, the Community Planner system was set up. Local communities normally cooperate with a Community Planner to apply for a NIP. The TCG hope the Taipei city environment can be changed from the bottom upwards (neighbourhoods to government). To this end, they have tried to build a long-term system of cooperation between the TCG, professionals and local communities (Xu, Z.J., Sung, P.C., 2002; TCUD, 1999)

### - Project type



Almost anything to do with improving the local environment can be the topic of an NIP, such as the improvement of parks more than one hectare large, the development of public spaces, public facilities and public land, embellishing streets, erecting lampposts...etc.(TCUD, 2003).

**- Who can apply?**

Local residents can make their proposal with or without the planners. However, the TCUD encourages local residents to cooperate with experts and apply NIP jointly. Experts can be planners, architects, academic groups, and private companies who have the relevant background in urban planning, urban regeneration, architecture, or transport (TCUD, 2003; Sung P. C., 2003).

**- Implementation procedure**

The implementation procedure is split two ways. Local residents and their professional partners make a proposal covering the planning and design; the TCG takes responsibility for the construction works. First, a proposal for improving the environment must be submitted to the TCUD; the content should be well-understood by the local residents. Figure 3.8 outlines the implementation procedure. A proposal needs to include an introduction, the background of the community, cover planning boundaries, environmental situations and issues, the target for improvement, a brief time table, public participation methods, expected achievement, and a brief budget plan. The best proposals are selected by the TCUD. Each proposal can receive funding of up to fifty thousand NTD<sup>7</sup> from the TCG, depending on the details of the proposal (TCUD, 1999). After the contract is signed, applicants need to make a more detailed plan. It is crucial at this stage to involve local residents' ideas or opinions. Finally, a final report must be submitted at the end of the planning stage. In the construction stage, the TCG is in charge of the construction of the project. However, some projects may never progress beyond their planning report. Different kinds of programs are implemented by different departments in the TCG, such as the Department of Civil Affairs (parks, streetlamps...etc.), the Department of Transportation (parking space...etc.)...etc. When the projects are taken over by the relevant authorities, the cost of construction is sought from Taipei City Council.

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<sup>7</sup> NTD: New Taiwanese Dollar (about 1/60 pound)

These authorities might ask for more working details from the original planners. They then take responsibility for finishing the program and checking the quality of construction. Upon completion, the TCG encourages local communities to take responsibility for maintenance and management. However, in practice, most facilities are maintained by the TCG (Xu, Z.J., Sung, P.C., 2002).

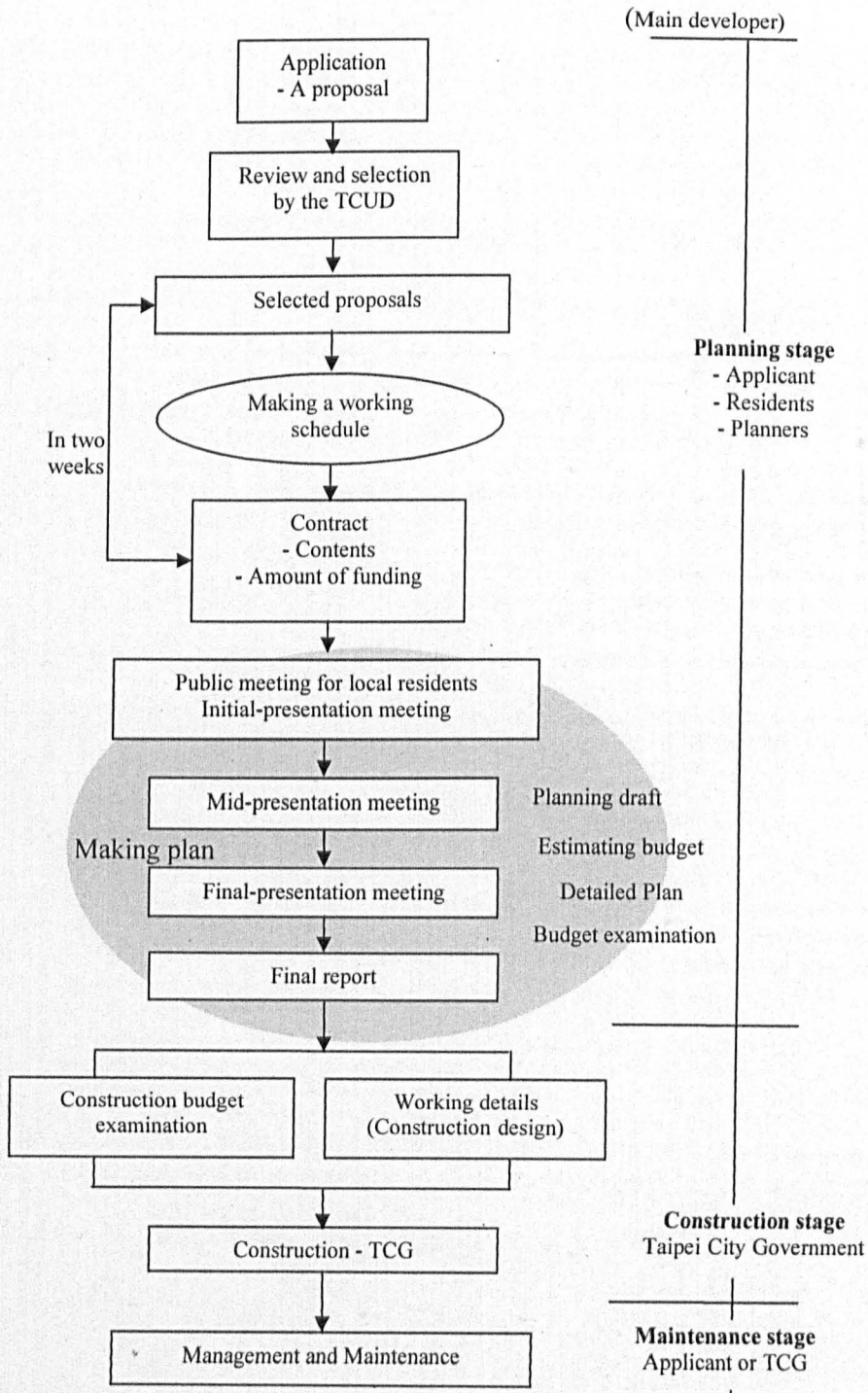


Figure 3.8 Implementation procedure for NIPs

### 3.3.4. Fourth phase—after the publication of the Urban Renewal Act

The Urban Renewal Act (1998), and eight sub-regulations<sup>8</sup> (1999) which defined the principles of urban regeneration, were issued by central government between 1998 and 1999. These covered several new ideas for implementing urban regeneration, for example: (1) projects can be implemented only after a majority of the residents agreed; (2) the Land Readjustment Plan is adopted for the distribution of regenerated properties; (3) different kinds of groups can be the developer; (4) more incentive items are provided by central government, especially tax exemptions; (5) public land and buildings can be compelled to participate in regeneration projects; (6) the land using can be change from public facilities using to residential or business using if it is located in the block which has part land been designated as the urban renewal area; (7) the examination process was simplified; (8) new strategies were offered for solving finance problems such as the trust system...etc; (9) a system was established for supervising regeneration projects or takeover failed projects ( Xu, Z. J., 1998; urban regeneration Renewal and Development Foundation, 2002; Li, Y. L., 2002). As the Urban Renewal Act only defined the principles of urban regeneration but not the details of implementation, the Taipei City Urban Renewal Ordinances were issued by the TCG in 2001 in order to give more detailed guidance on implementation. In the same year, the Taipei City Urban Redevelopment Ordinances for Financing the Initial Planning of Resettled Tenements was published in order to encourage the regeneration of resettled tenement neighbourhoods. Simultaneously, the idea of “FanZhuanZhouXian, XiDongBingJu (翻轉軸線、西東並舉)”, which means putting the focus on the west side and developing both the west and east side of Taipei together, was emphasized again in the Taipei City mayoral election by Mayor Ma. The Mayor gathered a lot of support from the residents in older and poorer areas (western Taipei), having paid more attention to these areas in the previous four years, and he won the election again in 2002.

<sup>8</sup> Enforcement Rules for the Urban Renewal Act (都市更新條例實行細則), Urban Renewal Regulations on the Establishment, Management and Dismissal of Committees (都市更新團體設立管理及解散辦法), Urban Renewal Regulations on Rights Transformation (都市更新權利變換實施辦法), Urban Renewal Regulations on Business Takeover (都市更新事業接管辦法), Urban Renewal Regulations for Floor Area Bonus (都市更新建築容積獎勵辦法), Urban Renewal Regulations on the Organization of Review Board (都市更新審議委員會組織準則), Urban Renewal Regulations on the Establishment, Monitoring and Management of Investment Trust Companies (都市更新投資信託公司設置監督及管理辦法), Urban Renewal Regulations on the Raising, Utilization and Management of Trust Funds (都市更新投資信託基金募集運用及管理辦法)

It is difficult to discuss the effect of the new regulations because they have only been in force for a few years. However, their application does not seem to have gone smoothly judging by the ratio of approved projects to applications. Under the *Urban Renewal Act*, the implementation procedure can be separated into three stages: first comes the Urban Renewal Business Summary, second is the stage of Urban Renewal Business Plan, and third is the implementation stage. Further details of the implementation procedure will be presented in a later section, but it is evident that a successful project needs to complete all three stages. In 2002, the first application for an urban regeneration project was submitted under the *Urban Renewal Act*. However, only 31 applications of Urban Renewal Business Summaries had been approved by the TCG by June 2003. Only seven Urban Renewal Business Plans had been approved, four of which were special projects arising from the 921 earthquake<sup>9</sup>. Finally, only three projects out of the original 31 applications passed all the way through the implementation procedure and were allowed to move to the implementation stage. According to Table 3.3, only two normal projects applied for under the *Urban Renewal Act* were approved by the TCG and moved to the implementation stage in 5 years (TCUD, 2006).

Table 3.3 Projects finished by June 2003

Main Developer	Case location (District)	Start time	Urban Renewal Business Summary	Urban Renewal Business Plan	Implement stage (using licence)
Private companies	DaAn 1 (仁愛段)	2000.7 -	2001.1 - 2002.3	2001.3 - 2002.3	- 2005.6
A church (private)	DaAn 2 (龍泉段)	2000.9 -	2000.10 - 2001.1	2001.3 - 2002.6	- 2005.11
Local community	SongShan	2001.8 -	Don't need to apply (921 earthquakes project)	2001.8 - 2002.7	-2004.9

(Data source: the TCUD, 2006)

### 1. Urban Renewal Act (1999)

The *Urban Renewal Act* was issued by Taiwan's central government in 1998. It defined the general concepts and principles of urban regeneration but not the details of

<sup>9</sup> **921 Earthquake** was a huge earthquake which happened in 21 Sept. 1999. Many buildings collapsed in the earthquake. Thus, a special regulation (921 震災重建暫行條例) was issued by central government in order to rebuild the buildings. Many parts of the regulation were based on the *Urban Renewal Act* but the procedure was much easier.

implementation. During the regulation-making process, the Regulations for Taipei Urban Renewal (1993) was a very important reference for the central government - many ideas are similar in both regulations. Central government being more powerful than local, thus, a range of incentives and subsidies, such as the tax exemption incentive, were added to the Urban Renewal Act. Generally speaking, the Urban Renewal Act is more complete and wide-ranging than what has gone before. Moreover, it allows many different kinds of groups to be the implementer. If the implementer is a local authority, they can implement it by themselves, commission a private company, or agree to other departments or authorities of the government to do it. If the main implementer is the local people or owners, they can carry out the project themselves or in cooperation with private companies (Urban Regeneration R&D, 2002). The implementation procedure of the Urban Renewal Act is more complicated than the Regulations for Taipei Urban Renewal and it can take longer to finish a project. Figure 3.9, shows the three main stages in the implementation procedure, as defined in the regulation (Urban Renewal Act, 1998).

#### **- Urban Renewal Business Summary stage**

Four things need to be done before the developer submits the application form for this stage. First, they need to get agreement papers from more than 1/10 owners or areas. Second, they need to make an Urban Renewal Business Summary, which is a draft idea of the project. Third, the relevant certificates need to be collected. Fourth, a public meeting needs to be held by the developer and the records need to be attached. Then, their application documents will be reviewed by the URB. If everything is qualified, the Urban Renewal Business Summary will be approved by the TCG and developers can move to the next stage.

#### **- Urban Renewal Business Plan stage**

The developer needs to make an Urban Renewal Business Plan which outlines all of the details of the regeneration project, such as what will be built, how interests will be shared and how it will be managed. When the developer submits their plan, they must have agreement paper from a minimum of 3/5 of land owners or 2/3 of total area. The agreement papers show that most of the owners agree with the content of the Urban Renewal Business Plan. However, if developers can not get agreement papers from owners, another document, the Land Readjustment Plan, must be supplied. This



document is more focused on how the groups involved are going to share their profit and whether everybody is happy with the proposed outcome of the project. The developer needs to provide a reasonable and equitable plan for profit distribution, even for those people who do not sign on agreement paper.

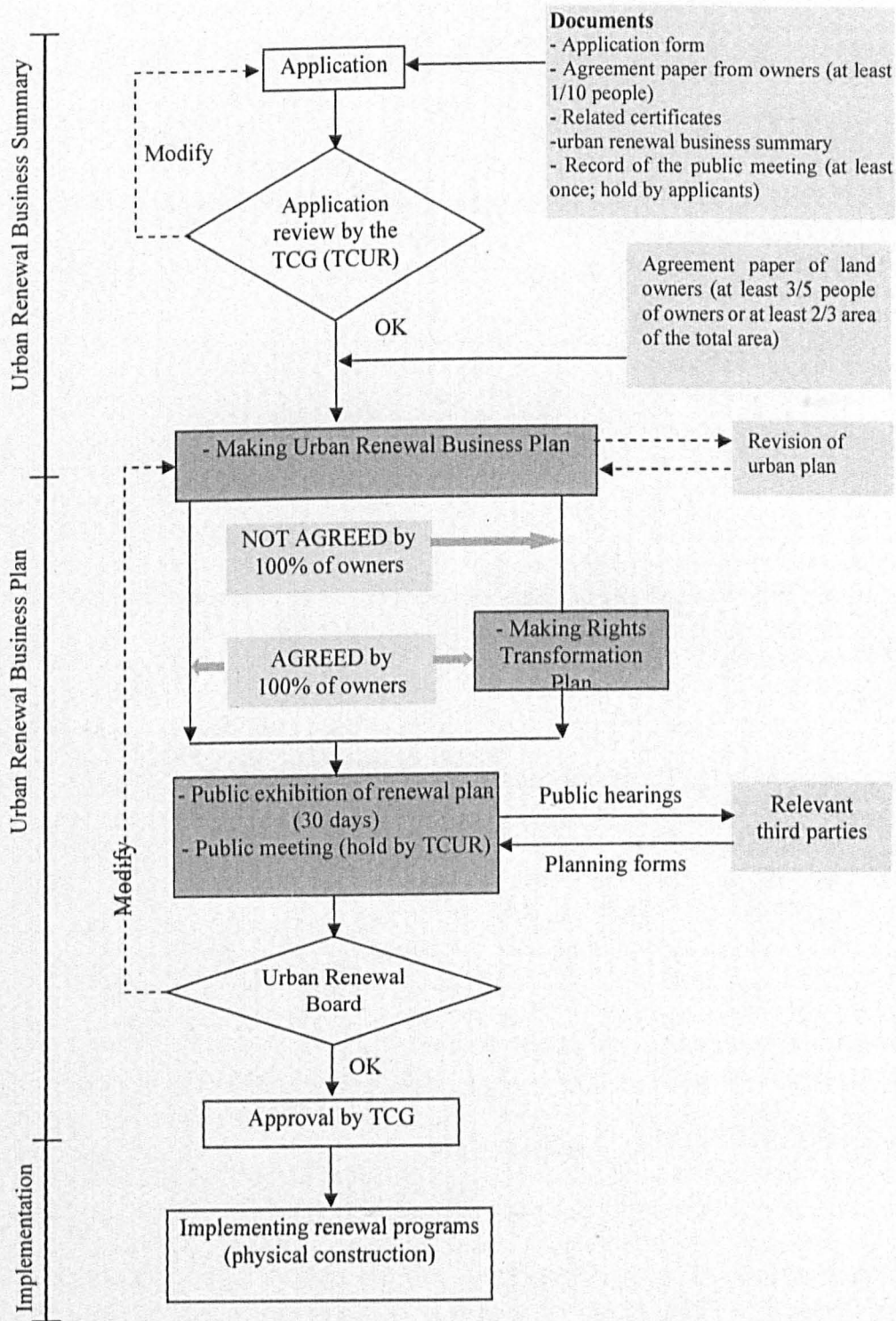


Figure 3.9 Urban Regeneration Implementation procedure (refer to Lin, 2003; and the TCG website, 2003)

After everything above has been finished, the developer will submit all documents to the TCUR. If nothing needs to be modified, a public exhibition (lasting 30 days) and a public meeting will be held by the TCUR. All of the relevant parties will be invited to participate and give their opinions. Then, a record of these opinions will be submitted to the URB along with all of the documents provided by the developers. Finally, if no modifications are needed, the TCG will grant their approval.

#### **- Implementation stage**

Developers can start to implement renewal programs (physical construction) after their Urban Renewal Business Summary and Urban Renewal Business Plan have been approved by the TCG. During the construction period, they may need to contact the Building Administration Office (BAO) if they want to change their design.

## **2. Community Planners (1999)**

The community planner system was introduced in 1999 by the TCG, with two main purposes. First, the TCG thought that Community Planners could help local residents to present their ideas for improving the environment, enhancing public participation. Second, they hoped the Community Planners could help solve some of the problems faced by the NIPs: (1) the Community Planner can be the coordinator between the TCG and local residents; (2) Community Planners can help residents to present their ideas in a professional way; (3) Community Planners can help disadvantaged minorities to improve their environment (Sung, P.C., 2003; TCUD, 2002)

#### **- Who can become a community planner?**

A community planner needs to have a background in planning, architecture, design, transport, construction or landscape. They also need to be familiar with the area which they want to take care of and to have the enthusiasm to help local residents. Anyone who has the above background can apply to be a Community Planner. Some are also recommended by local residents. Every year, some Community Planners are chosen by the TCUD after the applications have been reviewed. In 1999, every Community Planner had to sign a contract with the TCUD, and they were paid a small salary by the TCG. However, the Community Planner job became voluntary in 2001.

Community Planners are now only paid by local communities, or they get a planning /designing fee from the NIP or other projects (Sung, P.C., 2003).

#### - Role and the Job

Community Planners have seven main tasks. First, they provide a professional consultative service for local residents, answering their questions about the environment. Second, they need to set up an office in the area they are responsible for. Third, they need to scan the environment in their area. Fourth, they have to collect residents' ideas and try to make a consensual future plan. Fifth, they must try to identify local problems and come up with solutions. Sixth, they must make an NIP for the area. Seventh, community planners act as consultants for the TCUD, participating in the relevant meetings (TCUD, 2003; TCUD, 2002).

#### - Community Planners and NIPs

Communities who have a Community Planner in post can cooperate with the Community Planner and apply for an NIP together. Where communities do not have a Community Planner, the TCUD might try to match them up with a Community Planner to help them when they want to apply for a NIP. The TCUD may also appoint a suitable Community Planner to help a community who do not have a Community Planner on site but whose environment faces some problems (TCUD, 2002).

### 3. Taipei City Urban Renewal Ordinances (2001)

This regulation was a modification of the *Regulations for Taipei Urban Renewal* (1983), and was issued after the *Urban Renewal Act* (1998) came out. As mentioned before, the *Urban Renewal Act* was more about the principles of urban regeneration projects. Thus, local governments needed to make their own regulation, defining in more detail how the projects should be implemented. Thus, the *Taipei City Urban Renewal Ordinances* was issued by the TCG in 2001.

Most of the content of the *Taipei City Urban Renewal Ordinances* is the same as the *Urban Renewal Act*, with the addition of articles about the regeneration of resettled tenement neighbourhoods (relocated apartments). The main idea of articles 5 to 9 is to provide subsidies for three planning stages in the application process (the black



checks in Figure 3.10: Urban Renewal Business Summary stage, Urban Renewal Business Plan stage, and Land Readjustment Plan stage). The amount of subsidy in each case is determined by the number of households involved, so more households means more subsidies (*Taipei City Urban Renewal Ordinances*, 2001; *Taipei City Urban Renewal Ordinances for Financing the Initial Planning of Relocated Apartments*, 2002).

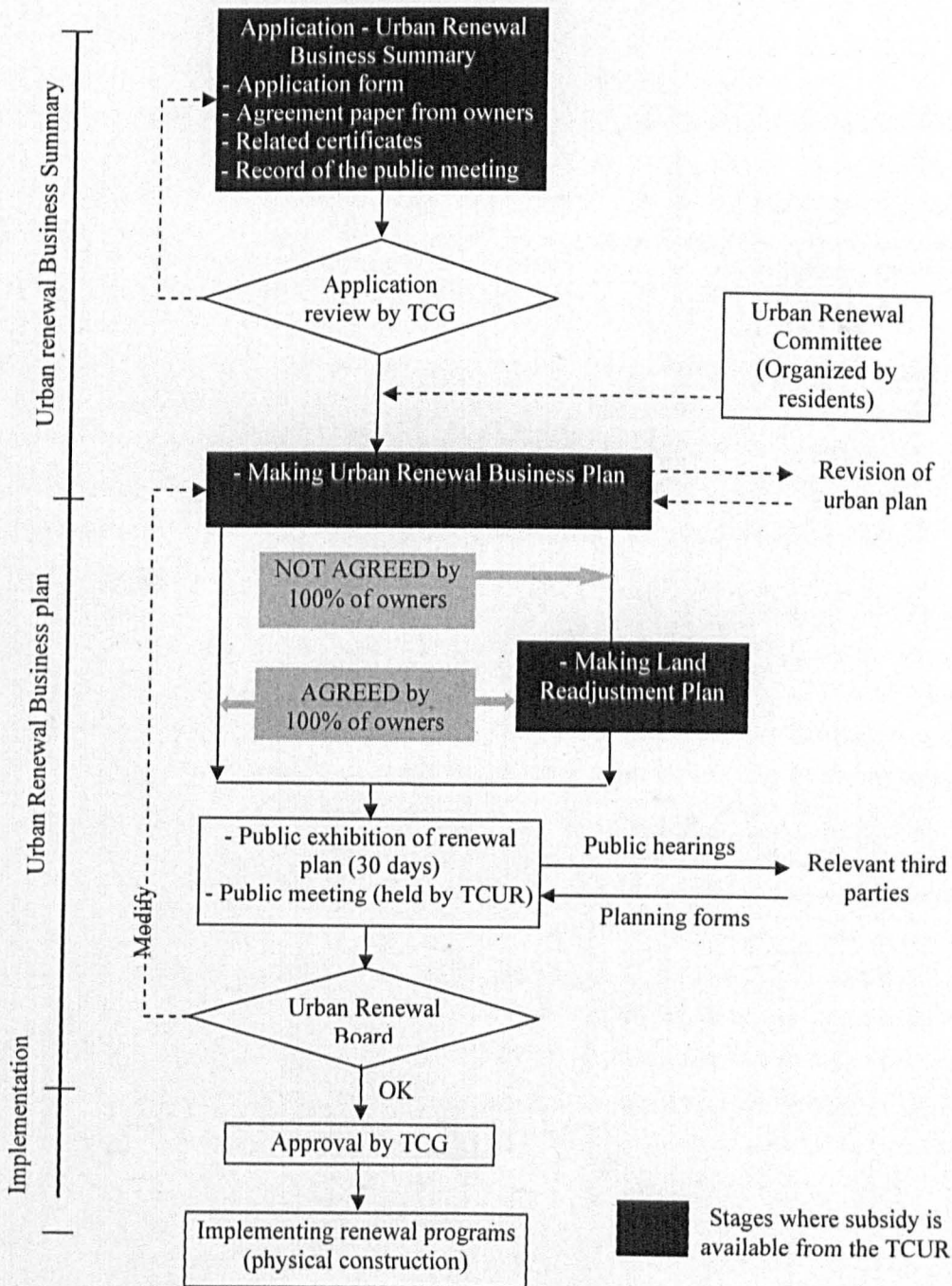


Figure 3.10 The procedure of urban regeneration application (refer to Lin, 2003; and the TCG website, 2003)

#### **4. Taipei City Urban Renewal Ordinances for Financing the Initial Planning of Relocated Apartments (2002)**

This regulation was published in 2002 in order to define more details about the subsidy for the resettled tenement neighbourhoods listed in the *Taipei City Urban Renewal Ordinances*. As mentioned above, local communities can apply for the subsidy in three stages and the application process is the same. First, the application form needs to be submitted to the Urban Redevelopment Office (TCUR). Second, the application needs to be approved by the Urban Renewal Board. If nothing goes wrong in the first two stages, the developer has to sign a contract with the TCUR.

Generally, the amount of subsidy is determined according to the number of householders in each case. If there are no more than 100 householders, the applicant can obtain 450,000 TWD at the Urban Renewal Business Summary stage, 225,000 TWD at the Urban Renewal Business Plan stage, and 180,000 TWD in the Land Readjustment Plan stage. If there are over 100 householders, further subsidies will be added, as determined by the Urban Renewal Board. The money comes from the Taipei Urban Renewal Fund and the project has to be monitored by the TCUR. If the applicant refuses to be monitored or changes the submitted plan without permission, the TCUR can stop the contract and take back the subsidy (*Taipei City Urban Renewal Ordinances for Financing the Initial Planning of Relocated Apartments, 2002*).

### **3.4. Summary of the evolution of urban regeneration in Taipei City**

#### **3.4.1. The aims of the regulations and actions**

Based on the review given in this chapter, the important regulations, policies, actions, and strategies are briefly listed in the lefthand column of Table 3.4. Further analysis of the aims, the investors, developers and key players are listed in the righthand columns. Four different kinds of aims are identified: implementation, finance, private involvement, and public participation.

- Implementation means the aim of the regulation or action was to improve the implementation of urban regeneration, for example by shortening the application process, management responsibilities, and organization...etc.

- Finance means the regulation or action was an attempt to provide financial help for the main developers such the local government, private companies, or residents.
- Private involvement means that the aim of the regulation or action was to attract the private sector to invest in or develop urban regeneration projects. The original purpose of these regulations was to reduce the financial pressure on the government. The private sector includes private companies and local residents. Normally, only private companies have enough capital to develop a project.
- Public participation means the regulation or policy was made to increase the number of local residents participating in regeneration projects. It might not focus on involving their money but on encouraging the regeneration process from the bottom-up.

Table 3.4 Important regulations or activities in each phase

Time	Regulations or Policies	Actions or strategies	Aim	Main investor	Main developer	Key Players
1 1957		First Urban redevelopment project, ZhongHua Market, was implemented		- central government	- central government	- central government - owners
2 1973	The new chapter, City Central Renewal, was added in Urban Planning Act (1973.9.6)		- implementation	- central government - local government	- central government - local government	- central government - local government - owners
1975	“Urban Planning Act” was published. By it, the government could buy the suitable land compulsorily by “Compulsory take eminent domain” for building the national housings.	An impetus to renewal the old accommodation and the military housing.	- implementation - Finance	- central government - local government	- central government - local government	- central government - local government - owners
1977		The department of urban renewal was established by Taipei City government	- implementation			
1983	“Regulations of Taipei Urban Renewal” was published. (1983.9.12)		- implementation	- local government	- local government	- local government - owners
1988		26 areas were chosen to be the long-term renewal areas in Taipei	- implementation			

Time	Regulations or Policies	Actions or strategies	Aim	Main investor	Main developer	Key Players
1991	“Urban Renewal Application Guide” was published. The main aim was to attract the private sector to invest in urban renewal projects.		- implementation - private involvement	- private companies	- private companies - local government	- private companies - local government
3 1993	<ul style="list-style-type: none"> <li>● The new chapter, “Incentives to the Private Sector to Invest in Urban Renewal Projects”, was modified. (1993.9.17)</li> <li>● “Urban Renewal Application Guide” was abolished</li> <li>● “Taipei City Urban Redevelopment Fund Ordinances” was published. (1993.11.5) ◦</li> </ul>	The department of urban renewal moved to a higher position of the government system and named Department of Development (1993.7) ◦	- private involvement - Finance - implementation  - Finance	- private companies - owners	- private companies - owners (- local government) *	- private companies - owners (-squatters) - local government - politicians
1994		- Urban Renewal Board was founded (1994.3) ◦ - Policy: choosing urban renewal areas in Taipei (1994.7.30) ◦ - Urban renewal areas designated in each district (1994.12)	- implementation - private involvement			
1995		The DiHua street Workshop (in DaTong district) was established.	- public participation			
1995	Neighbourhood Improvement Programs		- public participation	- local government	- community - private companies	- local government - community - private companies -owners -local business - voluntary groups
1996	Urban Renewal Fund was founded		- Finance - public participation			



Time	Regulations or Policies	Actions or strategies	Aim	Main investor	Main developer	Key Players
4 1998	“Urban Renewal Act” was published and practiced.		- implementation - Finance - public participation - private involvement	- private companies - owners (- central government - local government)	- private companies - owners (- central government - local government)	- private companies - owners (-squatters) - local government - politicians
1999	Eight sub-regulations are published	Community Planner System was built	- implementation - public participation			
2000		- To extend DiHua street Workshop became DaTong Workshop. - WanHua Workshop was established.	-public participation			
2001	Taipei City Urban Renewal Ordinance	24 resettled tenement communities were designated	- implementation - Finance - public participation	- private companies - owners (- local government)	- private companies - owners (- local government)	- private companies - owners (-squatters) - local government - politicians
2002	“Taipei City Redevelopment Ordinances for Financing the Initial Planning of Resettled tenement” was published.		- Finance - public participation	- owners	- owners (- private companies)	(- private companies) - owners - community - local government - politicians

\* The main investor or developer listed in the parenthesis means they could be included, under the regulations, but they did not play a role in the project

Table 3.4 shows that the aim of implementation was the key motivation in most of the regulations or strategies in the first and second phases. In these phases, the key players were only the central and local government authorities. The idea of involving the private sector, especially private companies, arose at the end of the second phase. The issue of public participation became increasingly important in the second half of the third phase. Also, the politicians involved with the public. It is apparent that more and more groups became involved in the final two phases. Does this show that the idea of partnership emerged in the later two phases? Table 3.5 focuses on the groups involved in each phase. The wider colour belt means the given group was more involved in the phase, for example the local government was the main developer in phase two. The analysis focuses on the five groups defined in the Chapter 2. However, the public sector is here separated into central and local government, and

residents are separated into residents and communities, in order to see the change in more detail..

Overall, more and more groups have become involved in urban regeneration projects. The TCG thinks this is evidence of partnership. However, involving more groups does not guarantee that partnership will be set up. As discussed in Chapter 2, partnerships are more than involving important groups. The regulations and policies described in this chapter show the government's attempts to encourage the partnership approach. It is important to examine the effect of these attempts on the projects implemented under these regulations or policies.

Table 3.5 Change in partnership in Taipei Urban Regeneration

	Involved groups	1957-1973 Phase 1	1973-1993 Phase 2	1993-1998 Phase 3	1998-2004 Phase 4
1	Central government	Developer			Incentives
	Local government		Developer	Supervisor/Incentives	Supervisor/ Developer
2	Politicians	-	-		
3	Private companies			Developer	Developer
4	Residents	Reactive	Reactive	Reactive(agreement)	Developer
	Communities				Developer
5	Voluntary groups				Community Planner
	Possible partnerships	Public sector-led	Public sector-led	-Private sector-led	-Private sector-led -Public – private partnership - Various partnership

### 3.4.2. Classification of the regeneration projects

Looking at the different main investors and developers in Table 3.5, urban regeneration projects in Taipei can be classified into four different categories (Figure 3.11): The Public Sector Project, Neighbourhood Improvement Project (NIP), The Private Sector Project, and Resettled Tenement Neighbourhood Project (RTNP). All the relevant regeneration projects will be considered, even if they are not named as “urban renewal projects”. Firstly, they will be classified according to their main investors. Then, they will be further classified according to their main developers. Here, the public sector includes central and local government, and the private sector includes private companies, residents and local communities. The TCUR is the main authority who deals with most urban regeneration projects; only the NIP is not implemented by the TCUR. It is seen as a community development project and is implemented by other divisions under the TCUD. However, as the TCUD listed the NIP in its 2004 Urban Regeneration Achievement Report for Taipei, it is considered

in this research. Moreover, it conforms to the definition of urban regeneration given in this research.

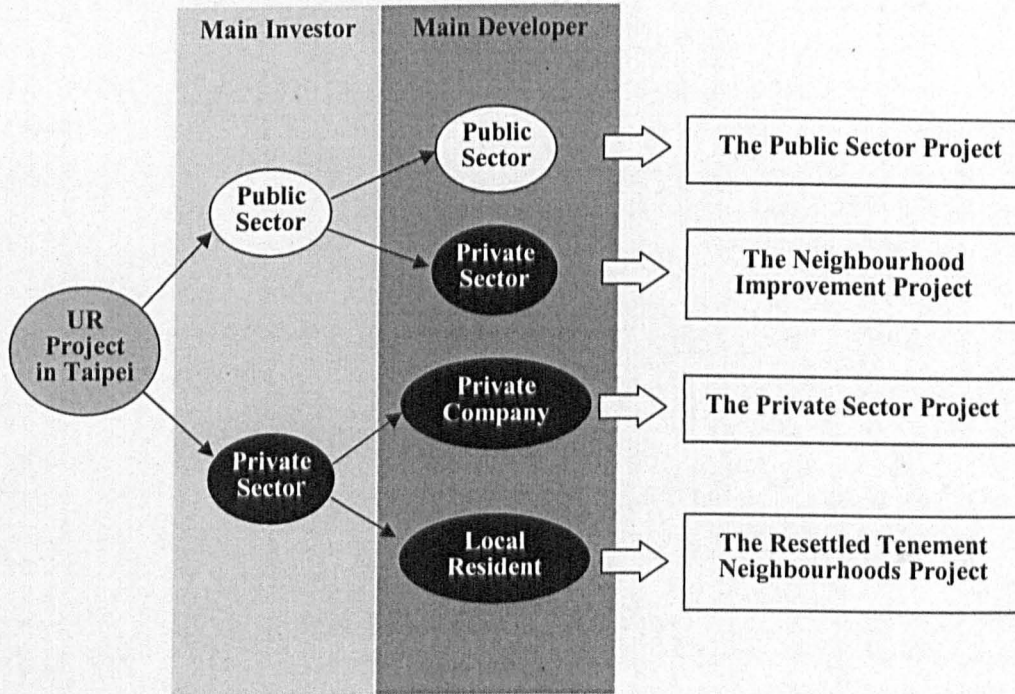


Figure 3.11 Different types of urban regeneration project in Taipei

### 1. The Public Sector Project

The public sector is both the main developer and the main investor in public sector projects. It can be central government or the TCG: examples are the ZhongHua market project in the first phase and the four regeneration projects in the second phase. This is the only type of project not supported by clear regulation or policy documents, but it is a government policy. Thus, such projects are highly influenced by the political intentions of the planning department and the leaders of the government. In addition, the projects are usually located on public land. It is difficult to gauge the government's intentions in this type of project as there are no clear regulations. It is important for this research to investigate these projects further, for example by conducting interviews with the relevant partners. Some public meetings may be held during the planning process but how much the discussion in the meetings influences the final decision it is impossible to say. Generally, the TCG chooses older and poorer areas, which need to be regenerated, to implement this type of project. Most projects are located in the western parts of Taipei, according to the policy mentioned earlier.



## 2. Neighbourhood Improvement Project (NIP)

The main investor in the NIPs is the TCG and local residents are the main developers. As this policy encourages local people to cooperate with professionals, the other main developers are often professionals such as the Community Planner. Since 1995, the TCG has tried to practise the idea of public participation in local development and improve environments. Policies like the NIP, the Community Planner, or the Neighbourhood Development Plan have been the result. In this research, this type of project is called the Neighbourhood Improvement Project. It is the only type which is not managed by the TCUR, but by other divisions of the TCUD. Generally, the TCG provides funding for the NIP and local communities can apply by submitting their proposals. However, most local communities do not have the technical knowledge to make a proposal so they have to gain assistance from experts such as architects and planners. In 1999, the Community Planner system was set up in order to encourage local residents and the Community Planner to develop partnerships before applying for NIPs (Sung P. C., 2003; Xu, Z.J. and Song, B.Q., 2003)

## 3. The Private Sector Project

Private sector projects was first mainly implemented under the *Regulations for Taipei Urban Renewal*, and then under the *Urban Renewal Act*, and the *Taipei City Urban Renewal Ordinances*. The main investors and developers are drawn from the private sector. The initial purpose of this kind of project was to relieve the financial burden on the government by attracting the private sector, especially the private companies, to invest in projects. In the regulations, both owners and private companies can be the main developer, but projects are mostly submitted by private companies. This is because private companies have more capital to implement the projects. Owners still have discretionary power relating to agreement papers, however.

## 4. Resettled Tenement Neighbourhood Project (RTNP)

The regenerating of resettled tenement communities has recently become a highly important target for the TCG and many regulations and policies have been made to assist in the implementation of this aim. The communities were built between 1962 and 1975 to resettle squatter residents. They have been identified by government officers, the media, and even the residents themselves as being in urgent need of



renewal. There are 24 resettled tenement communities in Taipei now and only one of them has been regenerated. The people living in the communities are squatters who previously occupied public land. The TCG built the resettled tenement neighbourhoods for the squatters when they were expelled from the public land. Compared with the average dwelling in modern Taipei, the houses are too small to live in and they are now regarded as slums (Jou, S.C., 2000; Lin, 2003). Thus, it is an important target for the TCG to regenerate these tenements. At first, the TCG thought the *Urban Renewal Act* and the *Taipei City Urban Renewal Ordinances* would be sufficient. However, the projects are too complicated to attract private companies and the owners do not have the money to implement changes by themselves. Thus, the *Taipei City Redevelopment Ordinances for Financing the Initial Planning of Resettled Tenements* was published, in order to encourage developers by subsidising planning costs. It was hoped that the planning subsidy would encourage residents to involve professionals in the project. However, residents are still responsible for construction costs, which are much more expensive. Thus, local people are still the main investors in this kind of project.

Table 3.6 The four types of urban regeneration in Taipei

	PUBLIC SECTOR PROJECTS	NEIGHBOURHOOD IMPROVEMENT PROJECTS(NIP)	PRIVATE SECTOR PROJECTS	RESETTLED TENEMENT NEIGHBOURHOOD PROJECTS (RTNP)
Main investor	Public sector	Public sector (private companies: pre-development stage)	Private sector (Public sector: incentives)	Private sector (Public sector: planning fee)
Main developer	Public sector	- Architect (Community Planner) - Local community	Private companies (residents)	Residents (private companies, Community Planner)
Authority in TCG	TCUD (TCUR)	TCUD (Diversion 1)	TCUD (TCUR)	TCUD (TCUR)
Area of coverage	- public land - an area (e.g. a city centre, a district)	- public land - clearly defined area. (e.g. a neighbourhood)	- private or public land -single building or site	- 24 Resettled Tenement Neighbourhoods in Taipei
Regulation or policy	TCG Policy	- 1995 NIP - 1999 Community planner	- 1993 Regulations of Taipei Urban Renewal - 1999 Urban Renewal Act - 2001 Taipei City Urban Redevelopment Ordinances	- 1999 Urban Renewal Act - 2001 Taipei City Urban Renewal Ordinances - 2002 Taipei City Urban Renewal Ordinances for Financing the Initial Planning of Relocated Apartments

## 4. Research Questions and Methodology

### 4.1. Developing the Research questions

The initial purpose of this research was to understand the problems of partnership in Taipei's urban regeneration. It aimed to reveal whether if the idea of partnership is involved, private companies lose interest in urban regeneration projects and local residents protest. Thus, in the initial research proposal, the research question was "*What were the actual problems in partnerships in Taipei's urban regeneration?*" However, it was difficult to identify partnerships, as developed in Chapter 2, in the existing projects. Since it is not possible to deeply discuss the effects of a partnership that does not exist, the research question was modified following consultation with various academics and interviewees. The main research question was therefore revised to "*Was partnership evident in Taipei's urban regeneration?*" and "*What were the actual problems?*" In order to find the answer to this research question, more sub-questions have to be asked first. Following are further details about the sub questions.

#### Urban regeneration in Taipei

As urban regeneration is highly relevant to location, it is very important to understand the background, people's attitudes and the relevant regulations or policies in Taipei. Through reviewing the evolvement of partnership can help this research to have an overview of the relevant regulations and policies. Also, it can help this research to understand government's view in different phases. Moreover, the possible partnership can be revealed through the different participants and operation processes. Thus, the first sub-question was: *how was urban regeneration evolved in Taipei?*

However, it is very important to avoid being limited in the policies or projects named "DuShiGengXin". At the beginning of the field work, it emerged that almost all the existing regeneration projects were only focused on the physical environment when only looked at the projects names "DuShiGengXin". It seemed that urban regeneration projects in Taipei only dealt with the physical environment without considering economic, social, or environmental conditions, as mentioned in the

literature review chapter. However, I detected some other types of urban regeneration projects after a government officer pointed out the blind point in my survey. He reminded me that, under the definition of urban regeneration used in this research, the study should not be limited to those projects specifically called “urban renewal” projects or implemented by the urban renewal authority. Some projects might be implemented under other regulations, policies, or even by other departments in Taipei City Government (TCG). Finally, it was decided to review a range of relevant projects in Taipei City in order to make the research more complete. All the relevant projects in Taipei were assessed to find out *how many different kinds of urban regeneration there are in the city.*

### **Partnership in urban regeneration projects**

According to the literature review, many different kinds of models or types of partnership exist. Some partnerships are constructed for the sharing of resources, some exist to secure funding and some are set up to implement a specific project. Different policies may necessitate different kinds of partnership. Thus, it is important to understand *what kind of partnership the policy looked for.* According to the review of relevant regulations and policies in Taipei in Chapter 3, the partnerships are often built to solve finance problems and the model of these partnerships is always based upon budget enlargement. However, other aims could also be considered, such as the potential social benefits. It is also important to identify which groups were in partnership with the TCG. Some policies are geared towards making partnerships with private companies while others aim to involve local residents. However, the result is not always the same as the expectation. Thus, it is important to know the effect of the policy. Sometimes people may reveal the result and the implementation are not the same as the TCG expected. Therefore, it was also important to ask: *“What was the effect of the regulations and policies?”*

### **Method for appraising partnerships**

After understanding the motivation behind policies and the effect of their implementation, it was time to examine what the partnership is in each type. To do this, it was necessary to establish *an appropriate methodology.* What are the fundamental principles of partnerships? Which issues should be reviewed? How to apply the principles to examine the regeneration projects? What questions should be

asked? According to the finding in Chapter 2, the unpacked fundamental principles can be used to appraise the case studies in order to reveal whether *partnership was evident in the projects*. The result should also demonstrate the deficiencies of the policies for achieving the partnership approach.

Accordingly, the research questions can be listed as follows.

**Main question:**

● **Was partnership evident in Taipei's urban regeneration projects and how was it?**

To answer the main question, a few sub-questions were asked in order to build up an appraisal framework and understand the details of the urban regeneration process in Taipei. For developing an appraisal framework, the sub-questions asked were:

- What are the fundamental principles of partnerships?
- How are the fundamental principles applied to appraise the partnership in urban regeneration projects?

Then, to understand the details of the urban regeneration policies and their effects, the following questions were asked:

- How are urban regeneration policies evolved in Taipei?
- How many different kinds of urban regeneration types can be identified?
- What kind of partnerships is the government looking for and what is their effect?

Subsequently, this framework is used to appraise a range of urban regeneration projects to acquire the answer for the main research question.

## **4.2. Research strategy**

### **4.2.1. Case study approach and methods of data collection**

#### **1. Case study**

The case study approach was adopted in this research because the partnership and urban regeneration process which this research wants to understand was very complicated and did not have clear boundaries between content and phenomena. In order to reveal the details of how partnerships work in urban regeneration, it was not

only necessary to understand the story of the case studies but also the different groups involved and the decision-making process...etc. Thus, the case study approach, which can help the researcher to understand complex social phenomena, is suitable for this research, because it can help the researcher 'to retain the holistic and meaningful characteristics of real-life events – such as individual life cycles, organizational and managerial processes, neighbourhood change, international relations ...' (Yin, 2003, p.2). The case study is not a methodological choice but a choice of what is to be studied. However, it can help the researcher to identify the study period, at least the start time of the case and the space scope (Stake, 2005).

A multiple-case study approach was chosen in order to facilitate a comparative analysis. By comparing partnerships which shared the same issues but had different actions, the effect of the issues in the partnership could be more easily detected. The multiple-case study approach also provides the opportunity to develop analytical generalizations about partnership in Taipei's urban regeneration (Yin, 2003; Maginn, 2004). Four regeneration projects in Taipei were studied, each representing a different type. They will be described in more detail later.

## **2. Method of data collection**

There are many different data collection methods in qualitative research, such as direct or participant observation, analysing texts and documentation, recording and transcribing and interviews (Yin, 1994; Silverman, 2001). In this research, the chosen methods are documents analysis, interview and observation.

### **Document analysis**

The aim of document analysis is to understand the story of the case studies and it can be used on activities like telling stories, assembling files...etc. However, the reliability of the analysis may need to be considered (Silverman, 2001). For example, the decision-making process might be reconstructed in a report by a planner or the government officer for some reason (Connelly, 2002) and it might not be accurately the same as the original story. In addition, most of the project reports were written by professionals and did not reveal the perspective of other groups such as local people. However, this research used this method to build up a brief idea of the policies and the story of the case studies. The interviews and observation carried out later helped

to confirm the reliability of the information. Document analysis was utilized at two points in the research.

First, it was used to collect the required information for the evolution of policies. The main documents used included government reports, theses, policy documents, regulations and relevant published books. Second, this method was used to understand the history, background and development process of the case studies. The documents included project application proposals and reports, government meeting records, internet information, local newspapers, and the existing thesis. However, some case study projects had little accompanying documentation.

### **Interview**

Interview is one of the basic data collection methods in qualitative research and it is the most usually used. In a good interview, researchers can reveal the perceptions of interviewees: their views, understanding, experiences and habits (Mason, 2002). Thus, it is the principal method employed in this research in order to understand attitudes to urban regeneration policies, the details of the regeneration process, and the perceptions of the groups involved. Interviews had several main purposes in this research. The first set of interviews (I) were conducted to identify “the purpose behind the policies”: the aim of the policies and the attitude of the government. The second set of interviews (II) was conducted to find out about “the story and the effect of the regeneration projects”: the effects of the case studies and the opinions of the key actors.

The interviewees were sought from the five main groups defined in Chapter 2: 1.the public sector: the officers from central and the Taipei City Government (TCG) with responsibility for the urban regeneration agenda; 2.Local politicians: the Taipei city councillor responsible for the area and the Head of Li; 3.the private companies: private developers or companies who participated in the projects and engaged in making private profit; 4.residents: the owners or tenants who lived in the regeneration area; 5.others: the experts, consultants and voluntary groups such as the Community planners. 38 interviews were conducted in 2004 with 41 interviewees in total. Potential interviewees from the public sector, the politicians, and the private companies were easy to find. Residents and other groups were identified through a

snowballing process, relying initially on the primary contact in each case study and supplemented by contacts suggested by interviewees (Connelly, 2002). In practice, the interviews were influenced by the time available and the willingness of the potential interviewees. The interviews followed a semi-structured format and the questions for each interview were prepared in advance. However, the discussion order of the questions was not the same in each interview because the interviewees might anticipate a later question in earlier answers.

**Part (I) interviews** were focused on the relevant policies and regulations, with more general questions. These interviews took place after document analysis of the evolution of policy had been completed. Nelson (2001) noted that interviews can fill gaps in the story and achieve a fuller understanding of the interrelationships of those involved. Thus, the purpose of these in-depth interviews was to complement the insufficiencies of insufficient parts of the document analysis. The interviewees included two central government officers, five officers of the TCG, two politicians and one ex-government officer. As the general public might not have much idea about the relevant regulations, the main purpose of these interviews was to clarify the attitude of the government. Some interviewees here who had involvement in any case study were also to answer the questions of the Part (II) interviews. Table 4.2 gives details of Interview (I). Four main questions were asked in the interview. For more details about sub-questions please refer to Appendix A.

- (1) How has the urban regeneration evolved and why has it changed?
- (2) What kind of partnerships does the government look for in each policy?
- (3) Who was involved in projects and what was their role?
- (4) What was the effect of the government's policies?

Table 4.1 Part (I) Interviews

Interviewees		Number of interviews	Method
Central government	Taiwan Central Government (officials)	2 (O1, O 8)	D *
Local authorities	Taipei government officials WanHua workshop (under the TCG)	5 (O2, O3, O4, O6, O7)	D
Politicians	Politicians involved in making regulations	2 (G1, G 2)	D
others	Interviewee joined the process of making regulations before but he is non-official now	1 (P5)	D

(For details of interviewees can refer to Appendix B)

\* Method of interview: In-depth interviews (D)

**Part (II) interviews**, aimed to understand the effect of the government's policies and were only focused on the case studies chosen in this research. The first purpose of these interviews was to discover the true story of the regeneration process in each case study. Some cases did not have many documents which could be reviewed, and elsewhere the decision making process might have been inaccurately reconstructed in the report by the main developers (Connelly, 2002). Moreover, most of the project reports were written by the professionals and did not reveal the perspective of other groups such as the local people. Here, the interviewees included central government officers, TCG governmental officers, politicians, the Head of Li, the employees of the private companies, the residents, and the community planners. 27 interviews were held in 2004 and 41 interviewees were involved (refer to appendix B). Interviewee P4 and P5 represented both the private companies and the voluntary groups. Three main questions were asked in this phase. For more details about sub-questions, please refer to Appendix A.

- (1) How was the case study project developed?
- (2) Who was involved? And how was the relationship between groups?
- (3) What was the effect of the case study project?

Table 4.2 Part (II) Interviews

	Who	Identify "who" in this research	Number of interviews	Method
The Public sector	Central government	Taiwan Central Government officials attached to the case study projects	2 (O1, O8)	D*
	Local authorities	- TCG officials attached to the case study projects - WanHua workshop	5 (O2, O3, O4, O6, O7)	D
1 (O5 and O5-1)			G**	
Politicians	Local councillors	Taipei city councillor	2 (G1, G2)	D
	Head of Li	In case study areas	3 (G3, G4, G5)	D
Private companies	Development company	participated in the case study projects	5 (P1, P3, P4, P5, P6)	D
			1 (P2 and P2-1)	G
Residents	Owners	Owners of the land or buildings	4 (R4, R5, R7, R8)	D
			3 (R1-5people(P), R2-2P, R3-5P, R6-4P)	G
Others	Voluntary groups	Community planners	2 (P4, P5)	D

\* Method of interview: In-depth interviews (D)

\*\* Method of interview: Group interviews (G)



### **Observation**

The observational method has often been the method chosen to study another culture (Silverman, 2001). It was used here to observe the public meetings in order to detect the reactions and attitudes of the participants. However, some of the case studies chosen for this research were finished or obstructed at an early stage, and no public meetings were held during the field work period. Finally, interviewee P2 suggested that I participate in a public meeting held by his company for another similar project. He believed that the content and the atmosphere were very similar in his experience. Thus, I attended the meeting on 17<sup>th</sup> July, 2004. Apart from Interviewee P2, I was unknown to anyone else because there were four different kinds of group represented in the meeting. More details about this public meeting will be discussed in the case study chapters.

#### **4.2.2. Research area and case selection**

Taipei was chosen as the research area for three reasons. First, Taipei was the first city in Taiwan to make its own regulation for urban regeneration after the idea of urban regeneration was addressed in the *Urban Planning Act* by the central government. Second, the most important regulation published by central government, the *Urban Renewal Act*, was reformed from the *Regulations of Taipei Urban Renewal*. Third, Taipei is host to the highest number of urban regeneration projects. This is not only because it started developing earlier, but also because of the high market value of its land, which acts as an incentive to private companies to participate in the regeneration projects.

The economic, social and physical environments differ between the western and eastern parts of Taipei, and most urban regeneration projects so far have been implemented in the western part. Thus, this research narrowed down the research area from a city to a district. WanHua district was chosen to be the main research area for the following two reasons. The western part, which was developed earlier, is now older and poorer; market values are lower than in eastern parts. Thus, it is very difficult to attract the private sector to redevelop the western part by the usual developing process. This is why the TCG has paid more attention to this area, locating most of its regeneration projects in the western area including WanHua,

DaTong, and ZhongZheng districts. This was the first reason why WanHua district - which was the first district to be developed in Taipei - was chosen. Potentially, it could provide a range of completed cases for study. The second reason was that WanHua was one of two districts in which local workshops were setup in 2000 to deal with regeneration issues. This workshop was set up by the TCG and is staffed by government officers. The workshop was located in the WanHua district but not in the TCG building, in order to build better relationships with the local people. For these two reasons, the case studies were chosen from this district. More of Taipei City's history will be described at the end of the chapter.

### **1. Selection of cases**

When the research area had been narrowed down to WanHua district, details of all the relevant projects in the district were collected and they were separated into the four types defined in Chapter Three. The case studies were chosen according to the completeness and general applicability of the project, and the feasibility of data collection. Unfinished and special projects were not considered initially. Following is a brief introduction of the cases chosen for this research. More details are given in Chapters 5 to 8.

#### **Public sector project - HsiMen Market Renewal and Reuse Project**

There were three public sector projects in WanHua district but two of them were still in the early stage. The HsiMen Market Renewal and Reuse Project was the only one which had almost finished at the time of the field work. This project had been discussed for about 50 years by the TCG but always faltered due to problems about the complicated ownership of the site. Both the TCG and the tenants thought they were the owners of the area. Another conflict arose from the question of whether to conserve the site's historic buildings – the Red Theatre and the cruciform building. The TCG wanted to keep at least the fabric of both buildings but the tenants wanted to destroy them. Eventually the area changed, especially after the Red Theatre was designated a historic building, the HsiMen Market Renewal and Reuse project was finally implemented. More details about this case study will be described in Chapter 5.

*Neighbourhood improvement project*

According to government records, seven Neighbourhood Improvement Projects (NIP) have been finished. Any of these projects had the potential to be a case study in this research, but the DaLi Street project was chosen in the end for two reasons. First, the community planner of DaLi Street was one of the architects who had also participated in two projects in the WanHua district. Second, one of his projects was in the NanJiChang neighbourhood - the only resettled tenement community project to be implemented in WanHua District. The DaLi Street project was implemented from 2000 to 2002. From the 1960's to the 1990's the garment industry prospered in DaLi Street, with goods even being exported abroad. However, the business declined after 1990 as the changing public transportation system made DaLi street less convenient to access. In 1999, the TCG tried to regenerate this area and the ManKah Business Improving Society (MBIS) was founded. The proposal for the DaLi Street Improvement Project made by the community planner and the MBIS was chosen as a Neighbourhood Improvement Project in 1999. (D. J., Lu, 2001; D. J., Lu, 2002; Graduate Institute of Building and Planning (GIBP) and JuDe community, 1999).

*Private sector project*

Up until the time of the field work, all private sector projects had been developed by private companies, with only a few special cases originating with local residents after the 921 earthquake. Thus, it was decided to focus on projects applied for by private companies. At the time, no project implemented under the *Urban Renewal Act* had been finished. It was therefore decided to consider private sector projects implemented under the *Regulations of Taipei Urban Renewal*, as these two regulations are similar in many respects. In order to provide a more complete understanding of the selected private sector project, the research collected information both about the case studies and relating generally to projects of this type.

Three private sector projects had submitted their application to the TCG in WanHua district at the time of the research. Two were being implemented under the *Regulations for Taipei Urban Renewal* and the ZhiXingDuan project had finished. Another project, the HuaZhongDuan project, was implemented under the *Urban Renewal Act* but this failed in the early development stage. Finally, both the

ZhiXingDuan and HuaZhongDuan projects were chosen to be the case studies in this research.

### Resettled tenement community project

As mentioned before, NanJiChang Neighbourhood is the only implemented resettled tenement community project in WanHua. Thus, it became one of the case studies. For more than ten years the TCG and private companies tried to regenerate this place. However, most of the developers gave up in the early discussion stage. The latest attempt was the NanJiChang Neighbourhood Environment Improvement Project (NNEIP), which was one of the NIP projects for 2000. It was executed by Architect Lu, the community planner of WanHua district, who wanted to implement the project under the *Urban Renewal Act*. However, it remains blocked at the stage of organizing the urban renewal committee.

### 4.2.3. Research programme

Figure 4-1 presents in brief the programme of this research.

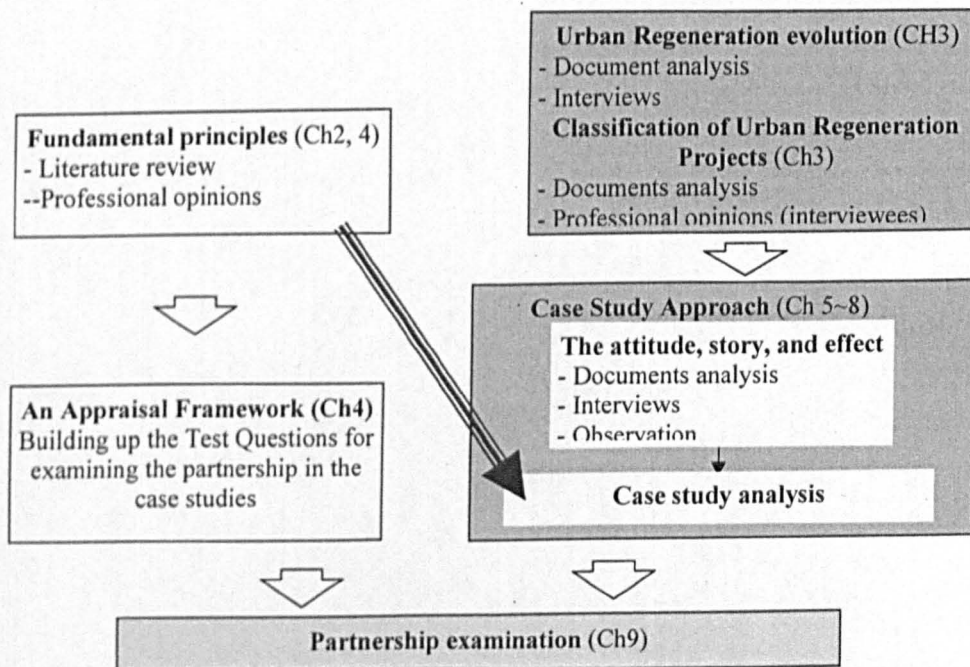


Figure 4.1 Research programme

### **1. Fundamental principles for examining the partnerships**

In the literature review, it was revealed that the best way to review the projects was according to a set of fundamental principles, and three principles were defined. However, these principles are too brief and inadequate for appraising the case study partnerships. Thus, the first job of this research is to identify the most important issues and it can help researchers to unpack the case studies in order to understand the partnerships at work. For example, reviewing the details of the decision-making process can help researchers to understand the power relationship within the process. Further, some test questions drawn from the keynotes of the principles need to be set up in order to examine the case studies. The literature review is the main method used to build up the fundamental principles, review the important issues and draw out the keynotes of partnership. However, discussions with professionals such as academics and other researchers are also important in order to confirm the logic of the inferences.

### **2. Evolution of urban regeneration and classification of the case studies**

By reviewing the evolution of urban regeneration in Chapter 3, it is evident that the idea of partnership has become increasingly important in the later phases, especially phases three and four. Reviewing the evolution can help this research to have further understanding of the intention of each policy and the attitude of the government. Moreover, 4 different types of urban regeneration projects were also revealed through the analysis process. Figure 3.11 shows that four types are classified by different main investors and main developers. These four types can almost cover all urban regeneration projects in Taipei, no matter the projects are named DuShiGengXin projects or only have the similar activities of urban regeneration.

After the fieldwork, the idea of classifying case studies by phase or policy was abandoned in favour of classification by type. This kind of classification can show the different processes and the effects with different main investors or developers. Also, it can provide this research a chance to review a completed regeneration process of a project, because many project are implemented over more than one phase such as the HsiMen Market project or applied more than one policy, such as the NanJiChang Neighbourhood.

Document analysis was the main data collection method employed in this stage, along with consideration of the professionals' opinions.

### **3. Using the case study approach to reveal the partnerships in each project**

#### **- Policy aims**

In Chapter 3, the discussion of the evolution of urban regeneration shows how the government's attitude to urban regeneration projects changed. The idea of partnership became increasingly important in urban regeneration projects and more and more groups got involved. However, the government's attitude and the groups they want to involve may be different depending on the policy in question. Thus, it is very important to reveal the government's aims in each case study before reviewing how the project was implemented. The methods used in this stage were document analysis and interview.

#### **- The story and the effect of the projects**

After establishing the attitude of the government as evidenced in the policies, it is necessary to review how these policies were implemented. A brief history and details of the regenerating process in each case study will be described at this stage. Analysis of documents such as government reports and relevant studies was one of the main data collection methods employed in this stage. Interviews were also concluded to hear the opinions of non-professionals who are not normally involved in report-making.

#### **- Case study analysis**

The problems of partnerships can be revealed by comparing the outcomes in the case studies with the initial policy aims. The important issues identified at the first stage are also referenced in the analysis of the case studies, as this may help researchers to unpack the case studies and prepare for the next stage.

### **4. Partnership appraisal**

The last stage in the research is to examine the partnership in each case study in order to answer the question: "was the partnership evident in Taipei's urban regeneration projects and how was it?" The test questions set up at the beginning of the research programme were used to appraise the effect of the case studies. Then,

the evidence of whether the partnership is practised can be found according to the results of the test questions. The analysis should also reveal what principles were omitted in the case studies.

### **4.3. Analysis of the case studies**

An initial outline of the analytical framework follows, with more details of the analysis process described later in this chapter.

#### **4.3.1. Analytical process**

In order to have a deeper and more comprehensive understanding of how the case study projects developed, the story of the events that took place in each case is recounted. These events are separated into three stages: pre-development, development and post development. Subsequently, the analyses of the case studies are focused on three main topics according to the key issues of the fundamental principles of the partnership. These analyses can help researchers to reveal the partnership in each case study. First, the groups involved in each stage and their role are discussed. Second, the decision-making process at each stage and the relationship between the groups involved is analysed. Finally, the discussion focuses on the contribution of each group and the sharing of the risk and profit. The analysis above is applied in each case study from Chapters 5 to 8, in preparation for the examination of the partnership of each case in Chapter 9. There follow further details of the analysis of each process and the outline of process can be seen in Figure 4.2.

#### **1. Story of the case studies**

An approximate idea of the development process can be derived from the secondary documents. The transcriptions from the interviews and the observations not only help to complete the story but also to validate the inferences. The arguments, conflicts and discussions which may not be reflected in the project report were included in the story because of what they may contribute to the understanding of the partnerships in practise in the case studies. The introduction to each case study includes a brief outline of the project, relevant regulations and policies, the attitude of the government in the case and detail about the interviewees. The details of the background of the case are then presented, such as the location, brief history, local

culture and community involved. Finally, the story of the regenerative process is separated into three stages: 1.the pre-development stage which includes any other previous ideas, projects or plans; 2. the development stage which is the implementation of the project itself from concept to construction; 3.the post-development stage which concerns post-completion issues such as maintenance and management.

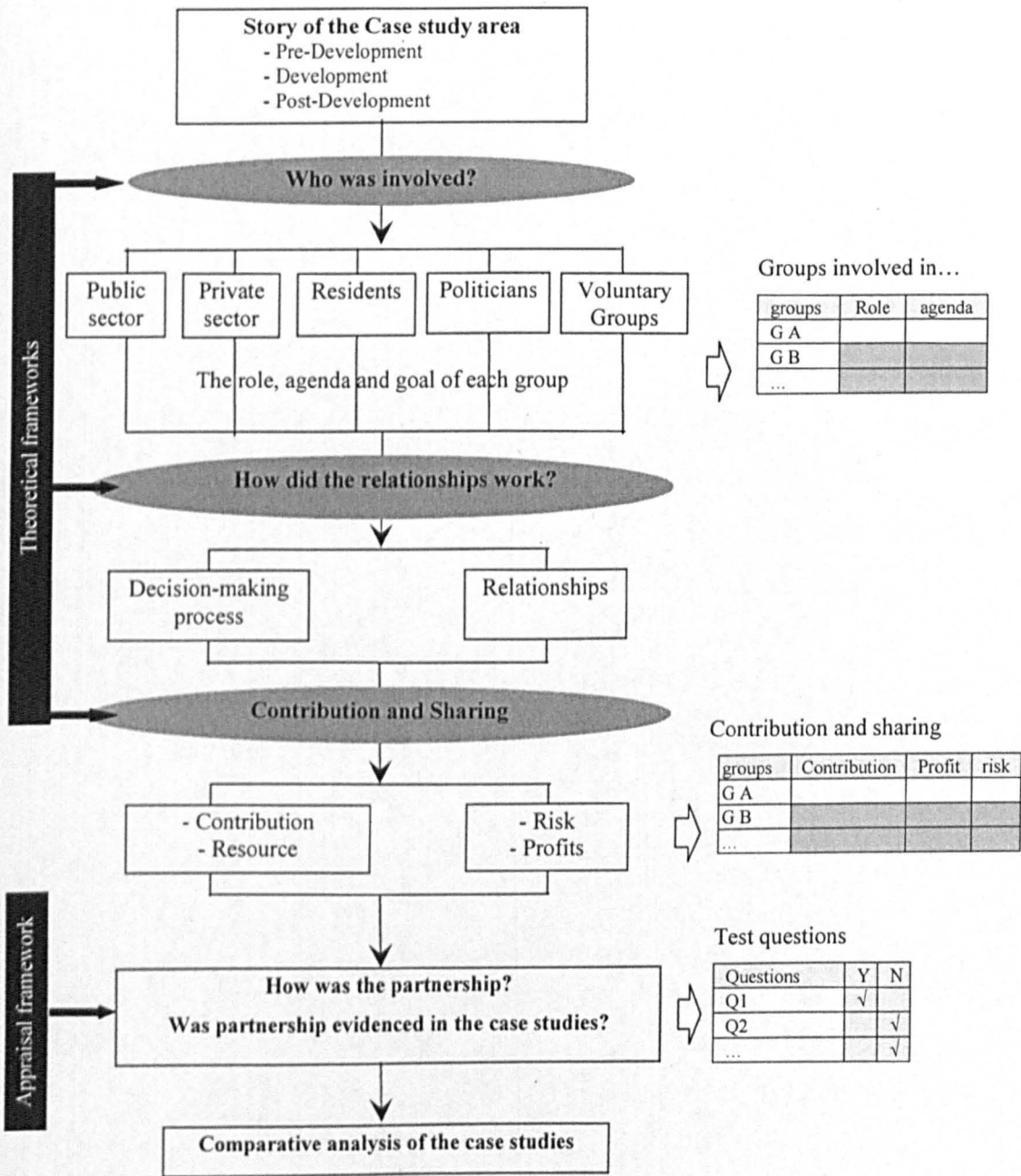


Figure 4.2 Analytical process



**2. Who was involved**

After the whole story is given, this section tries to identify who was involved at each stage. The analysis in this section is based on the fundamental principle that the partnership involves more than one group working together towards a shared strategy in a particular area or topic. The five main groups - the public sector, the private sector, residents, politicians and voluntary groups have to be reviewed. Then, their respective roles, agendas and goals will be revealed according to the story and the interview transcripts. Finally, a table like Table 4.3 is drawn up to present the findings. Only seven different kinds of role are classified to make the reading and later analysis easier. These are reactive, active, investing, coordinating, consultative, supervising and using. "Reactive" means the groups who do not enthusiastically involve in the project. They may not really care about whether the project can be successful and only participated when the activity is of their interest. "Active" implies the groups who try to implement the project. Normally, they are the main developer or investor in the project. "Investing" normally means the groups who invest money or properties in the project. "Coordinating" points out the group who provide human resource to coordinate the groups involved. "Consultative" implies the groups who have professional knowledge such as historic experts or community planners. They may not involve a lot but provide their knowledge when people need. "Supervising" implies the groups who do not actually involve in the project, but their job is to make sure that the development procedure is conformed to the regulation. Normally, they are from the public sector. "Using" normally means current residents or people who are going to stay in the area in the future. Of course, one group may have more than one role in a project.

**Table 4.3** Example table showing the role and agenda of the groups involved

	Groups involved	Role			Main agenda
		Pre-	Development	Post-	
Public sector	A	Active/ coordinating	Active/ coordinating/ Investing	Reactive	- developing and controlling this project - costs - coordination the conflict

The goal or aim of each group then forms the focus of the analysis. As mentioned in the literature review, while it is not necessary for partners to have the same goal, they must strike a balance between their respective goals. They must then agree a strategy

for the achievement of these goals. The goals of the various groups are presented in a table like Table 4.4, where they are separated into four types: 1. physical environment means the goals oriented towards improving the physical environment quality, improving the landscape, reducing pollution...etc.; 2. social problems covers goals are oriented towards reducing social stress, helping the community or minority groups...etc.; 3. economic means the goal is to improve local business, reduce unemployment, make economic linkages...etc.; 4. Others are goals which are not included in the previous three goals, such as person profit or political need. Of course, a group may have many different goals, but this research will only list the most important or very obvious goals of the groups in the table.

Table 4.4 Example table showing the goal of the groups involved

	Groups involved	Goal
Public sector	A	-Improving environment -solve social problems
	B	-solve social problems

### 3. How did the relationship work?

The analysis in this section concerns the principles of power and management. Here, the case studies will not judge according to the principles of power and management which a partnership should achieve, but only draw out the decision-making process in each stage and the relationship between the groups involved. This will not only provide a clearer idea of how the projects in the case studies were implemented, but may also make later examination easier. The questions “How did the decision-making process work?”, “Who was involved?”, and “Who could make decisions?” will be asked. At this stage the analysis considers only the groups who were directly involved and obviously able to influence decisions. “Under the table” power and latent conflicts will not be considered in this section. Figure 4.3 shows the decision-making process, separating it into concept-building, content-discussing and decision-making stages. A, B, and C represent different groups, with the arrow indicating that the group was involved in the procedure and could influence concepts, content, or decisions in that procedure.

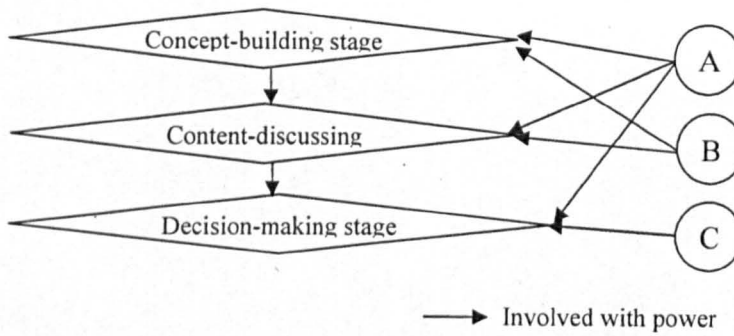


Figure 4.3 Paradigm of the decision-making process

The discussion of the relationships between the groups will also focus on the relationships outside the decision-making process. It will focus especially on the relationship between the main developer and other groups, asking: “Were any groups controlled by other groups?” and “Were there any hidden issues or latent conflicts?” However, these questions cannot be easily answered from documents or even an interview. Thus, this research will not only try to reveal the hidden issues or latent conflicts from the records, but also try to interview the different groups in a project. Moreover, a random interview may be taken to get the different point of view from the disadvantaged minority or the opposite group. It is because the key person or main developer may not want to introduce the opposite interviewees. By the process of triangulation of the funding from above methods, can help this research to disclose the truth. The relationships between the groups will be outlined as in Figure 4.4. In the figure, the main developers and the key players will be pointed out with the arrows indicating which groups interact. It is unlikely the full picture can be expressed in such a simple figure, so deeper discussions will also be attached in this section.

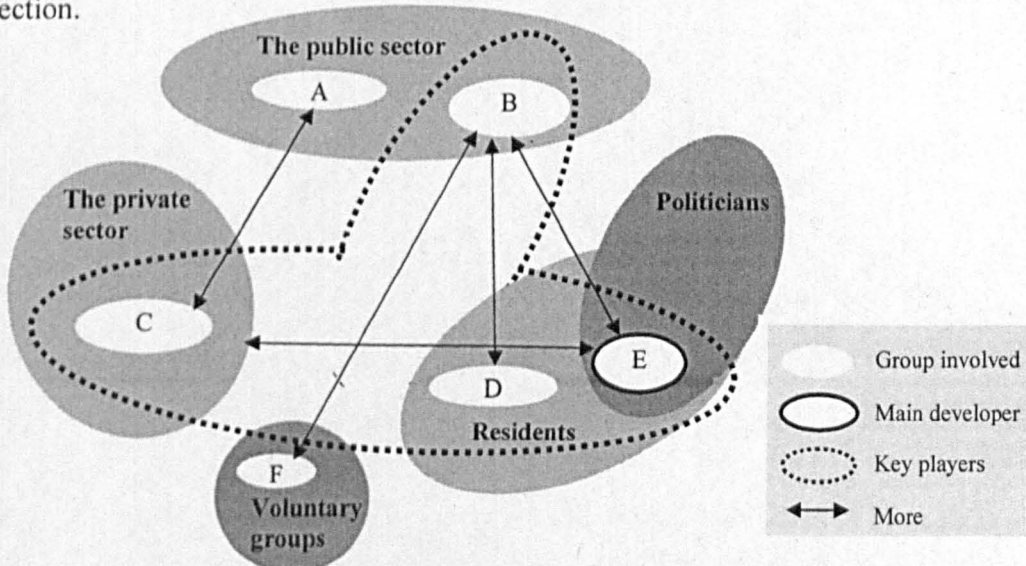


Figure 4.4 Paradigm of the relationships between the groups

#### **4. Contribution and sharing**

According to the last fundamental principle of partnership defined earlier, the groups involved should contribute to the project according to their skill and resources, and share the profit and risk. Thus, these are the main issues discussed in this section. First, the question “What does each partner contribute to the project?” will be asked. Contributions can be defined in four ways: 1. professional comments refer to those groups who act as consultants in the process. They are not deeply involved in the project, only providing their professional knowledge in certain meetings. Thus, they can not be counted as contributing human resources; 2. Human resources refers to those groups who contribute by coordinating groups, implementing the project or doing the construction work; 3. Finance indicates those groups who take responsibility for the finance such as the main investor; 4. Properties indicate the groups who contribute their property such as the owners.

In this discussion, the issue of individual risk and profit has to be addressed first. Four different kinds of risk are defined in this research: 1. depraved environment means the risk of getting a worse physical environment or business, for example if the property is destroyed in the process but the project is not finished; 2. lost money is the risk run by the main investor if the project fails; 3. lost property is the risk faced by owners and squatters, especially those squatters who may be expelled from their squatter buildings during the regeneration; 4. the waste of human resources is the risk faced by groups who may spend a lot of time negotiating with other groups or making plans only for the project not to be implemented in the end. This is a risk especially faced by private companies who may expend significant human resources to put together a proposal and secure agreement papers at the beginning of the application, only for the project to be given up later. The discussion of individual profit is also separated into four kinds of profit: 1. Improved physical environment means the groups get an improved park, street facilities or properties after the regeneration project is completed; 2. Solved social problems means problems such as unemployment or declining business are reversed; 3. Income or return indicates those groups who can benefit financially through regeneration, for example through planning fees, new accommodation or compensation; 4. Political support is relevant to the politicians and the TCG who may receive greater support and trust from local

residents if the project is successful or if they feel the politician has been helpful during the process, resulting in more votes at the next election. The question of whether groups have shared the risk or profit equitably in the project will be discussed in the end. Basically, any group whose profit or risk is unaffected by the success or failure of the project will not be seen as sharing.

Table 4.5 Example table showing the contribution, risk and profit of groups

Groups involved	Contribution	Risk	Profit
A	- finance	- lost money	- improved environment
B	- human recourse - finance	-	- income
...	...	...	...

Individual contribution, risk and profit will be listed together as in Table 4.5. This may reveal whether the contribution, risk and profits of the various groups are balanced. For example, it is easier to spot those groups who make no contribution but earn a lot of profit from a project. When these three important topics arising from the key issues of fundamental principles have been analysed, the research can examine more closely the partnership operating in each case study.

### 4.3.2. Appraisal Framework of partnerships

In the literature review, three fundamental principles of partnership were defined, with the important questions and issues being listed in Table 2.5. However, it is difficult to appraise the concept of partnership using only these three fundamental principles. Thus, this research further draws out the test questions from the fundamental principles and applies them to examine the case studies. Finally, an Appraisal Framework with 17 test questions as listed. These questions were limited to yes-no answers in order to give the researcher a general impression of the success of the partnership first. Generally, more “yes” answers shows that the project achieves more fundamental principles of partnership. However, it does not necessarily indicate that the project achieves partnership more successfully, because it is not easy to judge the difficulty and importance of each test question. Some criteria may be easier to achieve than others. Some may only indicate a shallow partnership, and some may go deeper. The most important function of the test questions is to provide a framework to review the projects, not to show the strength

of the partnership. Therefore, further discussion of the test questions is attached in order to make the appraisal more accurate. Table 4.6 is the Appraisal Framework of partnership developed in this research and the 17 test questions are list.

Table 4.6 The Appraisal Framework of Partnership

Main ideas	Important issues	Test questions		Y	N
More than one group working together toward a shared strategy in a particular area or topic	Who was involved?	Q1-1	- was more than one group involved in each stage?		
		Q1-2	Were all the important groups defined as potential partners?		
		Q1-3	- Could clear leadership be seen in the process?		
	Was there a shared goal?	Q1-4	- Did the main developer provide a visible and clear picture?		
		Q1-5	- Did the potential partners have a shared goal or an agreed strategy which could balance their goals?		
		Q1-6	- Did the public sector work for the public interest rather than purely commercial goals? (from TCG)		
	Did it have a particular area or topic?	Q1-7	- Did the project have a particular area or topic in mind?		
Sharing Power and a new form of management	How were the decisions made?	Q2-1	- Did all the potential partners have real power to influence the final decision?		
		Q2-2	- Could all the potential partners involved in the decision-making stage sit at the decision-making table and make decisions together?		
		Q2-3	- Could the potential partners make decisions without being controlled by other groups?		
	How is the relationship between the potential partners?	Q2-4	- Had all the issues or conflicts been presented or discussed?		
		Q2-5	Were trust and mutual understanding built?		
	Was a new form of management built?	Q2-6	- Could a form of management or organization be seen in the project?		
Contribution, sharing profits and risks	How did partners contribute in the project?	Q3-1	Was there a clear allocation of responsibility among the potential partners? (Human resources, finance, and property)		
		Q3-2	- Did potential partners share the risks?		
		Q3-3	- Did potential partners share the profits?		
		Q3-4	- Did the profit of each potential partner balance their resource contribution and risk sharing?		

Before using the test questions to examine the case studies, it is very important to define who the potential partners are. The examination focuses on partnership, so it is more important to examine the relationships between the “partners” but not all groups involved. In this research, all the potential partners discovered in the case studies will be counted, as there is no clear definition of what constitutes a partner in the regulation or existing policies.

**1. More than one group working together towards a shared strategy in a particular area or topic**

Seven test questions were drawn out from this principle in order to reveal how this principle was implemented in projects. The discussion here was intended to review all the decision-making process from concept-building and content-discussing to decision-making. In order to answer the question “who was involved?” three test questions were asked

(Q1-1) Was more than one group involved in each stage?

All the groups involved were counted no matter how deep their involvement. The project had only one group involved the answer was “NO”; otherwise, the answer was “Yes”;

(Q1-2) Were all the important groups defined as potential partners?

The answer to this question was gleaned from the transcriptions of the interviews and the analysis of the case studies. As with Q1-1 the degree of involvement of the important groups was not considered;

(Q1-3) Could clear leadership be seen in the partnership?

If a leadership could be reveal in a project, the answer was “YES”. Normally, the leader was also the main developer in the project. However, the quality of the leadership, and the relationship between the leader and other groups were not considered here.

Three further test questions addressed the issue of goals:

(Q1-4) Did the main developer provide a visible and clear picture?

Here was only considering whether a clear picture of the future, of expected outcomes or possible returns was provided at very beginning, but not considered whether it could convince the group involved. For example, some developers might provide an unclear or unstable future to avoid original residents staying and

becoming the partners in the project. They might try to purchase their properties at very beginning;

(Q1-5) Did the potential partners have a shared goal or agreed strategy which would balance their goals?

In the literature review, it emerged that partners do not need to have exactly the same goals, but they should have a shared strategy which balances their individual goals. If the key players did not have a shared strategy, the answer was “NO”;

(Q1-6) Did the public sector look for the public interest rather than purely commercial goals?

With government regulations and policies, the public interest is presumably an important consideration. Here only considered if the public sector took care of the public interest more, but did not judge whether government’s attitude became a block for the urban regeneration project;

(Q1-7) Did the project have a particular area or topic in mind?

If a clear boundary of an area could be defined or an obvious activity could be reveal through the case study, the answer was “YES”.

## **2. Sharing power and form of management**

This section further appraised the power relationship and the degree of involvement of the potential partners. The most important issues in power and management are how decisions are made, and the relationship between groups. Three test questions were asked to understand how decisions were made. These questions applied only to the decision-making stage, which is the grey rhombus in figure 4.5:

(Q2-1) Did all the potential partners have real power to influence the final decision?

Only potential partners who had direct and obvious power were counted here, i.e. those partners whose “yes” or “no” could directly influence the final decision. This power often came from the regulation or their role as finance provides. Here the partner who did not have direct power but could influence the final decision by controlling other groups was not being counted;

(Q2-2) Could all the potential partners involved in the decision-making stage sit at the decision-making table and make decisions together?

This question was designed to follow as from Q2-1. The main purpose was to examine whether the decisions were made together through a reciprocal discussion process. The answer was “NO” if the main developer tried to manipulate other



potential partners to achieve the outcomes they wanted. For example, where private companies tried to purchase most of the properties first in order to disempower the original owners or where private companies tried to win over owners individually with promises of personal profit, without discussing their future interests together. In these circumstances, private companies and owners could not be said to have made decisions together;

(Q2-3) Could the potential partners make decisions without being controlled by other groups?

This final question attempted to further examine the inside of the decision-making process because even the obviously powerful groups might be influenced by other groups such as political pressure;

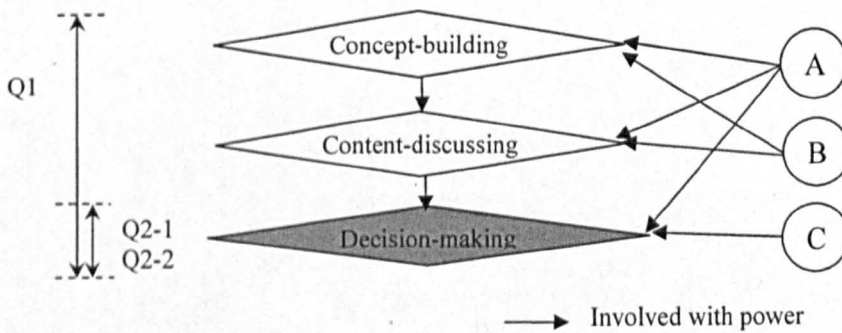


Figure 4.5 Paradigm of the decision-making process

In terms of the relationship between the potential partners, three questions were set up to examine the case studies:

(Q2-4) Had all the issues or conflicts been presented or discussed?

This question attempted to examine if any latent conflict was hidden by the main developer;

(Q2-5) Were trust and mutual understanding built?

According to the interview and case studies, trust is a very important factor in a partnership and it has a strong influence on the success of the project. It was therefore felt necessary to list it in the test questions;

(Q2-6) Could a form of management or organization be seen in the project?

For example, if a form of the core partners or an operation board was built, the answer was "YES".

### **3. Contribution, profits and risks**

The individual contributions, risks and profits of those involved in the case studies have already been analysed. Thus, the examination here focuses on reviewing the relationship between these three issues for the potential partners. First, three simple questions were asked:

(Q3-1) Was there a clear allocation of responsibility among the potential partners?

The main purpose was to examine whether responsibility for human resources, finance, and property were clearly allocated. However, here did not consider if the responsible group played their role well;

(Q3-2) Did potential partners share the risks?

This answer should point out those potential partners who should have shared the risk but did not in the case studies. If any partner was pointed, the answer was “No”;

(Q3-3) Did potential partners share the profits?

The answer should not only point out the groups who should have shared the profit but did not. It should also reveal whether the profit was influenced by the success of the project;

(Q3-4) Did the profit of each partner balance their resource contribution and risk sharing?

This final test question aimed to appraise whether the contributions, profits and risks were balanced.

## 5. Public sector project – the HsiMen Market

### 5.1. Introduction

This public sector project was carried out in accordance with the regeneration policy for older and poorer areas in Taipei. Normally, the government officers choose poorer areas as urban regeneration areas, and most are public owned. Generally, the Taipei City Government (TCG) is the main developer and investor in the projects. The HsiMen Market Project is one such public sector project in Taipei. The project had been discussed for about 50 years by the government, but it could not be implemented for a long time because of ownership problems. However, the area has changed significantly in recent years, especially since the Red Theatre was designated as a historic building. The tenants thought it was a partnership between them and the TCG, but the government officers seemed not to see them as partners. The real situation will be revealed in the end of this research. There were seven main interviewees in this case study: these were government officers, a local councillor, the head of Li, a private manager, a leader of the local community and a tenant. More details can be seen in Table 5.1.

Table 5.1 Breakdown of interviewees

Interviewee	No.	Position	note
Government officers	O2	TCUR officer	
	O4	TCUR officer	
Private Manager	P3	Manager of Cosmos. Inc.	
Politicians	G1	Taipei city councillor	Involved in for 5 years
	G4	Head of Li <sup>1</sup> (HsiMen Li)	head of Li for 40 years
Residents	R4	the HsiMen Market Community leader	leader for 23 years lifetime local resident
	R3	5 tenants in the HsiMen Market	

(Interview in 2004)

<sup>1</sup> A Li is an administrative division in Taiwan, smaller than a district. There are 36 Li(s) in WanHua district.

## 5.2. The story of the HsiMen Market

The HsiMen Market was first built in 1896 by the Japanese government. It was the first public market during the time of the Japanese colony. The original main fabric included the octagonal building; the cruciform building and the shops around (refer to Figure 5.1). This place used to be a very prosperous place in Taipei but business decreased after 1980. By the time the government initiated the urban regeneration scheme most of the shops there had closed and the environment was in a poor state. The environment of the HsiMen Market was totally changed after the regeneration project, although business has not yet come back.

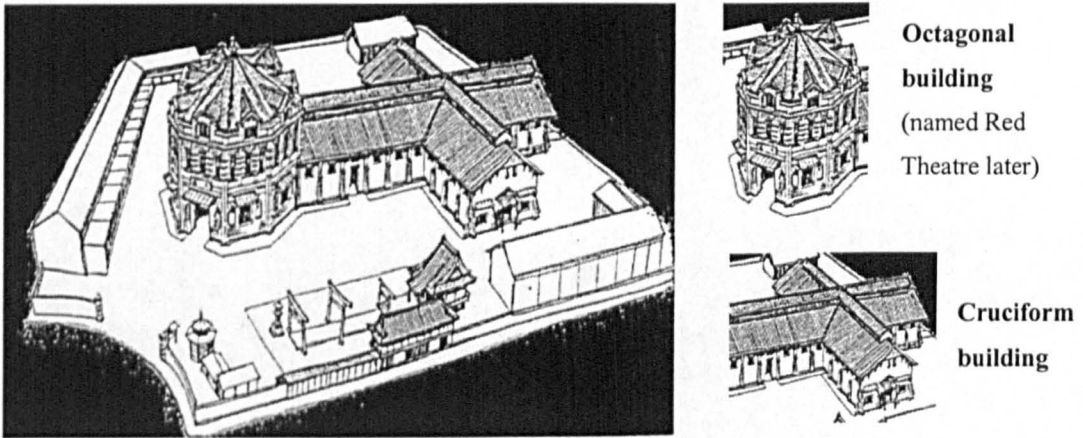


Figure 5.1 The HsiMen Market during the Japanese colony (Li, 1997)

A brief history of the site is given below.

**1896** The first public market was built by the government during the time of the Japanese colony. It was originally a wooden structure.

**1908** the HsiMen Market was rebuilt in brick by the Japanese government including the octagonal building and the cruciform building. It was named XinQiJie Market

**1928** More shops were built around the two buildings and the name was changed to HsiMen Market

**1935** May, the HsiMen Market was one of the sites of the Taiwan Exhibition.

**1945** H. M Chen became the manager of the octagonal building, naming it the Red Theatre (the ground floor still housed the market but the first floor became a theatre)

- 1949 A lot of squatter buildings were constructed in the North and South squares to house people withdrawing with the KMT government from China to Taiwan
- 1980 Business at both the HsiMen Market and the Red Theatre declined
- 1995 The TCG decided to regenerate the Red Theatre
- 1997 The Red Theatre was identified as a Grade 3 historic building by the TCG
- 2000 A fire burnt the cruciform building and some parts were destroyed
- 2001 The cruciform building was partly rebuilt
- 2002 The Red Theatre was repaired and entrusted to the ZhiFengJu Foundation for 5 years
- 2003 The construction of the cruciform building was finished and it was rented by the New HsiMen Market Company

### 5.2.1. The location and the ownership of the site

#### 1. Location

The HsiMen Market is in the HsiMenTing area which is located in the north of WanHua district. Around 30 years ago, the HsiMenTing area was the busiest area of Taipei. However, the commercial centre of Taipei moved from here to the east of Taipei after 1980. Now, the HsiMenTing area is the second biggest commercial area

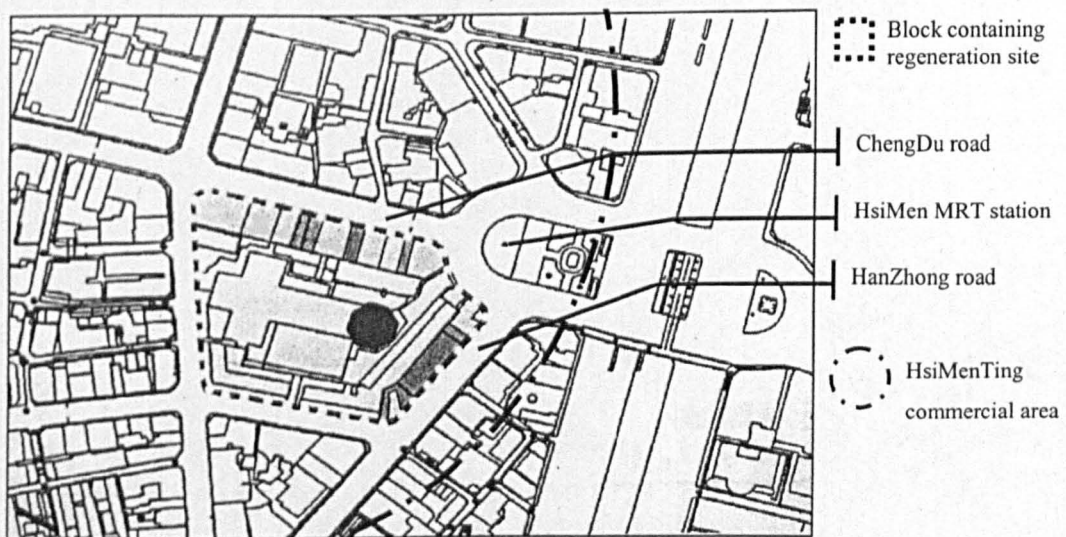


Figure 5.2 Location of HsiMen Market (Cosmos Inc., etc., 2002)



in Taipei and its main customers are teenagers. The HsiMen Market is located in the east of the HsiMenTing area, close to the HsiMen Metro Rapid Transportation (MRT) station. The total area of the HsiMen Market is 12,093 square metres.

## 2. Ownership

There are 42 properties in this block with 22 properties (10,801m<sup>2</sup>) belonging to the TCG, 17 properties (1,291m<sup>2</sup>) belonging to the private sector, and 1 property (1m<sup>2</sup>) belonging to the central government (refer to Table 2). Most of the private land is located on the side of the ChengDu Road (north) and the HanZhong Road (east).

Table 5.2 Ownership of the land

Ownership		Area (m <sup>2</sup> )		total
Public land	Central government		1 m <sup>2</sup>	10,802 m <sup>2</sup> (89.32%)
	Taipei City Government	Cruciform building	8,531 m <sup>2</sup>	
		Red Theatre	412 m <sup>2</sup>	
		Rented out land	1,858 m <sup>2</sup>	
	total	10,801 m <sup>2</sup>		
Private land		1,291 m <sup>2</sup>	1,291 m <sup>2</sup> (10.68%)	
Total			12,093 m <sup>2</sup>	

Because it was very difficult to negotiate with the private owners, the TCG gave up the idea of regenerating the whole block, eventually only regenerating the public land shown in Figure 3 (Cosmos Inc...., etc., 2002).

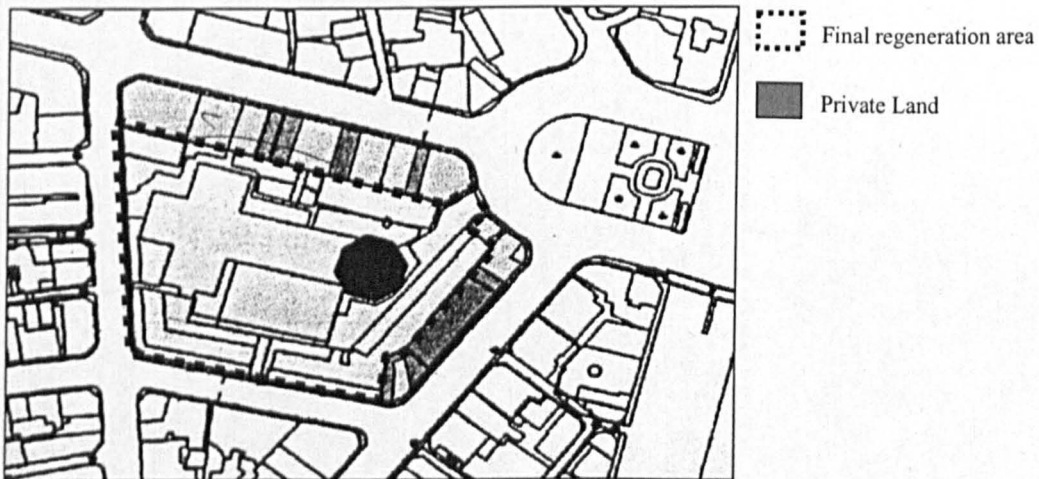


Figure 5.3 Final regeneration area of the HsiMen Market Project (Cosmos Inc...., etc., 2002)

### 3. Summary

The HsiMen Market is located in the HsiMenTing area, where business is not as good as it was before 1980. Initially, the TCG considered regenerating the whole block, including the private land which accounted for 10.68% of the entire area. However, finally the decision was made to regenerate the public land only.

#### 5.2.2. History of the site

##### 1. Japanese colonial period

The HsiMen Market was built with historic architectural features (Japanese colonial style) in 1908. It was the first public market in Taiwan during the colonial period (1895~1945). The first floor was a book shop and the second floor was a coffee shop. In 1928, the coffee shop was changed to a game room and most of the customers were Japanese. In May 1935, the Taiwan exhibition was held in Taipei with the HsiMen Market as one of the exhibition places. The canopy was extended for the first time to provide protection from the sunshine. During the colonial period the HsiMen Market was the best market in Taipei, providing a shopping centre for the rich, especially the Japanese (Refer to the interview R3, 2004; Cosmos Inc., etc., 2002).

##### 2. KMT government

After the KMT government took over Taiwan from the Japanese government, the HsiMen area remained the main business area of Taipei. Business here was still very good but the environment became more crowded. One tenant observed that

*“People who came with the KMT government from mainland china to Taiwan built the squatter buildings (shops) on the square of the HsiMen Market. Then, the number of shops suddenly increased from 120 to almost 300, and the HsiMen Market became very crowded by the 1950s”*  
(Interview R3, 2004)

However, the government did not ask the squatters to leave during that time even though they were illegal. According to the interviewees (Interviewee R3, Interviewee R4), the government felt that they needed to help those who had come with them from China to find a living space but there was not enough accommodation during that period. Thus, they could only accept these illegal squatter buildings..

In 1945, H. M. Chen who came originally from Shanghai, invested a lot of money in the Red Theatre, staging many productions such as Whooshing opera, movies, etc. This still forms an indelible part of the public collective memory. However, business in the HsiMen area declined in the 1980s as the commercial centre moved from the west to the east of Taipei. When the Red Theatre was closed in 1990, the HsiMen Market only had about 30 shops still operating.



Figure 5.4 This shows the squatter shops surrounding the HsiMen Market square.

Photo taken in Aug. 2000 (Cosmos Inc., 2002)



Figure 5.5 The condition of the fabric is very poor. Photo taken in Aug. 2000

(Cosmos Inc., 2002)

### 3. Summary

During the time of the Japanese colony, the HsiMen Market was a very important market for rich people, and business was very good. After the KMT government took over Taiwan, many squatter buildings were built in this area. Even though the quality



of the environment deteriorated, business was still good at the beginning. However, business finally declined in the 1980s. By the time the regeneration project started, there were only 28 shops still open for business.

### 5.3. Pre-development stage

#### 5.3.1. Proposals for rebuilding

##### 1. Rebuilding project proposed by private company

Toward the end of the 1980s, the TCG began to pay more attention to the western areas, which were the older and poorer parts of Taipei, such as WanHua and DaTong districts. More public facilities were built and future projects planned (Cosmos Inc., 2002). Consequently, private companies also started to pay more attention to the area, predicting increased interest in the future. In 1990, one private company wanted to invest money to erect a new building here, but the plan was not successful. One of the tenants observed that

*“DongDiShi Inc. (a private company) wanted to invest in this area and considered putting up a high-rise building in this area during the 1990s. However, some tenants were not happy with the proposed location of their shops after rebuilding because the private company planned to set the shops on the underground floors. Why would we (the tenants) want to move from the ground floor to the underground floor? On the other hand, the private company was afraid that the profit would be insufficient if they modified their design” (Interviewee R3, 2004)*

The Markets Administration Office of Taipei City Government (TCMA), which is the authority responsible for the HsiMen Market, did not intervene in that project very much. They were not involved in the negotiations between the private company and the tenants, despite hoping that the private company could help them to regenerate the HsiMen Market.

*“I believe that they (TCMA) felt happy with this project but they did not show it. That was because they were afraid that we would think that the government had done some under table business with the private company.” (Interviewee R3, 2004)*

The negotiations between the tenants and the private company continued for more than a year but still no agreement was reached. When the economy of Taiwan

declined in 1990s, the private sector finally gave up the project. The community leader thought they (the tenants) had missed their best timing for building a new building.

## 2. Summary

Even though this rebuilding project failed, the regeneration project which followed was greatly influenced by it. Although this rebuilding project offered more space for the tenants, the tenants did not satisfy with the proposed location of the shops.

### 5.3.2. Urban regeneration versus conservation

When S. B. Chen became the mayor of Taipei in 1995, he paid more attention to the HsiMen Market area, and it became the subject of academic research. One of the tenants observed that:

*"Many students came here to do interviews or surveys after S. B. Chen became the mayor of Taipei..... One day, a television reporter came here to do a report on the area and I was interviewed.....In that TV program, they showed the history and the special significance of the Red Theatre. After that, the government and the academics seemed more inclined to conserve the Red Theatre..." (Interviewee R3, 2004)*

## 1. Conflict between the government, professionals and the tenants

Although both government and professionals wanted to conserve the area, this idea was nor readily accepted by tenants, who preferred the idea of rebuilding.

*"Even after the government told us about this renewal project, many tenants still wanted me to negotiate with the government. They still wanted to rebuild this area...However, I thought the best chance for us to build a new building had already passed." (Interviewee R4, 2004)*

*"There were many different kinds of ideas about this area. Such as Jing-qun Inc. who cooperated with us in this project, They considered conserving the Red Theatre only but rebuilding other parts of the HsiMen Market. However, the government officer and the professionals ...They wanted to conserve the cruciform building as well, so my company finally planned to conserve both of them. "(Private developer, Interviewee P3, 2004)*

More research projects were conducted, most of them suggesting that it was important to conserve the area. The issues of culture, history...etc. became increasingly important after S. B. Chen became the mayor of Taipei in 1995. As

Local Councillor (Interviewee G1) told me, the government wanted to regenerate this area, the professionals wanted to conserve the historic buildings but the tenants simply wanted to create bigger shops. The local people would have preferred a project more like other public market redevelopment projects which replaced the old with new buildings, even if the results were not high quality. Most of the tenants still preferred the “new building” project and did not want to conserve any buildings. Both the local councillor and the community leader observed, the best time for rebuilding had already passed, with the downturn in Taiwan’s economy making it difficult for private developers to get the profit they wanted. Ultimately, the government was very serious about conserving the Red Theatre during that time. As they were the main owners of the area, they could decide how to regenerate it. Nevertheless, problems arose because of the split ownership of the site. These will be discussed later. In 1997, the city government showed their determination by designating the Red Theatre a historic building. Even after it was designated, the tenants would have preferred the previous redevelopment project which included redevelopment of the whole site (Public meeting record, 02/10/2000).

*“The previous redevelopment project in the HsiMen Market was better but I don’t know why you (the government and planners) gave up that project”  
(Head of Li, presentation in the Public meeting on 02/10/2000)*

## **2. The HsiMen Market Project**

In 2000, Cosmos Inc. won the contract for the HsiMen Market Project from the TCG. They had consulted professionals and government officers and wanted to keep the original fabric of the cruciform building, the Red Theatre and the surrounding shops (Cosmos Inc., 2002). However, many tenants protested about this idea, saying they hoped that the Red Theatre would be the only building conserved, and it was difficult to get agreement from all the tenants. In 2000, there was a “strange” fire, in which some parts of the HsiMen Market were destroyed. The government showed their determination by not giving up the plans to regenerate the HsiMen Market, and deciding to restore the damaged parts. After this event, the path towards regeneration was more resolved than ever.

The cause of this “strange fire” as it is referred to by many people, is still unclear but many of the interviewees felt it was suspicious.

*"The tenants did not want to keep the original fabric of the other buildings.....In July, a sudden fire destroyed parts of the roof of the cruciform building....I think it is reasonable to suspect that the strange fire was caused by someone who did not want to conserve it.... I was so surprised that the government still insisted on repairing rather than demolishing it" (Interview 4, 2004)*

*"There was always a huge argument about the conservation of the buildings. Thus, it is very possible that the strange fire was a kind of illegal act committed by someone to get their own way." (Interview 2, 2004)*

Whatever the cause of the fire, the project was set up to conserve the fabric of the Red Theatre and the cruciform building. The original surrounding shops (refer to Figure 5.1) which existed during the time of the Japanese colony would be rebuilt but the later, additional buildings around the squares were to be removed.

### **3. Summary**

After a long period of negotiation between government officers, professionals and tenants, the HsiMen Market regeneration project was established to conserve the fabric of the Red Theatre and the cruciform building. However, only the Red Theatre was identified as a historic building.

#### **5.3.3. Ownership of the land and the buildings**

When the government started to implement this urban regeneration project, the first thing to perplex them was the ownership of the area. They were concerned not only about the rights of the tenants but also about the amount of compensation that would have to be paid. From the interview transcriptions, it is apparent that there were many arguments about ownership.

*"My parents bought the shop from the Japanese government before the Japanese left Taiwan" (Interviewee R3, 2004)*

*"I think it was unreasonable to consider the tenants too much because this is public property which is rented to the tenants. The owner should have the right to decide how to regenerate it..." (Private developer, Interviewee P3, 2004)*

*"Some of the tenants thought they were the owners of both the land and buildings because they had bought ownership from the Japanese government around 1949. However, the government thought that they were only tenants because they had been paying rent to the Taiwan City Government since the KMT government came. ....Finally, it was*

*established from official documents that the Taipei government was the owner of the land, but the tenants were the owners of the buildings even if those were a kind of squatter buildings.” (Local councillor, Interviewee G1, 2004)*

### **1. Ownership of the land**

During the time of the Japanese colony, the area was a public market which belonged to the government. After the KMT government withdrew from China to Taiwan, the ownership of the land was transferred to the new government automatically. Even though some tenants maintained that they had bought the land from the Japanese government before it left, most people finally accepted that the government was the owner of the area. Thus, there were not too many disputes of the ownership over the land. (Public meeting record, 11/06/2000)

### **2. Ownership of the buildings**

In order to take care of the people who withdrew with the KMT government from China to Taiwan, the government turned a blind eye and allowed them to squat illegally on the HsiMen market's squares which were public land. The government did not ask people to leave when they built their squatter houses there; indeed it allocated a postal address to each illegal house and levied housing tax until the beginning of the 1960s. Thus, the tenants (squatters) on the square felt the government should take care of them, and they claimed they were the owners of the structures. In 2000, there were 35 shops in the North Square and 36 shops in the South Square.

Another 45 tenants who occupied the surrounding shops legally also thought they held the buildings, even though they had paid rent to the TCG at the same time. They argued that they bought their shops from the Japanese government and had also paid housing tax for them. Moreover, they had built additional structures such as the second floor and the shop canopy themselves. The tenants of the Red Theatre (18 shops) and the cruciform building (82 shops) also argued that they had bought the shops from the Japanese government, so the buildings should belong to them. In addition, they had built some additional structures themselves (Public meeting record, 11/06/2000; Cosmos Inc., 2002)

The TCG found slight differences between their ownership registration records and those from the time of the Japanese, but they still believed that they were the owners of the land and houses, as the tenants had signed contracts with the TCG and paid rent every month since the arrival of the KMT government. The government officers declared that the tenants should not be arguing about ownership now if they did not have any problems before (Public meeting record after fire, 26/07/2000).

Later, the tenants admitted that they had no formal evidence of ownership, so the TCG was acknowledged formally as the owner of the HsiMen Market. However, they continued to argue about the ownership of the additional structures. Finally, the government agreed to give compensation for the additional structures built by the tenants themselves and for the squatter houses on the squares.

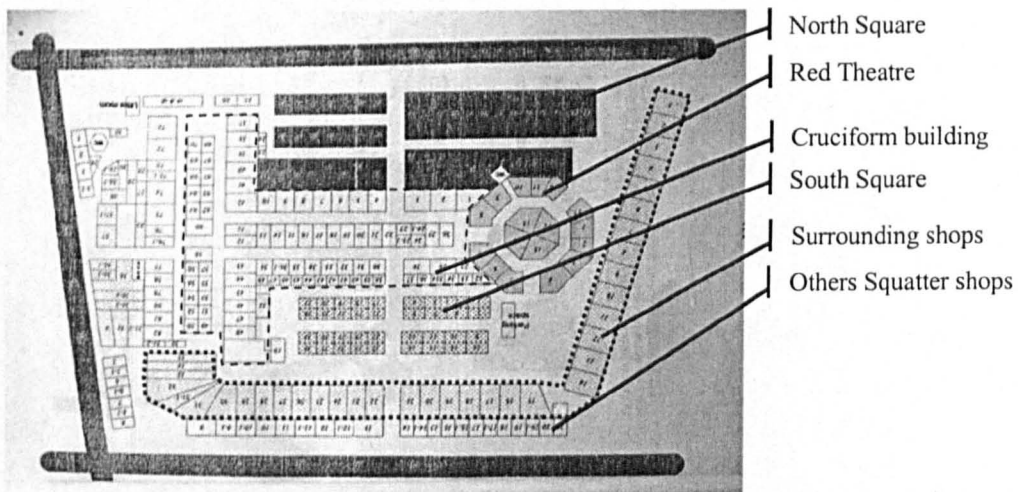


Figure 5.6 The survey of the HsiMen Market site plan before the regeneration project (Comos Inc., 2002)

### 3. Summary

After a long period of negotiation, the HsiMen Market regeneration project was implemented to conserve the Red Theatre and the cruciform building. However, only the Red Theatre was identified as a historic building. It was claimed that the TCG

was the landowner of the HsiMen area, the Red Theatre and the cruciform building, but it was agreed that the tenants were the owners of the additional structures and the squatter houses. This was unusual for Taiwan<sup>2</sup>. How this outcome influenced further compensation awards will be discussed later.

## 5.4. Development stage

### 5.4.1. Securing the properties

#### 1. Government Strategy

When ownership had been determined, the government started to negotiate the matter of compensation with the tenants. According to one tenant, the government officers negotiated with various small groups of tenants:

*Shops A)* the tenants whose shops were in the Red Theatre;

*Shops B)* the tenants whose shops were in the cruciform building;

*Shops C)* the tenants whose shops were in surrounding buildings;

*Shops D)* the tenants (squatters) whose shops were in the North Squares;

*Shops E)* the tenants (squatters) whose shops were in the South Square;

*Shops F)* the tenants (squatters) whose shops were alongside the surrounding buildings

(For location of shops refer to Figure 5.7).

*"From the beginning, the government never gave a very clear idea about what they were going to do with the shops. Thus, the tenants could not imagine what the HsiMen Market would look like after regeneration - they only knew it would include the two historic buildings. I think this was a very good tactic because it might have raised strong protest from the tenants if they had known that most of the shops were to be cleared. The government may have needed to pay more money in this case."  
(Interviewee R3, 2004)*

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<sup>2</sup> Normally, the house-owner will also be the owner of the land on which the house is built. If it is an apartment building, the owners of the apartments are joint owners of the land.

**2. Red Theatre – Shops A (5 out of 18 tenants stayed)**

Because the Red Theatre was the only structure identified as a historic building in 1997, the government only negotiated with the eighteen tenants in the Red Theatre (*Shops A*) during the first stage. The government offered three choices to the tenants: 1. they could rent another shop in another public market; 2. they could accept the financial compensation from the government and then leave; 3. they would leave first and then come back again and be a tenant after the completion of the regeneration project. At first, none of the tenants would accept any of the options. They asked for help from other tenants and from the leader of the community. However, the other tenants refused to give any support, because they thought this would not be in their own interests. Finally, most of them accepted compensation of 660,000 TWD<sup>3</sup> and left; only five tenants decided to come back after the project was completed (Comos Inc., 2002; Interviewee R3, 2004)

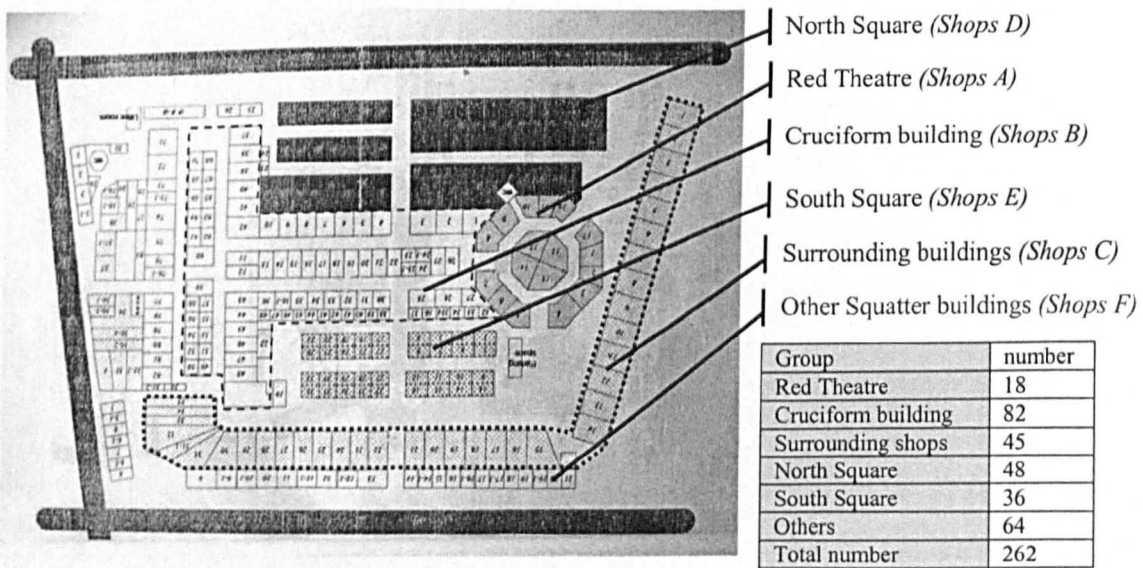


Figure 5.7..... D  
 istribution of shops in the old market before regeneration (Comos Inc.,  
 2002)

<sup>3</sup> TWD = Taiwanese dollars



### **3. The North and South Squares - Shops D, E, F (3 tenants out of 84 tenants stayed)**

The government then dealt with the ten shops in North Square which were located alongside the site of the Red Theatre, rather than with all 48 shops, as they needed access to the Red Theatre first. The government provided higher compensation of 1120,000 TWD to the tenants of these buildings, even though they were squatter buildings, as the tenants had added to the structure of the shops by themselves (Interviewee R3, 2004). Finally, all of the tenants in North square (48 tenants in Shops D) left as they had received a high price compared with the other tenants. Thereafter, the relationships between the tenants deteriorated, with everyone starting to feel that everybody was putting their own profit before everything. This made it seem easier for the government office to get all of the properties back.

Later, the government decided to clear all the squatter shops in the South Square (Shops E) and alongside the surrounding buildings (Shops F) after the fire. The remaining tenants also got 1120,000 TWD if they left. Only three decided to stay.

### **4. Cruciform Building - Shops B (62 tenants out of 82 tenants stayed)**

At the same time, the government was negotiating with the tenants in the cruciform building. They were given 660,000 TWD each - the same as tenants in the Red Theatre. During that time, Interviewee R3 represented the tenants in the cruciform building in negotiations with the government, although he himself did not have a shop in the cruciform building. Finally, sixty-two tenants stayed; others left with 660,000 TWD each.

### **5. The surrounding shops - Shops C (35 tenants out of 45 tenants stayed)**

In the final stage, the government tried to deal with the surrounding shops (*Shops C*); most of the tenants stayed. Interview R3 (2004) claimed that this was because he bought two shops which other tenants did not want at that time. Moreover, he encouraged two of his friends to buy another two shops. Interview R3 (2004) said that "Other tenants must have thought there must be some more interest or benefit to be gained from the area in the future so most of them decided to come back again after the project was finished."

The government did not provide any compensation for the tenants who decided to stay, instead building new shops for them for free. Interview R3 said they asked for some help from the government during the regeneration process but the answer was “We will try to finish this project as soon as possible and your shops will not be closed for long” At the time of interview the tenants were still not sure whether there would be any further rent increase (Interview 6, 2004; Cosmos Inc., etc., 2002).

## **6. Summary**

The strategy of the government officer was to negotiate with each small group in turn and this strategy seemed quite successful. As a result, they did not have to negotiate with 262 shops at the same time. However, the tenants felt that their community had become fragmented and disabled (interview 6, 2004). Ultimately, two historic buildings could be conserved and the shops on the square were cleared. It is interesting to note that more tenants decided to remain as the negotiations came to an end. This will be discussed later.

### **5.4.2. What to build**

After the government had secured the properties they needed, they started to plan what should be built. The government office developed a general outline for the project first and then opened it to tender from private developers. Finally, Cosmos Inc. won the bid and signed a “fixed fee” contract with the TCG. As they were drawing up a proposal for the regeneration, the TCG held another competition to find an architect to co-operate with Cosmos Inc. Finally, an Architect called Mr. Xu was awarded the contract, and he collaborated with Cosmos Inc. to produce the design. (Cosmos Inc., 2002)

At this stage, the TCG (i.e., owner), Cosmos Inc. (i.e., planner) and those who had decided to stay (i.e., future users) were all involved in the decision-making process. However, this made the process increasingly complicated.

#### **1. Presenting the design**

The manager (Interviewee P3) of Cosmos Inc. explained that the TCG was their client, so they needed to discuss their planning or design with the government officers first. Then, the planner held a public meeting to inform the tenants about

their design proposal. At this point, the tenants could discuss their ideas with the planners, but power to change the proposal remained solely with the TCG. Cosmos Inc. was given the task of collecting residents' opinions, but the TCG took responsibility for negotiating with the tenants and making the final decision.

In the first few public meetings, the tenants were rather quiet. However, this was not necessarily because they agreed with all the designs, rather that they may not have really understood the reasons for the public meeting.

*"Hmm...there was not too much argument in the first meeting because most of the tenants did not know what would happen...when they found out more about this project; they had more opinions about the design."  
(Interview 5, 2004)*

Finally, the planning company showed pictures of the Quincy Market, Boston as an example, and stated that this was what they wanted to achieve. The government officers and the planners were enthusiastic about these ideas. However, the tenants were more concerned about the size of the shops after redevelopment.

## **2. Negotiation between the different opinions**

*"We thought the original design, which was only one floor, was no good because the tenants would get shops whose size would be smaller than before..." (Interview R4, 2004)*

*"After extending the canopy twice, the shops were much bigger than they had been during the Japanese colonial period. The tenants wanted to measure the size according to the current size, but the government thought it should measure the size according to the size in the Japanese colonial period." (Interview R3, 2004)*

*"I thought the tenants who decided to stay were just looking for personal gain interest and did not really care about the quality of the area. And, I felt that the government appeared more interested in the tenants' opinion than in the quality of the design. Even though the proposal was discussed with the TCUD before it was presented, it was changed whenever the tenants objected. It almost drove the architect crazy...We thought it should be only one floor but it was finally two floors..." (Interview P3, 2004)*

From the interviews and the transcription above, we can see that the most important issue for the tenants was the size of the shops. On the other hand, the private companies and the professionals were more concerned about the quality of the design.

Of course, the TCG also cared about the quality of the project, but the most important issue to them was building enough shops on the site: the government needed to provide enough shops for the tenants who wanted to stay, even though having too many small shops on this small site would adversely influence the quality of the project. When this conflict came out, the private developer did not need to negotiate with the tenants but the government officers did. Finally, the government officer asked the private developer to make a design which was closer to what the tenants wanted. In the view of interviewee P3, the government, as owner and main investor, should have used their power to make a decision which was best for the market. However, for political reasons, the opinions from the tenants were of more concern to the TCG.

### **3. Final decision**

After the negotiations, the surrounding shops were rebuilt as a two storey building. The shops were six metres in length, half way between the size of the buildings in the Japanese colonial period and the period immediately before regeneration. The width was the same as it was before regeneration. Even though the private developers did not like this design because the shops were too small, most of the groups were happy with this decision. There are now 35 shops in this area in the final design.

The fabric of the cruciform building was to be kept in the original style but the inside was to be rebuilt. According to the planner from Cosmos Inc., the space in the cruciform building was too small to accommodate many shops. Initially, they wanted to put in a big communal area and just a few small shops. However, tenants argued that they wanted to have their own spaces. Finally, the government asked the planner and the architect to change their design and put more shops, of a standard size in the building. Thus, 17 shops were finally housed in the cruciform building, all of them

very small. The planners thought it was not a good design, particularly as three or four tenants had to share one shop\* (TCMA, 24/05/2002).

#### **4. Summary**

During the decision-making process, the private contractors were more concerned about the quality of the design and the opinions of the TCG, their client. The tenants were more concerned about their own interests and practical issues such as the size of the shops. Ultimately, the TCG gave priority to the opinions of the tenants, ignoring the Cosmos Inc. preference for a one storey building and erecting a two storey building containing 35 shops. These have been rented to 35 different local tenants. 17 shops, to be shared by 62 tenants were put in the cruciform building. These units are very small and have significantly affected the quality of the market, but the government officer overrode the objections of the private developer and insisted on the new layout suggested by the tenants.

#### **5.5. Post-development stage**

After the construction of the project had been completed, the TCG had to decide how to manage this area. The decisions relating to Red Theatre, the cruciform building and the surrounding shops will be described separately.

##### **5.5.1. Red Theatre**

The Red Theatre was formerly managed by the TCMA along with other parts of the HsiMen Market. When it was identified as a historic building in 1997, it became the only building on the site to be managed by the Cultural Affairs Bureau of Taipei city (TCCA). At first, the TCCA wanted to set up a film museum in the Red Theatre. However, it was given in trust to the ZhiFengJu Foundation, a non-local institute, on a five-year contract running from 2002 to 2007. Some tenants questioned the decision to trust the Red Theatre to a non-local foundation:

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\* Before this regeneration project, each tenant had their own shop, most of them engaged in traditional trades. Tenants would find it difficult to share shops.

*“The ZhiFengJu Foundation was an obvious “non-local” group in this area but it had the biggest power in the HsiMen Market area. That was because the position of the Cultural Affairs Bureau is higher than both the TCMA and TCUR...sometimes, we could not hold any big activities in the squares if a show was being held at the same time in the Red Theatre.” (Interview R3, 2004)*

*“I did not say anything when I heard the ZhiFengJu Foundation was coming because it was not up to us to decide..... Our relationship with the ZhiFengJu Foundation is ok but it was not the best choice for the HsiMen Market because it has not attracted more people to this area.” (Interview R4, 2004)*

Evidently, the tenants thought the government should care more about the original tenants' opinions and interests. They felt the Red Theatre should be managed by local people or by a group who could match the original business or attract more crowds.

### **5.5.2. Cruciform building**

Before the fire in 2000, there were about 88 tenants in the cruciform building, but only 28 shops were still in business. Finally, 62 tenants in the cruciform building wanted to stay after the redevelopment project was finished. Another five tenants whose shops were in the Red Theatre before the redevelopment project also needed to be accommodated in this building. Thus, 67 tenants' opinions needed to be considered during the process. After the building had been renovated to accommodate 17 shops, there were many disagreements between the tenants about how the building should be managed. At this stage, the TCMA thought they would only need to guide the tenants, letting them decide what they wanted to do by themselves (TCMA internal meeting record, 04/07/2002).

#### **1. The conflict between keeping the original business style (i.e. many small units) and subletting it to a single retailer**

*“My idea was that the redevelopment should keep the original business style and let most of the tenants stay in the same place. I think it is more meaningful for the urban regeneration.” (Interviewee R3, 2004)*

*“At first, many private companies wanted to invest in the cruciform building. However, those projects were always opposed by some tenants, who made a lot of problems... Recently, some people (tenants, government*

*officers) have asked me to address the problem again because the cruciform building has still not opened.” (Interviewee R4, 2004)*

The tenants had two different ideas for managing the cruciform building. One was to keep the original business style, with a range of small shops; the other was to see the entire cruciform building as a single retail outlet and sublet it to a private company. Finally, two opposing groups formed: younger tenants who wanted to keep the original style (Interview R3 was the leader of it at first), and older tenants who wanted to sublet the building to a private company (Interview R4 is the leader of it). These two groups never reached agreement over the cruciform building; in fact, the gap between the two groups grew bigger as time passed. Here are some observations from the interviewees:

*“One time, I held a meeting to discuss co-operation with a private company. About 70 people joined that meeting and about 40 tenants agreed to sublet the entire cruciform building to that private company. However, some tenants (from the younger group) said that because I am not a tenant in the cruciform building, I had no right to attend the meeting. I was so upset that I did not want to be involved in anything to do with the cruciform building after that.” (Interviewee R4, 2004)*

*“When this case started, some tenants recommended me as the representative for the cruciform building, even though I did not have a shop in the building.....However, the power of the older group became bigger and bigger when Mr. Ma became the mayor of Taipei City. I guess that may have been because the leaders of the old groups such as the leader of community and the Head of Li had better relationships with him, because all of them were in the same party (KMT). When the structure was almost rebuilt, some tenants decided they did not want me to be their representative any more because I did not have any place (shop) in the cruciform building. They chose a new representative who had the same opinion as the old group.....I could feel the gap between the two different groups becoming bigger and bigger after this and they could not trust each other any more.” (Interviewee R3, 2004)*

*“I think there were some conflicts of interest between the tenants.....Some people wanted to rent it out to a private company but others did not.. Moreover, the rent they were asking from the private company was too high, and the Taipei City Council disagreed with the proposal as well. I think that was understandable, because the TCG was the owner of the building not the tenants. How could the tenants become the second owner of the cruciform building? ” (Interviewee P3, 2004)*

The community leader (Interviewee R4) belongs to the older group and the tenant (Interviewee R3) belongs to the younger group. From the transcript above, it appears each thought the problem of the cruciform building was the fault of the other group. However, there would have been other problems with letting the whole cruciform building, as can be seen in the transcript of the private developer's interview (Interviewee P3). Interviewee R3's observation that the groups no longer trust each other suggests that any further progress will be difficult.

The TCMA only wanted to supervise the project; they did not wish to remain too involved at this stage. They did not mind whether the tenants let the cruciform building to a single retailer, but they did remind tenants that they would have to ensure that any single retailer met all the obligations required of the original tenants (TCMA, 04/07/2002; TCMA, 03/04/2003; TCMA, 03/04/2003).

## 2. New HsiMen Market Company

Eventually, the idea of renting the whole of the cruciform building to a single retailer failed. This may have been due to the protests from some tenants and the Taipei City Council, or because the best opportunity had passed:

*"Recently, some people (tenants, government officers) have asked me to address the problem again because the cruciform building has still not opened. However, I feel that the best time for them has already passed. Before, a lot of companies wanted to invest and they could have chosen anyone they wanted. However, it is difficult to find even one investor now. They lost their advantageous position." (Interviewee R4, 2004)*

Under the original design for 17 shops, the TCMA asked groups of four or five tenants to share one place (shop) in the cruciform building. However, the tenants did not like this idea.

*"I think that it was a very bad idea to ask every four or five tenants to share one place in the cruciform building, because most of the tenants did not know how to manage this kind of business - they only knew the traditional way." (Interviewee R4, 2004)*

Finally, the government asked the tenants to organize a new company, the New HsiMen Market Company, which included all of the 67 tenants who had the right to run their business in the cruciform building (TCMA, 07/11/2002). This company would be able to help the TCMA to manage the tenants in the cruciform building. It



did not matter whether the company wanted to run the business by themselves or sublet it to another private company. The good thing for the TCG was that they only needed to sign one contract for the whole of the cruciform building rather than signing contracts with each individual. However, the role of this new company and the relationship between this new company and the original community were complicated. The problems caused by the New HsiMen Market Company will be discussed later in this chapter. Although the company was founded in 2002, the project has continued to be afflicted by problems. At the time of the interview (2004), there was still no business actually running in the cruciform building. The building did not open until 2005.

### **3. Summary**

The conflict between the two groups about how to manage the cruciform building was the main problem. Even after the foundation of the New HsiMen Market Company, many problems remained unresolved. Both the government and the tenants were under pressure to open the building. Government officers came under pressure from the Mayor of the TCG, who had promised the reopening in his election campaign. The New HsiMen Market Company was under pressure from the contract, which stipulated a latest opening date of 27th April 2003 (TCMA, 21/02/2003). Even though the TCMA extended the deadline to the 10th July of 2003; this was still not achieved (TCMA, 06/05/2004; TCMA, 25/06/2004).

#### **5.5.3. Others**

##### **1. The surrounding shops**

Most of the tenants of the surrounding shops chose to stay in the HsiMen Market and sign individual contracts with the TCG. At the time of the interviews (2004), most of the rebuilding was finished and some shops had reopened. However, few of the shops reopened under their original tenants: many had sublet their shops to someone else. The situation of the surrounding shops was much simpler: the main concern of these tenants was simply how to grow their profit.

##### **2. The North and South squares**

There are still some problems with the two squares. Since the New HsiMen Market was founded, the North Square, which is closer to the entrance, has been managed by

the New HsiMen Market Company and the South Square is managed by the HsiMen Market Community. The HsiMen Market Community is a local community group - all of the tenants in the area are members. It has existed in the area for more than 20 years. Historically, the squares have been used for events such as concerts. Normally the North Square is more likely to be chosen for these events.

Interview R4 thought both squares should be managed by the HsiMen Market Community, because all the members of the community are tenants in this area, while only the tenants in the cruciform building are involved with the New HsiMen Market Company. He thought the South Square is more important because it can attract people deep into the area, and that the favouritism shown to the North Square means that shops in the south of the site are being denied the chance to benefit from public events (Interviewee R4, 2004).

## **5.6. Groups involved**

Given the definition of partnership adopted in this research, it is very important to determine who was involved and what their role was. This section will first describe all the groups involved and then the relationships between them.

### **5.6.1. Public sector**

Three main units of the TCG were involved in this project, the Department of Urban Development (TCUD), the Department of Cultural Affairs (TCCA) and the Market Administration Office (TCMA). In the city government hierarchy, the TCUD and the TCCA are ranked identically, with the TCMA being one rank lower.

#### **1. The Department of Urban Development (TCUD)**

The Department of Urban Development was the main developer, investor and planner in this case. As the government officer (Interviewee O4) said, the impetus for this kind of project normally comes from the government. In this case, it arose from the government policy to regenerate the older and poorer areas in Taipei. After the project had been approved in principle, the TCUD needed to discuss with the planners, negotiate with the tenants and apply for funding from the Taipei City Council. Thus, the TCUD was the main developer in this case study. The TCUD was also the main investor in the project, using money from the Urban Renewal Funding

which was founded using donations (money) which came in after the 921 earthquake in Taiwan of 1999. One tenant (Interviewee R3) thought this might be the reason why government officers had the final say in decisions in the project.

### **WanHua Workshop**

In 2000, the WanHua workshop was established within the TCUD to deal with urban regeneration projects in the WanHua district. The HsiMen Market was one of the projects it considered. The officers in the workshop were appointed by the TCUD; most had worked in the TCUD before. According to the government officer (Interviewee O4), the main mission for this workshop was to work on important projects which had been in place for a long time but still could not be implemented. The officers' work brief was only a little different than before, but they felt more powerful as their missions were always something that the Mayor of Taipei cared about (Interviewee O4).

The special thing about this workshop was its location. The office was located in the WanHua district, away from the other government departments, which were located in the TCG building. This was to enable the workshop officers to be closer to the local people, and the residents could talk to the officers more easily if they had any problems. The relationship between the residents and the government officers in the workshop was much better than the relationship with the government officers working in the TCG building. The interviewed officer thought this might have been a key factor in the success of the project.

*"We spent a lot of time building new relationships (friendship) with the local people in this case, as it was thought to be the best way to promote this kind of project, which had been delayed for a long time."  
(Government Officer, Interviewee O4, 2004)*

From the above, it can be seen that the government officers in the workshop were also coordinators in the HsiMen project.

## **2. The Department of Cultural Affairs (TCCA)**

After the Red Theatre was identified as a historic building, the Red Theatre became the responsibility of the TCCA. However, they were only involved in this project when the Red Theatre was being discussed.

### **3. The Market Administration Office (TCMA)**

The HsiMen Market was the responsibility of the Market Administration Office before this project was implemented. The TCMA was the lowest level unit in this project but it was the manager of the HsiMen Market. During the development stage (physical environment), the TCMA only assisted the TCUD to run this project. However, The TCMA had to decide how to use and manage the market in the post-development stage.

## **5.6.2. Tenants**

Three main, local, non-government bodies were involved in this urban regeneration project.

### **1. The HsiMen Market Community**

The HsiMen Market Community had existed in the area for a long time; Interviewee R4 had been the community leader for about 20 years. The main purpose of the community was to manage public affairs in the HsiMen Market, such as cleaning...etc. All of the tenants in the HsiMen Market were members. The leader of the community said the community operated well together before the urban regeneration project.

### **2. The New HsiMen Market Company**

The New HsiMen Market Company was founded in 2002 in order to manage the cruciform building, with the 67 tenants in the building as its only members. The company had to sign a formal contract with the TCMA and pay a fixed rent to the TCMA. If the company decided to sublet the cruciform building to other private companies, they could recover all the rent from the private companies. No matter how much the private companies pay for the rent, the company would still have to pay the fixed rent to the TCG.

After this company was founded, conflicts arose between the HsiMen Market Community and the New HsiMen Market Company as both groups tried to obtain more control over the HsiMen Market. This is discussed further in a later section. There were additional internal problems in the cruciform building because of the

conflict between the two groups regarding building management. The division between the younger group and the older group will be discussed further in Chapter 5.8.2.

### **3. The ZhiFengJu Foundation**

The Red Theatre was given in trust to the ZhiFengJu Foundation with a five-year contract and the TCCA as its authority. The Foundation did not need to pay anything to the TCCA but they were required to take on responsibility for the management of the Red Theatre. The only non-local group in the HsiMen Market, the background of the foundation is theatrical. Now, a coffee shop and a shop selling souvenirs are located on the ground floor, with the first floor being mainly used as a theatre, but also for press conferences, public meetings...etc.

### **4. The Role of the tenants**

#### **- As investors?**

The role of the tenants was confusing. As already discussed, at the beginning the tenants thought that they were the owners of the properties (both land and buildings), but they were finally persuaded to accept that they were in fact only the owners of the additional buildings. They were offered compensation by the government if they decided to leave the market. Otherwise, they would have priority to be the new tenants after the regeneration project was finished. Ultimately, it was felt by the tenants that they had also invested their properties in the project, and that they had co-operated with the government to regenerate the area (Interviewee R4, 2004). Indeed, some local people felt that they had been deeply involved in the project.

#### **- Influencing the planning and management**

Of course, most of the tenants were looking after their own interests. However, some were keen to preserve the heritage of the area and its traditional character. According to the tenants, they offered ideas to the planners on how to preserve the original character of the area, and they influenced the final design, for example by suggesting how many floors the surrounding buildings should have.

*"...after the KMT government took over Taiwan, most of the buildings became two floors high. The ground floor was the shop and the first floor was the shopkeepers' accommodation. There was a balcony which could link the upper floors of all the houses, and children played on the balcony.*

*I thought that was a special memory for us, so I suggested keeping the two floors. ...some tenants also asked for the second floor so they could have a bigger sized shop" (Interviewee R3, 2004)*

*"when the planner decided to leave some space for cars, the shops became much smaller. Thus, we wanted to change the one floor design to two floors, which was the same as before. We asked for help from the local councillor and he helped us to negotiate with the government officer" (Interviewee R4, 2004)*

*"...the height of the finished buildings was so strange.... at the beginning, we designed the surrounding buildings to be one floor. However, the government could not sustain the political pressure and asked us to change it to two floors.....I think that was quite a bad design" (Interviewee P3, 2004)*

Although the private developer thought the government should not have paid such close attention to the tenants' opinions, as they adversely affected the quality of the project, the final decisions were deeply influenced by the tenants, probably because of political pressure.

### **5.6.3. Private sector companies (planning developer)**

Private companies were also involved in this project All of them signed an individual contract with the TCG and earned the fixed fee.

#### **1. Cosmos Inc.**

Cosmos Inc. was the main company involved in this project. The planner made an initial proposal which it presented to the government officers. After the officers had agreed to the proposal, they presented their ideas to the tenants at public meetings. The planner in Cosmos Inc. recorded the arguments and the suggestions made in the meetings for discussion with the TCG later. The planner could suggest whether the tenants' opinions should be considered or not, but the final decision rested with their client, the TCG.

#### **2. Architect**

Mr. Xu was the architect for this project and he worked in cooperation with Cosmos Inc. Normally, he designed the buildings according to the brief given by Cosmos Inc. He only needed to liaise with the government officers and Cosmos Inc. In addition,

he was responsible for checking that the construction of the buildings met the specification.

### **3. Others**

The TCG subcontracted some of the construction work to private companies. These companies liaised with the government officers but were otherwise supervised by the architect who designed the buildings.

## **4. The role of Cosmos Inc., the architect and other developers**

### **- TCG control**

The planning company signed a contract with the TCUD and received a fixed planning fee from them. Thus, the planners felt that they were more influenced by the government officers, who were their clients. Normally, the opinions of the officers and the planners were not too different, because both were planning professionals. However, Cosmos Inc. (Interviewee P3, 2004) argued that government officers were influenced too much by the tenants, and sometimes asked them to do something unreasonable, such as putting all of the shops into the cruciform building without considering the quality of the shops.

### **- Public relations**

The private company had to hold public meetings to explain their planning, design and vision of the future to the tenants. Of course, they could take suggestions from the tenants in these public meetings, but the TCG remained the ultimate decision-maker in the project.

## **5.6.4. Politicians (Taipei Local councillors)**

Four politicians from three different political parties were involved in this project. Most of the politicians were only involved for a short period of time when the tenants asked for their help. However, Interviewee G1 was involved for about five years. The politicians may have had different ideas, but their roles were normally as follows:

### **1. Coordinator and budget controller**

The most important role for the local councillors was to mediate in the conflict between the tenants and the government, and in the conflict between the different

departments of the TCG. Eventually, a small team was set up by the councillors who combined many different officers from each different department. As one councillor said,

*“They (the different departments) always shirked their responsibility and shifted the blame onto other departments and this situation made the progress of this project very slow. Thus, I became involved in this small team, eventually becoming its leader. Once I was involved, communication worked smoother between all the departments...” (Interviewee G1, 2004)*

The councillors tried to teach the tenants how they could cooperate with the government, taking advantage of the tenants’ trust in them. They also used their power of budget examination to push the government officer to consider tenants’ suggestions more.

## **2. Identifying group requirement and finding a balance between different interests**

The local councillors normally had good relationships with the local people, so the tenants were willing to discuss issues with them rather than with the TCG officers. The officers also found it easiest to talk to the councillors. Thus, they were able to identify each group’s bottom line requirements, and set about finding a balance between different groups’ interests. For example, most of the tenants were against this project at the beginning and did not want to cooperate with the government. The government officer felt that the project could not succeed and reported this to Mayor Ma. However, one councillor (Interviewee G1) told Mayor Ma. that success might be possible if the compensation for tenants was increased. Having already held discussions with the tenants, he knew the main problem was that the compensation was too low. Finally, the Mayor took his advice, and the project was saved (Interviewee G1, 2004).

### **5.6.5. Conservation experts**

The conservation experts were all professional academics, invited to sit on relevant boards in the TCG, such as the Urban Renewal Board, the Urban Planning Review Commission, or the Urban Design Renewal Board.



## 1. Consultation

In practice, the experts were not deeply involved in the project, only providing advice when the government asked for it. They participated only in the government meetings, and when planning companies asked for their opinions, especially about the historic buildings.

## 2. Protecting the historic building

In this project, another role taken by the experts was to ensure that the historic buildings were protected. When the government officer thought the Red Theatre needed to be conserved, he sought evidence and professional support from the experts to convince the public.

### 5.6.6. Summary of groups involved and their roles

According to the analysis above, Table 5.3 given a brief description of the groups involved. Twelve groups were involved in this project but only six of them participated through the whole process. Only the TCU, local councillors and local communities actively participated in this project. The TCCA, the TCMA and the ZhiFengJu Foundation were reactively involved in the process.

Table 5.3 The groups involved in the HsiMen Market Project

Groups involved		Role			Main agenda
		Pre-Dev.	Dev.	Post-Dev.	
Public sector	TUCD - WanHua Workshop	Active/ coordinating	Active/ coordinating/ Investing	Reactive	- developing and controlling this project - costs - mediating in the conflict between the tenants
	TCCA	Reactive	Reactive	Reactive	- supervising the management of the Red Theatre
	TCMA	Reactive	Reactive	Reactive	- supervising the management of the HsiMen market
Tenants	HsiMen Market Community	Active	Active	Active	- protecting the interests of the tenants of the HsiMen Market
	New HsiMen Market Company	-	-	Active	- protecting the interests of the tenants in the cruciform building
	ZhiFengJu foundation	Reactive	Reactive	Reactive	- managing the Red Theatre
Private companies	Cosmos Inc.	-	Active	-	- providing a design for this area (according to client's brief)
	Architect	-	Active	-	- providing a design for this area (according to client's brief)

	Others (private companies)		Active		- building/achieve the design (according to client's brief)
Politicians	Taipei City councillor	coordinating	coordinating	coordinating	- mediating in the conflicts between the tenants and the public sectors
	Head of Li	active	active	-	-representing the tenants
experts	Conservation experts	consultative	consultative	-	- protecting the historic buildings

### 5.6.7. Goals and Area

The improving of the environment was a key goal for all groups; although it might be more accurate to say that this was a shared strategy adopted for the achievement of each groups own particular goals. In other words, improving the environment was not always the priority of same groups. In the HsiMen Market Project, the TCUD, Cosmos Inc. and the architect cared most about improving the environment and this was the aim of their design. Unfortunately, designers need to listen to their client, in this case the TCUD, and the TCUD cared about the opinion of the tenants. The final design provided very small shops, despite the arguments of the designer, because this was what tenants wished to have and the TCUD was anxious to avoid protests. Compared with the TCUD, other departments in the TCG (the TCCA and the TCMA) were not so concerned about the environment. They just wanted to finish the works under their authority. It is difficult to define what their goals were in this project.

For the tenants, the most important goal was improving business, and profit, in the HsiMen Market. Improving the environment was just a strategy for improving the business and it should not conflict with their interests. A clear example of this can be seen in the discussion about how many floors should be built. The designer wanted one floor only to give people a better quality environment. However, the tenants wanted to get the biggest shops they could. Thus, they insisted on having two floors, even through it made the space more crowded. The ZhiFengJu foundation reacted only to issues relating to the Red Theatre, so, again, it is difficult to say what their goals were in this project.

The local councillor interviewed said that he cared about the environment (Interviewee G1), but the most important thing for him was to help his supporters to get what they wanted, even where their demands were unreasonable, such as the

super small shops. It could be argued that the aim of the councillors was to boost their support and guarantee more votes in the next election. It may well be that the experts cared about the environment and the historic buildings, and their goals were not influenced by other factors or pressures. However, they did not have much power in this project.

In terms of the area affected, the project covered only public land. As mentioned before, the private land in the same block was not included in this project, because of the TCUD's reluctance to deal with any other possible protests.

Table 5.4 The goals of the groups involved in the HsiMen Market Project

Groups involved		Goal (the most important)
Public sector	TCUD (WanHua workshop)	-Improving physical environment -solving social problems
	TCCA	-
	TCMA	-
Tenants	The HsiMen Market Community	-personal profit (money, business...etc)
	The New HsiMen Market Company	-personal profit
	The ZhiFengJu foundation	-personal profit
Private companies	Cosmos Inc.	-personal profit (-Improving environment)
	Architect	-personal profit (-Improving environment)
	Others	-personal profit
Politicians	Taipei city councillor	-political reasons
	Head of Li	-political reasons
experts	Conservation experts	-Improving physical environment -solving social problems

## 5.7. Relationships between the groups

### 5.7.1. Decision-making process

#### 1. Pre-development stage

The TCG has cared more about urban regeneration issues in Taipei since 1990. It has paid more attention to the poorest and oldest areas, but its chief aim has been to improve the physical environment only. Other kinds of improvements (such as, economic, social ...etc) have been overlooked. Figure 5.8 gives a brief idea of the decision-making process in the pre-development stage. First, the TCG had to gather ideas for improvement projects by listening to the public, the experts, politicians and local people. The Hsimen market was confirmed by the Mayor Ma during the

election campaign of 1997. Government officers developed a general outline for the regeneration of the area, based on surveys, government policies and experts' opinions ...etc. They then informed the tenants about what they wanted to do.

Of course, there were protests from the tenants, who wanted to redevelop the area rather than regenerate it. The government officers tried to placate the protests because they did not want to be in conflict with the tenants. However, from the history of this project we can see the government was not interested in involving the tenants in the decision making, they did not even tell the tenants exactly what the HsiMen Market would be. Nor did the tenants know how to ask for what they wanted at that time. Thus, the tenants agreed to the regeneration project because it was better than nothing, not because they were satisfied with the idea.

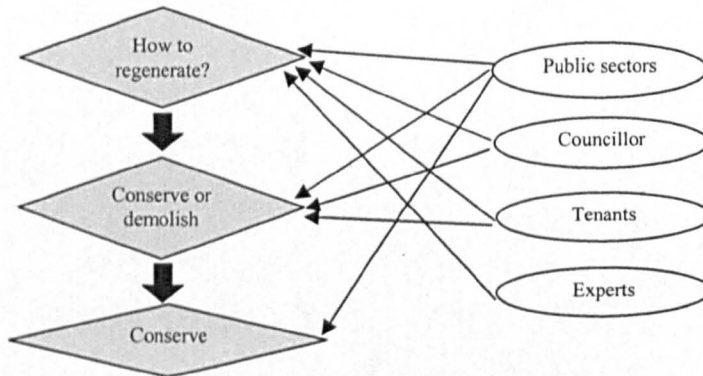


Figure 5.8 Decision-making process in the pre-development stage

## 2. Development stage

The communication between the government and the tenants seemed to get better. The community leader guessed that this may have been because, after their experience in the pre-development stage, tenants had learnt how to say what they wanted when asked by the government officers. They also found that they could ask the councillors to help them and put political pressure on the government officers. Thus, the government spent more time negotiating with the tenants, though only about the concept of the design.

After the ownership of the properties had been determined, the city government invited private planning companies to bid for the HsiMen Market Project. Cosmos Inc. won the contract and designed the details. Cosmos Inc. made an initial plan

which followed the government's ideas. Then, a public meeting was held to discuss the plan with the tenants. When the government was negotiating for the properties, they dealt with tenants in small groups, not as a whole, in order to reduce possible protest and create distinction among tenants. An interesting point to note is that more and more tenants wanted to stay in the HsiMen Market as the project proceeded especially when the example of Quincy Market was presented. One tenant said that it was because they began to have a clearer image of the Market. Thus, more tenants might have wanted to stay if the government had given them a clear future image. On the other hand, the government might have faced much bigger protests if they had given a clearer picture.

When almost all the partners had agreed to the plan, the government started to implement the project. There were no protests when the government started to clear the squatter houses and build the new facilities. Although the relationship did not start well, all the partners were more involved in the decision-making process in this stage. Although the TCUD still had the most power, at the development stage, the opinions of tenants and local councillors significantly influenced their decisions. For example, the TCUD agreed to the construction of upper floors in the surrounding buildings and the creation of many small shops in the cruciform building, even though this meant more crowded conditions.

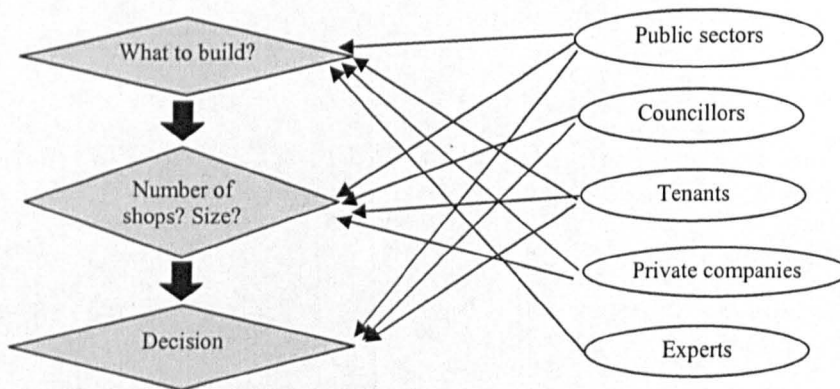


Figure 5.9 Decision-making process in the development stage

### 3. Post-development stage

The situation was totally changed. The government released almost all of their power to the tenants in return for rent only. The tenants could decide what they wanted to do and how to manage the area, as long as they got agreement from the government.

Normally, the government officers did not have too many opinions about what the tenants wanted to do, and they gave no help unless they were asked. However, Taipei City Council faced opposition at this stage when the New HsiMen Market Company wanted to sublet the whole cruciform building to another private company. Finally, the TCMA rejected the idea of subletting, under pressure from Taipei City Council. The role of the local communities became more important at this stage. However, the partnership relationship between the government and the tenants seemed to disappear again as they became landlord and tenants once more.

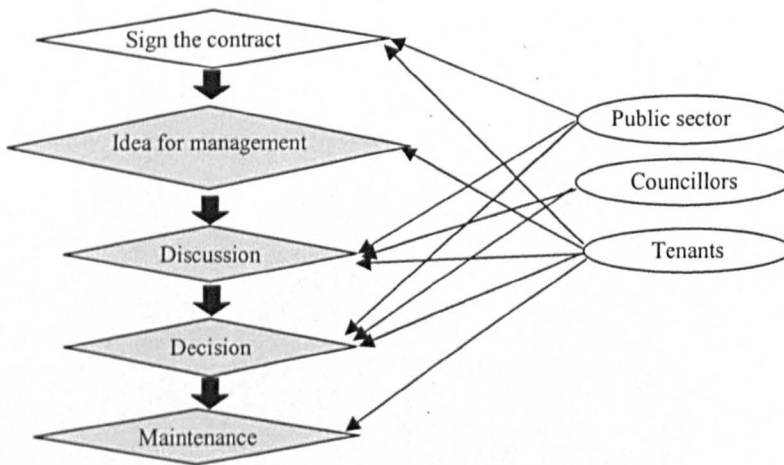


Figure 5.10 Decision-making process in the post-development stage

#### 4. Summary

In the pre-development stage, the government did not hand over too much power to other partners. However, they shared more power in the development stage. In the post-development stage, the government empowered the tenants to decide many things by themselves and reduced its own. This was not a good relationship for a partnership. Looking at the decision-making process as a whole, no systemic organization between the groups involved is evident in this case. The TCG held most of the power, with only a few of the groups involved (tenants, local councillors) being able to influence its final decisions.



### 5.7.2. Relationships between the groups involved

The above analyses are focused on the decision-making process but the purpose of this section is to review the relationship between the groups involved. Figure 5.11 simply outlines the groups involved and the interactions between them, while the details of the relationships will be analysed later. After reviewing the regeneration process of the HsiMen Market, it was clear that the main developer is the TCUD. In addition, four groups were identified as the key players in this case study: the TCUD, the HisMen Market Community, the New HsiMen Market Company, and the Taipei City councillors.

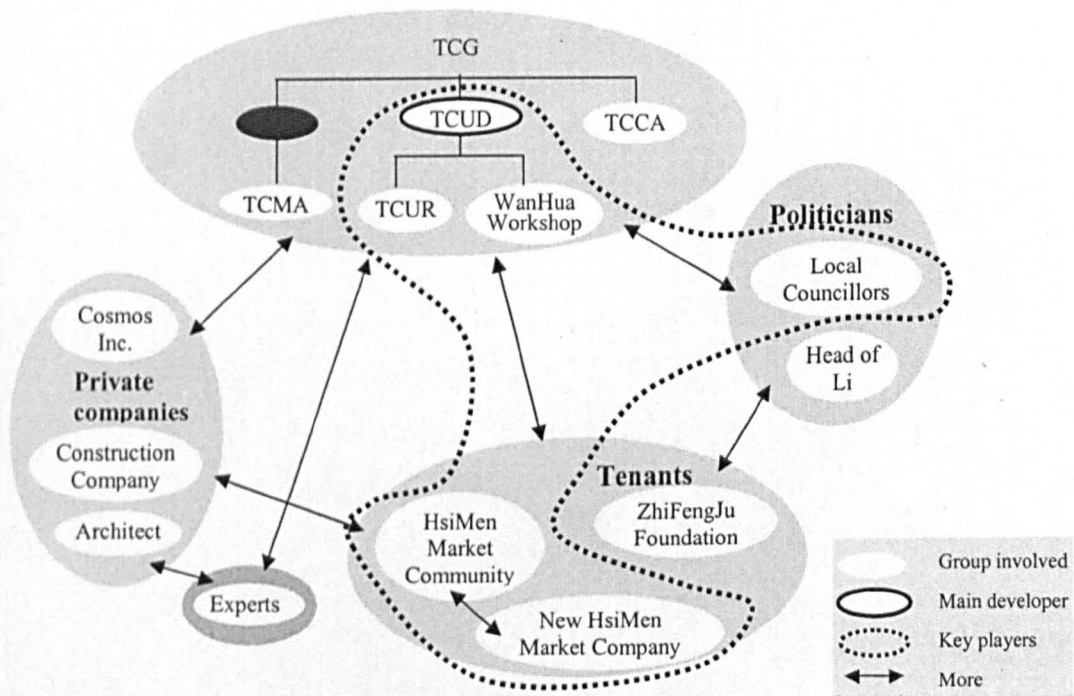


Figure 5.11 Relationships between the groups in the HsiMen Market Project

#### 1. TCUD found it hard to get help from other TCG departments

In Taiwan (Taipei), the departments concerned with urban planning and development do not hold high positions in the government system—the TCUD holds the same rank as the Department of Transportation, Cultural Affairs, Economic Development...etc. The department dealing with the urban regeneration issue was originally one of the divisions within the TCUD. In 2004, it was changed to become

the Urban Redevelopment Office (TCUR), and significantly expanded. Even so, it is still under the TCUD. As we know, in an urban regeneration project, all of the issues above need to be considered, and help may have to be sought from other departments. This can be a difficult and inefficient process. In this project, the TCCA's position was higher than that of the Urban Redevelopment Office. The tenants argued that they felt that the ZhiFengJu Foundation (represented by the manager of the Red Theatre), although outsiders, had an advantage over the tenants, because they could ask for help from the TCCA, but the tenants only could ask the help from TCMA, whose position was lower.

*"The ZhiFengJu Foundation ...had the biggest power in the HsiMen Market area...because the position of the TCCA is higher than that of the TCMA...sometimes, we cannot hold big activities on the squares if a show is being held at the same time in the Red Theatre." (Interviewee R3, 2004)*

## **2. Reluctance of other TCG departments to accept responsibility**

Of course, the Department of Urban Development was the main developer of this project. However, all the buildings in this project were managed by other departments. During the regeneration process, the TCUD presented their proposal for the area to the other departments, who supported the plan. One tenant said: "I could tell that the TCUD was the main developer for this project and their relationship with other departments seemed alright....However, none of the departments wanted to take responsibility when problems occurred" (Interviewee R3, 2004). There were also some problems during the post-development stage, because no department wanted to deal with the problem of the cruciform building. They all thought other departments should take responsibility for its management, because no one wanted to deal with the conflict between the tenants. The TCUD thought that the TCMA was the administrative department responsible for the HsiMen Market, and that they (TCUD) had finished their job when the construction was completed. However, the TCMA thought that as the TCUD was the main developer of this project, they should sort out how it should be managed (Interviewee R4, 2004).

## **3. Poor communication between TCG departments**

A small team made up of one officer from each department was set up for this project. However, the communication between the departments seemed poor. As the local councillor said:



*“At the beginning, the officers from the different departments did not communicate well with each other. Sometimes, they even gave different answers for the same question and this made the tenants quite confused.... moreover, they always shirked their responsibility and shifted the blame onto the other department.” (Interviewee G1, 2004)*

#### **4. Competition between different local communities (organizations) in the area**

As already discussed, there were three organizations in the HsiMen Market: the HsiMen Market Community, the ZhiFengJu Foundation and the New HsiMen Market Company. The relationship between the ZhiFengJu Foundation and the others was satisfactory, but there was serious conflict between the HsiMen Market Community and the New HsiMen Market Company. According to the leader of the HsiMen Market Community:

*“I wanted to establish a more formal company for the HsiMen Market after this regeneration project was done because the community needed more power to manage this area. However, the tenants in the cruciform building said that they had already joined the New HsiMen Market Company, so they did not want to join another one. Now, the role of the HsiMen Market Community became quite strange. The members of my community included all the tenants in the market, where as the New HsiMen Market Company was made up of just the tenants in the cruciform building. The New HsiMen Market Company seemed to get more powerful, partly because I did not want to have too much conflict with them... Now, the New HsiMen Market Company is the manager of the North Square, which is closer to the entrance, and we are the managers of the South Square.... Sometimes, this causes trouble when two different activities are being held at the same time...” (Interviewee R4, 2004)*

Thus, the two communities have become occasional competitors. The tenants in the cruciform building did not want to be controlled by the HsiMen Market Community sometimes.

#### **5. Division between the older and the younger tenant groups**

Two district opinions emerged regarding the management of the cruciform building: a group of younger tenants wanted to keep to the original style of the building (many small shops), while older tenants wanted to rent it out (as one unit). The leader of the community was the head of the older group and his relationship with the government was stronger. Thus, the final decision was closer to the wishes of this group. However, many tenants protested against the decision and there continues to be little trust between the two groups.

## **6. Building of relationships with tenants**

Initially, the government officers and the tenants had opposing views regarding the idea of conservation and the ownership of the land and buildings. The tenants did not even want to discuss these questions with the government officers. However, the officers spent a lot of time building up friendships with the tenants, even setting up a workshop to negotiate with them. They tried very hard to get the tenants' trust, and, eventually, their relationship improved: tenants began to listen to the officers' ideas and give them feedback.

## **7. Public meetings**

Public meetings were held by the government for tenants and relevant groups. However, some tenants argued that they did not feel that they could express what they really thought in the meetings. As one tenant (Interviewee R4) said, they did not have any idea about how public meetings worked at the beginning. Even when they became more familiar with the forum, they still did not know how to express their ideas. Nor could they really visualise the plan from the general proposal and pictures they were shown.

## **8. Relationship between private companies and the TCUD**

Private companies helped the TCG to implement this project, receiving a fixed fee from the TCG. Thus, the plan for the HsiMen Market was initially drawn up according to what the government officers wanted, with little consideration for the opinions of tenants or local councillors. However, they had to take tenants' opinions if the TCUD asked them to do what the tenants' asked. Cosmos Inc. also helped government officers conduct internal meetings for the government departments involved in the project. These meetings were normally attended by government officers from different departments, Cosmos Inc. and the leader of the community or

the head of the Li. About 21 meetings were held during the process (Cosmos Inc., etc., 2002<sup>4</sup>).

### **9. Local councillors vs. the public sector**

The main objective for the government officers was to finish the project, but the aim of local councillors was to win more votes for the next election. Of course, some may also genuinely have wanted to improve the area, either for altruistic reasons or because it would have been a political achievement. Either way, the local councillors were more likely to stand with the tenants.

The local councillors were able to influence the officer's decisions because they had the power to question the TCG's budget. Even the government officer thought that the opinions of the councillors would be taken more seriously than those of the tenants. However, the government officers may have provided opportunities for councillors to exercise their power on behalf of the tenants. For example, the TCG increased the rate of compensation upon the advice of the local councillor, but the officers may have had the additional funds ready from the beginning. In the event, the tenants felt that the councillor was working hard for them and they might be more willing to vote for him in the future. At the same time, the councillor also helped the government officer to convince the tenants to give their agreement.

### **10. Local councillors always presented the preferences of "their" tenants**

The councillors tried to develop good relationships with the entire neighbourhood, but especially with "their tenants"; that which gave them particular support and often asked for their help. Thus, several different councillors intervened in the project on behalf of various groups. There was sometimes conflict between these groups and councillors refused to coordinate with each other. Instead, they passed on their tenants' demands to the government officer and left him to find a solution to keep everyone happy.

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<sup>4</sup> Cosmos Inc., 2002, Final Report on HsiMen Market Renewal and Reuse Project – Attractive Facilities in HsiMen Commercial District (西門市場更新及再利用案總結報告書).

## **5.8. Contribution and Sharing**

### **5.8.1. Contributions**

The government took all the **financial** responsibility such as the design fee for Cosmos Inc., the construction costs and the compensation for the tenants. They used the TCG's Urban Renewal Fund to pay for this project. Before they used the fund, they had to get permission from the Taipei City Council. All of the properties belonged to the government, with the additional structures only being identified as tenants' property. The tenants could decide that they wanted to leave with compensation, or stay, in which case they would be given priority as future tenants after the project was finished. As they had been given compensation, the tenants thought that they had invested their property in the project. However, the government officer thought the granting of priority status was their compensation, and they were not investors. In terms of **human resources**, the government officers, Cosmos Inc., the architect and the conservation experts contributed their professional knowledge and skill in the design of the project. The government officers, the councillors and community leaders helped to mediate conflicts between the different groups. The HsiMen Market is managed by the TCG, but they have not taken responsibility for business here. They help tenants to hold activities sometimes but the tenants need to ask for help first. The tenants have taken on responsibility for their own organization and management of area. Thus we can say that the government assumed most of the responsibility for the resources required by the project, investing most of the money and property, and acting as the main developer, main planner and even the coordinator.

### **5.8.2. Risks and profits**

#### **1. Risks**

In the pre-development and development stages, the government took almost all the risks in this project because they were the main developer. Some tenants said that they also invested their property in this project, but they could still have asked for compensation from the government if the project failed. Thus, there was no real risk to them. However, looking at the community as a whole, tenants did face the risk that

redevelopment might have adversely affected business in the area. In the private sector, all of the partners signed a fixed fee contract with the TCG. Their responsibility was to finish the design or construction on time. They did not need to worry about protest from tenants or other groups. However, in considering about the local communities but not the individual talents, the organizations also needed to worry about the future business in this place. In the post-development stage, the government transferred most of the risk to the tenants. They take a fixed rent from the tenants and the tenants have to take the risk of building up the business in the area. Of course, the government still gives them help if they ask, but tenants have had to make decisions about the business by themselves.

## 2. Profits

The government carried out the project to change a ruined area into a pleasant environment for its citizens. However, this is also a good achievement in the TCG's official career. The tenants have been able to open the area for business again and reverse its previous decline. They benefit from a significantly improved environment and renew fabric. Councillors' profit from being associated with a political success, and may gain stronger support in the future from grateful tenants. The private companies all earned a fixed fee from the TCG, which they would have received whether the project was successful or not.

## 3. Summary

From the analysis above, the various groups involved all took some profit from the project, but only the TCG was required to take responsibility for its successful completion. Thus, the risk and the profits were not shared equally in this project.

Table 5.5 Contribution, profit and risk in the HsiMen Market Project

	Groups involved	Contribution	Risk	Profit
Public sector	TCUD	-Finance (funding) -Properties -human resources	- lost money - waste human resources - lost support	-improved environment -solved social problems -political support
	TCCA	-professional comments	-	-
	TCMA	-professional comments	-	-

Tenants	HsiMen Market Community	-human resource (Organizing the HsiMen Market)	- waste human resources - deterioration of environment	-improved environment
	New HsiMen Market Company	- human resource (managing Cruciform building)	- waste human resources - deterioration of environment	-improved environment
	ZhiFengJu foundation	- human resource (managing Red Theatre)	- deterioration of environment	-improved environment
	Tenants (stayed)	- Properties (additional structures) -professional comments (user)	(- lost money: rent)	- renting priority
	Tenants (left)	-	-	- compensation
Private companies	Cosmos Inc.	-human resources	-	-income (planning fee)
	Architect	-human resources	-	-income (design fee)
	Others	-human resources	-	-income (construction fee)
Politicians	Taipei city councillor	-human resources	- lost support	-political support
experts	Conservation experts	- professional comments	-	-

## 6. Neighbourhood Improvement projects

### – DaLi Street Improvement Plan

#### 6.1. Introduction

Since 1995, the Taipei City Government (TCG) has tried to practise the idea of public participation in local development through environmental improvement initiatives such as the Neighbourhood Improvement Project (NIP), the Community Planner (CP), and the Neighbourhood Development Plan (NDP) (see Chapter 3). NIP is the only project type not managed by the Urban Redevelopment Office (TCUR) but other divisions in the TCG. At first, the TCG provided funding for NIPs; local communities could apply for it with their proposal. However, most local communities did not have enough knowledge to make such a proposal by themselves so they had to get help from experts such as architects and planners. In 1999, the CP system was introduced, with the aim of encouraging partnerships between local residents and experts (Sung P. C., 2003). However, does partnership exist in the NIP? And what is it like? In order to get the answer to these questions, DaLi Street Improvement Plan (DaLi Street Project) was the study case for this kind of project. Table 6-1 lists the interviewees involved in the project.

Table 6.1 Detail of the relevant interviewees

Interviewee	No.	Position	Note
Government officers	O2	Taipei city government Officer	
	O5	Taipei city government Officer	
	O5-1	Taipei city government Officer	
Private companies employee	P4	Architect / Community Planner	
Politicians	G1	Taipei City Councillor	
	G5	Head of Li	
Residents	R1	5 residents / owners	Group interview Did not record
	R2	2 tenants (work in same shop)	Don't want to be recorded

#### 6.2. Background

##### 6.2.1. The DaLi Street Improvement Plan (DaLi Street Project)

In 1956, a small, cut-price garment industry developed on DaLi Street. As business got better and bigger and bigger through the 1960s, the industry developed from

retail to wholesale. By 1976, the clothes were being sold across Taiwan, and by 1988, the clothes were even being exported to other countries. This was DaLi Street's boom period. However, after 1990, business declined and WuFenPu, which is located in the east of Taipei, gradually took the place of DaLi Street. This was because the public transportation system was more convenient in WuFenPu, and it had space for potential expansion.

In 1999, the TCG tried to regenerate this area, and the ManKah Business Improving Society (MBIS) was founded. In 2000, Taipei's Metro System constructed a station which offered access to DaLi Street. the DaLi Street Project was chosen as an NIP candidate in 1999. This project is one of the case studies in this research so further details will be given later (Lu, 2001; Lu,2002; Graduate Institute of Building and Planning and JuDe community, 1999). Following is a brief history of DaLi Street.

- 1956** Retail shops built to sell cheaper clothes - business was very good
- 1960s** The garment industry was developed
- Late 1960s** Changed from retail to wholesale and profits increased
- 1976** The wholesale business getting better and better
- 1988** The prosperous period of the garment industry. Products also exported to other countries (USA, Canada...etc).
- 1990** The business declined
- 1998** DaLi Street Community Park Improvement Plan (1998 NIP) launched by the Graduate Institute of Building and Planning (GIBP)
- 07. 1999** Meeting held to improve business on DaLi Street. ManKah Business Improving Society (MBIS) was founded an the same day
- 07. 1999** Fashion show held by MBIS and the Department of Fashion Design (DOFD) in ShihChien University
- 08. 1999** Meeting to discuss the idea of applying for an NIP was held at the CP's office
- 09. 1999** Applied for 1999 NIP (DaLi Street Improvement Plan) and was approved
- 2000** Got fund of 500 thousand New Taiwanese Dollar (TND) from the Taipei Business Administration Office (TBAO) to improve business in DaLi Street. Implement by the DOFD at ShihChien University (TBAO, 2006)
- 01. 2000** First public meeting for "DaLi Street Improvement Plan"
- 01. 2000** Initial presentation meeting
- 04. 2000** Day trip to visit a similar regeneration project in YingGe county
- 04. 2000** Mid-presentation
- 05. 2000** Second public meeting for "DaLi Street Improvement Plan"



- 05. 2000 ~ Training courses for the residents (sales staff) led by the staff of the DOFD at ShihChien
- 06. 2005 University
- 05. 2000 Department of Urban Development (TCUD) officers visited DaLi Street and taken through the progress of the project
- 07. 2000 Working conference
- 09. 2000 Third public meeting for “DaLi Street Improvement Plan”
- 09. 2000 Officers of relevant departments in the TCG (TCUD and Department of Transportation) visited DaLi Street and taken through the progress of the project
- 10. 2000 Final presentation (Dec.16)
- 12. 2000 The TCUD held meeting to review the work being done
- 04. 2001 Working details reviewed by Urban Design Board
- 06. 2001 Fourth public meeting

### Location

The site area is located in DaLi Street (at the east end of SiYang Road). It has an industrial history based on the garment industry. Before the “DaLi Street Project”, the physical elements in the street were not integrated; street furniture was badly designed and did not reflect local identity; curb-side parking and occupied arcades reduced public space and obstructed pedestrian circulation. Figure 6-1 shows the planning area for the project and the research area. The planning area covered DaLi Street and a Corner Park.

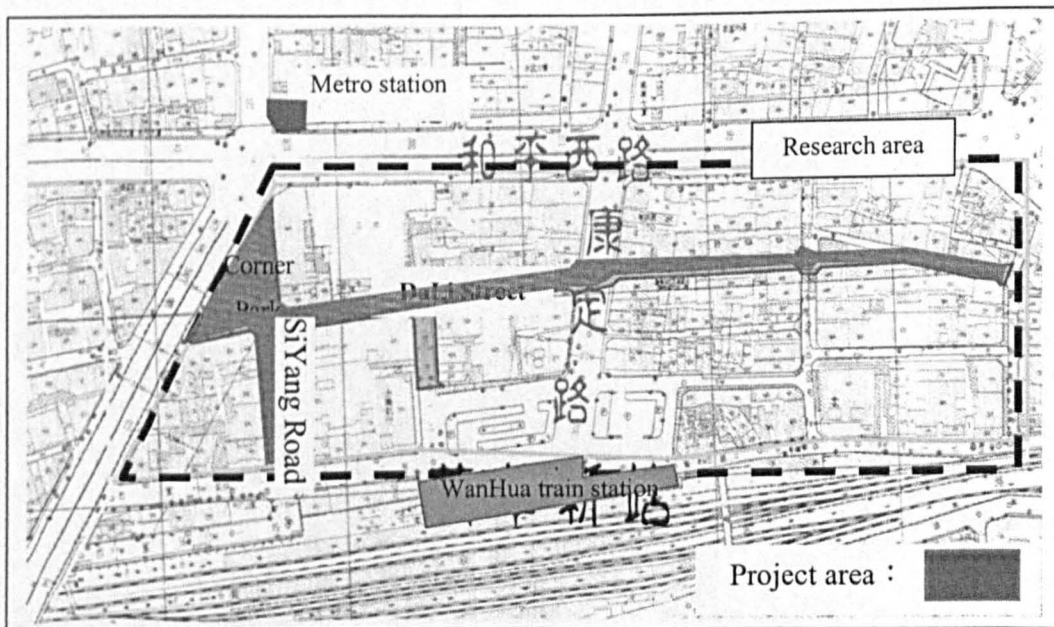


Figure 6.1 Planning area of the DaLi Street Project (DaLi Street is about 11 metre wide) (photo from Lu, 2002)

### 6.3. Pre-Development Stage

#### 6.3.1. Previous experience

A few business and environmental improvement projects had been carried out in DaLi Street before the DaLi Street Project. The CP (Interviewee P4) thought those projects helped him a lot, because the residents had already got some idea of what regeneration involved when it came to the DaLi Street Project.

*“Around 1999, the TCG started to pay more attention to this area and a few projects were carried out in DaLi Street..... most of them were trying to improve the business. No matter whether these projects were successful or not, the residents got an idea of what regeneration involved and learned how to participate in the process. ...A number of local community groups were founded before or after these projects. This made my job much easier” (Interviewee P4, 2004)*

The first NIP project, the DaLi Street Community Park Improvement Plan, was implemented in 1998. This project gave the residents ideas about how NIPs could help their environment. When shop owners held a meeting to discuss improving their businesses on 7<sup>th</sup> July, 1999, more than two hundred people participated. The MBIS was founded on the same day in order to improve business around the new Wanhua train station area. Later that year, a fashion show was held by the MBIS and the DOFD in order to attract more customers. The MBIS was one of the important local groups who participated in the DaLi Street project (GIBP and JuDe community, 1999).

#### 6.3.2. Idea of the DaLi Street Project

The idea of the DaLi Street Project emerged from a meeting held by the shop owners on DaLi Street in order to improve business. As Interviewee P4 said,

*“I got ideas (for NIP) from a survey and suggestions from local people, but the idea of the DaLi Street Project came from the meeting of DaLi shop owners which was held on 9th July, 1999.....the MBIS was organized on that day in order to improve the business there...after that, I got the idea to cooperate with the MBIS and apply for an NIP together.”*

The CP held a meeting on 2<sup>nd</sup> August 1999 to discuss the idea of a NIP, inviting members of the MBIS, academics, the head of the DOFD, and the Graduate Institute of Building and Planning (GIBP) (D. J., , 2001). The CP said the people participating

in the meeting lived in or knew the area well. They did not construct the whole plan in the meeting but they provided the CP with many good ideas (Interviewee P4, 2004). Following the meeting, the CP made a draft proposal with the MBIS, which the president of the MBIS passed on to the residents in DaLi Street, asking for their opinions. As one resident said,

*“Normally, our society held a general meeting once a year. However, the committee members may hold a smaller meeting if something is happening in the area. They asked our (residents’) opinions in person or by questionnaire...” (Interviewee R1, 2004).*

Fortunately, most of the residents supported the project because they really wanted to improve business in DaLi Street. Additionally, all of the funding would be provided by the TCG if the project was approved by the TCUD. The CP and the MBIS became a planning team and devised the DaLi Street Project together. Finally, they submitted the DaLi Street Project to the TCUD and it was approved in September 1999 (Lu, 2001).

## **6.4. Development Stage**

### **6.4.1. Making the contract**

After the project was approved by the TCUD, the planning team needed to make a contract with the TCUD detailing the required contents of the final report and the budget. Normally, the budgets for planning and construction were discussed separately. The maximum budget for the paper work (proposal) was 500 thousand NTD. Generally, the total fund for each project for both proposal and construction was around 300 thousand to 2 million NTD, but most of the projects got under 1 million NTD. The TCUD would only request the applicant to make a planning report without working details if the funding was under 500 thousand (Interviewee O5-1, 2004). For the DaLi Street project, the TCUD gave 2.230.677 NTD in total, so the working details were required.

### **6.4.2. What to build**

According to the official contract, at least three public meetings and three presentation meetings were to be held during the planning process. The TCG hoped residents could participate in the design process more through the public meetings.



spaces on SiYang Road, which is 15 metres wide (Figure 6-3). All of the pavements and roads were re-tiled.

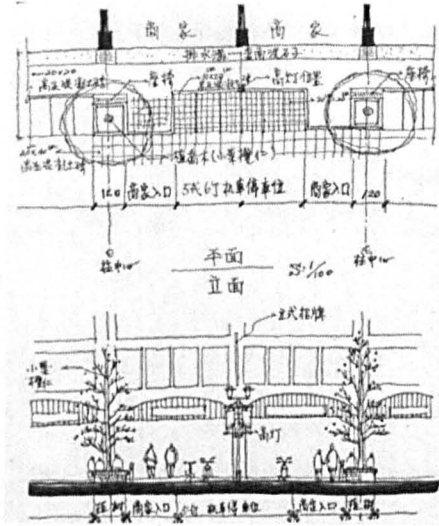


Figure 6.3 Parking space on SiYang Road (Lu, 2001, p. 28)

The issue about which authority in the TCG should take responsibility for construction was discussed in the presentation meetings. In the initial presentation meeting, the Maintenance office of Public Works (TCMO) argued that they did not have sufficient budget, and that they hoped the New Construction Office (TCNO) would take on the job (TCUD, 2000a). However, the TCNO argued in the mid-presentation meeting that they were not new roads, so the TCMO should take responsibility for the improvements. The TCMO asked the TCUD to get the budget for the construction fee and then they would implement it. However, the TCUD replied that they were not the construction department so they could not apply for the construction funds (TCUD, 2000b). Finally, the TCMO accepted the job and after reviewing the proposal more carefully, listed another thirty questions and suggested modifications. The planning unit were asked to look again at the materials used for the tiles, safety, a detailed breakdown of the budget...etc. (TCUD, 2000c).

## 2. Improving street furniture on DaLi Street

Street furniture on DaLi Street included streetlamps, chairs, plants, traffic signs, and information boards. The planners not only wanted to improve the environment but also wanted to put some identifiable elements in the furniture. The residents hoped

that the DaLi Street Project would renew as much as possible but the budget was limited. The CP said:

*"..of course, the residents had many ideas about DaLi Street. They even hoped that the TCG could renew everything for them and bring in business. However, the budget for the DaLi Street Project was only limited. We convinced them that we needed a long-term plan to accomplish all of their ideas. The DaLi Street Project was only the first stage and we could do the important things first..." (Interviewee P4, 2004)*

The TCG were most concerned about whether the design was easy to maintain, safe and in accordance with the regulations...etc. For example, the TCMO argued that the tile material may be easily broken by cars and that the chair design was dangerous, and the PSLO asked whether the signs needed to be illuminated...etc. Normally, these opinions were carefully considered by the planner and the plan was modified before the next meeting. According to the CP:

*"Most of the suggestions or opinions from government officers were not about the style of the design, but about some practical problems....besides, most of their suggestions were prompted by the regulations or their experience. Thus, we normally accepted their suggestions."*

### **3. Corner Park**

Corner Park is at one of the entrances to DaLi Street, between the Metro station and DaLi Street. Thus, the planners accepted the suggestion from the residents to design a landmark to attract customers (Lu, 2001a). Both residents and the academics of the DOFD hoped a multi-function stage could be set up in the park. This idea came from a resident in the first public meeting: *"Residents thought that they needed a stage after the fashion show which was held on 20<sup>th</sup> July, 1999"* (Interviewee P4, 2004) The academics of the DOFD also pointed out the need for a stage in Corner Park as it could help residents promote business in DaLi Street (TCUD, 2000). In the TCG, only the PSLO in charge of parks pointed out some potential problems in the DaLi Street Project. First, the PSLO reminded planners to check the percentage of green space left in the Corner Park after they put a stage in it, because it needed to be mainly used as a park (TCUD, 2000). The PSLO asked the planners and local community to make a Stage Maintenance Plan, especially the illumination system, before the final presentation meeting. At first, WanHua District Office was in charge of construction and budget. However, they argued that they could not get funding for the work because Taipei City Council did not accept they were a construction unit.



They suggested the PSLO should take on the job (TCUD, 2000). The PSLO did not have any argument about this job. However, the TCUD thought all of the construction in the DaLi Street Project should be done by the TCMO (TCUD, 2000). Finally, the TCMO reluctantly accepted this decision, and the final budget they got from the TCG was 2,230,677 NTD.

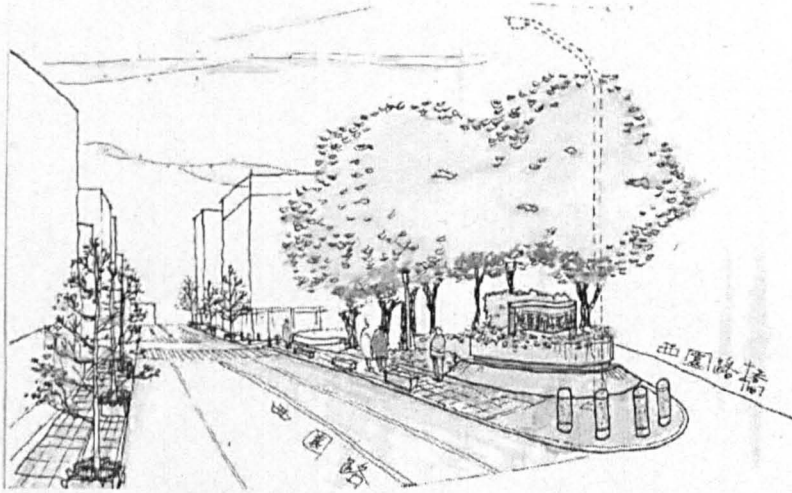


Figure 6.4 Design of Corner Park (Lu, 2001, p.31)

#### 4. Signboards

The idea of renewing the signboards of the shops was mentioned in the first three public meetings. Both residents and the architect thought it was a good idea (Lu, 2001). However, the TCUD replied that signboards were not included in the NIP because they were not public facilities. Thus, they could not provide any funding but they could ask for help from the TBAO. Unfortunately, the TBAO said it was too late to apply for funding from the 2000 budget and they could not confirm that they could get funding in 2001 or later (TCUD, 2000). Finally, the MBIS decided to pay for it themselves and asked for money from the owners of the shops. Even though most of the owners were happy to pay, this idea failed because of the opposition of a few people.

*"...however, our plan for signboards failed because of local opposition...we did not have enough funding from the TCG to change all of the signboards together so the residents who participated in the public meeting decided to ask the shop owners themselves to pay. After the meeting, some owners refused to pay this money so in the end, the signboards were not changed..." (Interviewee P4, 2004)*

*"....For example, we decided to change our signboards and pay for it ourselves (owners of the shops). However, some owners (the residents who were against the Head of Li) did not agree with this decision... even though fewer than 20% refused, we still could not change it." (Interviewee R2, 2004)*

Finally, the planners made this a target for the second stage of the plan, to be implemented at a later date.

### **6.4.3. About the meetings**

This section gives more detail regarding the atmosphere of the meetings and the attitudes of those involved.

#### **1. Discussion**

After investigating the research area and listening to people in the meeting held on 2<sup>nd</sup> August 1999 (Ch 6-3-2), the CP tried to make an initial plan with other planners. This was discussed with the members of the MBIS and modified before the first public meeting. Four public meetings were held by the planners and more opinions were collected. The CP tried to satisfy most of the residents if their ideas were achievable within the limited budget. Most of the planning areas were public property, so some proposed changes needed the agreement of the authorities in the TCG (Interviewee P4).

#### **2. Informing residents**

After the initial plan was made, public meetings were held to solicit other residents' opinions. Normally, the Head of Li took responsibility for informing the residents. According to the residents (R1) and the tenants (R2), they were informed about public meetings, usually by the Head of Li visiting their shops in person. Normally, he also asked them to pass on leaflets or inform those residents living on the upper floors (Interviewee R1; R2, 2004). According to the records of the public meetings (Lu, 2001), the participants included the TCUD officers, Head of Li, CP and local residents (including the members of the MBIS). However, the owners of the shops were more willing to join in the public meetings than the other residents. As one interviewee said:

*"The residents who owned shops on DaLi Street cared more about this project (DaLi Street Project) and participated enthusiastically in the public*



*meetings.... other residents showed less interest in this project. Most of them did not live on the ground floor and some even did not live here but rented to other people..." (Interviewee R1, 2004)*

*"Normally, the Head of Li or members of the MBIS informed me about the public meeting in person and they asked me to tell my landlord as well... I did tell him (landlord) but I never saw him in a meeting... Sometimes, he asked me if anything was decided which might influence his interests after the meeting." (Interviewee R2, 2004)*

### **3. Public meetings**

At the beginning of meetings, the design agreed by the CP and the MBIS was presented by the CP. Then, the residents could ask questions and the planner would answer them. According to the meeting records (Lu, 2001), the discussion seems to have been between the residents and the CP, with no contribution from the TCUD officer. Even questions about moving wire poles and electrical boxes were answered by the planner, while the officer kept quiet (Lu, 2001). The TCUD officer argued that:

*"Normally, the TCUD was the only department of the TCG to attend this kind of meeting and many of the questions did not come into our duty ..."*  
(Interviewee O5, 2004)

However, the planner did invite the Parks & Street Lights Office of the TCG to come and discuss the possibility of moving facilities with the residents in later meetings (Lu, 2001).

According to the meeting records and the interviewees' descriptions, the atmosphere of the public meetings was peaceful most of the time. However, some opposition was raised after the meetings, possibly for political reasons. One interviewee said:

*"We were happy with the extra money from the TCG to improve our environment so there were not many arguments about this plan.... However, a few residents always had opposite opinions....I think that was because of their personal antagonism to the Head of Li after the previous election. Thus, I feel they were opposite for opposite's sake..."*  
(Interviewee R1, 2004)

*"...those people just wanted to take issue with my opinions...because they lost in the last election..." (Interviewee G5, 2004)*

However, this was only a tiny minority, and their opinions did not influence the project most of the time. As the CP said:

*“Normally, we did not need to get all the residents agreement to agree to our plan, only a majority. Besides, the DaLi Street Project was focused on the design of the Street and the Corner Park, which were public properties. Thus, our plan could still go ahead as long as the TCG and most of the residents agreed with our design. Especially as our funding came from the TCG, not the local people...” (Interviewee, P4)*

Some decisions were changed when the design needed help from the residents, such as money donations. As described above, this problem occurred when most of the residents who owned shops on the street wanted to donate money to change their signboards. Finally, the idea failed because of the residents who protested against this idea.

#### **4. Presentation meetings and final report**

Normally, there are three official presentation meetings during the planning process. For the DaLi Street Project, the initial presentation was held in Jan. 2000, the mid presentation was held in April 2000 and the final-presentation was held in Oct. 2000. After that, the final report was submitted in Jan. 2001.

##### **(1) Participators**

All of the presentation meetings were chaired by the TCUD. Normally, the date of the meeting and the invitation list were decided by the TCUD and the planning team. In the initial presentation meeting, representatives were invited from relevant departments of the TCG, the WanHua District Office, the Li office, the MBIS and the CP office. For the mid presentation meeting, the academics of the DOFD at ShihChien University were invited, but not the previous groups. At this meeting, the government office mentioned that they were offering funding of 500 thousand NTD to improve business in DaLi Street and suggested that two planning teams could cooperate in the project. Three shop owners also attended but they did not present any opinions in the meeting. In the final presentation, the TCUD invited the same groups as came to the mid presentation meeting but did not include the owners (Lu, 2001).

## (2) Content of the presentation meetings

Compared with the public meetings, the presentation meetings were more concerned with potential construction problems and how to maintain the new public facilities. Normally, the TCG officers brought up the problems or suggestions outlined in the DaLi Street Project report, such as the pavement material not being strong enough or being difficult to maintain, the design of the Corner Park being difficult to maintain, the working details not being clear enough, whether the local community should be asked to maintain the Corner Park in the future...etc..

The TCUD was only concerned with planning, so the DaLi Street Project was transferred to many other departments after it moved to the construction stage. The follow-up authorities also needed to find the budget to implement the design, which they did not necessarily have. Thus, the TCMO rejected the idea of renewing the pavement floor in the initial presentation meeting, and the TBAO replied that the signboards could not be changed in 2001 because they did not have the budget (Lu, 2001b).

### 6.4.4. Construction stage

In the final presentation meeting, the TCUD announced most of the construction works would be carried out by the TCMO, with a few works in the Corner Park remaining with the Parks and Street Light Office (PSLO). The final decision was that the TCMO would take responsibility for all construction works and budget finding. Finally, they were given 2,230,677 NTD to spend on this project. After the TCMO took over the DaLi Street Project, they asked the CP to add more working details and more details of the construction budget (Lu, 2001c). The TCMO supervised the construction process, with the TCUD occasionally checking progress. It took about one year to finish the construction. As one resident (R1) remembered:

*"It was very inconvenient in that year and it did influence our business....we didn't get any subsidy from the TCG, but didn't have any arguments because we did not need to pay for this improvement project."  
(Interviewee R1, 2004)*

## 6.5. Post-Development Stage

### 6.5.1. Maintenance and effects

Both the pavement floor and the Corner Park in DaLi Street have been maintained by the TCG after the construction was finished. The PSLO asked the MBIS and other local community groups to maintain the stage in the Corner Park in the final presentation meeting (Lu, 2001b), but the job has ultimately fallen to the PSLO As the TCUD officer observed:

*"Some local communities told us that they were going to take responsibility for maintaining the new facilities in the planning process. However, many of them denied it after the facilities were finished"*  
(Interviewee O5)

Most of the residents were pleased with the result: Interviewee R2 said *"the environment is improved and much cleaner than before"*. There was only one objection; some residents thought *"the entrance is not obvious and attractive enough"* (Interviewee R2, 2004) and that people may not notice it.

The architect thought the project was successful but could have been better. The ill-defined construction budget adversely influenced design, but at least the environment was improved. As the CP said:

*"we had better ideas for the street lights and the Corner Park. However, we worried it would be difficult to get the construction budget later. Thus, we chose another design which was not as good but safer....we did not even try..."* (Interviewee P4, 2004)

The CP claims participating in the project was a good experience especially for young planners or architects even though it did not yield a good profit:

*"From the point of view of business, the DaLi Street Project did not offer much profit. However, it was good for young planners or architects because they could gain a lot of special experience in this kind of job. It must have helped their future careers a lot, for example by allowing them to develop negotiating skills."*

## **6.6. Groups Involved**

### **6.6.1. Private company – Architect / CP**

The architect has been the CP of WanHua District since 1999, and he also has his own company for architecture practice. The employees in his company also helped him to carry out the DaLi Street Project. He was the main force behind the DaLi Street Project. First, he found out what local people wanted in the meeting of 9<sup>th</sup> July 1999. Then, he held a meeting and invited relevant groups to discuss the idea of the DaLi Street Project. Finally, he collected people's ideas and relevant information about DaLi Street, submitting a proposal for the DaLi Street Project to apply for NIP funding in September 1999.

At the development stage, the CP was still the main actor in the DaLi Street Project, completing the proposal and arranging three presentation meetings and four public meetings with the TCUD and Head of Li. He also had to strike a balance between all the groups involved. For example, the residents wanted to renew their signboards but the TCG could not offer any funding at that moment. Unluckily, there were also some problems getting all residents to agree to pay for it themselves. Finally, the CP did a brief design for the signboard and convinced the MBIS to put it in the second stage of the DaLi Street Project. According to the contract, the CP finished his job when he submitted the DaLi Street Project to the TCUD. However, he continued to provide working details for the TCMO to do the construction work. He did not need to pay much attention in the post-development stage because the TCG was taking the project by then. However, he continued to provide ideas when asked by residents in his capacity as CP of the WanHua district.

### **6.6.2. Residents**

#### **1. MBIS**

The MBIS was a local community group, founded on 9<sup>th</sup> July 1999 with the main aim of improving business in DaLi Street. They were also main actors in the DaLi Street Project and cooperated with the CP to apply for NIP funding. They were not only needed to provide ideas and opinions but also helped Architect Lu to connect with the other residents.

*“Normally, our society held a general meeting once a year. However, the committee members may hold a smaller meeting if something is happening in the area. They asked our (residents) opinions in person or by questionnaire...” (Interviewee R1, 2004).*

The MBIS were representatives for the residents of DaLi Street so they needed to join the public meetings and the presentation meetings in the development stage. In the meetings, they not only provided their ideas but also protected residents' rights. During the discussion process, the MBIS considered maintaining Corner Park in the post-development stage, but this did not happen in the end.

## **2. Residents**

At the beginning, residents were not closely involved in the DaLi Street Project planning process. They were not invited to the meeting of 9<sup>th</sup> July 1999, so their ideas could only be presented by the committee members or through questionnaires. However, most of the residents supported the idea of the DaLi Street Project following their previous experience of NIP in 1998 (refer to 6-2-3). They knew it would be good for their environment and the TCG would pay the bill. In the development stage, residents got more chance to say what they wanted in the public meetings, and the planners always tried to incorporate their ideas into the DaLi Street Project, for example the extra parking space in SiYang Road. If the planners could not achieve what they wanted, they would try to explain why to residents, for example the budget being insufficient to renew all the signboards.

### **6.6.3. Taipei City Government (TCG)**

#### **1. TCUD**

The TCUD was not the main actor in the NIP but they were closely involved. They were the supervisor, investor and coordinator of the DaLi Street Project. In 1999, the DaLi Street Project was approved as an NIP project by the TCUD and given funding by the TCG. Three meetings were held by the TCUD in Jan. 2000, April 2000 and Oct. 2000 in order to control the project schedule and ensure public participation. The TCUD also resolved conflicts between the TCG departments. For example, they convinced the TCMO to improve DaLi Street and the pavements when the TCMO and TCNO were arguing over who should be in charge. They also asked the TCMO to take responsibility for all of the construction in the DaLi Street Project since most

of the works came under their authority. This decision made the construction work more efficient, and ensured uniformity in the design of pavements and park walkways.

## **2. TCMO**

The TCMO was the main authority in charge of construction works in the DaLi Street Project even though they were not initially willing to take the job. They were involved in the DaLi Street Project from the first presentation meeting. In the first two meetings, their reaction could only be seen when the TCUD asked them to take on jobs. Otherwise, they were quiet in the meetings. In meetings, they could not refuse the work but they did express how difficult these jobs were, saying they had insufficient budget to lay the tiles, the tiles might not be easy to maintain...etc. However, more opinions about design came out after the TCMO realised that they had to do all the construction work in the DaLi Street Project. Thirty suggestions or questions were added in the final presentation meeting, most of them about the working details. The TCMO took over the work after the DaLi Street Project was finished and submitted to the TCUD. They asked for a budget for the DaLi Street Project, ultimately being given 2,230,677 NTD to implement its construction. After construction was finished, the TCMO was required to maintain all the public facilities which they built for the DaLi Street Project, excluding the facilities in the Corner Park.

## **3. PSLO**

The role of PSLO was similar to that of the TCMO and their reactions were also similar. In the DaLi Street Project, it was suggested that PSLO should implement the construction of Corner Park. However, as this was only a small part of the whole project, the TCUD asked the TCMO to take on the job. The PSLO agreed to this. However, PSLO were still required to maintain the stage in the Corner Park as they were the relevant authority, so they were concerned about the material and design. They asked the local community to take responsibility for maintaining the stage in Corner Park (TCUD, 2000c) but as they could not find any local community group willing to maintain it, they have ended up doing it themselves.

#### **4. TCNO and WanHua District Office**

These two departments were not deeply involved in the DaLi Street Project, participating only in the presentation meetings. They were invited by the TCUD because some elements of the design of the DaLi Street Project might come under their authority. Normally, they were only concerned with these elements. Neither the TCNO nor the WanHua District Office carried out any construction work, so they did not have many opinions in the meetings. As the NIP was all about improving public facilities, the experience of the TCG officers was useful to the planners.

##### **6.6.4. Head of Li**

The Head of Li is an important political officer; he has the closest relationship with the local residents. Normally, these officials are residents in their authority area, which is a unit of Li. They are elected by the residents of Li and they may belong to a specific political party. Mr. Xu was the Head of Li in DaLi area. He had a good relationship with most of the residents and he supported the idea of the DaLi Street Project. Thus, he helped the CP and the MBIS to coordinate with the residents in the development stage. He also chaired four of the public meetings. However, he also caused some troubles for this project as a result of enmities created during the previous election.

##### **6.6.5. Experts**

Both the DOFD and the GIBP had held activities in DaLi Street (refer to 6-2-3), so the academics who were involved in those activities were invited to the discussion meeting to give their views. The DOFD got founding which was provided by the TBAO in 2000. Their aim was also to improve business in DaLi Street. Thus, they cooperated with the CP and the MBIS in the later stages. The representatives of the DOFD not only participated in the presentation meetings but also provided some ideas. For example, they suggested the idea of the Corner Park stage as a venue for their fashion show.



Table 6.2 The groups involved in the DaLi Street Project

Groups involved		Role			Main agendas
		Pre-Dev.	Dev.	Post-Dev.	
Public sector	TCUD	-	Supervising/ Investing/ Coordinating	reactive	- select project, control schedule, ensure public participation - provide fund (NIP) - coordinator between the departments of the TCG
	TCMO	-	Reactive → Active/ investing	active	- construction - apply for construction fee
	PSLO	-	reactive	active	- Participate in the meetings
	TCNO	-	reactive	-	- Participate in the meetings
	WanHua District Office	-	reactive	-	- Participate in the meetings
Politicians	Head of Li	-	Active/ coordinating	-	- connect with planner and residents - chairing the public meetings
Residents	Local community (MBIS)	Active/ coordinating	Active/ coordinating	(using)	- cooperate with the CP - connect with planner and residents
	Residents	reactive	active	(using)	- protecting their own interest
Private companies	CP	active	active	reactive	- collect residents' idea - made the DaLi Street Project to apply for NIP
experts	DOFD	consultative	Consultative	-	- provide experience
	GIBP	consultative	-	-	- provide experience

### 6.6.6. Goal and Area

As the aim of the NIP initiative was to improve the environment through public participation, this was the most important goal for the TCG. The TCUD was the main department to implement this policy, with the cooperation of other departments, in line with the TCG policy. Improving the environment was the main goal for the TCUD, but to other departments the DaLi Street Project simply seemed like an extra job; this was evident from their reaction in the meetings. For the residents, their ultimate goal was to improve the environment and business. As far as the CP was concerned, the profit was not as much as he expected but he benefited in other ways:

*"The TCG did not provide a lot of funding for the NIP and the financial return for me was lower than the market rate. However, there were other, less visible, rewards which will help me in my future career, such as the building of communication skills, relationships...etc... maybe I won't do this kind of job too often from now on but it was very good experience, especially for the young architects..." (Interviewee P4, 2004)*

The GIBP and the DOFD were happy to give the benefit of their professional experience to improve DaLi Street because they all have relationships with the residents through other projects. The DOFD was keen to support a project to improve

business in DaLi Street. As it would be good for business if the environment was improved, they were happy to participate in the meetings and provide their professional experience. Thus, improving the environment was the main goal for all of the groups involved in the DaLi Street Project.

**Table 6.3** The goals of the groups involved in the DaLi Street Project

Groups involved		Goal
Public sector	TCUD	-Improving environment
	TCMO	(-Improving environment)
	PSLO	(-Improving environment)
	TCNO	(-Improving environment)
	WanHua District Office	(-Improving environment)
Residents	Local community (MBIS)	-Improving economic -Improving environment
	Residents	-Improving economic -Improving environment
Private company	CP	-Improving environment -Personal profit
Politician	Head of Li	-Political need -improving environment
experts	DOFD	-Improving environment
	GIBP	-Improving environment

## 6.7. The Relationship between the Groups

### 6.7.1. Decision-making process

#### 1. Pre-development stage: environment issue for NIP

From their initial meeting and the fashion show in July, it could be seen that MBIS's original idea was to improve business in DaLi Street. At the same time, the CP got the idea of launching the DaLi Street Project to help the MBIS achieve its aims, by improving the environment. He believed that a comfortable shopping environment could attract more customers (Lu, 2001). More groups were then invited to discuss the idea of the DaLi Street Project. In this meeting, the CP invited people from the MBIS, the DOFD and the GIBP to discuss their ideas and give the benefit of their experience. The members of the MBIS were the representatives of the residents. After the meeting, the CP cooperated with the MBIS to decide the content of the DaLi Street Project proposal. Finally, it was submitted to the TCUD in September to be considered for the 1999 NIP. Thus, the final decision was primarily made by the CP and MBIS. Although the opinions of residents were represented by the MBIS, they did not participate directly in the final decision-making stage.

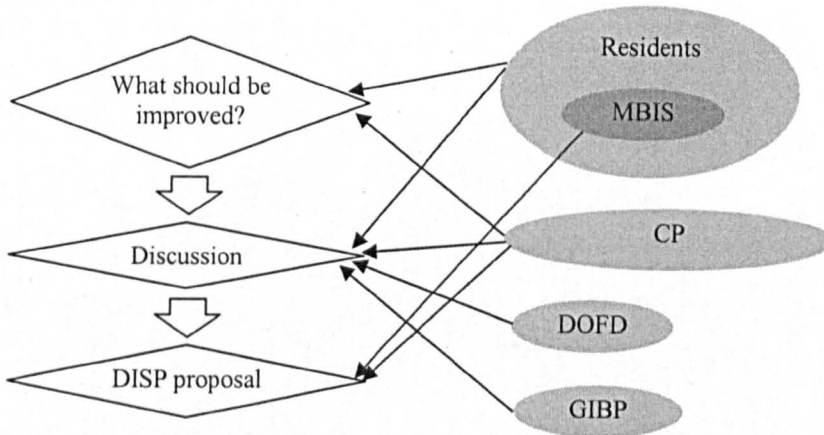


Figure 6.5 Decision-making process in the pre-development stage

## 2. Development stage: details of the DaLi Street Project

The DaLi Street Project proposal gave only a brief description of how it was intended to regenerate DaLi Street by improving the public facilities. At the development stage, it was necessary to decide which public facilities needed to be improved and how this was to be done. First, the public meetings were held to present the planners' ideas for DaLi Street, and to elicit feedback or new ideas from the residents. Generally, the CP respected the suggestions from residents, such as the idea of a landmark, the stage in Corner Park, the signboards...etc (Lu, 2001a). If anything was not achievable, the CP clearly explained the reasons why.

Following the discussion in the public meetings, the CP made a draft of the DaLi Street Project and submitted it to the TCUD. Then, presentation meetings were held by the TCUD in order to discuss the content of the DaLi Street Project. In the meetings, the TCG offered comments referring to the regulations or their experience. Their comments normally influenced the final design even if they could not force the CP to change it. For example, the pavement was narrowed to preserve the 6 metre road width required for two-way traffic, and the signboard was deferred to the second stage of the plan because the TCG said that they could not provide funding. Thus, the TCG significantly influenced the final content of the DaLi Street Project. Moreover, the content of the final report had to be approved by the TCG before the project was completed. The residents' opinions were represented by the MBIS.

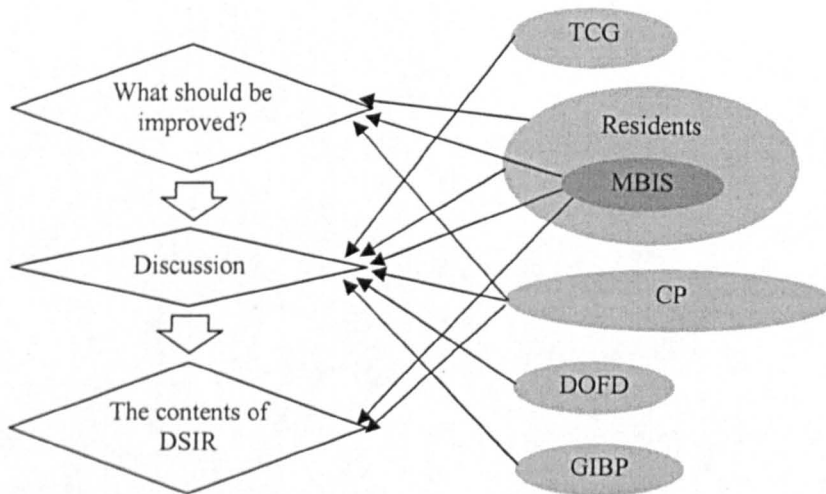


Figure 6.6 Decision-making process in the development stage

### 3. Post-development stage: maintenance

The PSLO could not find any local community groups willing to take care of the Corner Park. Thus, all facilities on DaLi Street and Corner Park are managed and maintained by the TCG because they are public facilities.

#### 6.7.2. The relationship between the groups involved

Table 6.3 shows that eleven groups were involved in the DaLi Street Project but not all of them were deeply involved. Based on the distribution of the arrows in Figure 6.7, five groups were more active: the CP, the MBIS, the residents, the Head of Li, and the TCUD (TCG). The main developers are the CP and the MBIS which could be clearly identified from the previous description of the regeneration process. In addition, many different TCG departments were involved in the project; however, the TCUD was much more deeply involved as compared with other departments. In order to make later discussion clearer, the TCG departments except the TCUD who were involved in the case study will collectively be called “non-TCUD departments”.

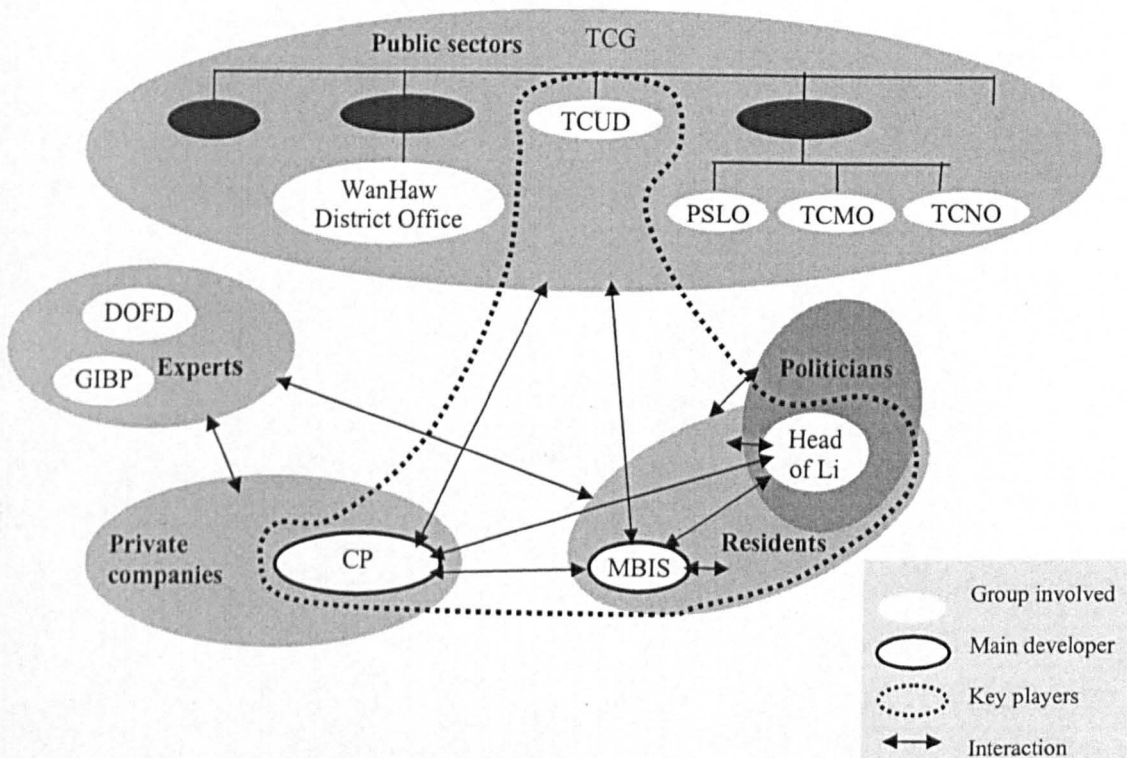


Figure 6.7 Relationships between the groups involved in the DaLi Street Project

### 1. Relationship between the main developers (the CP and the MBIS)

Because of the preferences of the TCUD, the CP and the MBIS cooperated with each other to apply for funding under the 1999 NIP. Luckily, they worked together well and their relationship was good. The CP said:

*"we cooperated with the MBIS to apply for the NIP because the TCUD prefers this kind of proposal...besides, they did help me a lot in the development process, for example with ideas and communication...our relationship was good...they respected my professional views and I tried to realize their expectation of the DaLi Street Project "* (Interviewee P4, 2004)

### 2. Non-TCUD departments in the TCG

The relevant departments of the TCG were involved in the presentation meetings in the development stage. However, the TCUD was the only department which had a positive attitude. They had more ideas and were keen to achieve the targets. Other departments in the TCG, which were not as active as the TCUD, focused only on the design or planning elements which were relevant to their authority and tried to make it as easy for themselves as possible. As the TCUD officer (O5-1) said,

*"I think they (other departments) hate us (\*laugh\*) ...just joking but maybe it was true (\*laugh\*)... They did not say "NO" directly when we transferred our project (NIP) to them. However, we could feel that they were not willing to take the case from their facial expression, their questions or their arguments. Anyway, they still normally accepted our project because Mayor Ma was very keen on the NIP." (Interviewee O5-1, 2004)*

Examples of such reluctance to be involved are easy to find. As described in Section 6.4.3, neither the TCMO nor the TCNO wanted to take on responsibility for pavement construction. Initially, the TCMO said that they could not find any budget, and the TCNO argued that it was not a new road. Even when the TCMO accepted this work later, they asked the TCUD to come up with the budget for them. During the process, it was apparent that the TCMO was not happy to take on this work. Unfortunately, most of the non-TCUD departments had the same attitude as the TCMO, and the relationship between the TCUD and other departments was not good, even though it seemed fine on the surface.

### **3. Effect of the TCG's comments on final decisions**

As revealed in the last section, the TCG was not involved in the final decision-making stage of the process. However, their opinions did significantly affect final decisions in practice. Their latent power derived from two main sources. One was their official background, and the other was funding. As the CP said, government officers' opinions related to practical problems or the regulations (Interviewee P4, 2004); For example, DaLi Street needed to remain at least six metres wide to keep the two-way road, and the percentage of green space in Corner Park could not go below a certain level. As far as funding was concerned, the funding from NIP (TCUD) was only for finishing the paper work relating to the DSIR. It was up to the TCG to find further funding to implement the project. However, if the projected budget was too high or the target was too difficult, the project could have been discontinued after the report. Thus, the CP and MBIS tried to make the report as reasonable as possible in order to maximise its chances of being implemented later, for example, they put the idea of the signboard in the second stage of the plan, because the TCUD said this work should not come under the NIP and the TBAO could not get funding for it.

#### **4. Political issues – Head of Li**

The relationship between the main developers, the CP and MBIS, and the Head of Li was good throughout the DaLi Street Project, because the latter was an effective liaison between planners and residents. However, he also caused some problems because of the political issue. Some residents opposed him rather than the ideas. The problem was caused by the election of the Head of Li. The candidate who lost in the election and his supporters consistently opposed the ideas put forward by the Head of Li. As the Head of Li said: (Interviewee G5, 2004) "...those people just wanted to take issue with my opinions...". The residents (Interviewee R1, 2004) also said: "...I think that was because of their personal problems caused by the election. Thus, I feel they were opposite for opposite's sake..." In the face of this kind of unreasonable protest from a minority of residents, the planners might ignore their arguments sometimes. As the CP (Interviewee P4, 2004) said: "We did not need to get all the residents to agree to our plan, only a majority..." However, the minority still influenced the final decision in some cases such as the signboard.

#### **5. Effect of minority views**

It could be argued that the main developers were the CP and the residents rather than the MIBS, since the MIBS acted as the representative of the residents. Residents did not have many arguments with the decisions; not only were they always involved in the decision-making process, but they were not required to pay for most of the construction either. Thus, they were happy to see the improvement in facilities under the DaLi Street Project. As one resident (Interviewee R1, 2004) said: "We were happy with the extra money from the TCG to improve our environment so there were not many arguments with this plan..." However, the protests of a minority of residents did significantly influence the final decision on occasion especially when the construction fee had to be paid by the residents themselves. In such cases, the architect needed the agreement of all residents. For example, the plan to erect new signboards failed ultimately, because of the opposition of fewer than 20% of the residents (Interviewee R2, 2004).

#### **6. Win-win situation for planners and experts**

Generally speaking, the planners and the experts were happy to help each other because it was a win-win situation. Many different kinds of projects were done in the



DaLi area, implemented by a range of groups. For example, the DaLi Street Project was implemented by the CP and MBIS in 1999, the DaLi Street Community Park Improvement Plan was implemented by the GIBP in 1998 and the DOFD also secured a funding to improve businesses on DaLi Street in 2000. These groups were happy to collaborate in order to improve the area. For example, the stage in the Corner Park was built by the DaLi Street Project but the DOFD were then able to use it for their fashion shows.

## **6.8. Contribution and Sharing**

### **6.8.1. Contribution**

All funds were provided by the TCG. In the development stage, the TCUd paid the planning fee to the CP from the NIP fund. The TCMO was then given a budget to implement the construction works in the post-development stage. During the development process, the residents considered paying for the signboard themselves but this plan failed. Thus, the residents did not ultimately invest any money in the DaLi Street Project. In terms of human resources, the CP and MBIS contributed most since they were the main developers. From planning to completion of the DaLi Street Project report, the CP gave his professional skills in planning and design. Even in the post-development stage, the CP contributed to modify the working details for the TCMO. The MBIS helped the CP to draft the DaLi Street Project and undertook communication. TCG officers provided useful opinions in the presentation meetings but only the TCMO and PSLO were required to take responsibility for maintaining the public facilities in DaLi Street and the Corner Park. Residents also contributed ideas and participated in the meetings. The Head of Li helped a lot in terms of communication and contact with the residents by distributing leaflets and questionnaires. In terms of property, all the planning areas were public and belonged to the TCG, so there were no problems with regard to making changes to the land or facilities.



## **6.8.2. Sharing the risk and the profit**

### **1. Sharing the profit**

The MBIS and residents are possibly the groups who profited most from the improvement of Dali Street. As one resident (Interviewee R1, 2004) said: "Most of the residents are happy with the improvements. The street is clearer than before and looks nicer. And business has improved..." The Head of Li also said the environment was better. Moreover, he anticipated unproved support from local residents and maybe more votes in the next election. The CP received a planning fee from the TCUD, even though it was not much, but he also valued the experience he had acquired, and the relationship he had built up with residents. He felt this might make easier for him to promote another project in WanHua district. About five different departments of the TCG were involved in the DaLi Street Project but only the TCUD profited from the project, because they were able to achieve the target which Mayor Ma had set them. Other departments continue to do the same job (construction work and maintenance) whether the public environment or facilities are improved or not. The TCMO and the PSLO got even more work to do because of the DaLi Street Project. Finally, the new stage in Corner Park provided the DOFD with a place for fashion shows, and the improved environment has helped the businesses in DaLi Street.

### **2. Sharing the risk**

Only the main developers and the TCG took a risk on the DaLi Street Project. The CP and the MBIS would not have got any return for their human resources and time if the proposal had not been taken up by the TCG in the pre-development stage. As far as the TCG was concerned, the only risk for the TCUD was the cost of the planning fee if the report could not be finished. However, this was unlikely, so this risk was small. The TCMO and the PSLO might have worried that they could not secure sufficient funding to maintain the added public facilities.

Table 6.4 Contribution, profit and risk in the DaLi Street Project

Groups involved		Contribution	Profit	Risk
Public sector	TCUD	- Finance (planning fee) -professional comments	- improving environments (task achievement)	- lost money (planning fee)
	TCMO	- Finance (construction fee) - Human resources (Implementation, maintenance) -professional comments	-	- (short budget for constructive or maintenance fee)
	PSLO	- Human resources (maintenance) -professional comments	-	- (short budget for maintenance fee)
	TCNO	-professional comments	-	-
	WanHua District Office	-professional comments	-	-
Residents	Local community (MBIS)	- Human resources	- improving environments -solved social problems (business)	- Waste of human resource
	Residents	-comments	- improving environments -solved social problems (business)	-
Private companies	CP	- Human resources	- income (Planning fee) - personal interest (trust from residents, experience)	- Waste of human resource
Politician	Head of Li	- Human resources	- political support	- lose support
experts	DOFD	-professional comments	- personal interest (useful facilities for their project)	-
	GIBP	-professional comments	-	-

## 7. Private sector projects – General situation

### 7.1. Introduction

Private sector projects are single projects which can be proposed by the private sector - local residents or local residents with private companies. This kind of project is implemented under the urban regeneration regulations and needs to be approved by the government at several stages. Up to the point when this field work was conducted, all such projects were developed by private companies, except for a few special cases after the 921 earthquake (1999) which were implemented by local residents. Thus, this research will focus on projects operated by private companies. The relevant regulations have been briefly discussed in Chapter 3. This chapter will compare two main regulations, the *Urban Renewal Act* and the *Regulations for Taipei Urban Renewal*. Two case studies will then be described in order to understand the effort of implementation. The research will then analyse the cases by the key issues of partnership. Evidence gathered from eleven interviewees will be used in this chapter, including government officers, the employees of private companies, landowners, house owners, and experts. Some of the interviewees relate specifically to the case studies but others give a general idea or personal experience of this kind of project.

Table 7.1 Detail of the relevant interviewees (Interviews in 2004)

Interviewee	No.	Position	Note
Government officers	O1	Taipei city government Office → centre government officer	
	O2	Taipei city government Officer	
	O3	Taipei city government Officer	
	O4	Taipei city government Officer	
	O8	- Centre government officer - member of the Urban Regeneration Board	
Private company's employees	P1	FuAn construction company	Didn't want to be recorded
	P2 / P2-1	QiaoYang company	2 employees (unexpected)
Politician	G1	Taipei City Councillor	
Residents	R8	Resident of HuaZhongDuan project	Didn't want to be recorded (HuaZhongDuan)
Experts	P5	-Architect /-member of the Urban Regeneration Board	

### 7.2. Background

Taipei's urban regeneration has gone through four phases. The Taipei city government (TCG) announced that the urban regeneration of Taipei had moved into

the (public-private) partnership stage when the *Urban Renewal Act* was published (Lin, 2003). However, this was significantly influenced by the *Regulations of Taipei Urban Renewal* (1993). Thus, it is important to review the two pieces of legislative regulation together first.

### 1. Differences between the regulations

Even though the *Urban Renewal Act* is based on the experience of the *Regulations of Taipei Urban Renewal*, there are some key differences between the two. Central government thinks the *Urban Renewal Act* is much better and more comprehensive than its predecessor. Following are the obvious changes (Lin, 2003; Urban Regeneration R&D Foundation, 2002).

(1) Majority agreement: In the *Urban Renewal Act*, developers do not need to get agreement from all owners, only a majority. This new policy seems to make it easier for the developer to get approval from the TCUR. However, many private developers (Interviewee P1, P2, 2004) worry about the implementation stage. They think it will not be easy to deal with owners who do not agree with a regeneration project, and they anticipate huge protests.

(2) Multiple incentives are now provided: additional floor space is also an important incentive in the new regulation. Central government also provides many different kinds of tax exemption in specific conditions.

(3) Compelling public properties to participate in urban renewal projects: it is always a complicated process to change the ownership of public properties, as approval is required from many government departments. One private developer said that the purchasing procedure was a nightmare for them (Interviewee P1, 2004). Under the *Urban Renewal Act*, if public properties are located in an urban renewal area, they have to participate in the urban renewal business plan, without any conditions.

(4) A supervision and taking-over system: According to the *Urban Renewal Act* (Article 54~57), the local authority can revoke the licence or take over the project if the developer does not do it well (for example by not following the urban renewal business plan).

(5) Public exhibitions and meetings: Under the *Urban Renewal Act* (Article 10, 19, 29), one public exhibition and two public meetings must be held before the project is implemented. Some may be held by the developer and some by the local government.

The relevant parties can submit any opinions during the public exhibition or meeting, and all of their views will be submitted to the Urban Renewal Board.

### 7.2.1. Background to two case studies

In considering the private sector projects, this research will look beyond on one or two specifics to take a more general view. This is because the situation is flexible and it is not easy to understand the entire situation from one or two projects. However, two cases were chosen in order to record the specific experience of interviewees and examine the general issues which emerged from them. The interviews revealed what was involved in these two projects, plus interviewees' experiences of other projects.

#### 1. HuaZhongDuan project (Urban Renewal Act) ----- Failed

The original intention was to focus on projects carried out under the Urban Renewal Act. However, only three projects were finished at the time of the field work (2004) and all of them were special projects following the 921 earthquake (1999). These were not considered appropriate for the purpose of the research. Finally, the only project (HuaZhongDuan) to be carried out in WanHua district was chosen, even though it has not been finished. Fortunately, the interviewees had plenty of experience of this kind of project and could paint a clear picture of the general situation. The HuaZhongDuan project was operated by the QiaoYang company. It has not finished but the company has already stopped work on this project, according to one interviewee (P2). It was operated under the Urban Renewal Act and only as far as TCUD approval for the URban Renewal Business Summary (Figure 6-2). According to interviewee P2 and P2-1, the main problem in this project was the difficult of balancing the interests of the people involved. It was impossible to achieve the level of agreement required by the regulation. Following is a brief timetable of this project.

2001 (June) QiaoYang Company submitted *Urban Renewal Business Summary*

2001 (July) *Urban Renewal Business Summary* approved by the TCUR

#### 2. ZhiXingDuan project (Regulations of Taipei Urban Renewal)

The ZhiXingDuan project was chosen to be one of the case studies in this research even though it was implemented under the Regulations for Taipei Urban Renewal. This was for two reasons. First, no other urban regeneration projects had been

finished in Taipei at this time apart from the projects inspired by the 921 earthquake. Thus, it was not possible to review any project under the *Urban Renewal Act* from beginning to end. Second, the developers have adopted much the same attitude under both regulations; which is to try to get the agreement of all owners, as this makes life easier (Interviewee P2, P2-1, 2004). Thus, the general situation can be inferred from the experience encountered in the previous project.

#### - Location and ownership

This project is located in the WanHua district which is the oldest and the poorest area in Taipei. The buildings around this area were very small and crowded (Figure 6-3) and the quality of the environment was not very good (Figure 6-4).

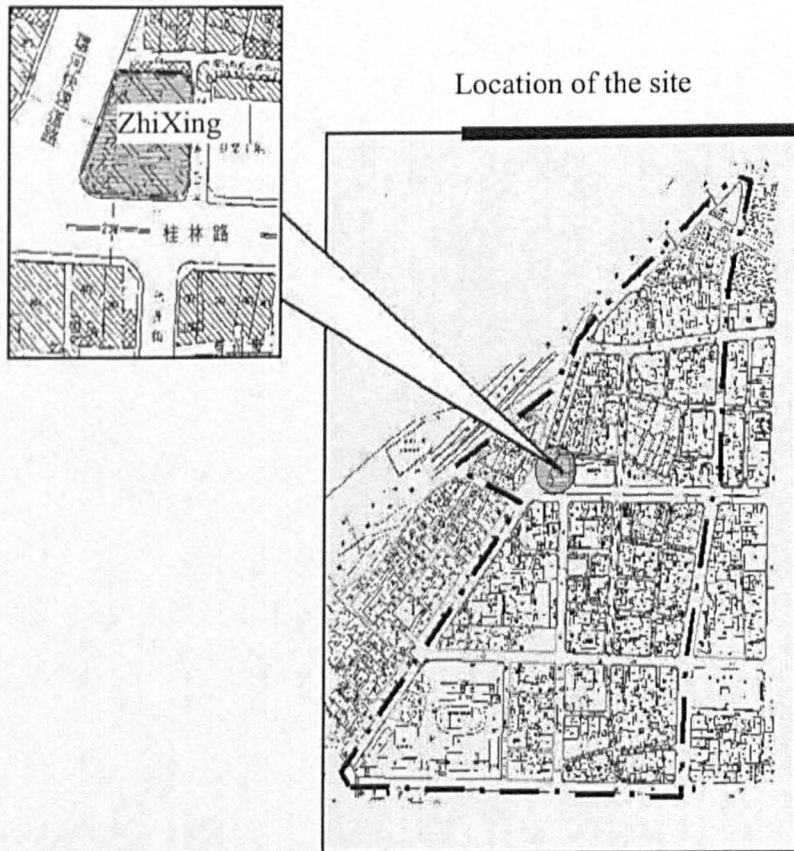


Figure 7.1 The location of the ZhiXingDuan project (FUAN CONSTRUCTION COMPANY, 2001)



Figure 7.2 The environment before regeneration. Photo taken in 2000 (FuAn Construction Company, 2001)

Most of the properties belonged to private owners with only two lots belonging to central government. The total area of this project was very small - only 864 m<sup>2</sup>.

Table 7.2 Ownership of the lands in ZhiXingDuan project

Ownership of the lands		Area (m <sup>2</sup> )
Public lands (2 properties)	Central government	55 m <sup>2</sup>
Private lands (26 properties)		809 m <sup>2</sup>
Total		864 m <sup>2</sup>

(Refer to FuAn Construction Company, 2001)

Table 7.3 Ownership of the buildings in ZhiXingDuan project

Ownership of the buildings		Area (m <sup>2</sup> )
Private lands (16 properties)	Permitted buildings (13 properties)	1693.17 m <sup>2</sup>
	Non-permitted buildings (3 properties)	68.67 m <sup>2</sup>
Total		1761.84 m <sup>2</sup>

(Refer to FuAn Construction Company, 2001)

### - Brief history of the regeneration process

This project was started in 1996 and took about eight years to implement. For the private company, it was a terrible experience. According to interviewee (P1), this was the first regeneration project undertaken by his company (FuAn Construction Company) and it will be the last. In this opinion, the company will not want to do anything so exhausting again. In the end, the private developer was content to



retrieve their investment and nothing more. Following is a brief timetable of the important events which happened in this project. Further details will be given later in this chapter.

**1996** Designation as an urban renewal area by the TCG

**1996** A middle-man<sup>1</sup> sold some agreement papers to HuCheng Construction Company and the company started the project. At the same time, HuCheng Construction Company invited FuAn Construction Company to invest in the project.

**1998** Agreement papers secured from 2/3 of owners and *Urban Renewal Plan* submitted to the TCG by HuCheng Construction Company

**1999** The *Urban Renewal Plan* was approved by the urban renewal board but HuCheng Construction Company still could not get 100% agreement papers from owners. Finally, FuAn Construction Company decided to take over the project.

**2002** Finally, FuAn got 100% agreement papers from the owners, having bought all the properties except for the squatter buildings. Started to implement the project.

**2004** The new building was almost finished when the interview was conducted.

### **7.3. Pre-Development Stage**

This section describes the three stages of the development process in urban regeneration projects. The discussion will be on the *Urban Renewal Act* and the two case studies. However, the discussion will not only focus on the two case studies; as private sector projects are many and various, the discussion will also be more general. The case studies will be used as a starting point, enabling inferences to be drawn about the general relationships between the groups involved.

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<sup>1</sup> The middle-man is called "ZhongRen" in Taiwan. Their job is to discover possible areas for development or regeneration. They will be the first group to negotiate with owners and try to get agreement papers from them. If they can get enough agreements, they will contact other private companies and sell these agreement papers on.



### 7.3.1. Starting the project

#### 1. Designating the urban renewal area

Urban renewal areas are designated by the TCG (TCUD or TCUR) in order to encourage people to regenerate the older and poorer areas in Taipei. According to the *Urban Renewal Act*, the TCG is obliged to investigate conditions across the whole Taipei City environment first before selecting urban renewal areas. Before the TCG announces an urban renewal area to the public, it needs to be approved by the Taipei Urban Planning Board. If it is approved, the TCG must announce the location of the area and publish details in the newspaper for three days.

#### 2. Applications from private companies and local communities

Any private companies or local communities who want to regenerate the area can submit their application to the TCG. Most applications are made by private companies such as the projects in HuaZhongDuan and ZhiXingDuan. Neither company started the project by themselves; both used middle-men. However, a few projects have been undertaken by local communities recently as people learn more about urban regeneration.

*"Before, we normally started a regeneration project through a middle-man. They provided us with projects which had already got agreement papers from some of the owners in the renewal area. Then, we estimated the likely profit and the potential of the project. If the profit was good enough and it was likely we would get agreement from owners, we would buy the project from the middle-man. ... However, we have also had some projects from local communities in the past two or three years. I think it's because people are learning more about urban regeneration...Also, we have been doing this kind of project for a long time... people may have heard the name of our company" (private employee, Interviewee P2, 2004)*

*"I know that many projects were started by middle-man rather than private companies, because a big company might not want to spend a long time on this kind of project (regeneration project); they prefer to develop vacant land..." (Government officer, Interviewee O4, 2004)*

Evidently, profit is the most important thing for private companies. They worry most about securing agreement from the owners because "time is money" for them (Interviewee P1). According to one employee, several important issues influence their decision whether to invest in a project or not: (1) How easy it is to get the properties; (2) the market value of the location; (3) how much incentive they can get from the

TCG. An urban renewal area is more attractive if it involves a big area of public land. This is because developers do not need to spend time negotiating with the owner; the responsible authority can not refuse to participate in the urban regeneration project, under the *Urban Renewal Act*.

### **7.3.2. Urban Renewal Business Summary**

Two important things are required in the Urban Renewal Business Summary. One is a record of the public meeting held by the developer and the other is agreement papers from at least 1/10 of the property owners. Both case studies achieved these two targets easily and quickly with the help of the middle-man. In fact, these were the easiest parts of the whole process.

#### **1. Public meeting**

A public meeting should be held by the main developer and all the owners must to be invited. The main purpose of the meeting is to inform owners about the regeneration project in the area. More details about the public meeting in this case will be described later. The meeting was held by the QiaoYang Company on 17 June, 2004.

In addition to the residents and the main developer (QiaoYang Company), an architect, a Head of Li, an officer of the TCUR, and an officer of the District Office participated in the meeting. Employees from the QiaoYang Company and the architect presented the plan and the design of the project first. The residents were not very interested in the content of the presentation, especially the design of the future buildings, and some of them started to chat with their neighbours. After the presentation, the experts and professionals at the front of the meeting room gave short speeches about the experience, the benefits, the procedure, the skill of urban regeneration. It was evident that they were trying to make the residents more confident about the project, as Interviewees P1 and P2 mentioned in the interview. They said that the government officers and experts were invited to the public meeting because they could let the residents feel more confidence about the project. Moreover, the government officers also felt their attendance could help the developer to encourage residents to participate in the project and give the residents a chance to ask questions about the regulations (Interviewees O2, O3). After the presentation, the residents could ask questions or give suggestions. Only five questions were asked in the open discussion. However,

many individual or private discussions were happening at the same time. One resident talked with the architect individually and three small groups (two to four people) of residents discussed by themselves. The open discussion finished quickly but the individual or private discussions continued afterwards.

The meeting which I attended was very peaceful and quiet during the presentation and the open discussion. The residents did not ask many questions, but the harmony might only have been superficial. On interviewee said:

*"Normally, the residents or owners did not have too many questions in the meetings and the atmosphere was peaceful. However, this did not mean that they agreed with everything - they just did not like to say in public... more questions and problems came out when we talked to them one by one... "* (private employee, Interviewee P2, 2004)

*"Normally, the atmosphere of the public meetings was peaceful."* (Interviewee O3) *"They (owners) did not ask personal questions in the public meeting but preferred to phone us after the meeting..."* (Interviewee O2)

*"I went to the public meeting because I wanted to know what might happen to my house. However, it felt strange to ask a question only about my own interests in front of everyone, and I knew that the developer would need to negotiate with me later anyway..."* (Interviewee R8)

Evidently, lack of questions did not mean there were no conflicts. Residents prepared to ask questions privately – possibly because of the reluctance in Taiwanese culture to question other people especially professionals in public: It is regarded as impolite or showing off. In any case, residents knew that the developer would need to negotiate with them one by one later in order to get the agreement papers. Often, individual negotiations did not go as smoothly as the public meetings.

## **2. Agreement papers**

Normally, it is not too difficult to get agreement papers at this stage; private developers do not choose projects which are going to throw up problems right from the beginning. Most developers already have agreement from more than 10% of owners if the project has come from the local community itself or a middle-man. However, projects which have come from a middle-man can be more risky. If the developer has not contacted all the owners before making their investment, they do

not know how difficult the project might be. Both the ZhiXingDuan and HuaZhongDuan projects were started by middle-men and sold to private companies later. One employee from the FuAn Construction Company said that he thought the middle-man was not fully honest with the HuCheng Construction Company about the attitude of the owners, after 6 years they still could not get all the agreement papers. In the HuaZhongDuan case, even though the QiaoYang Company got the required number of agreement papers from the middle-man at the very beginning, they experienced problems in the development stage.

#### **7.4. Development Stage**

After the developer has submitted their Urban Renewal Business Summary, the project moves to the development stage. The regulations stipulate four things which must be done at this stage. First, the Urban Renewal Business Summary must be approved by the TCG. If anything is wrong, it must be modified and submitted again. Second, the developer must negotiate with the owners in order to get the number of agreement papers required by the regulations. Third, an Urban Renewal Business Plan (sometimes a Land Readjustment Plan also needs to be attached) must be written according to the plan agreed by the developer and the relevant groups. Finally, the developer can submit the application to the TCG. During the examination procedure, a public exhibition, a public meeting and an Urban Renewal Board (URB) are conducted by the TCG. If everything is correct, the project will be approved for implementation by the TCG.

##### **7.4.1. Negotiating for the agreement papers**

When the application is reviewed by the TCUR, main developers are also trying to get more agreement papers from the owners. They hope to get enough agreement papers as soon as possible and then they can submit their Urban Renewal Business Plan. In the *Urban Renewal Act*, it is expected that the main developer will cooperate with the residents to regenerate an area together. It is also hoped that the original social structure will be kept and the interests of disadvantaged minorities will be protected. This is evident in the requirement for agreement papers, a Land Readjustment Plan, incentives for settling squatters ...etc. However, if a private company is the main developer, as is usually the case, the expectations of the *Urban*

Renewal Act may not fit with their goals. The attitude of the main developer influences the strategies which they use to negotiate with residents. The different attitudes evinced by private companies are described below, followed by details of the negotiation process.

### 1. Strategy of the main developers

Three main strategies are used by private companies. Most prefer to buy the properties or embark on joint ventures. They prefer to avoid the necessity of securing agreement papers, which is at the heart of Urban Renewal Act.

#### - Buy all properties

The developer prefers to buy all of the properties in the renewal area because it is easier for them to control the project. The ZhiXingDuan case is an example of this approach; the FuAn Construction Company eventually bought all the properties except for the squatter houses. An employee of the FuAn Construction Company said:

*"We gave them (residents) the same size accommodation if they wanted to stay. However, they needed to pay for the construction fee which was eighty thousand Taiwanese Dollars per Ping<sup>2</sup>. Thus, each resident needed to pay about two million NTD if he wanted to stay. Finally, all of the residents sold their property and left, except the squatters" (Interviewee P1)*

This was because incentives were given to the developer to settle the squatters (Article 44 of Urban Renewal Act). The HuCheng and FuAn Construction Companies spent about 6 years trying to purchase all the properties; this kind of time consumption was a huge risk for the companies.

#### - Joint venture

Another strategy is to cooperate with the owners. Owners provide their land (the house does not need to be valued officially) and private companies invest money. Normally, the old buildings are destroyed and a new one built later in this kind of cooperation. This normally happens where the ownership issue is not complicated. This kind of project can be implemented as a normal developing project but it is eligible for extra incentives under the Urban Renewal Act (Interviewees O2 and O4). Normally, the

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<sup>2</sup> Ping is a Taiwanese measurement. 1 Ping equals to 3.3057 square metres or 36 square feet

developer negotiates with the owners before the project starts and decides how to divide the new properties. Most of the time, distribution is according to the property and investment put into the project.

#### - Agreement papers

This strategy is closer to the intention of the *Urban Renewal Act* but it is always the last choice for private companies. They think this strategy involves spending longer negotiation, and that there is too much potential for unexpected problems. However, the advantage under this strategy is that the developer does not need to get agreement from 100% of the owners; they only need the percentage listed in the *Urban Renewal Act*. At every stage, the developer has to discuss and negotiate with owners in order to get a majority's agreement using the first or second strategy, according to Interviewee P2,

*"Before, the Regulations of Taipei Urban Renewal asked us to get 100% agreement from owners ...under the new regulation (Urban Renewal Act), we do not need to get 100% agreement from owners, but this makes it more difficult to implement. After all, 1/3 of owners is not a small number of people...we still prefer to purchase all of the properties or set up joint ventures with the owners..." (Interviewee P2, 2004)*

## 2. Negotiation

No matter what kind of strategy is used, negotiation is the most important and difficult task in the development stage. Many projects have failed because they could not secure enough agreement papers, such as the HuaZhongDuan project. Normally, three different groups are involved in this negotiation: private companies (main developer), the legal owners of the property, and squatters. Government officers only help the developers to explain the regulations in order to give owners more confidence; otherwise, they are not deeply involved. If there are any public properties in the renewal area, the responsible authority has to participate in the regeneration project (Article 27<sup>3</sup>). It is easier to get agreement papers from government authorities. However, this can cause another problem because public properties can only

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<sup>3</sup> Article 27 of *Urban Renewal Act*, "All the public lands and building within the urban renewal business plan area should participate in the urban renewal in accordance with the urban renewal business plan.....Using the method of Land Readjustment to implement the urban renewal, it should be joined to the allocation or be compensated based on the owned rights value..."

participate in the project through the Land Readjustment Plan. As one interviewee argued:

*"It was very difficult to buy public properties since the Urban Renewal Act. Now, the authorities controlling public properties are compelled to participate in the project but it is even more difficult to buy the public properties. The public sector prefers to participate in the Land Readjustment Plan but not sell the property....this also made some trouble because we could not tell owners exactly how much profit they would get after regeneration..." (Interviewee P2, 2004)*

During negotiation, profit is the most important thing for private companies: the principle behind their negotiating is to pay as little as possible for properties to ensure maximum profit. One employee said,

*"...we do not really care about improving the environment. If we do, it's nice. If we don't but we get enough profit, it's also nice for us. ... Profit is the most important thing for us..." (Interviewee P2, 2004)*

Private companies used to sue squatters for occupying land illegally (Interviewee P2), but since the "settle the squatter" incentive was added to the Regulations of Taipei Urban Renewal, private companies have preferred to settle squatters in order to qualify for the additional floor space offered under the incentive. Generally, if developers settle squatters in a regenerated area, the URB will give them additional floor space equivalent to the original area of the squatter houses (Interviewees P2, P2-1). In practice, most squatters take the money offered by private companies and leave, because they can get a good deal normally. It is not too difficult to get agreement papers from the squatters because the government provides financial support to settle down them in the regulations.

As far as legal owners are concerned, developers prefer to buy all the affected properties because they can then control the project better. However, they often need to spend a long time negotiating the price of properties with the owners. In the experience of the developers in the case studies, it was difficult to strike a balance between developers and owners, and price was the most important issue. According to Interviewee P2,

*"... some owners who knew that their properties were the final few properties we needed to get...asked us to pay an unreasonable price... we still paid the unreasonable price sometimes because we had already spent a*

*lot of money on this project and interest on the loan was heavy. Sometimes, if the price didn't reduce our profit, we would consider cooperating with them or using the Land Readjustment Plan." (Interviewee P2, 2004)*

According to this interview, it was not unknown for owners to obstruct as time passed, even if they had agreed at the beginning,

*"Because we spent about 5 years on this project, some owners died or transferred the properties to their children. The new owner reneged on the agreement of the previous one and asked us to negotiate with them again. Even if the final price was not much different, it wasted a lot of time." (Interviewee P2, 2004)*

Lack of trust was another problem. According to a resident (interview R8), the owners could not trust the private companies and were suspicious about the smaller size of the regenerated accommodation. However, one employee of the private company (Interviewee P2) and the government officers (Interviewees O2, O3) argued that it was reasonable to offer smaller accommodation because the quality of the environment and of the houses themselves was better than before. In fact, the value of the houses was the same or higher than before, even though they were smaller, but it was always difficult to convince owners about this.

*"At first, I felt the developers may cheat us in order to get more profit, so I did not want to negotiate with them until I had talked with the government officer in the public meeting... they (the QiaoYang company) told me that we would get smaller accommodation after the regeneration...I could not accept it...". (Interviewee R8, 2004)*

There can be additional problems if private companies are still acquiring agreement papers in the development stage. The HuaZhongDuan project failed at this stage because the process of getting agreement papers was much more difficult than had been anticipated. The problem was that the incentive of additional floor space provided by the Urban Renewal Act only applied to squatters, not legal residents. However, the residents thought the additional floor space should be divided equally among all the residents (legal and squatters). As the QiaoYang Company employee argued:

*"According to the current regulations (Urban Renewal Act), the TCG must provide additional floor space for illegal houses (squatter houses) but nothing for legal houses. In this case (HuaZhongDuan project), the legal residents could not accept that the extra floor space was only for the squatters. They thought all residents should share it together...However,*



*this would have meant some new accommodation would be too small (squatter houses) and below the standard floor space prescribed by the TCG ...” (Interviewee P2, 2004)*

#### **7.4.2. Urban Renewal Business Plan and Land Readjustment Plan**

After sufficient agreement papers have been acquired, the developer must make an Urban Renewal Business Plan for the next stage. Moreover, A Land Readjustment Plan might also be attached, especially where the project has not secured agreement papers from all the owners.

##### **1. Urban Renewal Business Plan**

The Urban Renewal Business Plan describes, “the implementation of reconstruction, renovation, or maintenance within the renewal area.” (Urban Renewal Act, Article 3) In the Urban Renewal Business Plan, the details of how the regeneration will be effected, what will be built, the developer, the financial plan, timetable...etc. must be described. Developers must also estimate how much they might be eligible for by way of incentives. However, these incentives must be approved by the URB, and the final amount may not be as much as expected. If the developer is the sole owner of all properties, they can decide the content of the plan by themselves (first strategy). Otherwise, they must negotiate with the owners about the contents of the plan and the distribution of the regenerated properties (second and third strategy).

##### **2. Land Readjustment Plan**

When a project cannot get agreement papers from all the owners, a Land Readjustment Plan is necessary in order to deal with the minority of residents who have refused to join the discussion. According to the regulations:

*“Land Readjustment: Refers to the land owners, legal building owners, and owner of other legal rights as implementers in reconstruction area within the renewal unit, that provide lands, buildings, ownerships of other legal rights or funds, participating or implementing the urban renewal businesses, and who, after the implementation of the urban renewal business plans is completed, take part in the distribution of the renewal buildings and the land partition owned or its royalty according to the right value before the renewal and the proportion of the funds provided.” (Urban Renewal Act/ English version, Article 3)*

First, developers have to invite three professional companies to value the original properties, including the land and buildings<sup>4</sup>. If there is less than 20% difference between the valuations of the three companies, the regenerated properties are distributed according to this result. Figure 7.3 shows that the proportions of the individual values which cover the whole value is the most important issue in this distribution, and this proportion should be the same before and after regeneration. The whole value covers the value of all land, buildings and the construction fee. Second, owners who do not sign the agreement paper will be compelled to take the valuation given for their property and leave. Normally, the return given to the developer will depend on the amount they have invested it. Third, people who have participated in the project can share the properties after the project is completed. They can choose to take the regenerated property or money, the amount being based on their valued percentage before urban regeneration (Urban Regeneration R&D Foundation, 2002). Figure 7.3 shows an example of how Land Readjustment works.

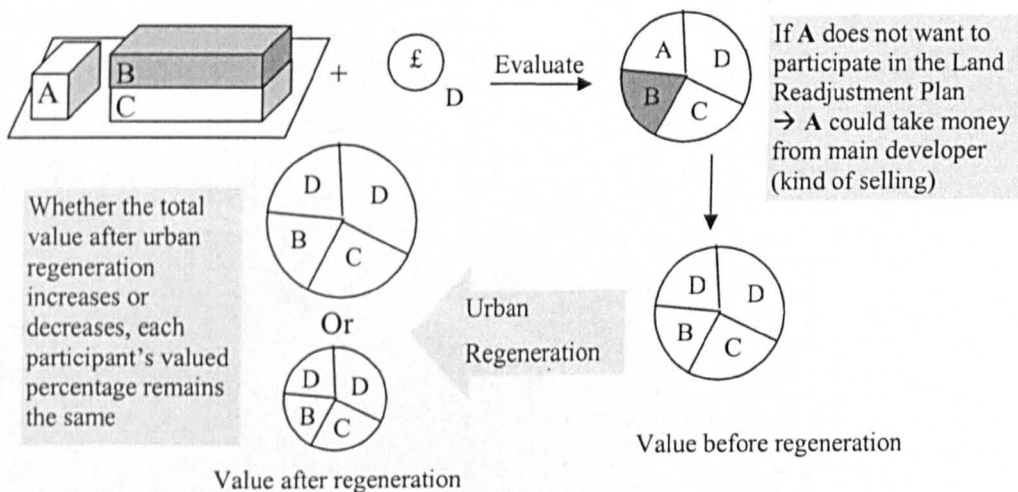


Figure 7.3 Example of Land Readjustment (adopted from: Urban Regeneration R&D Foundation, 2002, pp299-303)

The Land Readjustment Plan seems to solve the difficulty of the minority disagreement, but there are still many problems. According to Interviewee R8: *"I felt unsafe as I could not be 100% sure of what I was going to get after the project was done..."* The developer argued that:

<sup>4</sup> Property values in traditional cooperative rebuild projects between private companies and owners only include land values and construction fees. For example the strategy of joint venture is based on this idea.

*“Sometimes owners signed the agreement paper but could not agree with our Urban Renewal Business Plan...they (owners) argued that we could not tell them exactly how much they would get in the future. However, we could only estimate the likely construction fee and the incentives from the government at that stage....” (Interviewee P2, 2004)*

Another common problem is the owners or squatters who agree with the project but who can not get any accommodation after regeneration, because their original properties are too small to reach the standard floor space. They can only take the money and leave the regeneration area. The government officer worries that this may cause another social problem:

*“The original value of some owners’ property is too small for them to qualify for any accommodation after regeneration. If they want to have an accommodation in the same site, they have to pay more money to get it. However, they are often the disadvantaged minority in the community and could not afford it. Thus, they only could take the money and leave. However, their life might depend on the local social network before regeneration...” (Interviewee O2, 2004)*

### **7.4.3. Examination procedure in the TCG**

After the Urban Renewal Business Plan is submitted to the TCUD, three main events happen: a public exhibition, a public meeting, and the URB. More details will be described in this section.

#### **1. Public exhibition and public meeting**

When developers have completed the tasks described in the last section, they must submit their Urban Renewal Business Plan to the TCUR. A public exhibition and public meeting are then held by the TCUR in order to hear local residents’ opinions. The public exhibition lasts 30 days and all of the relevant groups such as the owners and neighbours are informed. The government officer (O2) described how “the Urban Renewal Business Plan is sent to all the relevant departments in the TCG, local authorities, district office, or Li office...etc. in this month. Everybody can read it, write down their opinions on the Planning forms, and then submit to TCG”

A public meeting must be held by the TCUR during the public exhibition, and all the residents in the Li are invited. Relevant experts might also be invited. According to the interviewees, the general atmosphere in the public meetings is similar to that of the public meetings held in the pre-development stage. The public meetings still

“looked peaceful” most of the time and most of the questions were asked by the neighbours. For example:

*“In one case, the neighbours complained about the effect of cars on the safety of their children play area...(in another case) one neighbour argued that he would not get any sunshine if the new building was too high...”*  
(Interviewee O2, 2004)

It was not expected to solve all the arguments in the meeting; the most important thing was to collect suggestions and views from the local residents. Their requests were then submitted to the URB with the Urban Renewal Business Plan.

## **2. Urban Renewal Board (URB)**

Finally, the Urban Renewal Business Plan, Land Readjustment Plan, Planning Form and relevant documents are submitted to the URB for review by committee members. Three main tasks must be accomplished in this meeting. First, the content of the Urban Renewal Business Plan is reviewed and it is decided how many incentives the project should get. Normally, the URB judges this according to the definition given in the urban renewal regulations. However, the committee might also reduce the offered incentives if the design is bad. As one officer said: “The committee could not compel them (the developer) to change their designs if they were legal but they could reduce their incentives...” (Interviewee O2). Second, the Land Readjustment Plan is reviewed, with the committee, checking that it is reasonable. Third, the suggestions and arguments put forward by residents are considered. Any relevant groups can participate in this meeting and the committee will give them the chance to state their opinion, but in practice, not many people attend. One interviewee, participating in the ZhiXingDuan project, observed “if any problems could not be solved immediately, the project would be postponed till the next meeting... sometimes, this could take a long time, and approval would be postponed indefinitely.” (Interviewee P1). If anything needs to be modified, the application will be returned to the developer and the developer can resubmit it.

## **3. Approval by the TCG**

After the application is approved by the URB, the relevant department in the TCG will conduct a final review. If there is nothing wrong with the application, it will be approved by the TCG. However, some problems might still be pointed out in this

final stage, even where the departments responsible have already reviewed the application. Developers are annoyed by changes at this stage. One employee of the FnAn Company argued that it took another half year to get the building permission from the Building Administration Office (BAO), even after the Urban Renewal Business Plan had been approved.

*“The Building Administration Office did not have any opinions in the previous procedure...they might have thought our project would not be successful and so did not pay much attention to it. The problems came out later when we were about to implement it. It wasted our time...”*  
(Interviewee P1, 2004)

#### **7.4.4. Implementation**

The developer can start to implement the project after their Urban Renewal Business Plan has been approved and announced. They must implement it according to the agreed schedule. However, they might still have other problems to deal with. Even if the project has already secured agreement from all the residents, some tenants may still at the last moment protest. This happened in the ZhiXingDuan project, according to an employee of FuAn Company:

*“On the day we were going to demolish the old building, a few owners remained in their house and wouldn't come out. They argued that there was some furniture they could not move out...we called the police but they did not want to help us to expel them... of course, I knew the owners just wanted more money and we did give them some more in the end...”* (Interviewee P1, 2004)

The interviewees working for private developers described the difficulty of implementing projects with agreement from only 2/3 of owners. As Interviewee P2 argued: “if a project has 60 owners, and there are still about 20 owners not in agreement,...there can be big problems when we try to implement it...” Up until 2004, no projects had moved into this stage without 100% agreement, so it is impossible to really know what might happen.

#### **7.5. Post-Development Stage**

Private sector projects generally do not encounter major problems in the post-development stage, since the decisions about leaving or staying, money or

properties are made in the previous two stages. However, the issue of disadvantaged minorities is still controversial at this stage.

*"The community network is important for poorer people and that is why the regulations ask developers to resettle the original residents. However, most of these people are kicked out of the renewal area in the end." (Interviewee O1, 2004)*

*"...some owners cannot afford the extra money which they need to pay (for the construction fee or added space), if they want to get a unit in the new building. Thus, they cannot choose but take the money and leave...some owners get a unit after regeneration but the management fee is too high for them. Finally, they may have to sell it and leave.....I think these are the developer's strategies." (Interviewee O2, 2004)*

*"I have to say that people (developers) did consider the neighborhood when they are going to buy a house...we cannot design a building where the size and quality of each unit are much different. We had to sacrifice the poorer owners' interests, otherwise we will not have made enough profit." (Interviewee P2, 2004)*

The QiaoYang employee also mentioned that their company sometimes sells the completed regenerated buildings to another company with more expertise in sales. The government officer revealed that the project was allowed to shift but that any company taking over the project had to honour all contracts made by their predecessors (Interviewees P2 and O2).

## **7.6. Groups Involved**

Seven groups were involved in the pre-development stage, each with different roles (Table 7.4). There follows further detail about the roles and main agendas of each group.

### **7.6.1. The public sector**

#### **1. Taipei City Government (TCG)**

In the TCG, urban regeneration agendas are implemented by one sub-unit of the TCUD, the Urban Redevelopment office (TCUR). Their main role is to deal with redevelopment projects in Taipei. They are the consulters in the pre-development stage, examiners in the development stage and supervisors in the post-development

stage. In the first two stages, they help the main developer to explain the urban regeneration regulations and give the residents more confidence about the project, as they attend the public meetings, as in both case studies. TCUR officers examine the applications before they are submitted to the URB in the development stage, but this is to check whether all of the documents conform to the regulations, rather than to judge the quality of the submission. Another job is to hold the public exhibition and arrange a public meeting in order to get opinions from other relevant groups. After the application is approved by the TCG, government officers have to monitor the project according to the *Urban Renewal Act*. They need to check that the developers are implementing the project as set out in the application.

## **2. Other relevant departments**

Apart from the TCUD, other relevant departments such as the BAO or URB may be involved in meetings, to provide their professional comments. The project may also require other departments' permissions for the construction work after the regeneration application is approved.

## **3. Urban Renewal Board (URB)**

The URB is established "in order to review Urban Renewal Business Plans, Land Readjustment Plans and resolve relevant disputes..." (Urban Renewal Act, Article 16) It also has to decide the incentives allowed for each project. Compared with the government officers, the URB focuses more on the quality of the design and the influence on the environment. The URB must consider the opinions and objectives of different groups and make a judgement. The members of the URB are not permanently employed and the board might be different in different projects. The committee members can "...engage a professional group or institution for technical consultative assistance" (Urban Renewal Act, Article 16).

### **7.6.2. The private sector**

#### **1. Middle-men**

Middle-men are called "ZhongRen" in Taiwan. Their role is to find potential projects for urban regeneration. Most are self-employed and some might even have another formal job. In the ZhiXingDuan project, they were the first group to negotiate with the owners and gather agreement papers. A middle-man contacted the HuCheng

construction company and sold the unfinished project to them after he had got a reasonable number of agreement papers. They represent the link between the private companies and owners. Certainly, they also profit through this business. If the middle-man has signed a contract with the owners, the private companies normally keep to the same conditions after they take over the project. However, not all middle-men tell private companies the whole story, according to Interviewee P1 said:

*"The company (HuCheng Construction Company) was cheated by the middle-man because he did not tell them how difficult it would be to get the agreement papers from the other owners... However, this was the first urban regeneration project for HuCheng Construction Company, so they did not have enough experience to assess the potential of the project. " (Interviewee P1)*

Private companies take a risk when they buy an unfinished project from a middle-man.

## **2. Private companies**

Private companies are the main developers in this kind of project. First, they must choose an area to regenerate. The idea for the regeneration area might come from a middle-man or the local owners. Sometimes, they find a possible area from among the Urban Renewal Areas designated by the TCG. They must pay all the costs in the pre-development stage. Another main task is to negotiate with the owners. The company might try to buy their properties or convince them to participate in the urban regeneration project. Normally, private companies prefer to buy properties so they can take full control and do not have to negotiate with owners at later stages. If they cannot buy the property, they must secure agreement papers. In this case, more negotiations are required in the later stages, for example about the design of the project. In the development stage, they must pay all pre-project expenses such as the design fee. However, owners who want to stay may need to share the construction fee. In the meantime, they also need to negotiate the design of the project with owners in order to get enough agreement papers, and they must also negotiate with the neighbourhoods if they are influenced by this project. Moreover, they need to negotiate with the examiners (TCG officers and the URB) in order to get more incentives. After the regenerated properties have been distributed among the participants; private companies can sell their properties to make a profit. They may also help residents to manage the community until they can manage it by themselves.



### 7.6.3. The residents

Here, “residents” is taken to mean those people who live in or own the properties in the regeneration area. The neighbours who live around the regenerated area are also invited to the public meeting and their opinions are considered by the URB. However, as they only appear if the project design poses a danger to their environment, and they have no real involvement in the project, they will not be counted as the key player in the partnership.

#### 1. Owners of the renewal area

Many owners might not have any idea about urban regeneration before a project starts. As one owner said,

*“We felt a little bit scared the first time the QiaoYang contacted us. I had never heard anything about urban regeneration before.... I started to trust them more when I talked with the government officer in the public meeting...” (Interviewee R8)*

Owners in both the HuaZhongDuan and ZhiXingDuan projects did not actively participate in the project but waited until the developer made contact with them. Generally, there are two kinds of owners, and they have different attitudes towards the project. Owners who want to continue to live in the area care more about improving the environment, even if they are required to invest some money in the project. Those owners who do not live there or want to leave after the project prefer to sell their properties to the private companies. Their personal interests are more important than improving the environment. In recent years, some local communities have initiated contact with private companies, as they have learned more about urban regeneration.

In the development, private companies need to get agreement papers from at least 3/5 of the remained owners. Thus, owners have the chance and power to say what they want and influence the design. However, their personal interests were still the most important thing to them. As the Interviewee P1:

*“Only a few younger owners cared about improving the environment and were willing to take smaller accommodation. However, most owners could not accept a smaller accommodation after regeneration...” (Interviewee P1)*

Generally, in the post-development stage, among the owners who agree to accept the new properties, some sell their properties as soon as they are handed over. Only a few owners remain in the new accommodation after the project is done. Some of these move out after a while because they cannot afford the new management fees.

## 2. Squatters

Before the urban renewal regulations were published, private companies used to sue squatters who illegally occupied the land and then expelled them from the site. However, as squatters are a disadvantaged group in Taiwanese society, this always caused other social problems. For this reason, the government provided incentives in order to encourage developers to settle the squatters. The squatters do not actively participate in projects but they cooperate with the developers. Normally, they will be given legal accommodation or compensation after the project is completed. Because private companies are eligible for more incentives if they settle the squatters, it is normally in their financial interests to help them. Generally, if squatter houses are smaller than the standard floor space, private companies will give them accommodation the same size as before. On the other hand, if the squatter's house is bigger, they will only be given the standard floor space. Squatters do not need to pay the land but they are required to pay for the construction fees, and some may need to pay extra to buy the added area, if their original house has to be upgraded in order to fit in a unit in the new property. Thus, they still negatively participate in the project. Not many squatters are able to stay until the post-development stage. If they do stay, their situation and their role are almost the same as owners.

Table 7.4 The groups involved in the private sector projects

Groups involved		Role			Main agenda
		Pre-Dev.	Dev.	Post-Dev.	
Public sectors	TCUC (TCUR)	Consultative	Consultative / Examining	supervising	- explaining the relevant regulations - examining the applications - hold a public exhibition and meeting -supervising the project
	Other departments	-	Consultative / Examining	-	- examining the applications
	URB	-	Consultative / Examining	-	- examining the applications - judgement
Private companies	Middle-man	coordinating	-	-	-negotiating with the owners

	Private company	Active/ investing/ Coordinating	Active/ investing/ Coordinating	Active	- project development and design - costs - negotiating with owners, neighbours and the examiners -selling and managing the properties
Residents	owners	Reactive	Active/ investing	Reactive	- protecting their own interest (influence the design) - invest their properties
	squatters	Reactive	Reactive / (investing)	Reactive	- protecting their own interest

#### 7.6.4. Goals and Area

Certainly, the apparent strategy for all of the groups involved, except for the middle-men, is to regenerate an area. Middle-men care only whether they can get enough agreement papers to convince a private company to buy the project. After it is sold, they do not care whether the project succeeds or not.

However, the main goal differs among the various groups. In the interviews, two key concerns emerged: to improve the environment and to make a profit. For the TCG, urban regeneration is a strategy to transform the poorer and older areas in Taipei; improving the environment is the main aim for the TCG, and nobody mentioned profit during the interviews (Interviewees O1, O2, O3, O4). However, even within the TCG, different departments see urban regeneration differently; apart from the TCUD, other departments see it as a routine job rather than a chance to improve the environment.

On the other hand, profit is the most important thing for the private companies and the middle-men. As one private employee said:

*"...we were doing a business, so profit was the most important thing for sure. Of course, it was good if what we did also improved the environment... No doubt profit was the only thing attracting us to start a job" (Interviewee P2)*

Owners and squatters hoped the environment could be improved; but even here, the most important thing is that they can also make profit or at least not lose too much. As Interviewee P2 said:

*"Most of the owners only care about the size of the properties (after regeneration); only a few younger owners will accept a smaller house in order to have a better quality of environment." (Interviewee P2)*

Thus, profit is also a high priority in residents' minds. Squatters have a similar goal to the owners but they were reluctant to ask for too much profit as they knew that they stayed illegally.

**Table 7.5** The goals of the groups involved in the private sector projects

Groups involved		Goal
Public sectors	TCG	-Improving environment -solve social problems
	Other departments	-
	URB	-Improving environment
Private companies	Middle-man	- personal profit
	Private company	- personal profit
Residents	owners	- personal profit (-improving environment)
	squatters	-personal profit

## 7.7. Relationship between the Groups

### 7.7.1. Decision-making process

The decision-making process is very complicated and not easy to describe. Thus, this research separates the analysis into three sub-processes: concept-building, content-discussion, and decision-making. Each sub-process may involve different groups. Some groups may be involved in the process but not have any real power to influence the final decision.

#### 1. Pre-development stage: Where should be regenerated?

During the pre-development stage, the developer needs to find an area and assess whether it should be regenerated or not. Private companies, middle-men and owners are involved at this stage because the idea for the location usually comes from them. From the two case studies, we can see that the idea came from middle-men, who negotiated with the owners first. The projects were then sold to the QiaoYang Company and FuAn Construction Company for further development. In the discussion stage, the private companies in both ZhiXingDuan and QiaoYung projects tried to buy the properties from the tenants. Both the private companies and owners have the power to influence the final decision. The owners' power comes from the fact that the

developer needs to get agreement papers from at least 10% of the owners. However, the budget is coming from private companies normally, so the project was impossible to continue without their support. Ultimately, the private companies make the final decisions at this stage. The middle-men can convince the private companies to buy the project, but they have no decision-making power. The squatters are illegal and can even be evicted by the developer; they do not have the protection of agreement papers, unlike the owners. However, they were accommodated in both case studies because the private companies were seeking the relevant incentives. The TCUD are involved in the pre-development stage but only as consultants, they are not involved in the decision-making process at this stage.

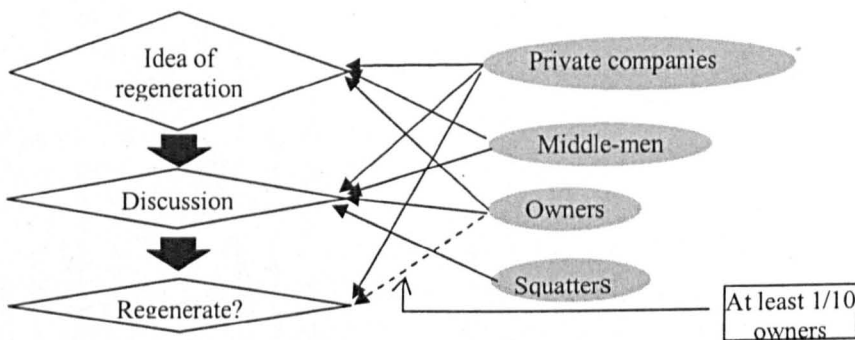


Figure 7.4 Decision-making process in pre-development stage

## 2. Development stage: How will they regenerate the area?

Before discussing details of the design, private companies need to negotiate with the owners in order to secure enough agreement papers, as in the HuaZhongDuan project. Generally, residents need to decide whether to sign the agreement paper or not during the negotiation. Owners who have signed had to choose how they want to participate. They can choose to accept a property in the distribution after completion of the project, or take compensation to the same value. However, some private companies may prefer to buy all the properties at this stage, as in the ZhiXingDuan project. The HuaZhongDuan failed because the developers could not get enough agreement papers. If the developer succeeds here, they can start to discuss the design details with all the relevant groups. Private companies, owners and squatters can say what kind of future accommodation they want. The TCUD and the URB can encourage developers to make a design better for the environment by providing more incentives. However, private companies (developers) will make the final decisions by themselves; no one can force their hand except owners.

*“The URB cannot force developers to change their design if there is nothing illegal, even if the quality of the environment is poor... however, they can try to influence them by increasing or decreasing the incentives.” (Interviewee O2, 2004)*

*“We gave up all of the incentive items which were about improving the environment except settling the squatters in order to make the examination process simpler and quicker” (Interviewee P1, 2004)*

The owners' power came from the agreement papers, so the developers need to consider their opinions until they sell their properties, as in the ZhiXingDuan project. However, private companies may give up the project if the owners exercise their power too much, as when the QiaoYang Company finally gave up the HuaZhongDuan project. It appears that private companies and residents are always on opposite sides during the development stage. It is difficult to find trust or cooperation between them. Residents feel the private company might cheat them as they do not have much knowledge about urban regeneration. On the other hand, private companies complain that the owners are too greedy and do not consider their costs.

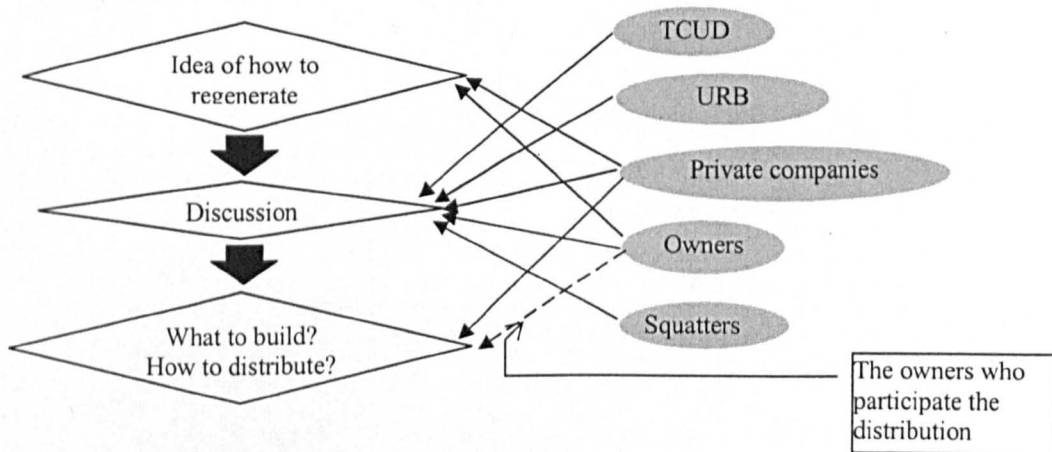


Figure 7.5 Decision-making process in the development stage

### 3. Post-development stage: How will it be managed?

Management issues are influenced by the design and most of this is decided in the development stage. However, only private companies and owners have power to influence the design (Figure 7.5); squatters' opinions are not necessarily taken into account. The private company employee (P2) admitted that the interests of some people were sometimes sacrificed in order to protect the company's interests. Developers prefer better quality design, even if it might raise construction and

management costs (Interviewee P2), because better quality accommodation is easier to sell and yields a higher profit. Ultimately, many squatters and poor owners sell their distributed properties because they cannot afford the expensive management fees (Interviewees O1, O2, and P2-1). The TCUD is concerned only that the project has been carried out according to the Urban Renewal Business Plan and that all construction has been finished.

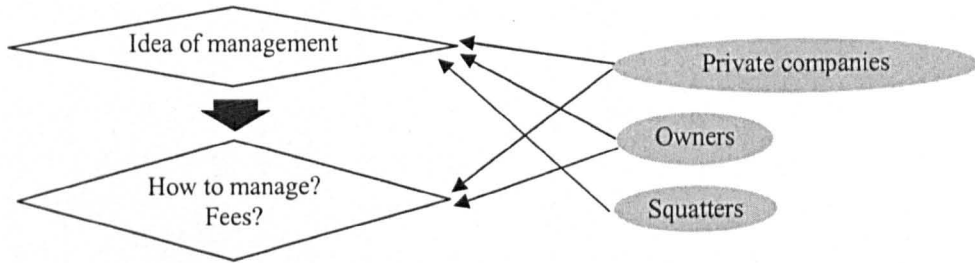


Figure 7.6 Decision-making process in the post-development stage

**7.7.2. Relationship between the groups involved**

This section focuses chiefly on the relationship between the main developer and other groups. If there are any special situations between other groups, this may also be discussed. Figure 7.7 shows the relationships in private sector projects, which are described in more detail below. Three key players are defined: private companies, the owners, and the TCUR.

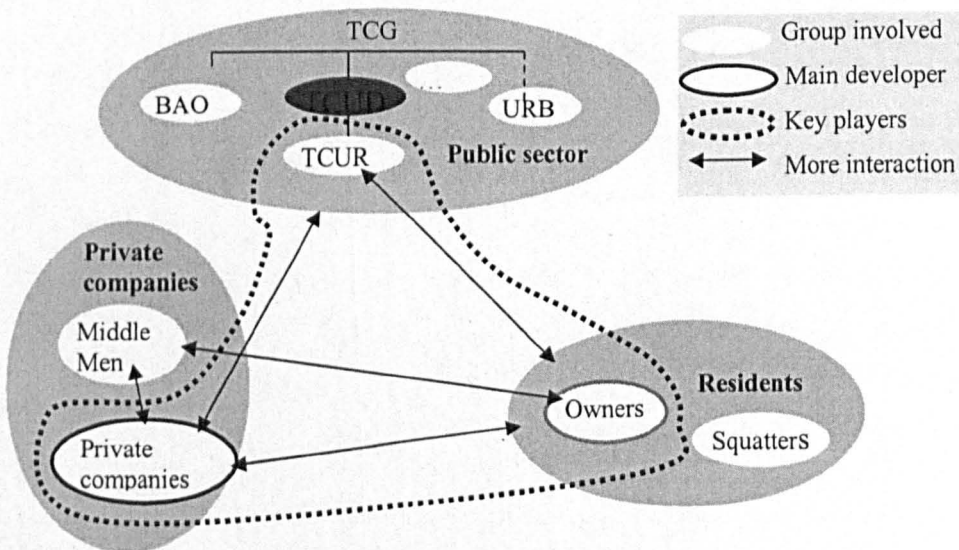


Figure 7.7 Relationships between groups in the public sector project

### **1. The TCG are not included in the final decision-making table even though they do have some influence**

From the previous analysis of the decision-making process, it appears that the TCUD and the URB have no power to make final decisions. However, private companies are influenced by them because these bodies decide how many incentive items will be attached to a project. This is the most important thing to attract a private company, especially the prospect of additional floor space. As one private company employee (P2) said: "... We tried our best to get more floor space because more floor space means more money..." In some special cases, they might give up the incentives if the URB is asking for something which is too difficult or which will take too long, as with the ZhiXingDuan project. Generally, however, the private company will try to do what the URB asks in order to secure more incentives.

### **2. Private companies and owners do not trust each other**

There is more interaction between private companies and owners. Private companies are the main developers and projects need their money for construction and their human resources for the design. Owners are empowered by the agreement paper because the developer needs to attach these papers to the application. These two powers deeply influence the results of the project but they are normally pulling in opposite directions. In the two case studies, profit was the most important thing for both groups. Thus, the question of how to balance the profit between the two groups is the most difficult thing in this kind of project. The problem is compounded where the owners do not trust the private company and feel that the private company wants to take advantage of them.

### **3. Developers accommodate squatters to receive the incentive of increased floor space**

Private companies can choose to expel squatters by suing them, or settle them and receive incentives. In both of the case studies, the developer chose to help settle the squatters in return for more floor space. They can give compensation or provide new accommodation for the squatters after the project is completed. Usually, squatters do not complain if the developer helps to settle them. On the other hand, they may protest if the developer tries to expel them. However, private companies looking for maximum profits do not want to accept a lower quality design just to accommodate



the less wealthy squatters. In the case studies, squatters seemed to be settled initially, but most eventually left the neighbourhood. The social problems this may create may need to be considered.

#### **4. The effect of neighbours' opinions and URB support**

Complaints from neighbours or the general public are not always considered deeply. Private companies consider their ideas only if they pose no risk to their profit. However, when the URB supports neighbours' complains and threatens to reduce incentives, private companies take them more seriously.

### **7.8. Contribution and Sharing**

#### **7.8.1. Contributions**

Properties such as lands and buildings are provided by owners. They can invest their properties in the projects and share the profits on completion, or they can sell to the main developer for an agreed price. The main developer then becomes one of the owners. Most of the finance is provided by the private companies; however, owners and squatters may need to invest some money for the construction costs. The TCG does not give any financial support, but it provides incentive which can bring more profit. The incentives provided by the TCG can be seen as a kind of subsidy; the additional floor space is provided by the TCG and tax exemptions are offered by central government. In terms of human resources, private companies take most of the responsibility for this contribution. They negotiate with owners and squatters, design the project and apply for permission from the TCG. Middle-men can help with the negotiation with owners at the very beginning, but they need to be paid for this. Government officers and the URB also provide their professional expertise.

#### **7.8.2. Sharing the risk and the profit**

Private sector projects bring two main kinds of benefit. One is an improved environment and the other is financial. Improving the environment is the main aim for the TCG. An additional benefit is that the projects can help alleviate social problems such as the squatter issue. Thus, the TCG, owners, squatters and the general public can all benefit from the changes. Private companies might get a good return on

projects but they also take more risk. This will be discussed later. The middle-man can also profit if he is able to sell the unfinished project to a private company. Squatters benefit when they are given a legal property or compensation.

However, not all of the groups who profit from urban regeneration take the same degree of risk. Private companies take the greatest risk in the project. Even if the project is not finished, they still have to pay for the human resources and the time spent. If the project is completed, there is a risk that the properties will not sell for a good price. Middle-men might waste human resources if they cannot find any private companies to buy their unfinished project. For squatters, there is the risk of being evicted. However, almost all developers choose to settle squatters in order to benefit from more incentives. Owners do not lose anything even if the project fails, and they do not need to pay any extra money before the construction stage. However, if they decide to stay and the project is finished, they might need to worry about the selling price of the new properties.

Table 7.6 Contribution, profit, and risk in the public sector project

Groups involved		Contribution	Profit	Risk
Public sectors	TCUD (TCUR)	- finance (incentives) - Professional comments	- Improved environment - solve social problem (squatters)	-
	Other departments	- Professional comments	-	-
	URB	- Professional comments	-	-
Private companies	Middle-man	- Human resource	- return	- waste human resource
	Private company	- human resource - Finance	- return	- waste human resource - lost money
Residents	owners	- Properties (- finance)	- improved environment - income	- lost money
	squatters	-	- compensation or properties	(- be expelled but rare happened)

## 8. Resettled Tenement Neighbourhoods Project

– NanJiChang Neighbourhood

### 8.1. Introduction

The resettled tenement neighbourhoods built to resettle squatter residents between 1962 and 1975 have been identified by government officers, the media, and even the residents themselves, as being in urgent need of renewal. When the TCG embarked upon a programme of infrastructure building on public land, they built these neighbourhoods to settle the squatters occupying the land. However, these houses are much smaller than the average dwelling in Taipei, and they have become tenement slums. (Jou, 2000) There are 24 resettled tenement communities in Taipei and only one of them has been regenerated. However, the completed project is too special to be a general template for this kind of project; the original buildings were destroyed while the Taipei Metro Company (MRT) was doing underground construction work, so the project benefited from extra financial support from the company. Finally, NanJiChang Neighbourhood was chosen to be the case study area.

The NanJiChang Neighbourhood is one of the resettled tenement neighbourhoods, built in 1975. For more than ten years, both the TCG and several private companies have tried to regenerate this place. However, most developers gave up in the early discussion stage. Finally, this neighbourhood had another chance to be regenerated because of the NanJiChang Neighbourhood Improvement Project (NNIP). It was implemented as an NIP project in 2000 and it was proposed by the Head of Li and the local CP. They intended to regenerate the area under the *Urban Renewal Act*, but there were no obvious achievements until the NNIP was completed. However, a local workshop was funded during the NNIP by the Department of Urban Development (TCUD) and the TCUD has continually pushed the NaiJiChang Neighbourhood Regeneration Project (NaiJiChang Project). However, at the time of the field work, progress had been halted by the failure of the residents to elect an urban renewal committee.

Table 8.1 Breakdown of interviewees

Interviewee	No.	Position	Note
Government officers	O3	Taipei city government Officer	
	O6	Taipei city government Officer	
	O8	Officer of Construction and Planning Agency, Ministry of the interior	
Private companies employees	P2	OiaoYang company	
	P4	Architect (CP)	
	P5	Architect Member of URB	Architect of the only successful RDNP
Local councillor	G1	Councillor of Taipei city	
	G3	Head of Li	
Residents	R6	4 Residents (BenShengRen)	-Group interview -Don't want to be recorded
	R7	tenant	

(Interview in 2004)

## 8.2. Background of the case study

### 8.2.1. About resettled tenement neighbourhoods (自治條例 #5)

Resettled tenement neighbourhoods (Jou, 2000), also called relocated apartments (TCUR, 2006), were built between 1962 and 1975 in order to resettle the squatters who had occupied hitherto undeveloped public land. These squatters were drawn mainly from the two large migrations into Taipei which have occurred since World War 2: One was the influx of people who withdrew with the KuoMinTang (KMT) government from China in 1949, and the other was the mass immigration of people to Taiwan around 1960. The TCG did not have enough accommodation to settle these immigrants at the time, so many squatter buildings were built on undeveloped public land which had been set aside for city infrastructure (Mi., 1988; Young, 1998).

After 1962, the TCG set about developing the infrastructure of Taipei City, and the squatter houses were the first thing that they had to deal with. Finally, twenty-four resettled tenement neighbourhoods were built to resettle the squatters (Jou, 2000). Because of the limited land and budget available, each unit was only between 26 m<sup>2</sup> and 80 m<sup>2</sup> large, but it was expected to house a family (Chang, 1999). The high density and lack of public facilities made the environment even worse. As time passed, these areas deteriorated as they were changed from resettled tenement neighbourhoods to tenement slums (Jou, 2000), with run-down environments and

high crime rates. So from 1994 onwards the TCG made policies designed to improve the resettled tenement neighbourhoods, such as the *Taipei City Urban Redevelopment Ordinances for Financing the Initial Planning of Relocated Apartments*. Up to this point, only one place (LinKou Neighbourhood) had been successfully regenerated, but this was under unique circumstances. (The buildings were destroyed as the result of an accident during the construction of the MRT). Compared with other regeneration projects in Taipei, there are three reasons why this kind of project is more difficult. First, with such a high number of households to consider, it is difficult to strike a balance between everybody's interests. Second, the residents are poorer and they may not have the money to afford the expense of regeneration (Chang, 1999; Lu, 2000). Third, private companies are not interested in this kind of complicated project.

### 8.2.2. Relevant regulations and policies

Initially, this kind of project was also implemented under the *Urban Renewal Act*. However, private companies were not interested in such projects because they were more difficult and the return was less than in other renewal areas. As a private company employee (Interviewee P2) and an architect (Interviewee P5) who worked on the only finished Resettled Tenement Neighbourhoods Project (RTNP) told me:

*"...it is very painful to work on an RTNP because there are normally a lot of households...there are many problems in this kind of case: some owners are very poor, the original units are very small, the public land issue...etc..." (Interviewee P2)*

*"...it was a dream of mine to do this kind of regeneration project but it was too painful... (Laugh) I could only do it once...I don't want another 10 years like that... I wouldn't say no private company will ever want to do this kind of project, but I will work on an easier project if they have the choice..." (Interviewee P5)*

The TCUR expected the CP to help local residents organize an urban renewal committee, and that the committee would be the main developer in the regeneration project. The relevant regulations, as listed in the *Taipei City Urban Renewal Ordinances* (2001) and the *Taipei City Urban Renewal Ordinances for Financing the Initial Planning of Relocated Apartments* (2002), have been described in Chapter 3. All the owners of the land or legal buildings are members of the committee. Two important conditions need to be met if the decisions in the meeting are to be admitted by the TCG. First, more than half of the members have to attend the meeting. Second,

the decisions need to be agreed upon by more than half of the attendees (*Urban Renewal Regulations on the Establishment, Management and Dismissal of Committees*, 1999).

### 8.2.3. Background of NanJiChang neighbourhood

#### 1. Location and environment of the site

The site is located in the south of WanHua District and is designated as a business district in Taipei's Urban Plan. The NanJiChang neighbourhood was built in 1975 as are of Taipei's resettled tenement neighbourhoods.

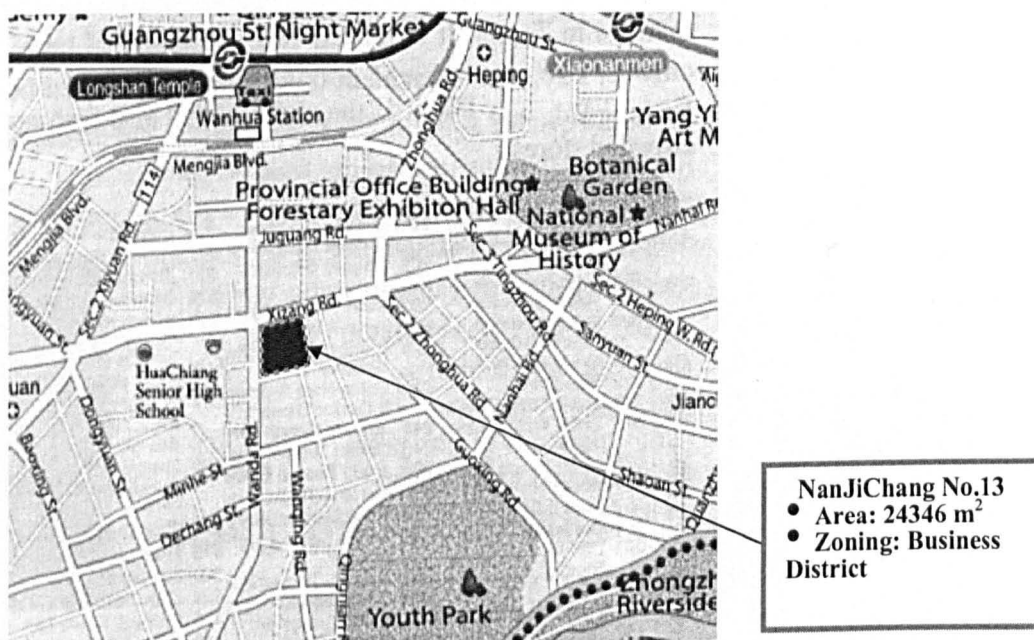


Figure 8.1 Location of NanJiChang Neighbourhood

The size of each unit is between 36.3 m<sup>2</sup> and 59.4 m<sup>2</sup>, less than the average dwelling space in Taipei, which is about 93.60 m<sup>2</sup> per unit (Directorate-General of Budget, Accounting and Statistics, Executive Yuan, 2000). This is too small for a family to stay together. Nor did the original design provide any parking space, so cars park everywhere. Generally, the environment is dirty and uncomfortable (Lu, 2000).

However, many local residents were still happy to live in the neighbourhood, commenting: "...the convenience of the place is not bad and" ...the residents are familiar with the environment and there are few vacant flats ..." (Interviewees R6).

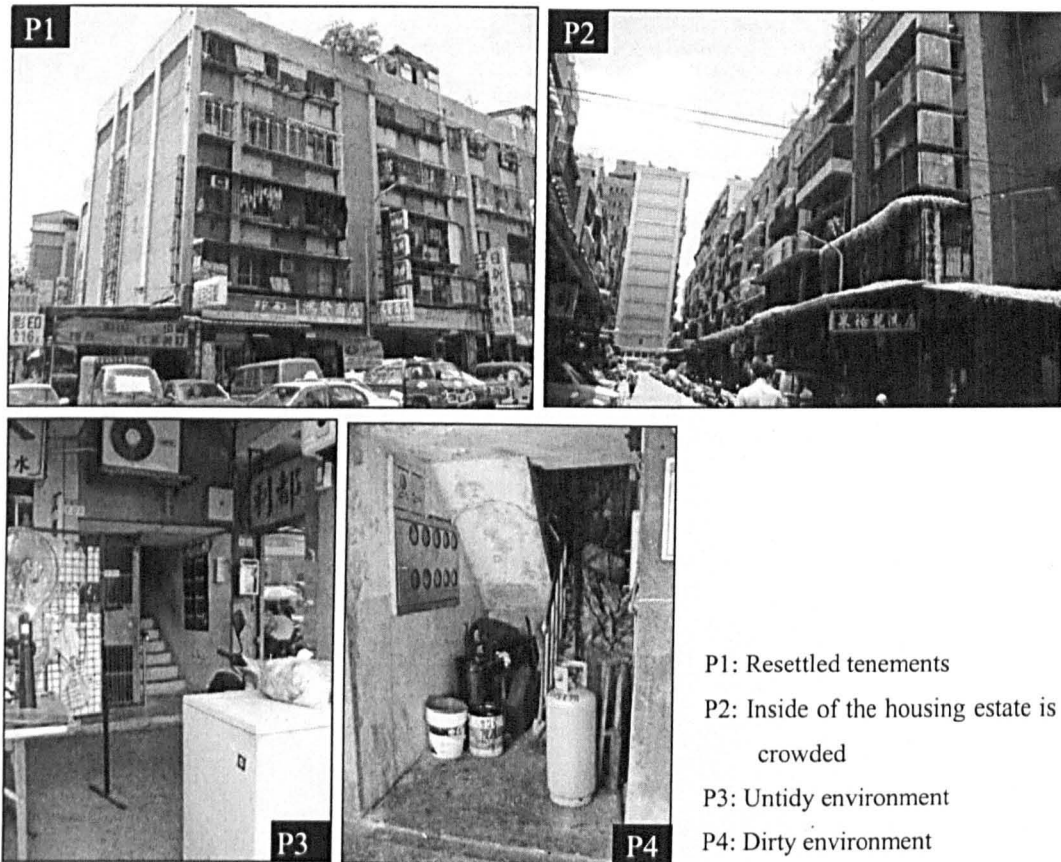


Figure 8.2 The environment in NanJiChang Neighbourhood (taken in 2004)

## 2. Ownership

There are fifteen five-floor apartment blocks in this site and 1140 households in total. Sometimes, two or three flats may belong to the same owner. The owner may combine them together to make a bigger living space. Total area is 24346 m<sup>2</sup>, with most units being private properties. Only 4217 m<sup>2</sup> belongs to the TCG.

## 8.3. Pre-development stage

The urban regeneration project for NanJiChang Neighbourhood had been discussed for more than ten years. Both private companies and the TCG have tried to regenerate the area, without success. A brief timetable of the pre-development stage is included below. More detail on the history of the site will be given later (Lu, 2000; TCUD, 2004).

**About 1990** A private company tried to regenerate NanJiChang Neighbourhood

- 1998 Mr. Ma (mayor 1998 ~ 2007) promised to regenerate the area
- 2000 (Sept.) NNIP set up  
 (10<sup>th</sup> April) the architect set up a studio in NanJiChang Neighbourhood  
 (18<sup>th</sup> May) First meeting with the Head of Lin (held by the architect)  
 (1<sup>st</sup> June) Second meeting with the Head of Lin (held by the architect)  
 (3<sup>rd</sup> July) Meeting to review work so far (held by the architect)  
 (26<sup>th</sup> Aug.) WanHua workshop was founded  
 (5<sup>th</sup> Sept.) Urban renewal conference for Heads of Li and Lin (held by the architect)  
 (29<sup>th</sup> Sept.) First Public meeting (held by the architect)  
 (6<sup>th</sup> Oct.) Second Public meeting (held by the architect)  
 (20<sup>th</sup> Oct.) Third Public meeting (held by the architect)  
 (1<sup>st</sup> Nov.) Fourth Public meeting (held by the architect)  
 (Dec.) Tried to organize an urban renewal committee but failed  
 The NNIP project was closed

### 8.3.1. Before the NNIP

The first attempt to redevelop NanJiChang Neighbourhood was made by a private company around 1990 but it failed. According to the residents:

*"More than ten years ago, there was a period when the property market was very good. A private company wanted to rebuild our area. However, profit was the only thing they cared about and they found it was not easy to negotiate with such a lot of owners." "Finally, I heard that they gave up the project from my neighbours..." (Interviewees, R6)*

Thereafter, the property market declined with no more private companies showing any interest in this area. The issue rose again during the 1998 mayoral election campaign in Taipei city. According to the Head of Li:

*"When Mayor Ma was running for election, I asked him to regenerate our area.... finally, this idea was included in his whitepaper for election. After he was elected to be the mayor of Taipei City, he paid more attention to our area and asked the head of the TCUD to help us..." (Interviewee G3).*

### 8.3.2. The NNIP

In 2000, the architect, who is the CP of WanHua district, decided he wanted to help the local people to regenerate NanJiChang Neighbourhood. As the architect (2004) said, *"The idea of regeneration had existed in this area for more than ten years but we just wanted to try again. I didn't think it would be so difficult."* He contacted the Head of Li (Mr. Wang) first with a proposal that they try to regenerate the area together. In the long-term, he wanted to regenerate the area using the Urban Renewal Act in order



to secure more help and profit. Meanwhile, he applied for NIP funding in 2000 to kick-start the project. In April 2000, the architect set up a studio in NanJiChang Neighbourhood, opening two days a week for local residents. Then, two meetings were held on 18<sup>th</sup> May and 1<sup>st</sup> June with the Head of Lin<sup>1</sup> in order to discuss the project and ways of convincing residents to sign the agreement papers. However, the first review meeting on 3<sup>rd</sup> July revealed results that were not as good as expected (Lu, 2000).

On 26<sup>th</sup> Aug., a turning point came when the TCUD founded the WanHua workshop to give impetus to the project. It was located in the basement of one of the apartments and staffed by officers of the TCUD. Four public meetings were held between Sept. and Nov. and attempts made to organize an urban renewal committee made up of residents. However, the architect could not secure enough agreement papers within the time frame allowed under the NNIP and the urban renewal committee was not formed. Nevertheless, during this period the residents learned something, and an initial design was produced (Lu, 2000; Interviewee P4).

#### 8.4. Development stage

Although the NNIP was closed at the end of 2000, the TCUD, especially using the WanHua workshop, helped a new project, the NanJiChang Project, to be proposed. The project aimed to continue the idea of the NNIP, and regenerate the area under the *Urban Renewal Act*. Architect Lu was also invited by workshop officers to participate in the NanJiChang Project. More details will be described in this section and a brief of the development-stage is listed below.

- |      |  |
|------|--|
| 2001 | (12 <sup>th</sup> April) Public meeting to explain the idea of urban regeneration    |
|      | (30 <sup>th</sup> June) Public meeting to explain the idea of urban regeneration     |
|      | (10 <sup>th</sup> Aug.) Public meeting to explain the idea of urban regeneration     |
|      | (9 <sup>th</sup> Nov.) Formal public meeting with local residents                    |
| 2002 | (9 <sup>th</sup> March) Working group meeting  |
| 2003 | (10 <sup>th</sup> June) Urban Renewal Business Summary had been approved by the TCUD |
|      | (8 <sup>th</sup> Sept.) Got permission to organize an urban renewal committee        |

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<sup>1</sup> Head of Lin is the elected leader of the Li and normally is also the resident in his responsible area. Lin is an administrative division in Taiwan, smaller than a Li.

(20<sup>th</sup> Dec.) Meeting held to set up the urban renewal committee but the meeting lacked a quorum under the Urban Renewal Regulations on the Establishment, Management and Dismissal of Committees

#### 8.4.1. Preparing for Urban Renewal Business Summary

The TCUD, the architect and the Head of Li continued to promote the NanJiChang Project, endeavouring to get enough agreement papers so they could submit an Urban Renewal Business Summary. Three informal public meetings were held in order to explain the ideas behind the regeneration project. Then, a formal public meeting was held in November for all the residents. According to the residents (Interviewees R6), the developers and the TCG did not discuss the issues individually with them, but held public meetings to address all the residents at the same time. One of the residents in the group interview criticised the communication process: *"Sometimes, we only got information about a public meeting from the community notice board... the Head of Li may have informed his supporters in person but not us..."* (Interviewees, R6). Only about 1/10 of the residents participated in the public meetings and they argued that the meetings were inefficient. In the meeting, most of the residents concurred, as the architect commented:

*"The residents only cared about two things. One was how big their future flat would be, and the other was how much they would need to pay. Of course, most of them didn't want to spend any extra money to rebuild the apartments."* (Interviewee P4)

However, the residents argued that:

*"The developers and government did not give us a clear future image of the development. We did not understand how different it would be and how much would be improved..."* *"...too many things were uncertain and the problems seemed too difficult to be solved..."* (Interviewees R6)

Normally, TCG officers participated in the public meetings, but they mainly helped the Head of Li and the architects to explain the rationale behind regeneration project. They could not do anything as long as the residents did not trust their Head of Li (Interviewee O6). Even though everyone felt many problems still needed to be solved in the project, the main developer finally got just enough agreement papers (1/10 of the owners) to proceed to the next step. They were submitted to the TCUR with the Urban Renewal Business Summary in 2003.

### 8.4.2. Failure of organizing the urban renewal committee

The Urban Renewal Business Summary was readily approved by the TCUD on 10<sup>th</sup> June and the developer then tried to organize an urban renewal committee in NanJiChang Neighbourhood. Under the regulation, agreement to the project had to be secured from at least 10% of the owners of the lands and legal buildings within the renewal area, and for at least 10% of the total land area and total floor area of the legal buildings (#10 Urban Renewal Act, 1998). It only took about three months to get enough agreements and be approved by the TCUD. However, there were too many problems between the residents, and the committee never operated. The problems will be discussed in more detail later.

#### 1. Conflicts between the Head of Li and part of the residents

After the Urban Renewal Business Summary had been approved by the TCG, the developers tried to organize an urban renewal committee. However, the committee could never act because too few people attended meetings. Under the Urban Renewal Regulations on the Establishment, Management and Dismissal of Committees (1999), the committee only can be organized in the meeting which has more than half of the members attend, and the decisions need to be agreed upon by more than half of the attendees. The problem of lack of attendees was due to a division between the Head of Li and some residents. Residents in NanJiChang were separated into two big groups: BenShengRen, most of whom migrated from central or south in Taiwan to Taipei, and WaiShengRen, who came with the KMT government from China in 1949. Their relationship was not bad as neighbours but conflicts arose during the election of Head of Li. The two groups could not reach agreement on the project. The Head of Li commented:

*"... two years passed, but the committee still could not be established because we never had enough members attending the meeting...my ideas were always opposed by the people who had lost in my election ( for Head of Li). They opposed me for no other reason... they asked their supporters not to attend the meeting and they protested against this project at the beginning of the meeting....It would have been easier if everybody had had the same goal (regenerating the area). However, it was difficult to negotiate with residents who just wanted to oppose the project for the sake of it" (Interviewee G3)*

Other residents saw the situation differently. The residents in the group interview argued,

*“There are two main groups in our neighbourhood, one is BenShengRen and the other one is WaiShengRen. The Head of Li is closer to WaiShengRen and he did treat them better...” “... the establishing meeting failed because the residents felt that the Head of Li was unfair... One of the main purposes of the first meeting was to elect the members of the directorate. Every apartment block should have recommended two people to participate in the election but only those residents who were interested registered. Moreover, many residents did not know anything about the election until the day of the meeting. Thus, we felt all of the candidates were selected by the Head of Li and that he hoped all the members of the directorate would be his supporters...So residents did not want to join the committee and it failed.” (Interviewees R6)*

It is evident from the transcriptions above, that the Head of Li and the residents had different explanations for the failure for organizing committee. This will be discussed in the analysis section.

## **2. Finance problems**

Apart from the conflict between the residents, finance was also a big problem in this project. Most of the residents were on low incomes and could not afford to pay the extra costs of regeneration. Many interviewees saw this as a big problem and hoped the government would give more help. As the architect said: *“...residents always asked whether they would need to invest any money in the project”* (Interviewee P4). He also said: *“Government should provide more support for this kind of regeneration project, such as finance...”* The Head of Li agreed: *“We hoped government would give us more financial support such as low rate loans...”* (Interviewee G3). The government officer appreciated the problem but offered few solutions. One of the officers commented:

*“.. Another big problem was finance because the urban renewal committee had no money. The government could only subsidize the planning fee; they had to find enough money for everything else themselves”* (Interviewee O6).

## **3. Profits distribution**

An additional complication was the question of how to deal with the public land in the NanJiChang Neighbourhood. Because of the historic background of resettled tenement neighbourhoods, most of the people living in the neighbourhood are poor.

The TCG absorbed the cost of developing the public spaces in NanJiChang Neighbourhood in order to reduce the price of each unit. Although the TCG owned the public spaces, they were only used by the neighbourhood residents. However, this caused some arguments during the regeneration process. The residents hoped the TCG would give them these areas for free or at a very low price, but the government was reluctant to sell public land (Interviewee O6), instead preferring to set up a Land Readjustment Plan. Even this caused problems. One private company employee (Interviewee P2) said:

*"...Some land in the neighbourhood belonged to the TCG. It was needed in the regeneration project but they could not sell it because it was public land. Thus, we had to set up a Land Readjustment Plan rather than a joint venture. We could not tell owners exactly how big their units would be or how much compensation they could get before the Urban Renewal Board (URB), and this made our negotiation with them more difficult..."* (Interviewee P2)

In terms of what each owner could expect after regeneration, the situation was similar to a private sector project. It was difficult to estimate the value of each property and to satisfy every owner. One resident commented:

*"After regeneration, the units located in the ground and top floor were going to be smaller than what we had before. However, the residents on the ground floor could use their flats as shops. The residents on the top floor could build extra space on the top of the apartment block. Thus, these owners did not want to move to other floors because they would benefit more."* (Interviewees R6)

#### **4. Attitude of the residents**

The final problem was the attitude of the residents. According to the interviews, some residents simply did not want to regenerate their neighbourhood. As mentioned before, some residents thought that the place was not bad and very convenient. Besides, they were familiar with the environment (Interviewees R6). Moreover, the government officer also said that

*"They (apartments) were built by reinforced concrete structure so residents don't need to worry about the safety but only that the size of flats may be too small. However, they could combine two or three flats to be one.... it is possible that some residents do not want to regenerate this area."* (Interviewee O6)

Even those residents in favour were not confident of success, so they lacked the interest and enthusiasm to make it work. Some of their arguments and worries were expressed in the group interview.

*"I didn't have enough information about this project so I didn't have the confidence to believe that the project would succeed... maybe the developer could have sent somebody to communicate with us (in person)...No body has communicated with me about this project up to now, even though my flat is located on the ground floor..."*

*"I don't know if the TCG will take the responsibility to ensure that this project will be finished...maybe the private developer will fail to finish this project..."*

*"They said that the project could be started when 2/3 of the owners had agreed to it. However, I think that would still be difficult because it means that about 500 owners would not have agreed..." (Interviewees R6)*

Because of all these problems the project has stalled, having failed to establish an urban renewal committee. Some residents thought the developer had given up already (Interviewee R7) and that the TCUR were paying less attention to this resettled tenement neighbourhood than to others which had more potential (Interviewee O3). Nevertheless, the Head of Li maintained that he was still committed to the project and in negotiation with his opponents.

## **8.5. Groups involved**

### **8.5.1. Private Company – Architect Lu / CP**

The architect was one of the key players driving the project, especially during the period of the NNIP, but he did not invest any money in the project. As the architect is the CP of WanHua district, he was particularly interested in the environment in this district. Observing that, although it had been discussed by private and public sectors for a long time, nothing had happened, he contacted the Head of Li first and tried to start things off by applying for NIP status in 2000. With the funding from the TCUD, he not only set up a studio in the neighbourhood but held three working meetings to encourage the project forward.

He also provided his professional knowledge to help residents. An initial regeneration plan for NanJiChang Project was presented in the final report of the NNIP, to give

residents an image of the future of the neighbourhood. For two days each week, any resident could come and ask him questions about the environment or urban regeneration projects. However, residents seemed to expect him to communicate with them more actively (Interviewees R6): “...*Nobody has communicated with me about this project up to now, even though my flat is located on the ground floor...*”

### **8.5.2. Residents and the urban renewal committee**

In this kind of project, the residents should be the main developer and investor. The purpose of the urban renewal committee, which could not be organized in this project, is to organize residents and help them work more efficiently. However, this is practically impossible where residents are not united, as in the NanJiChang project. The main developer has to contract agreement papers from residents and address financial problems. The two groups of residents here would not find common ground to work together on these tasks.

### **8.5.3. Taipei City Government**

Two units of the TCG were involved in the RTNP. These were the TCUD and the WanHua workshop, which is a division under the TCUD.

#### **1. The TCUD**

The discussion in this paragraph will only focus on the general role of the TCUD, not those officers who worked in the WanHua workshop. As mentioned in Ch6 (private sector projects) and Ch7 (the CP system and NIPs), the TCUD is the authority governing NIPs and RTNPs. Their role is supervisory and their main agenda is to examine applications like the Urban Renewal Business Summary presented by the NanJiChang Neighbourhood, and applications to organize urban renewal committees...etc. The TCUD also provides some financial help for RTNPs. In this case, the TCUD provided initial planning funds for the NNIP in 2000 under the NIP scheme. They also provided a subsidy for the preparation of the Urban Renewal Business Summary.

#### **2. WanHua Workshop**

In Aug. 2000, the WanHua workshop was organized under the TCUD in order to promote urban regeneration projects in WanHua district. As mentioned in Ch5, their

job is basically the same as that of the TCUD but they have more power. The NNIP was their first project so the workshop was settled in NanJiChang neighbourhood. At first, they only tried to help the architect to implement the NNIP. However, they became very important players driving this project after the NNIP was closed. They helped local people to hold four public meetings in 2001 and worked with the architect to win over the residents. They were also the mediators between the residents; they are still trying to help the Head of Li negotiate with the opponents of the project (Interviewee G3).

#### 8.5.4. Head of Li (Politician, Resident)

The Head of Li was elected by the resident of the XinAn Li in 1994. However, he does not live in the community, according to residents (Interviewees R6). His office operates out of his sister's house and the residents can contact him through her. In this project, he was the first person contacted by the architect and the government officers because of his position as the only community leader in NanJiChang Neighbourhood. The Head of Li helped the architect to connect with the local residents and organize the public meetings. However, his involvement also gave rise to the bitter divisions which have become the project's main stumbling block.

Table 8.2 The groups involved in NanJiChang Project

Groups involved		Role		Main agendas
		Pre-Dev.	Dev.	
Public sector	the TCUD	(the NNIP) reactive/ Investing/	examining/ Investing/	- approving the application - subsidizing planning fee
	WanHua workshop	active	active	- help developers - mediate between the residents, residents and architect
Politicians	Head of Li	(the NNIP) active	Active/ coordinating	- connect with architect and residents - cooperation with the architect
Residents	Residents	reactive	Reactive	- protecting their own interest
	(urban renewal committee)	-	-	- cooperate with the architect - main developer
Private companies	the architect / CP	(the NNIP) active	active	- collect residents' idea - made the NNIP to apply for NIP - help residents to apply for the regeneration project



### 8.5.5. Goals and Area

The RTNP is a type of private sector project but focused only on the resettled tenement neighbourhoods built between 1962 and 1975. As mentioned before, there are twenty-three resettled tenement neighbourhoods in Taipei and all of them have been designated as urban renewal area.

As in other regeneration projects, improving the environment was an important goal both for the public sector and the residents. The TCG's solution to the bad environment and too small accommodation was initially regeneration, with the possible long-term aim of rebuilding the area. However, not all residents wanted to regenerate the neighbourhood. Whatever their reasons, they have caused big problems in this case. The Head of Li also claimed that improving the environment was his main goal (Interviewee G3). However, not everybody believed him. One resident (one in Interviewees R6) claimed: "...*The Head of Li tried very hard to push this regeneration project this time, but I think he had some personal interest...*" Maybe this was just a misunderstanding, but if the residents had been less sceptical about the Head of Li's goal the project might have gone more smoothly. The architect made little personal profit during the negotiating and planning stage. However, he could have received a design fee if the project had been implemented.

Table 8.3 The goals of the groups involved in the NanJiChang Project

Groups involved		Goal
Public sector	the TCUD	- improving environment
	WanHua workshop	- solve social problems
Politicians	Head of Li	- improving environment - (personal profit?)
Residents	Residents	?
	(urban renewal committee)	
Private companies	Architect Lu / CP	- improving environment - personal profit

### 8.6. The power relationship between the groups

Because the NanJiChang Neighbourhood Project stopped in the early stage of development, discussion of the decision-making process can only focus on the

pre-development stage. The power relationship in this stage and other latent relationships will be discussed in the subsequent section.

### 8.6.1. Decision-making process

The main decision to be made in the pre-development stage was “Should NanJiChang Neighbourhood be regenerated?” As mentioned before, the initial idea for regeneration came from the architect (the CP of WanHua district) and the Head of Li, who applied for NIP status in 2000. Meanwhile, they also tried to win over the residents and involve them in the discussion. However, things did not go as smoothly with the Urban Renewal Act application procedure. Because of the need for agreement papers, more public meetings were held to encourage residents to participate in the project, but only about 100 to 200 people ever participated in these meetings (Interviewees R6), meaning most of the residents were not involved in the discussion process. This may have been the reason why the architect and Head of Li could not get more than 1/10 agreement papers even after a year. Thus, WanHua Workshop was founded in Aug. 2000 to help the architect and the Head of Li involve more people in the discussion process. A further four public meetings were held to draw in more residents. Government officers working in the workshop participated in the meetings and tried to give residents more confidence about the project. Finally, in 2003 they had enough agreement papers to submit their Urban Regeneration Business Summary to the TCUD. This meant that at least 1/10 of the residents agreed with the proposal to regenerate at this stage.

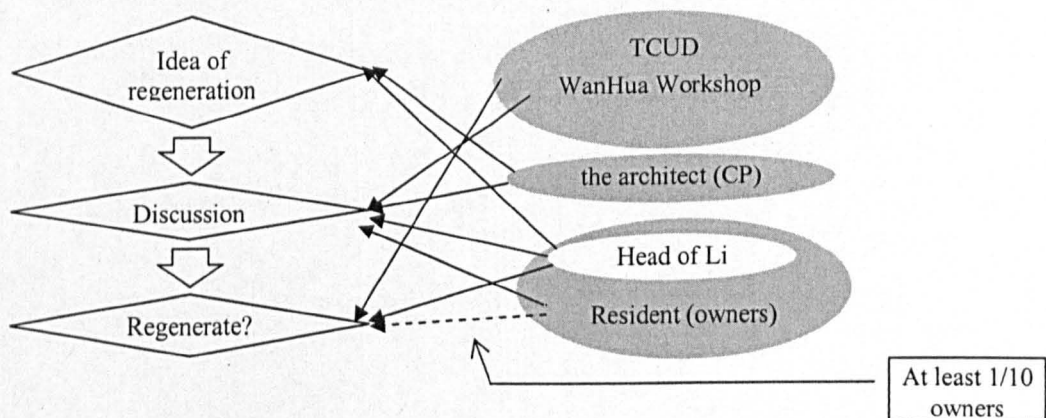


Figure 8-4 The idea-discussion process in the pre-development stage

### 8-6-2 Relationship between the groups involved

From Figure 8-5 it can be seen that five main groups were involved in this project. The Head of Li, owners, the architect and the WanHua workshop were the key players driving this project. The Head of Li and owners should have organized an urban renewal committee to be the main developer to implement the NanJiChang Project from the development stage. The relationships between the groups and latent power relationships will be discussed later.

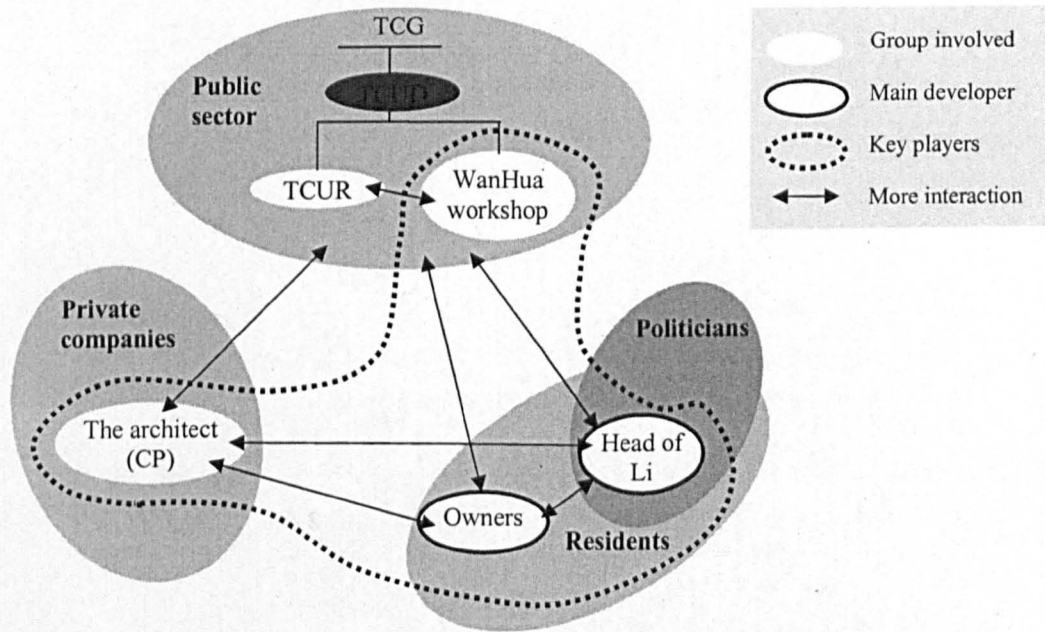


Figure 8-5 Relationship between the groups in the NanJiChang Project

#### 1. Conflict between the residents and Head of Li

As described earlier, the Head of Li represented the two main groups in NanJiChang Neighbourhood. The Head of Li (Interviewee G3) argued that "...my ideas were always opposed by the people who had lost in the election (for Head of Li). They opposed me for no other reason...they asked their supporters not to attend the meeting ...". However, the residents (Interviewees R6) argued that "...the Head of Li is closer to the WaiShengRen and he did treat them better..." "...the establishing meeting failed because the residents felt that the Head of Li was unfair..." The transcriptions reveal the contradictory views of the Head of Li and some residents. The following transcriptions from the architect and government officer suggest the conflict between the two groups was caused by the election, but that the Head of Li, rather than trying to reduce the conflict, made it even worse.

*“... Because of the election system, many communities are formed between different factions who oppose each other. This kind of situation had happened in this area as well...If we had known about this problem at the beginning, we would not have contacted the Head of Li first. This project may still be difficult to implement but we should deal with this problem (the conflict between the residents) first....In my view, people who have power (such as the Head of Li’s group) should compromise with other groups. They could have just released some positions (on the committee) to the residents in the opposing group. But, the people who had power did not want to do that....” (Interviewee P4, 2004)*

*“...they did not have any local community groups when we started this project so we could only contact the Head of Li... looking at the situation now, my suggestion would be to reduce the position and power of the Head of Li in the urban renewal committee. However, this seems unlikely to happen...” (Interviewee O6)*

The problem was that the Head of Li had the political resources and a better relationship with the TCG and the architect, so he was closer to the core of the regeneration project. However, the project needed opposing groups to participate, and the application needed all their agreements. They all have the power to make the project succeed or fail.

## **2. Power of the politicians**

As the Head of Li said, Mr. Ma promised to regenerate this neighbourhood when he was the candidate of the TCG mayor and he also put this idea in his white paper (Interviewee G3). After he became the mayor of Taipei city, he did pay more attention in this area and he was also under pressure from the effect of the RTNP. The RTNP issue was always interrogated by the councilors or public (Interviewee G1; Liberty times, 2006). Thus, Mayor Ma had asked the chief of the TCUD to take care of this project more (Interviewee G3). Finally, the WanHua workshop was founded and NanJiChang was one of their important agenda. As the officer (Interviewee O4) who worked in the workshop said *“...I only felt that we could speak louder then before (in the the TCUD) because other departments (of the TCUD) were happier to cooperate with me...they knew that our projects had got more attention by Mayor Ma...”* Thus, we could see that the power of the politician did help this project to get more chance. Otherwise, government officers might give up this project easier, since it was difficult.

### **3. Relationship between the architect and residents**

The architect might not have heard all the opinions from the residents even though so many public meetings were held. According to the NNIP final report, the first three meetings were held for communicating with the Head of Li and Head of Lin (Lu, 2000). Certainly, the role of the Heads of Li and Lin was to represent all the residents and express their opinions. However, the Head of Lin was nominated by the Head of Li, not elected by the local residents. Thus, the Head of Lin always had a good relationship with Head of Li and they generally shared the same opinion. In the first seven months of the NNIP, the architect did not meet many residents in his studio (Interviewee P4). Even though four public meetings were held after the WanHua workshop opened, according to the testimony of residents (Interviewees R6), only 100 to 200 people participated in these meetings, and the architect did not visit residents in person. Thus, the architect only got to know residents' opinions through his meetings with the Heads of Li and Lin, effectively only hearing those opinions approved by the Head of Li (WaiShengRen group). He did not even know that the Head of Li did not inform the residents about the election of the urban renewal committee until the day of the meeting (Interview P4). Gradually, the architect lost the trust of some of the residents. This may be why he could not get enough agreement papers from the residents during the NNIP period.

### **4. Effect of lack of investment on the power of private companies (the architect)**

In RTNPs, the architect is only a professional but not the main investor, like the role of private companies in other projects implemented under the *Urban Renewal Act*. Here he tried to help residents get more subsidies such as the NNIP and planning fees for the Urban Renewal Business Summary, and he also benefited from the planning or design fees. Comparing with the role of the private companies in the private sector projects, the architect (private companies) had less power than he would have had in other projects without major investment.

### **8.7. Contribution and Sharing**

Contribution and sharing should be discussed in this section. However, this project was only implemented as far as the early development stage. Thus, the discussion can only focus on and speculate on what may happen. Here, the discussion will only focus on the contribution of each group.

The financing for an RNIP can be separated into two parts: Planning costs and construction costs. Spending on planning was much lower than on construction, but the risk of failure was highest at this stage. In order to encourage RNIPs, the TCG provides subsidies for the planning cost, determined according to the number of households. Residents then need to pay for design and construction costs at the construction stage. This is a huge amount of money but they face less risk at this stage. According to the interviews, residents would have needed more help with the construction cost if this project had been implemented.

Most of the properties involved were private and belonged to residents. However, the TCG was the owner of some public areas such as staircases or basements. According to the *Urban Renewal Act / Article 27*, “*All the public lands and building within the urban renewal business plan area should participate in the urban renewal in accordance with the urban renewal business plan...*” Thus, it was easy to get the authorities controlling the public land. As far as private properties were concerned, all of the residents were compelled to participate in the regeneration project as long as the developer got sufficient agreement papers<sup>2</sup>.

In terms of human resources, the WanHua district, the Head of LI and the architect were the key players driving the project. They spent much time negotiating and communicating with the residents. The architect also provided his professional skill to make a draft design for the NanJiChang Project. If an urban renewal committee is organized, it will become the main developer implementing the project.

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<sup>2</sup> *Urban Renewal Act*, Article 22 “...it should also be agreed by more than 60% of the owners of the lands and legal buildings within a renewal unit. The total land area and the total floor area of the legal building they own should be more than two thirds...”

## 9. Partnership appraisal and comparative analysis

There are several key criteria which must be met for a project to be properly called a partnership, as developed in this research. The Appraisal Framework which has 17 questions developed in this research will be used to examine the case studies. Then, each case study will be judged by the rule defined in Chapter 4.3.2 and the result will be presented in the Appraisal Result Table as below Table 9.1. If a case study can get most of the "YES" in the Table, the case is closer to the partnership defined in this research. The result could tell the government what fundamental principle is missing in current regulations or policies. Chapter 9.1 will examine the HsiMen Market Project which was not announced as a partnership project. The result can provide an informed understanding of the potential partnership in the public sector project. Chapters 9.2 to 9.4 will appraise the DaLi Street Project, the Private Sector Projects, and the NanJiChang Project which were announced that the partnership approach was involved. In addition, those groups who were not closely involved in the project will not be discussed in this chapter as it is examining the nature of the partnership only. Most of the test questions will focus on these potential partners revealed in Chapters 5 to 8. The comparative analysis of four case studies will be presented in Chapter 9.5, in order to determine how partnerships function in Taipei's urban regeneration.

Table 9.1 Appraisal Result Table

Main ideas	Important issues	Test questions		Y	N
		Q	T		
More than one group working together toward a shared strategy in a particular area or topic	Who was involved?	Q1-1	- was more than one group involved in each stage?		
		Q1-2	Were all the important groups defined as potential partners?		
		Q1-3	- Could clear leadership be seen in the process?		
	Was there a shared goal?	Q1-4	- Did the main developer provide a visible and clear picture?		
		Q1-5	- Did the potential partners have a shared goal or an agreed strategy which could balance their goals?		
		Q1-6	- Did the public sector work for the public interest rather than purely commercial goals? (from TCG)		
	Did it have a particular area or topic?	Q1-7	- Did the project have a particular area or topic in mind?		
Sharing Power and a	How were the decisions made?	Q2-1	- Did all the potential partners have real power to influence the final decision?		

new form of management		Q2-2	- Could all the potential partners involved in the decision-making stage sit at the decision-making table and make decisions together?		
		Q2-3	- Could the potential partners make decisions without being controlled by other groups?		
	How is the relationship between the potential partners?	Q2-4	- Had all the issues or conflicts been presented or discussed?		
		Q2-5	Were trust and mutual understanding built?		
		Q2-6	- Could a form of management or organization be seen in the project?		
	Contribution, sharing profits and risks	How did partners contribute in the project?	Q3-1	Was there a clear allocation of responsibility among the potential partners?	
Q3-2			- Did potential partners share the risks?		
Q3-3			- Did potential partners share the profits?		
Q3-4			- Did the profit of each potential partner balance their resource contribution and risk sharing?		

### 9.1. The Public Sector Project: HsiMen Market Project

This was the only project which was not bound by a clear set of regulations, so the attitude of the government is not immediately obvious. However, the government officers emphasised that they involved the local people, inviting them to public meetings so they could be involved in the decision-making process. However, were local people's opinions considered deeply? Could these opinions have influenced the final decisions? Although the government was not obliged to practise partnership in the HsiMen Market Project, it is taken as a case study in this research for two reasons. First, it may show the difference between those projects practising partnership and those which do not. Second, the results may be instructive for the Taipei City Government (TCG), particularly if it wants to practise partnership in a public sector project in the future.

There were four potential partners in this case study: the TCG, the HsiMen Market Community, the New HsiMen Market Company and the Taipei City councillors. All these groups participated through the whole process, with the New HsiMen Market Company set up to manage the cruciform building in the post-development stage. The Urban Redevelopment Office (TCUR) under the Department of Urban Development (TCUD) was the main unit dealing with this project in the TCG, with the Department of Culture Affairs (TCCA) and the Market Administration Office



(TCMA) also being involved. Later paragraphs analyze the HsiMen Market Project by the appraisal framework of partnerships defined in Chapter 4.3.2.

### **9.1.1. Groups involved, goals, and area**

#### **Twelve groups were involved (Q1-1)**

According to the analysis in Chapter 5, twelve groups were involved in this project. However, some groups were not involved at all stages: eight groups were involved in the pre-development stage, eleven groups were involved in the development stage, and seven groups were involved in the post-development stage. The TCG and the tenants were involved in most stages, with private companies only being involved in construction at the development stage.

#### **Professionals were excluded (Q1-2)**

The professional groups and the ZhiFengJu Foundation should have been more involved in this project. The potential partners were mainly drawn from the public sector and the tenants, while the private companies and the conservation experts who represented the professionals participated too little to be counted as potential partners. However, as a regeneration and conservation project, it was important to draw on the expertise of relevant professionals. As Interviewee P3 argued, opinions of the experts counted little in the debate, and the project produced a bad quality space in the end. People may argue that the officers in the TCG also have professional knowledge but they faced too many political obligations. The ZhiFengJu Foundation was another group who should have been involved more; some tenants (Interviewee R3) thought its opinion should not carry too much weight as it represented non-local tenants. In fact, the ZhiFengJu Foundation was the only confirmed tenant from the early regeneration stage, when the function of the space was clearly defined. The project might arguably have been more successful if the shops and the Red Theatre had been designed together. Thus, it could make this project more successful if the design of the shops and the Red Theatre had been more closely linked.

#### **The TCG was the main developer in the HsiMen Market Project (Q1-3)**

It was clear that the TCG was the main developer in this case study and the TCG was the main authority. They not only took most of the responsibility for financing,

developing and controlling the project, but also mediated in the conflicts between the groups involved.

**The TCUR did not provide a visible and clear picture for the future (Q1-4)**

The TCUR did not provide a visible picture of the project to the tenants at the outset. It could be seen in the early pre-development stage that most of the tenants left the market because they lacked confidence in its future - they knew only that all the construction might be conserved. This made the TCUR easier to secure the land and properties. On the other hand, more tenants may stay if they had set out a clear plan at the beginning. Their approach may have helped them to keep those tenants who also wanted to see the area reused, but not those tenants who were more focused on personal interest. A clear plan at the outset might have reduced the scope for conflict in the later stages.

**The goal of each partner was different (Q1-5)**

Potential partners in this project had different goals. The TCUR wanted to improve the environment and regenerate the historic buildings. However, most of the tenants were looking to their own interests. They cared more about what kind of shops they would get later, than about the quality of the area as a whole. The local councillors did want to improve the environment, but they were more concerned to protest about their political interests, so they aimed first to satisfy those tenants who were their supporters; the most important thing to the councillors was to help the tenants, rather than the success of the project.

**The public sector looked to serve the public interest but was influenced by the tenants too much (Q1-6)**

The TCUR did look to serve the public interest by insisting on conserving the historic buildings and seeking no return through this project. However, in their attempts to avoid protests, their decisions were too much influenced by the tenants. For example, the employee of Cosmos Inc. argued that the overcrowding arose because the TCUR gave in to the tenants: the 17 shops finally installed in the cruciform building was much more than the number in the initial design. Even though the TCUR understood that this would adversely affect the design, they

instructed Cosmos Inc. and the architect to change the design in order to satisfy the tenants.

**The regeneration area was clearly defined (Q1-7)**

Like other public sector projects, the HsiMen Market Project only focused on public land. Both the tenants and the planners thought that the results could have been better, if the project had involved the private properties which were also located in this block. However, the TCUR said that more protests would be caused if they had tried to regenerate whole block together. Thus, they did not try to involve the owners of the private properties, in order to avoid possible conflict.

**9.1.2. Power and management**

**The TCG was the only group who had real power in all stages (Q2-1)**

Below decision-make process evidenced that the TCG was the only group who had real power to say “yes” or “no” in all stages. In the pre-development stage, the TCUR insisted their aim was to conserve the historic buildings, despite the arguments of the tenants. They used compensation and other strategies to calm down the protest from the tenants. In the development stage, the local councillors were another group who had real power to influence the final decision because they controlled the budget. In the final stage, all the potential partners had real power to influence the final decision: the TCUR was the main authority; the remaining tenants signed new contracts to become tenants of the redeveloped project; and the local councillors monitored legal issues such as subletting. However, most of the potential partners did not have real power to influence decision in all stages except TCUR. Thus the answer was “NO” for this question.

**Not all the decisions were made through a joint discussion process (Q2-2)**

No formal meetings were held between the TCUR, local councillors and tenants in the process in any stage. Grudgingly, the TCG officers and the local councillors worked together to successfully implement the project in the development stage. However, no joint discussions were held between all three potential partners. The tenants decided to sublet the cruciform buildings by themselves and the authority, the TCMA, did not give any help or opinions. Later, the idea was rejected by the City councillors in a city council meeting and the project was returned to the tenants. This

decision-making process meant the cruciform building could not open until the end of 2004, even though the fabric was completed.

### **Political power (Q2-3)**

The tenants had no direct power to make decisions in the first two stages but they could influence the use of their decisions by using their influence. In the development stage particularly, their power was enlarged by the local councillors. A tenant's power could be stronger if he had a good relationship with the politicians or councillors. According to Interviewee R3, the older group in the cruciform building had a good relationship with the local councillors, so their voice was louder. Thus, sometimes the councillor might not make the best decision for the historic building but for the tenants who supported him. The TCUR took tenants' opinions seriously as they did not want to risk any protests or problems which might make the project more difficult. This was the case even when they knew that the tenants' requests would adversely affect the design, according to Interviewee P3.

However, this compliance caused problems sometimes when tenants' wishes clashed with the public interest, and there were arguments in city council meetings. The argument that followed the proposal to sublet the cruciform buildings is a case in point. The city councilors represented many different areas and looked to balance public interests for the whole of Taipei city. They argued that the high rents being asked from subtenants in the cruciform building were unfair, given that the original tenants were only paying low rents.

### **Some issues were hidden from the discussion (Q2-4)**

As mentioned before, the TCUR did not try to discuss the regeneration plan with the tenants, preferring to manipulate them into selling their properties out of ignorance. Issues which might give rise to protest were not published. For example, they did not give a full picture of the proposed development at the beginning because they thought that the more tenants who stayed, the more trouble they would have in the later stages. The TCUR preferred to give compensation than keep the tenants. Later, they did not want to deal with the conflict between the tenants in the cruciform building, so they asked them to organize the New HsiMen Company. In this way, the

TCUR only needed to discuss issues with the leader of the group, even though this meant some tenants' opinions might not be represented.

#### **Trust evident only between the tenants and local councillors (Q2-5)**

As trust was built up, the discussion between the tenants and councillors was much easier than it was between the tenants and the TCUR. It was evident that the tenants and the TCUR struggled to strike a balance between their respective goals. The tenants, looking to maximise their own interest, always felt that the TCUR wanted to kick them out, while the TCUR avoided giving them too much because it was a public market and public investment. Thus, we could say that they were always on opposite sides. However, the tenants believed that the local councillors stood on their side and looked out for them: they listened to the councillors' opinions and preferred to discuss issues with them. The local councillor interviewed said they helped the TCUR to convince the tenants but also used their political power to get what the tenants wanted. Later, trust faltered between the tenants themselves, making it more difficult to deal with problems. More conflicts were caused in the post-development stage as tenants had to decide how to manage the market by themselves. Eventually, the private companies who wanted to be subtenants lost patience as the New HsiMen Market Company attempted to mediate between the different factions.

#### **No core groups or organization were evident (Q2-6)**

From the analysis above, it is clear that no single group was involved throughout the whole decision-making process except for the TCUR. The core people varied depending on the issue at hand, and no specific discussion process was set up.

### **9.1.3. Contribution, risk and profit**

#### **The role of the remaining tenants was unclear (Q3-1)**

Most of the respective roles and contributions of the groups in the HsiMen Market Project were clear, apart from that of the tenants who decided to stay. The TCUR took most of the responsibility for investment, properties and human resources, and for planning, design, and coordination. The role of local councillors was to mediate in the conflicts between the TCG and the tenants. However, differences of opinion exist in terms of the role and contribution of tenants. According to the interviews, the officers and private companies thought tenants were simply the previous and future

priority users, but tenants themselves thought they had invested their properties, compensation and additional structures in the project. Consequently, Interviewee P3 argued that the tenants' opinions influenced the final design too much, whereas the tenants thought it was their right.

**The risk was not shared (Q3-2)**

According to Table 5.5, only the TCUR and the local councillors took a real risk in this project. The TCUR took more risk in the first two stages as they contributed most of the human resources and investment. However, the risk was transferred to the two local communities in the post-development stage. The TCG only needed to get the rent from the tenants and did not need to worry about the business in the Market. As they did not share the risk, they made little attempt to help tenants during the process. Local councillors might still get votes even if the project had failed. The local people would still appreciate them if they thought they had tried their best to help them. Thus, their risk did not directly link to the success of the project. Considering the terrible environment they lived in before the regeneration project, the tenants would not have suffered a worse environment even if the project was failed.

**The Profit was shared (Q3-3)**

Almost all the groups who contributed to the project got some profit. They all shared the same incentive in so far as, the more successful the project, the more profit they would receive.

**Most of the groups shared the profits but not the risks (Q3-4)**

It was clear that the TCUR made a greater contribution and took more risk in the project than anyone else, and it did change this city slum into a fine heritage site. In line with the TCUR's duty to serve the public interest, they did improve the Taipei City environment. The greatest imbalance, as claimed by the employee of Cosmos Inc., was the profit the tenants received. According to the analysis above, the tenants did not take any risk but profited significantly from this project. Even though the tenants argued that they had "kind of" invested their compensation in this project, they could have got the money back if the project had failed. They were less worried about delaying the TCUD with negotiations than about the design being what they

wanted. Thus, while we might say that some groups took a risk or made a profit in this project, we cannot use the term “sharing”. The TCG seems to have been the only group required to take responsibility for the success of the project, even though many groups had the potential to profit from it. Risk and profits were not shared equally or reciprocally in this project.

#### 9.1.4. Conclusion

Table 9.2 suggests that, five important issues need to be considered if the TCG wants to practise partnerships in its public sector projects. First, the TCG should change its attitude and treat other potential partners as partners. This is the most important target for the TCG. Second, the proposed outcome of the project should be clearly presented at an early stage, in order to help partners identify shared goals. Third, partners should not only have power to influence the final decision, they should also make the decisions together. They should try to discuss or negotiate with each other without manipulation. Fourth, the TCG must endeavour to build trust between the various groups involved. Fifth, the role of all partners such as the tenants in the HsiMen Market Project should be clearly defined and they should be allowed to take reasonable risk and profit.

In addition to the five issues listed above, the TCG should reconsider its attitude to the academics and specialists, whether or not it wants them to enter into partnerships. The experts did not play an important role in the HsiMen Market Project, even though their involvement in such a conservation project ought to have been routine

Table 9.2 Appraisal result of the HsiMen Market Project

Main ideas	Important issues	Test questions		Y	N
More than one group working together toward a shared strategy in a particular area or topic	Who was involved?	Q1-1	- was more than one group involved in each stage?	✓	
		Q1-2	Were all the important groups defined as potential partners?		✓
		Q1-3	- Could clear leadership be seen in the process?	✓	
	Was there a shared goal?	Q1-4	- Did the main developer provide a visible and clear picture?		✓
		Q1-5	- Did the potential partners have a shared goal or an agreed strategy which could balance their goals?		✓
		Q1-6	- Did the public sector work for the public interest rather than purely commercial goals? (from TCG)	✓	

	Did it have a particular area or topic?	Q1-7	- Did the project have a particular area or topic in mind?	✓	
Sharing Power and a new form of management	How were the decisions made?	Q2-1	- Did all the potential partners have real power to influence the final decision?		✓
		Q2-2	- Could all the potential partners involved in the decision-making stage sit at the decision-making table and make decisions together?		✓
		Q2-3	- Could the potential partners make decisions without being controlled by other groups?		✓
	How is the relationship between the potential partners?	Q2-4	- Had all the issues or conflicts been presented or discussed?		✓
		Q2-5	Were trust and mutual understanding built?		✓
		Q2-6	- Could a form of management or organization be seen in the project?		✓
Contribution, sharing profits and risks	How did partners contribute in the project?	Q3-1	Was there a clear allocation of responsibility among the potential partners?		✓
		Q3-2	- Did potential partners share the risks?		✓
		Q3-3	- Did potential partners share the profits?	✓	
		Q3-4	- Did the profit of each potential partner balance their resource contribution and risk sharing?		✓

## 9.2. The Neighbourhood Improvement Project: DaLi Street Project

Funding for the Neighbourhood Improvement Project (NIP) is set by the TCG; any local communities who want to improve their neighbourhood by themselves can apply. Local communities must submit a proposal, but as most local communities lack the specialist knowledge required to make a proposal the TCG encourages them to get help from the experts. It is the TCG's policy to encourage local residents and experts to build up a partnership before they can apply for the NIP. The community planner interviewed believed that it is easier to get funding if an application is submitted with a clear partnership in place. The case study project, the DaLi Street Improvement Plan (DaLi Street Project), was one of the NIPs approved in 1999. In the DaLi Street Project, five groups were defined as potential partners in this research: (1) the TCG, (2) the CP, and (3) the Mankah Business Improving Society (MBIS) that was organized by the representatives of the local residents, (4) entire local residents, and (5) the Head of Li. Within the TCG, the TCUR distributed the NIP funds and promoted the NIP policy. The New Construction Office (TCNO), the Maintenance Office of Public Works Department (TCMO), and the Parks and Street Light office (PSLO) were also involved at different stages, mainly with the construction work. In order to make the discussion easier, these units will collectively be called "non-TCUD departments".



### **9.2.1. Groups involved, goals, and area**

#### **Eleven groups were involved (Q1-1)**

According to the analysis above, eleven groups were involved in the DaLi Street Project, drawn from the public sector, politicians, residents, private companies and the experts. Most of the groups were only involved in the development stage; only the CP and the residents were involved in more stages.

#### **All the important groups were involved (Q1-2)**

According to the interviews, no important groups were excluded in the partnership. Most of the TCG departments were involved in the final two stages, but the TCNO and the WanHua District Office were only involved in the development stage. Thus, we can see that the public sector was less involved in the preliminary stages than in the implementation. On the other hand, the Community Planner (CP) and the local residents and the owner of the retail shops were more involved in the conceptualisation and planning stage.

#### **The CP and MBIS were the main developers in this project (Q1-3)**

The CP, who is an architect, and MBIS, that was organized by the owners of local retail shops, was the main developers in the DaLi Street Project, even though the funding was provided by the TCG. They developed the project from an idea to a workable proposal. Although the construction work was implemented by the TCG, the design was done according to their proposal.

#### **A visible and clear picture for the future was provided (Q1-4)**

As NIPs are a neighbourhood based policy, the content of the proposal was in accordance with local residents's requests. The idea of improving the area came from a meeting held in 1999 by local business people, and the content of the proposal was mainly decided by MBIS that is the local community organized by the owners of local retail shops. Moreover, the future picture in the proposal was also agreed by most of the local residents before it was submitted. If there was anything unfeasible in the plan, this was clearly explained by the CP. For example, the CP explained the problem about the limited budget, encouraging the locals to make another long-term plan instead. Thus, the future picture was clear provided.

### **Improving the environment was the shared goal (Q1-5)**

The goal of all partners in the DaLi Street Project was that everyone wanted to improve the environment, even those residents who were most concerned about improving local businesses. This goal was agreed in the open discussion process which took place between the local residents, the MBIS, the CP, and the TCG officers. However, apart from the TCUD, the goals of other individual departments in the TCG were not clear. The DaLi Street Project seemed simply to be regarded by them as extra work: this was evident in the discussion at the presentation meeting about pavements.

### **Improvements were limited to public property and facilities (Q1-6)**

The TCUD was careful to use the NIP fund only on improving public spaces and facilities in the DaLi Street Project. This was evident in the issue of the new signboards for the shops. Even though the TCUD agreed this was a good idea, they could only suggest the developer pay for it themselves or apply for further funding from the TBAO. Although some people may argue that the DaLi Street Project was of greatest benefit to the local residents and shops, all local communities in Taipei have the same opportunity to apply for the NIP status. The NIP fund is used in the public interest, wherever it is spent.

### **The regeneration area was clearly defined (Q1-7)**

As with the public sector project, the DaLi Street Project was limited to public land. Moreover, a clear regeneration area and tasks had to be defined in the proposal when application was made for the NIP. It was made that the regeneration area covered DaLi Street and the Corner Park only – these were the only areas the NIP fund would pay for. Private properties could be regenerated at the same time, but the local residents had to pay for these themselves.

## **9.2.2. Power and management**

### **The potential partners had real power to influence the final decision (Q2-1)**

During the interview, no group was identified as being excluded from the decision-making process. MBIS and the CP were the two groups involved in the decision-making process during the pre-development stage. The TCUD joined in at the development stage; their role was to point out the limitations of the funding and

the legislative restrictions. In the post-development stage, the TCMO only had to implement the tasks. These were carried out according to the final report, so no other decisions had to be made at this time, apart from occasional minor modifications to the design.

**The discussion process worked throughout the decision-making process (Q2-2)**

Unlike the public sector project, the groups involved in the decision-making process here expressed what they wanted, discussed the problems and tried jointly to find compromises where necessary. This could be clearly seen in the two informal meetings and four formal public meetings held between the CP, the MBIS, the Head of Li and the residents, and in the three presentations attended by the CP, the MBIS and the TCG. Normally, the CP and MBIS arrived at a joint decision before the presentation to the TCG officers. The contents of the proposal were discussed after the presentation in order to produce a report with which all the groups agreed.

**None of the groups were controlled by other groups (Q2-3)**

The final decision might not be the first choice for all groups but it was an agreed decision for all of them. All groups could make their own decisions independently. When the local residents gave up their first plan, it was because they understood the limitation of the time and budget. For example, the residents hoped the idea of identifiable furniture and signboards could be listed in the final report of the DaLi Street Project; however, they agreed to put it in the long-term plan after discussion with the CP and government officers.

**The problem of non-TCUD departments in the TCG (Q2-4)**

As mentioned earlier, non-TCUD departments in the TCG were not happy about cooperating with the TCUD; they regarded the project as an extra job. Initially, they acted more like consultants not expecting to be assigned to the project. However, they mentored the design more carefully when it finally became their responsibility, asking for more modifications at this point. This attitude caused trouble for the CP, who was expected to modify the design after the DaLi Street Project had closed. The PSLO itself also had problems securing a budget for the DaLi Street Project as the tasks were not on their original working list. The problems arose not just from the

attitude of officers but also from the organizational structure in the TCG. The position of the planning and urban regeneration department was too low in the TCG.

**The relationships between different groups were good in the project (Q2-5)**

Trust and mutual understanding was evident in the DaLi Street Project, especially in the relationship between the CP and the local community (MBIS). The CP said he respected the requests of the residents and tried to satisfy them. The residents also understood the difficulties represented by the limited budget and accepted his suggestion to put some of their ideas into the long-term plan. Residents appreciated the funding from the TCG, so they did not complain or ask for compensation despite the inconvenience caused by the construction work. Luckily, the Head of Li had a good relationship with most of the residents and was able to liaise between the residents and the planners, which enabled the project to run more smoothly.

**A clear decision-making process was set up (Q2-6)**

First, meetings were held in order to gather opinions from the local residents. These meetings were open to everybody. Sometimes, the meeting might only involve the CP and the members of the MBIS. The members of the MBIS reported back to residents and gathered opinions in person or by questionnaire. After the CP and the local residents had agreed upon a proposal, a further meeting (presentation) was held, attended by the TCG, the CP and the MBIS. Any problems were discussed in the meeting and decisions agreed. There were no major disagreements between groups in the meeting and most of the residents were happy with the decisions made by their representatives, the MBIS.

**9.2.3. Contribution, risk and profit**

**The responsibility for construction and maintenance was not clearly allocated (Q3-1)**

It seems reasonable to conclude that the CP and the MBIS were the main planners and that they coordinated the various ideas of residents and other groups. They took joint responsibility for the human resources. The funding for the DaLi Street Project was provided by the TCG. In the development stage, the TCUD provided a planning fee to the CP from NIP funds. The TCMO secured the budget to implement the targets in the DaLi Street Project in the post-development stage. During the

development process, the residents did consider paying for the signboard themselves but this idea failed. Thus, the residents did not invest any money in the end. The TCMO did not accept that they had to do the construction work in the final-presentation meeting (having failed to monitor design details in the previous meetings). The responsibility for maintenance was also unclear. According to the TCUD officer, the local communities had promised to maintain the new facilities in the Corner Park in the development stage but they reneged on this promise after the project was finished. Finally, the PSLO took responsibility for maintenance.

**The risk was shared between the responsible groups (Q3-2)**

The TCG, the CP and MBIS were the groups taking most risk in this project. In the early stage, the CP and MBIS shared the risk of wasting human resources if the project was not chosen by the TCG. In the development stage, the TCG shared the risk with the CP and MBIS of wasting funding if the final report was not workable. The TCG might also have risk to spend more money on construction and maintenance if the design was not good, because the facilities may not easy to be maintained.

**The profit was shared between the groups involved (Q3-3)**

The TCG, the residents, and the Head of Li shared the benefit of a better environment, and the Head of Li gained political support. The CP received a small planning fee from the TCUD. In his interview he maintained that he also profited in terms of the experience and the trust he gained during the project.

**The profit was not balanced with their contribution and their risk (3-4)**

These elements were not always jointly balanced. The CP argued that his fee did not cover his spending on human resources. Even though he claimed to have gained useful experience and built good relationships with the local residents, he felt he would not take on a NIP project again. As the NIP is an important TCUD policy, the TCUD risked political pressure if the project failed. On the other hand, it had the potential to be a good achievement. However, the 'non-TCUD departments' in the TCUD, while making contributions or taking risks, did not share the profit. The TCMO was appointed to do the construction work on this project, but had to find the budget itself. The TCMO officers were not happy with this 'extra job' and thought

they were helping the TCUD rather than making their own achievements. As they did not expect to get profit from the DaLi Street Project, they did not want to contribute or take a risk on it. They would have preferred to be consultants only; however, they were called upon repeatedly during the construction work because the TCUD is only a planning unit. The TCMO did not want to be deeply involved and said little before they had to take the job. When they were made responsible for construction, they started to become more critical.

#### **9.2.4. Conclusion**

The DaLi Street Project achieved most of the test criteria in Table 9.3. The potential partners participated in the decision-making process and were free to make their own decisions. In addition, they also shared the risks and profits. It may benefit from the design of the NIP which asks local residents to work with the professional who is trusted by them. Normally, the local community planner who has longer relationship with local residents is the one chosen to develop the project. Also, the government provides most of the funding to implement the project which is another reason to make this kind of project success and easier. In the case study of DaLi Street Project, only three appraisal questions were not answered positively, but the problems seem mainly to have arisen from 'non-TCUD departments' in the TCG. The difficulties were twofold.

First, the role of other departments in the TCG was not clearly defined at the beginning; the TCNO, TCMO and PSLO were not even invited to the first few meetings. When they did participate in the meetings, they acted more like consultants and were not prepared to take on any tasks in the DaLi Street Project. They had few opinions about the design and attended only to answer questions. Their criticisms of the design came out only after they were forced to become active participants, for example when the TCMO asked the CP to modify the accepted design after they were given responsibility for the construction work. The CP complained about this inconvenience in the interview. Secondly, the position of the TCUD within the TCG was not high enough to control the construction groups: the TCNO, TCMO and PSLO were not under the TCUD's authority. Thus, a special department should be founded in the TCG to deal comprehensive project of this type which may involve

many departments. Moreover, this special department should have higher authority in the City government to ensure the projects are implemented smoothly.

From the above it is clear that partnership was evident in the DaLi Street Project. The cooperation and relationships between the CP, the MBIS, and the TCUD officers were good.

**Table 9.3 Appraisal result of the DaLi Street Project**

Main ideas	Important issues	Test questions		Y	N
More than one group working together toward a shared strategy in a particular area or topic	Who was involved?	Q1-1	- was more than one group involved in each stage?	✓	
		Q1-2	Were all the important groups defined as potential partners?	✓	
		Q1-3	- Could clear leadership be seen in the process?	✓	
	Was there a shared goal?	Q1-4	- Did the main developer provide a visible and clear picture?	✓	
		Q1-5	- Did the potential partners have a shared goal or an agreed strategy which could balance their goals?	✓	
		Q1-6	- Did the public sector work for the public interest rather than purely commercial goals? (from TCG)	✓	
	Did it have a particular area or topic?	Q1-7	- Did the project have a particular area or topic in mind?	✓	
Sharing Power and a new form of management	How were the decisions made?	Q2-1	- Did all the potential partners have real power to influence the final decision?	✓	
		Q2-2	- Could all the potential partners involved in the decision-making stage sit at the decision-making table and make decisions together?	✓	
		Q2-3	- Could the potential partners make decisions without being controlled by other groups?	✓	
	How is the relationship between the potential partners?	Q2-4	- Had all the issues or conflicts been presented or discussed?		✓
		Q2-5	Were trust and mutual understanding built?	✓	
		Q2-6	- Could a form of management or organization be seen in the project?	✓	
Contribution, sharing profits and risks	How did partners contribute in the project?	Q3-1	Was there a clear allocation of responsibility among the potential partners?		✓
		Q3-2	- Did potential partners share the risks?	✓	
		Q3-3	- Did potential partners share the profits?	✓	
		Q3-4	- Did the profit of each potential partner balance their resource contribution and risk sharing?		✓

### 9.3. The Private Sector Project

Because of financial pressures, the TCG tries to build public-private partnerships to attract involving private investment, using as its main strategy the provision of

incentives. According to the *Urban Renewal Act*, the private sector can be local residents, or local residents with private companies. However, most Private Sector Projects such as the HuaZhongDuan and ZhiXingDuan projects have been implemented by private companies. The examination here will focus on two case studies and the general situation. The HuaZhongDuan and ZhiXingDuan projects are the case studies in question here. The test questions will be used to review the nature of the partnership between the potential partners – in this case the TCG, the residents, the squatters and the private companies.

### **9.3.1. Groups involved, goals, and area**

#### **Seven groups were involved in the process (Q1-1)**

Seven groups were involved in the process with only four of them participating at all stages. These were the TCG, the private companies, the owners and the squatters. A middle man was involved only in the very early pre-development stage, before selling the project to the private company. The URB and other non-TCUD departments in the TCG only participated in the development stage, as consultants and supervisors. The number of residents involved declined in the later stages, as owners sold up and left or took the compensation. In short, five groups were involved in the pre-development stage, six groups in the development stage, and four groups in the post-development stage. All stages involved more than one group.

#### **All the important groups were involved (Q1-2)**

The interviews did not indicate that any important groups were excluded from the process. The case studies showed all the important groups were involved, although it was obvious that the TCG was involved less than the private companies and the residents. Further, the private companies were more active than the residents.

#### **The private company was the main developer in the project (Q1-3)**

Referring to the analysis in Table 7-1, the private companies were more active than any other groups and involved throughout the process. In both the HuaZhongDuan and ZhiXingDuan projects, they had to deal with all the application procedure and contact the residents. The projects could not have continued if the private companies had given up.



**A clear future picture was not provided in the early stage (Q1-4)**

In both case studies, the private companies initially tried to purchase the properties without inviting the owners to be their partners. In the venture, the buying price was the first thing provided rather than a future image. According to the interviews with the employees from the private companies, the best result for them was the purchase of all the properties. Only if this failed would they invite the owners to participate in the project. In fact, a clear proposal was provided by the private companies in both case studies and attached to the application to the TCG; however, it was only presented in the public meeting before submission of the application. Those owners who sold their properties at the early stage never got to see these proposals. The private companies did not intend to involve them in the project.

**Apart from the TCG, everybody looked for personal profit (Q1-5)**

According to the analysis in Table 7.5, most groups apart from the TCG were looking for personal profit. According to the employee of the private company interviewed, it was an additional benefit if the environment could be improved at the same time, but profit was the most important thing as they were doing business not a public charity. Those owners who were not going to live in the regenerated area cared more about personal profit than the environment. Even among those owners who remained, most cared more about profit. However, it was always difficult to balance the interests of private companies and owners, because owners always thought that the private companies wanted to take advantage of them. For example, the HuaZhongDuan project failed for lack of agreement papers, because the owners felt the distribution of the properties was not fair and could not accept the justification provided by the QiaoYang Company. However, the QiaoYang Company was acting according to the Urban Renewal Act; taking advantage of the incentives offered to settle squatters. The main goal for the TCG was to improve the environment; they were not concerned with profitability. In this case, they saw themselves as the protector of the public interest rather than a partner in the project. This may be why all those interviewed from private companies argued that the TCG took no interest in their difficulties and did not try to help. In summary, it was difficult to identify a shared goal among the groups or to see how they balanced their respective goals.

**The TCG tried to protect the public interest but failed (Q1-6)**

The TCG's efforts to protect the public interest are evident in the regulations. Some incentives encourage developers to donate public facilities or consider urban design, such as incentives V1, V3, V5, V6 in the *Regulations of Taipei Urban Renewal*, and incentives F4, F5 in *Taipei City Urban Renewal Ordinances*, mentioned in Chapter 3.2. Others encourage developers to address social problems, such as incentives V4, F4 and F6. In addition, the URB board was set up to ensure the public would benefit from regeneration projects and private developers would not get too much profit. Evidently, the TCG do try to look after the public interest; however, the results were not what they expected in these case studies. For example, most of the squatters in the ZhiXingDuan projects left in the end. Meanwhile, the private companies still received incentives for settling them. Moreover, the original social network was broken, leading to further social problems. This issue will be considered later.

**The regeneration area was clearly defined (Q1-7)**

As these projects were implemented under the regulations, the regeneration area was clearly defined and marked in the application in each case. Normally, the site area was not too big in order to reduce the difficulty of the project.

**9.3.2. Power and management****No important groups were excluded in the final decision-making stage (Q2-1)**

No important groups were excluded, according to the interviews. In the pre-development stage, the private companies and at least 1/10 of the owners could decide whether to continue the project or not. Other owners might be excluded at this stage, even though they might go on to be important partners in the project. In the development stage, the TCUR and squatters could also influence what was built and how it was distributed. Finally, as the owners of the new properties, the private companies, owners and squatters who chose to stay could decide how to manage the new buildings. The TCG was empowered by the regulations and so had the legal authority to monitor the project. On the other hand, the government could not reject the application if everything was in order.

**Not all the groups involved could sit at the decision-making table (Q2-2)**

In the pre-development stage, it was clear that the private companies in both case studies were keen to purchase owners' properties. As a second choice, they would try to win over the 1/10 of owners required by the regulation. However, the private companies had the main decision-making power at this stage: they would have abandoned the project if it was too difficult. The squatters were the only group who were not really involved in the discussion: as illegal occupants, they were in no position to argue if the developer promised to resettle them. In the post-development stage, all owners of the new properties could participate in discussions about the management of the community, so all the groups were involved. However, in practice, the owners had little room for manoeuvre because of the inflexibility of the design.

**All potential partners could make independent decisions apart from the squatters (Q 2-3)**

As mentioned earlier, the squatters put up no arguments as they occupied the properties illegally. Most did not know that the government provided incentives to protect them, and that they therefore had some power to negotiate with the private companies. They usually accepted what was provided by the private companies even though it might make their life more difficult in the future. For example, some squatters depended on the local community network and help from their neighbours. Even with the compensation they received, it was difficult for them to survive without this community network.

**Two issues were hidden or ignored in the process (Q2-4)**

The first issue was the attitude of the private companies who preferred to buy the properties. This made their life easier later but was at odds with the original intention of the regulation, which was to protect the social network. Second was the way in which the quality of the design would influence the cost of management fees in the post-development stage. Interviewee O2 said that: "some owners could not afford the extra money which they needed to pay...finally, they might have to sell up and leave...I think this was the developer's strategy" (Interviewee O2, 2004). This problem was not pointed out in the development stage so the owners might not have

noticed it. When the high management fee was finally revealed, it was too late to change it as the quality of the build had been fixed.

**No trust or mutual understanding was evident in the process (Q2-5)**

Owners felt private companies always wanted to take advantage of them, and private companies thought owners were too greedy. Thus, no trust was built between owners and private companies. In addition the private companies felt the TCUR did not consider their time investment and did not give enough help in the process: little trust existed between them either. Some trust was evident between owners and the TCUR because owners trusted the TCUR officers. This was the reason why the private companies often invited government officers to public meetings.

**A fixed procedure but no form of management or organization (Q2-6)**

According to the urban regeneration regulations, a clear procedure should be followed. However, it is difficult to see a core organization at work in the case studies other than the private company. Moreover, there was no clear decision-making process between the private companies and the owners. There were no discussions, only negotiations and persuasion. Sometimes the private companies dealt with all the owners, and sometimes with individuals. They did not mind which strategy they used to get the agreement papers.

### **9.3.3. Contribution, risk and profit**

**The responsibility was clearly allocated but not well (Q3-1)**

According to Table 7.6, private companies took most of the responsibility for human resources and finance, but the TCUR provided the incentives which might give them a higher return to balance their investment. The owners provided their properties and the departments in the TCG provided their professional knowledge. All the partners made a contribution to the project, but the private companies thought the TCG should have contributed more if they were serious about encouraging urban regeneration in Taipei. They thought the TCG should provide more help to persuade owners, as the owners trusted them more. They wanted assurance from the TCG that the police or government officers would help them evict the minority who did not accept the project, but not leave the private developer to deal with it themselves, as in the ZhiXingDuan project. To sum up, they hoped the TCG would be more involved

in the project, as proactive participants, rather than critical supervisors making it more difficult.

**The TCG seemed not to take enough risk if they wanted to be a partner (Q3-2)**

According to Table 7.6, the TCG took no risk in the process. This is strange considering the TCG proclaimed this was a public-private partnership, and it may be why the private companies kept complaining about the lack of support and understanding from the government. As the TCG did not take any risk, they did not worry about the time spent or the possibility of failure.

**The Profit was shared between the groups involved (Q3-3)**

Considering the departments in the TCG as a whole, the public sector, private companies and residents profited from the project.

**The profit did not balance with their contribution and their risk (3-4)**

Almost all groups got profit through the project, with the private companies receiving the most. The owners and squatters benefited equally but only the owners had had to contribute their properties. It seems unreasonable, but it is one of the government's policies that the social problem of squatters can be solved through the urban regeneration process. The TCG got its wish of an improved environment but did not share any risk. Consequently, the private developer was left feeling resentment towards the TCG. They felt that the TCG did not try their best to help the urban regeneration project; in fact they even suggested that the TCG obstructed the process and made it more difficult.

**9.3.4. Conclusion**

According to Table 9.3, nine test questions were achieved but eight of them were not. Briefly, this project only achieved the first principle, which was the involvement of more than one group. However, the partners did not make decisions at a round table and no form of management was constructed. Moreover, the partners did not share the risk. Thus, there is little evidence of the (public-private) partnership which the government wanted to achieve in the case study. Three main problems were revealed in the analysis.

Table 9.4 Appraisal result of the Private Sector Projects

Main ideas	Important issues	Test questions		Y	N
More than one group working together toward a shared strategy in a particular area or topic	Who was involved?	Q1-1	- was more than one group involved in each stage?	✓	
		Q1-2	Were all the important groups defined as potential partners?	✓	
		Q1-3	- Could clear leadership be seen in the process?	✓	
	Was there a shared goal?	Q1-4	- Did the main developer provide a visible and clear picture?		✓
		Q1-5	- Did the potential partners have a shared goal or an agreed strategy which could balance their goals?		✓
		Q1-6	- Did the public sector work for the public interest rather than purely commercial goals? (from TCG)	✓	
	Did it have a particular area or topic?	Q1-7	- Did the project have a particular area or topic in mind?	✓	
Sharing Power and a new form of management	How were the decisions made?	Q2-1	- Did all the potential partners have real power to influence the final decision?	✓	
		Q2-2	- Could all the potential partners involved in the decision-making stage sit at the decision-making table and make decisions together?		✓
		Q2-3	- Could the potential partners make decisions without being controlled by other groups?		✓
	How is the relationship between the potential partners?	Q2-4	- Had all the issues or conflicts been presented or discussed?		✓
		Q2-5	Were trust and mutual understanding built?		✓
		Q2-6	- Could a form of management or organization be seen in the project?		✓
Contribution, sharing profits and risks	How did partners contribute in the project?	Q3-1	Was there a clear allocation of responsibility among the potential partners?	✓	
		Q3-2	- Did potential partners share the risks?		✓
		Q3-3	- Did potential partners share the profits?	✓	
		Q3-4	- Did the profit of each potential partner balance their resource contribution and risk sharing?		✓

First, the TCG was not a proactive partner but more like a supervisor or examiner in the process. The TCG thought the incentives (additional floor space) were the most important thing for private companies and would attract them to invest in these urban regeneration projects. However, the TCG did not realise that their partners would have different goals (Q1-5), nor did they consider the difficulties faced by other partners. If they had, they would have seen that the FuAn Construction Company (ZhiXingDuan project) had to give up most of the incentives in order meet application deadlines. The money and human resources spent on delays was more than the value of the incentives which they could get. In addition, the fact that the

TCG did not share the risk (Q3-2) in the project meant they were less concerned about its efficiency.

Secondly, the private companies only treated the owners as partners when they had no other choice. From the examination of Q 1-4, it emerged that the private companies did not try to present a future image for the owners or invite them to regenerate the area together. Instead, they hoped the owners would sell their properties for a low price and leave. This kind of attitude led to a hostile relationship between the private companies and the owners. It made later negotiations more difficult when they had decided to regenerate the area together, because the owners had lost their trust in the private companies. Thus, the owners always felt that the private companies might take advantage of them.

Third, the squatters were not settled as the TCG expected. The TCG hoped the private developer would help them settle the squatters, and provided the additional floor space as an incentive. This regulation did encourage most of the private companies to settle the squatters, rather than expel them. Some squatters decided to take the compensation while others decided to stay. However, they had no power to participate in the decision-making process and influence the final decisions. Thus, many found that they could not afford the management fees for the new high quality buildings, and ended up leaving the original community anyway. The disintegration of the original social network affected not only the squatters but also the owners from disadvantaged minorities.

There are two additional findings about the design of the test questions. First, the Private Sector Project achieved most of the targets in the earlier questions (Q1) though more problems were revealed on deeper examination (Q2, Q3). For example, although it was easier to involve groups in the process, they might not all be equally involved in the decision-making stage, or they might be manipulated by the main developer. The second finding relates to Q3-1. This test question asks whether responsibility was clearly allocated, not whether the allocation was fail. For example, the contribution of the TCG was very clear in this project but the private companies thought it was not enough.

#### 9.4. Resettled Tenement Neighbourhood Projects: NanJiChang Project

Currently, Resettled Tenement Neighbourhood Projects (RTNP) can be implemented under the *Urban Renewal Act* (1999) and the *Taipei City Urban Renewal Ordinances for Financing the Initial Planning of Relocated Apartments* (2002) and the TCG provides the initial planning fee. However, the case study project, NanJiChang Neighbourhood, was started in 2000. The local people and the CP applied for financial help through the NIP in 2000 and the project was undertaken under the *Urban Renewal Act*. As mentioned in Chapter 3, an urban renewal committee needs to be organized first if the local people want to regenerate the area by themselves without any private companies. Unfortunately, the local people in the NanJiChang Project have been unable to organize an urban renewal committee, and the project remains obstructed at this stage. Thus, later examination will only review the pre-development and early development stages. To this point, the potential partners were the TCG, the owners, the CP, and the Head of Li. In the TCG, the TCUR provided funding through the NIP scheme and the WanHua workshop tried very hard to push this project.

##### 9.4.1. Groups involved, goals, and area

###### Five groups were involved in total (Q1-1)

The TCUR and its subdivision the WanHua workshop were the main authorities in the TCG. The CP of WanHua district helped the local people to implement the project and provided his professional knowledge and skill. In addition, the owners in the NanJiChang Neighbourhood were also involved. Finally, the Head of Li, the local political leader and one of the owners, was also involved.

###### No important groups were omitted but the project may need another financial supporter (Q1-2)

In this case study, the potential partners included the TCG, the Head of Li, the owners and the CP. The TCG represented the government and provided the planning fee; the Head of Li and the CP contributed human resources; the owners represented the local people. No interviewees pointed out any important groups who were excluded from the process. However, finance was a big problem in the case study



and the owners found it difficult to afford the construction fee by themselves. Thus, this project needs another financial supporter such as a private company or bank.

**The CP and the Head of Li were the main developers at the early stage but the Head of Li did not have a good relationship with the BenShengRen (Q1-3)**

Under the *Urban Renewal Act*, a local urban renewal committee has to be organized in the early development stage and this committee will be the main developer in the later stages. Without an existing local community organization, the CP thought the local political leader, the Head of Li, could cooperate with him to start up the project before the committee was organized. The Head of Li had a good relationship with one of the big groups, WaiShengRen, in the NanJiChang neighbourhood, so it took only three months to get agreement papers from 1/10 of the owners. However, the Head of Li had a very bad relationship with another big local group, BenShengRen. This situation made it more difficult to organize the urban renewal committee because more than half of the local people were required to attend for there to be a quorum. Although the Head of Li caused many problems, he and the CP were the main developers in the pre-development and early development stages.

**A clear future image was provided but it did not convince the tenants (Q1-4)**

Apparently, a clear future image of this area was presented in the public meetings. It included the design of the buildings, the size of the units...etc. However, these images could not convince the owners. In the group interview (Interviewees R6) one owner claimed: "I didn't have enough information about this project so I didn't have confidence that it would succeed..." "I don't know if the TCG will take responsibility to ensure that the project will be finished..." Although a plan for the future was provided, the owners were not persuaded.

**No shared goal was found (Q1-5)**

No doubt the TCG, the CP and the Head of Li were enthusiastic to regenerate this area. However, the conflict between the BenShengRen group and the Head of Li made the project more difficult. The Head of Li argued that the objections of some owners who did not want to regenerate NanJiChang were personal only against him; however, the residents felt that the Head of Li was working for his own personal profit. They argued that the project was impossible in the face of such self interest.

Moreover, the residents were not all in favour, notwithstanding the conflict between the two big groups in NaiJiChang Neighbourhood. Some residents desired to regenerate the area but some did not. Those who were not interested in the urban regeneration project did not attend the meetings and made the establishing of the committee even more difficult.

#### **The TCG was trying to solve the social problems of the RTNP (Q 1-6)**

The TCG not only provided the planning fee but also set up the WanHua workshop to push this task. Their main purpose was to improve the environment in the slums and help the poor people in Taipei. RTNPs were one of the TCG's main undertakings, but the results here were poor.

#### **The urban regeneration area was clearly defined and focused on rebuilding the buildings (Q1-7)**

The urban regeneration area was clearly defined as the area shown in Figure 8.1. All the buildings in the block were involved. The main target was to erect new buildings to replace the old ones.

### **9.4.2. Power and management**

#### **Professionals and politicians had no real power (Q2-1)**

Figure 8-4 shows that only the TCG and the residents were involved in the decision-making stage. The TCG was empowered by the law and had legal authority to ensure the regulations were met. On the other hand, the government could not reject the application if everything in it was in order. The residents were not only empowered by the agreement papers but by their role as main developers in the project. It may be argued that the Head of Li also participated in the decision-making stage. However, he was involved as a resident rather than a political leader. His power was equal to other residents. Here, the residents or future committee could be seen as the clients of the CP. The CP provided his professional suggestions and design but he had no real power to make decisions.

#### **The TCG and the residents did not make decisions at a round table (Q2-2)**

In the pre-development stage, the residents were the only people able to make decisions in the public meeting. The officers who worked in the WanHua workshop

acted as facilitators in the meeting and were not involved in the decision-making. Afterwards, TCG officers examined the application based on the regulations. Therefore, the TCG and the residents did not make decisions together through a discussion process.

**No potential partner was controlled by other groups (Q2-3)**

At this stage, all groups in the case study made their own decisions without interference from other groups.

**The conflict between the Head of Li and the BenShengRen was hidden (Q2-4)**

The CP argued that one of the big mistakes in the project was that he contacted the Head of Li first; he said that he would have contacted both big groups together if he had known about their feud. However, the Head of Li did not tell him about this situation at the beginning. This mistake made later implementation more difficult because the CP had lost the trust of the BenShengRen group, who thought he was on the same side as the Head of Li.

**Trust could not be built between the residents (Q2-5)**

Because of the long term hostility between the BenShengRen and WaiShengRen groups, no trust could be built between the owners and the CP, and between the owners and the Head of Li. The Head of Li argued that: "... their opposition was to me only..." but the owners argued that they opposed the plan because they were being treated unfairly. They claimed that they were disadvantaged in the election of representatives for each block because the BenShengRen group did not get advance warning of the vote, while the Head of Li informed the WaiShengRen in person. Finally, the TCG officers were the only potential partners who were trusted by the owners.

**The form of management was built in the pre-development stage but it would not work in the later stages (Q2-6)**

In the pre-development stage, the Head of Li helped the CP to hold public meetings and discuss the details of the project. When enough agreement papers were secured, the application was submitted to the TCG. Finally, the application was examined and approved by the TCG. Therefore, the CP and the Head of Li were the core developers in the pre-development and early development stages. However, this form

of management would not have worked in the later stages when a higher percentage of agreement papers were required under the regulations. Thus, it is inaccurate to say that a new form of management was built.

#### **9.4.3. Contribution, risk and profit**

**The financial problem has not been solved and the committee has not been organized (Q3-1)**

In this stage, the responsibility for finance and human resources was not clearly allocated; it was only evident that owners would have to provide their properties. According to the *Urban Renewal Act*, the urban renewal committee should take on responsibility for human resources, but this has not been organized. The CP suggested that the TCG should consider taking over the whole project (Interviewee, P4). In addition, finance was a bigger problem for this project because most of the owners did not have extra money to regenerate their neighbourhood. The CP has also considered inviting a private company or the TCG to participate in the project.

**The residents did not take any risk (Q3-2)**

To date, the residents have not taken any risk. They would not lose out even if the project failed. The CP and the Head of Li spent a lot of time and human resources on the project, for which they have not yet seen any return. The funding provided by the TCUR in 2000 NIP was non-refundable, but they can claim back the subsidy paid through *Taipei City Urban Renewal Ordinances for Financing the Initial Planning of Relocated Apartments* (2002) if the project fails.

**It is difficult to discuss potential profit at this stage especially without a clear financial solution (Q3-3)**

The planning fee in first stage was paid through the 2000 NIP and the subsidy from the *Taipei City Urban Renewal Ordinances for Financing the Initial Planning of Relocated Apartments* (2002). However, the construction costs remain a question mark.

#### **9.4.4. Conclusion**

Because this is an unfinished project, it is too early to examine the issues of profit, risk, and the balance between them. In Table 9.5, only 13 questions were examined

in this section and 7 targets were achieved. The important partner who could provide financial support was missing, the partners' goals were different, the leader was not trusted by the partners and the proposed plan did not convince the residents. There were two main problems in the NanJiChang Project. One was the lack of trust between the partners, and the other was finance. Because of the existing conflict in the neighbourhood, the BenShengRen group could not trust the Head of Li. For this reason, they could not even trust the CP, who contacted the Head of Li first, nor his proposals. In the end, the owners lost interest in the project and did not attend the public meetings. This lack of trust must be addressed. Nor will people become more confident about the likelihood of successful regeneration without a reasonable and acceptable financial plan. This issue was mentioned by almost all the partners and it will remain a big obstructer even if the trust between the partners can be repaired.

However, the failure of this urban regeneration project may not a bad thing from the point of view of social justice. Looking at the most of the successful project in Taipei, the environment may have become totally new, but the poor or disadvantage minority was driven away from the area where they could have stayed with how the local community functioned before the regeneration. These groups could not afford the higher living standard resulted from the urban regeneration. From the interview of the residents in the NanJiChang neighbourhood, it can be noticed that most of the people who live here are poor but they are happy with their current dwellings. What they need may be not a rebuilt of a urban regeneration project, but, rather, some environment improvement programs which can keep the current community structure.

The appraisal suggests some of the test questions may need to be refined. For example, the NanJiChang Project shows an example of clear leadership (Q1-3); however, the Head of Li, who was one of the leaders, had a very bad relationship with some partners. This clear leadership in fact became a big problem in this project; even undermining people's trust in other leaders such as the CP. Q1-4 asks whether a visible and clear future picture has been presented to potential partners. This case study reveals that it is not enough to have a visible future picture - this picture must be credible to the partners. Otherwise, it means nothing.

Table 9.5 Appraisal result of the NanJiChang Project

Main ideas	Important issues	Test questions		Y	N
More than one group working together toward a shared strategy in a particular area or topic	Who was involved?	Q1-1	- was more than one group involved in each stage?	✓	
		Q1-2	Were all the important groups defined as potential partners?	✓	
		Q1-3	- Could clear leadership be seen in the process?	✓	
	Was there a shared goal?	Q1-4	- Did the main developer provide a visible and clear picture?	✓	
		Q1-5	- Did the potential partners have a shared goal or an agreed strategy which could balance their goals?		✓
		Q1-6	- Did the public sector work for the public interest rather than purely commercial goals? (from TCG)	✓	
	Did it have a particular area or topic?	Q1-7	- Did the project have a particular area or topic in mind?	✓	
Sharing Power and a new form of management	How were the decisions made?	Q2-1	- Did all the potential partners have real power to influence the final decision?		✓
		Q2-2	- Could all the potential partners involved in the decision-making stage sit at the decision-making table and make decisions together?		✓
		Q2-3	- Could the potential partners make decisions without being controlled by other groups?	✓	
	How is the relationship between the potential partners?	Q2-4	- Had all the issues or conflicts been presented or discussed?		✓
		Q2-5	Were trust and mutual understanding built?		✓
		Q2-6	- Could a form of management or organization be seen in the project?		✓
Contribution, sharing profits and risks	How did partners contribute in the project?	Q3-1	Was there a clear allocation of responsibility among the potential partners?	-	-
		Q3-2	- Did potential partners share the risks?	-	-
		Q3-3	- Did potential partners share the profits?	-	-
		Q3-4	- Did the profit of each potential partner balance their resource contribution and risk sharing?	-	-

### 9.5. Comparative analysis of the case studies

Table 9.5 shows the results of the appraisal of the four case studies. The black squares mean the case study in point achieved the test criteria. The grey column shows the only project, the HsiMen Market Project, which the TCG did not clearly announce as a partnership. Drawing upon this table and previous examination, a comparative analysis will be undertaken in this section in order to determine how partnerships function in Taipei's urban regeneration.

Table 9.6 Result of the appraisal of the four case studies

Main ideas	Important issues	Test questions				HsiMen Market Project	DaLi Street Project	The Private Sector Project	NanJiChang Project
						Y	Y	Y	Y
Group involved, goals, and area	Who was involved?	Q1-1	- was more than one group involved in each stage?	■	■	■	■		
		Q1-2	Were all the important groups defined as potential partners?		■	■	■		
		Q1-3	- Could clear leadership be seen in the process?	■	■	■	■		
	Was there a shared goal?	Q1-4	- Did the main developer provide a visible and clear picture?		■		■		
		Q1-5	- Did the potential partners have a shared goal or an agreed strategy which could balance their goals?		■				
		Q1-6	- Did the public sector work for the public interest rather than purely commercial goals?	■	■	■	■		
	Did it have a particular area or topic?	Q1-7	- Did the project have a particular area or topic in mind?	■	■	■	■		
Power and management	How were the decisions made?	Q2-1	- Did all the potential partners have real power to influence the final decision?		■	■			
		Q2-2	- Could all the potential partners involved in the decision-making stage sit at the decision-making table and make decisions together?		■				
		Q2-3	- Could the potential partners make decisions without being controlled by other groups?		■		■		
	How is the relationship between the potential partners?	Q2-4	- Had all the issues or conflicts been presented or discussed?						
		Q2-5	Were trust and mutual understanding built?		■				
	Was a new form of management built?	Q2-6	- Could a form of management or organization be seen in the project?		■				
Contribution, profits, and risks	How did partners contribute in the project?	Q3-1	Was there a clear allocation of responsibility among the potential partners?			■	-		
	How did partners contribute in the project?	Q3-2	- Did potential partners share the risks?		■		-		
		Q3-3	- Did potential partners share the profits?	■	■	■	-		
		Q3-4	- Did the profit of each potential partner balance their resource contribution and risk sharing?				-		

### **9.5.1. Reflection upon the fundamental principles**

Based on previous analysis of each case study, the comparative analysis in this section will more about the general situation of each important issue in Taipei's urban regeneration. Later discussions will not only focus on the omitted principles and current problems of each issue, but also try to reveal the suitable principles for Taipei by comparing analysis of its four case studies.

Before below analysis, this research has to point out that current urban regeneration projects in Taipei are largely property led, especially the projects undertaken by private sector as a site renewal project. From the case studies of HuaZhongDuan project and ZhiXingDuan project, the private companies were only trying to rebuild the property without considering about the original community structure or the squatters left the area that may cause other social problems later. It is still far away from the idea of urban regeneration in the West, where urban renewal has become urban regeneration with considering about retaining communities and reviving local economies. In Taipei projects, the social and economic implications were not really considered. The government did try to provide incentives for the developers to take care of the poor people and squatters. However, without changing the attitude of the main developers, the incentives only became a subsidy for developers to buy property from the disadvantage minority. They may be financially compensated for the change, but the communities which they depended have already disappeared.

Fortunately, the Taipei City government has been trying to find other ways to encourage more consideration to social and economic environments in urban regeneration projects, such as the Neighbourhood Improvement Project. In the DaLi Street project, the economic environment was deeply considered. Not only was the facility renewed, but also some promotion events were executed in conjunction to attract more customers. Following analysis and discussion should help Taipei City government to adjust the urban regeneration policies and make them more comprehensive.



**Who was involved? (Q1-1~Q1-3)**

*- Important groups not only need to be involved, they must be treated as partners*

Without considering the role and the degree of involvement of the partners, the case studies meet all the test criteria: all the projects involved more than one group and no important groups were excluded. However, more problems were revealed in the later examination, for example partners not being treated as partners or being unable to fulfil their expected role within the partnership. However, this very basic principle is central to any partnership project, and needs to be achieved in a partnership project.

*- Leadership is not just necessary; it must be trusted by other partners*

All the case studies contained a clear leadership, but this did not guarantee an efficient partnership. Where a leader had a very bad relationship with certain groups, this caused further problems, such as the Head of Li in the NanJiChang Project. On the other hand, projects were implemented more easily if the leader had a good relationship with the partners. This was evident in the DaLi Street Project where the CP and MBIS had a good relationship with the local people; their explanations were accepted by local people even when some of their expectations could not be achieved. Only when the leader has a good relationship with and is trusted by the other partners will they succeed in playing a vital role as Carley (2000) addressed: bringing visibility to the partnership, cementing bonds, drawing in reluctant partners, or making a framework for action.

**Was it a shared goal? (Q1-4~Q1-6)**

*- A clear future image not only needs to be developed, it must also be credible*

Clear future images were not provided in the HsiMen Market project and the Private Sector Project, but they were in the DaLi Street Project and the NanJiChang Project. However, the future image provided in the NanJiChang Project was not trusted by the local people, who could not see how it would work (Interviewees R6). If we review the literature in Chapter 2, it appears that, notwithstanding the problems with the Head of Li, there was no joint development process in the NanJiChang project. This may be one reason why the plans were mistrusted. The development process is important as a way of inspiring general trust in the regeneration process and linking the vision with the community, as was seen in the DaLi Street project. Thus, it is

important to provide a clear future image which has been developed together by the partners.

*- Joined discussion and a clear future image can help the partners to balance their different goals*

Given their respective natures, it is not surprising that the most important goals of the public sector and the private sector are not the same. The TCG remit was to serve the public interest by improving the environment and addressing social problems. However, they focused on this principle too much sometimes and tried too hard to prevent the private developers profiting from the urban regeneration projects. However, it is reasonable for the private companies or owners to look for personal profit. Thus, it was always a challenge to balance these two goals; this was not done very successfully in most of the case studies.

However, a clear future picture can convince partners to sacrifice some of their desires to reach a compromise with their partners. Carley (2000a) noted that the visioning process can provide an opportunity for partners to come together to develop a shared agenda for the future. This was the case in the DaLi Street Project. The CP, the MBIS, and the TCG developed their goals together, and each partner's difficulties were considered in the meetings. When local people's expectations became too high, the TCG and the CP explained about the limited budget and offered the best strategy to gain funding and continue the construction work. Finally, the local people were willing to give up some of their ideas in order to increase the feasibility of the project. On the other hand, the Private Sector Project and the NanJiChang Project did not provide a clear and trusted image for the future. Without the trust and confidence that could have been built through a joint development process, the owners never felt secure and always feared that the main developers wanted to take advantage of them.

*- Focusing purely on the public interest may limit projects*

The TCG always looked to serve the public interest in all the case studies. Their investment or funding was only focused on public areas and incentives were offered only to address social problems or improve the public environment. On the whole this principle was laudable but two things could be improved. First, the TCG over

protected the public interest and forgot it was reasonable for their private partners to expect personal profit. For example, the private company employee in the Private Sector Project argued that the TCG never considered the loss they incurred through the TCG's time wasting. The profit derived from the incentives was just enough to cover the interest on their loan. Without a doubt, the application and examination procedure is important for the government to monitor whether private companies take unreasonable benefit from the residents or squatters. However, the government should also assure that private companies get reasonable return as they are the "partner" whom are invited by the government to help on urban regeneration business. Also, the residents and the poor people may care only for their own interests sometimes and this may obstruct urban regeneration projects such as the HuaZhongDuan project. Thus, the government should also consider private companies' interest when they protect the residents or disadvantage minority, and try to find the balance between them.

Second, the TCG preferred to regenerate only public land in order to avoid possible problems and questions from councillors or the public. In both the HsiMen Market project and the DaLi Street Project, the professionals and the local people mentioned that the projects could have been better if private properties had also been included.

**Did they have a particular area or topic to address? (Q1-7)**

*- All the case studies had a particular area but the focus was too narrow*

No case studies had a problem in this test question - all clearly defined the target area. With an explicit area, the main developers understood which site they were going to improve and who should be involved. All the case studies focused on improving the physical environment, i.e. the fabric, buildings, or street furniture. However, the accepted definition of urban regeneration suggests that other issues should also be considered in urban regeneration projects, such as economic or social issues (Roberts, 2000; Adair et al, 1999).

**How were the decisions made? (Q2-1~Q2-3)**

*- Three partnership projects involved most of the potential partners in the decision-making stage and allowed them to make independent decisions*

Unlike the HsiMen Market project, which was not an official partnership, the other three case studies allowed most of the potential partners to have real power to say “Yes” or “No” in the decision-making stage. Moreover, most of the potential partners could make decisions without interference from other groups. It appears that the TCG have understood that a partnership project should be run by all the groups involved.

*- A joint discussion process is the best way of decision-making but it was rarely seen in the case studies*

Researchers suggest that the core partners should make decisions together (Carley, 2000a; Young, 2000). They not only need to have power to influence the final decision but also need to discuss the decisions together. In practice, the TCG did try to push the partners to discuss problems and make decisions together by encouraging public meetings, which are adopted in many other countries, throughout the process in implementing partnership projects. However, most of the projects had problems in this regard. Local people were not used to presenting their opinions in public meetings because of the culture. They preferred to discuss matters individually after the meetings, or they expected the main developer or the TCG to visit them in person, as in the NanJiChang Project.

However, the attitude of the main developer also had an influence here. The private company employee claimed that public meetings were held because the TCG asked for them, and their main purpose was simply to let people know that an urban regeneration project was being proposed in the area. They did not expect useful discussions to happen at the meeting. After the meeting, they would contact individual owners and try to purchase their property, without giving them the chance to be partners. With this kind of attitude in mind, it was more difficult for the owners to see the private companies as the partner they were going to work with others, than as a buyer wanting to gain maximum interest in the business. In the NanJiChang Project, the Head of Li did not even try to invite other local groups to be partners. As the CP and TCG officers said, the BenShingRen group might have felt more secure and confident if some of their people had been core members. However, the Head of Li did not want to share his power by releasing core positions on the proposed urban renewal committee. This kind of attitude enlarged the gap between the two groups

and the BenShingRen ultimately refused to attend meetings. On the other hand, the public meetings worked well in the DaLi Street Project, with potential partners discussing the issues and making decisions together. The local people trusted the MBIS and their Head of Li, and felt that they were well informed by their representatives. Moreover, their opinions were listened to and discussed in the meetings. Evidently, the attitude of the main developer is important in this issue; other groups need to feel that they are welcome.

**How was the relationship between the potential partners? (Q2-4~Q2-6)**

*- Hidden issues identified in all case studies*

Latent issues were identified in the following three contexts. First, the main developers hid certain issues in order to reduce the difficulty of the project. For example, the developer in the Private Sector Project did not mention the future management fee in the development stage, so the owners did not realise that the luxurious design would come with an unaffordable management fee. Finally, they had to sell their new properties and leave their communities. Another example was the HsiMen Market project; the TCG did not initially tell the tenants what the new market would be like. According to the tenants interviewed, the TCG was very smart to keep everything unclear at the beginning: the tenants only knew that the Red Theatre was to be conserved and most thought the rest of the site would be the same. Thus, most of them accepted the compensation and left. This strategy made the early development stage easier for the TCG but they missed the chance to hang on to those tenants who shared the same goals as the government.

Second, the local community leader concealed the conflicts within the local community, and this caused trouble in the NanJiChang Project. The CP said he would not have only contracted the Head of Li at the beginning if he had known about his feud with the BenShengRen group. This mistake led to him losing the trust of the BenShengRen group and made the later stages very difficult. The Head of Li mentioned nothing about the conflict at the beginning: even in the interview, he claimed the problem was caused by losers in the election without mentioning BenShengRen or WaiShengRen groups, and tried to change the subject.

Third, the confused job allocation in the various TCG departments extended the implementation time. Both in the DaLi Street Project and the Private Sector Projects, the CP and the private companies complained about this issue. They felt that many departments in the TCG outside the TCUD, who had authority for the urban regeneration agendas, were not really interested in the proposals and applications at the beginning, even though they attended the meetings. The problems and queries only came out after the project became their responsibility. For example, the CP for DaLi Street Project argued that the PSLO asked him to modify the design once they knew that they had to take on the construction work; in fact, they had already checked the design. In the Private Sector Project, the private companies argued that the Building Administration Office (BAO) asked them to change elements of the design when the new building was almost done. It took them another half year to make the changes. Again, the BAO had already checked the design in the previous stage

*- Trust was often missing in the partnerships, causing a number of problems*

From the above it is obvious that trust is a vital element in a partnership. However, the DaLi Street Project was the only case study to achieve this test criterion. In the Private Sector Project, there was no trust between the private companies and the owners. The owners always worried that the private companies were taking advantage of them; while the private companies always argued that the owners were too greedy. In the NanJiChang Project, the Head of Li and the CP could not build trust with the BenShengRen group. Thus, the BenShengRen did not believe in the regeneration project, refusing even to attend the public meetings.

#### **Was a new form of management built? (Q2-6)**

*- Most of the case studies did not build a new form of management, apart from the DaLi Street Project*

Looking at the test questions relating to power and management, it appears a new form of management was only forged in the DaLi Street Project. Here, it was clear the CP, the MBIS and the TCUR were the core team in the partnership. The MBIS represented the local people, the TCUR represented the TCG, and the CP represented the professionals. Moreover, they also constructed a regular decision-making or discussion process. But neither a core team nor a regular management process could

be discerned in the Private Sector Projects. This was because the private sector did not really want to invite the owners to be their partners. They were only interested in using any strategy necessary to get agreement papers from the owners – including manipulation. The attitude of the main developer in the Private Sector Projects was not much different than that of the developers in the HsiMen Market Project, which did not officially practise partnership.

The NanJiChang Project succeeded in this regard only in the early development stage. The core team comprised the CP, the Head of Li, and about 1/10 of the local people. It is therefore too early to say whether a form of management or organization could be built in this partnership if the project were to continue.

#### **How did partners contribute to the project? (Q3-1)**

##### *- Responsibility was allocated ineffectively among potential partners*

In the case studies, the general role of the three main groups was slightly different from that argued by Bailey (1995) which was discussed in Chapter 2.2.2. The TCG encouraged co-operation, supporting local initiatives and decision-making, providing funding and incentives. However, the private sector interviewees argued that the TCG did not provide enough administrative support, as was also mentioned by Bailey(1995). For example, in the Private Sector Projects, the private companies argued that the TCUR did not give them enough support to teach the local people about urban regeneration. They were unable to get the message across to local people about incentive, for squatters and reduced accommodation size because of the suspicion with which they were regarded. Even when the project had completed all required procedures and been approved by the TCG, the TCG not help them to expel the residents who did not want to move. The private companies had to deal with it by themselves and they felt that they were not protected by the regulation. However, as Bailey (1995) noted that the private sector provided assistance with funding and the making of effective business decisions. Other groups in the project should not dispute their contribution. The government should not always stand on the opposite side to the private companies but should try to see them as the partner to implement the project together.

Another issue was about the role of the non-authority departments. Many different departments were involved and the position of the TCUR was too low to control everything. Most of the non-authority departments avoided taking any responsibility for the urban regeneration project, which was the TCUR's agenda; they did not properly examine the DaLi Street Project and the ZhiXingDuan project (the Private Sector Projects) until parts of the projects became their responsibility. This kind of attitude not only made trouble for the planner but also delayed the finishing time.

Then, the community in Taipei is an informal network, but its members' decision might not always support the long term interests of the community. Normally, owners need to invest their property and sometimes their money. However, many of the people in the urban regeneration area could not afford the extra money required to pay for the construction costs, even if it was their responsibility under the regulations. In the private company project, the people who did not have the money to pay could only sell up and leave. In the NanJiChang Project, the local people and the CP were concerned that the finance would be a big problem because the local people could not afford the scheme. Local people could not believe the project would succeed unless the finance problem was solved.

Finally, the jobs of politicians such as the local councillors and the Head of Li are to support local initiatives, and to mediate between local people and the government. People may seek for local councillors' help when they have problem with the government. That is because local councillors can influence the government by controlling the budget or interrogating in the council. Normally, local councillors are willing to reply people's asking because they need their votes. The Head of Li normally is also the resident in the area and generally has good friendship with local people. The public votes both the local councillor and Head of Li. People believe that these politicians always stand on the same side with them so they are able to gain from the public. Thus, they can mediate between the local people and the government



**Did they share the profit and risk? (Q3-2~Q3-4)**

*- Most of the partners made a profit without sharing the risk*

It was evident that the potential partners shared the profit in each case study, but this was not the case with risk. In the Private Sector Projects, the private sector took most of the risk. If the project failed, they would lose the most, while the TCG could just take back the incentives and the owners would just have to stay in the old houses. Of course, the owners participating in the project had to take a risk on the value of the new accommodation, but this would only become a factor after the application was approved. The owners did not actively participate in the project during the application process and never worried about the time it took, although this represented a big risk for the private companies. In the DaLi Street Project, the risk was shared more equally. The CP argued that the planning fee was for him, but he also said that the experience and the friendship which he gained counterbalanced some of his losses. Nevertheless, he admitted he would probably not do another NIP project.

**9.5.2. Urban regeneration partnerships in Taipei**

This section attempts to determine whether partnerships are evident in the urban regeneration of Taipei. The analysis will be based on the examination of the test questions and will go on to reveal what is missing in current urban regeneration partnerships. The analysis of the case studies suggests that there was clear evidence of partnership in the DaLi Street project only..

**1. The HsiMen Market Project**

The HsiMen Market Project was implemented by the TCUR, and it was the only case study which was not officially announced as a partnership because it was not implemented under any regulation. The tenants thought it was a partnership between them and the TCG, but the government officers did not recognise it as such. They encouraged the involvement of the tenants, holding public meetings to enable them to participate within the decision-making process, but they could only influence the final decision through the councillors. From the test questions it is evident that the HsiMen Market Project needed to pay more attention to the principles of power and management, and the balancing of contribution, profit and risk. In section 9.1, five

issues were listed for consideration by the TCG if it wants to practise further partnerships like this. In other words, these test questions can be listed by the TCG to formulate new policy or regulation.

## **2. The DaLi Street Project**

The NIP was a policy set up under division 1 of the TCUD, which is responsible for the comprehensive planning issues. In its policy documents, the TCG encourages local people to cooperate with professionals such as CPs, to build up partnerships before they submit their application. In the case of the DaLi Street Project, such a partnership was clearly evidenced between the CP, the local community and the MBIS. This team also worked in partnership with the TCG. The DaLi Street Project fulfilled most of the test criteria defined in the research. The three test questions that were not answered positively did so because of non-TCUD departments that did not under TCUD's authority; however, the relationships, task allocation, risk and profit sharing were successful among the other potential partners. Thus, partnership was evidenced in the DaLi Street Project, but it could have been even better if the TCG could allocated clear roles to the non-TCUD departments involved in the project. The main problem was that the TCUD has poor controlling power to manage the departments under Public Works Department even if the TCUD has higher authority<sup>1</sup>.

There are two ways to improve this kind of situation. First way is to change the attitude of non-TCUD departments and empower the TCUD to dominate other departments when they deal with more complex project. Meanwhile, the TCUD may also need to take the responsibility to get the funding for implementing the project, while not asking non-TCUD departments to deal with the budget by themselves. Second way is to establish a special unit to deal with the comprehensive projects like urban regeneration. This unit should be authorized and empowered by the Mayor to manage and control different departments in Taipei City government. This research believes that both ways can make the partnership more successful.

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<sup>1</sup> Referring to Figure 3.5, the TCUD and Public Works Department are at the same status in the TCG and most of the non-TCUD departments in the Dali Street Project were authorized by the Public Works Department.

### 3. The Private Sector Project

The TCUR was the main authority in the Private Sector Projects. The initial motivation behind the project was to release financial pressure on the TCG. The TCG tried to build a public-private partnership to attract private investment. However, it was difficult to see any evidence of a public-private partnership in the case studies. According to the regulations, the main developer can be a private company working with local people, but the TCG did not stress that a partnership needs to be built between these groups but only the private-public partnership. The case studies suggest that a key target of the TCG should be to encourage partnerships between local people and private companies.

The Private Sector Project only fulfilled about half of the test criteria. More than one group was involved, but the local people were not treated as partners and the TCG remained aloof. The private companies did not try to present a clear future image or make joint decisions with the local people. This may have been because the regulation only requires owners' agreement papers; it does not stipulate the groups should build partnerships looking at the issues of power and management (Q2). It can be seen that the involvement of local people was limited and that they were manipulated by the private companies. The TCG's main contribution to the partnership was to provide incentives, which was far less than what was expected by the private sector. The employee of the private company did admit that the incentives, especially the additional floor space, were the main motivation for them to participate in the project. However, they received no other help from the TCG and even felt the TCG made the project more difficult sometimes. The TCG was so focused on playing the role of examiner that they forgot that they should have been partners with the private sector. In summary, there was no partnership between the TCG and the private sector, and it was difficult to see any evidence of partnership between the private company and the local people.

### 4. The NanJiChang Project

The NanJiChang Project was also implemented by the TCUR under the *Urban Renewal Act*. Public-private partnership was expected in the project, with the assumption that companies would invest. However, because of the highly

complicated nature of the ownership of the site and the lower market value of the area, the main developer in the NanJiChang Project turned out to be the local people rather than any private companies. An urban renewal committee should have been organized by the local people but this has yet to happen. Unlike the Private Sector Projects, the TCG provided the funding for the planning stage in this project and helped the main developer to win over the local people. However, without strong financial support, finance was always a big worry for the partners. This problem remains unsolved. One solution would be to invite other financial groups on board, such as a bank.

As the NanJiChang neighbourhood project was only implemented as far as the early development stage, it is difficult to judge whether it offers evidence of partnership. Up to this stage, the project has fulfilled about half of the test criteria. The important partner who could provide vital financial support is still missing, partners' goals are different and the proposed design lacks credibility among local people. The biggest problem is that the leader is not trusted by the local people. Thus, it must be concluded that partnership is not likely to be evident in the NanJiChang Project.

**5. What has been considered and omitted in partnerships?**

This sector will try to determine the fundamental principles or important issues which were omitted in the case studies. The analysis is based on the result of the previous examination. The 17 test questions were separated into four groups: I. Achieved by all case studies that practised partnership; II. achieved by most of the case studies that practised partnership; III. Not achieved in most of the case studies that practised partnership; and IV. Achieved by none of the case studies that practised partnership. The case studies here do not include the HsiMen Market Project because it may be unfair to judge a project which did not announce that the idea of partnership was involved.

**Table 9.7 Further analysis of the results**

<b>I Achieved by all case studies that practised partnership</b>	
Q1-1	- Was more than one group involved in each stage?
Q1-3	- Could clear leadership be seen in the process?
Q1-6	- Did the public sector work for the public interest rather than purely commercial goals?
Q1-7	- Did the project have a particular area or topic in mind?
Q3-3	- Did potential partners share the profits?
<b>II Achieved by most of the case studies that practised partnership</b>	

Q1-2	- Where all the important groups defined as potential partners?
Q1-4	- Did the main developer provide a visible and clear picture?
Q2-1	- Did all the potential partners have real power to influence the final decision?
Q2-3	- Could the potential partners make decisions without being controlled by other groups?
<b>III Not achieved in most of the case studies that practised partnership</b>	
Q1-5	- Did the potential partners have a shared goal or an agreed strategy which could balance their goals?
Q2-2	- Could all the potential partners involved in the decision-making stage sit at the decision-making table and make decisions together?
Q2-5	- Were trust and mutual understanding built?
Q2-6	- Could a form of management or organization be seen in the project?
Q3-1	- Was there a clear allocation of responsibility with the potential partners? (Human resource, Finance, and properties)
Q3-2	- Did potential partners share the risks?
<b>IV Achieved by none of the case studies that practised partnership</b>	
Q2-4	- Had all the issues or conflict been presented or discussed?
Q3-4	- Did the profit of each potential partner balance their resource contribution and risks sharing?

*- The TCG's attitude towards partnership*

The test criteria in Group I were achieved by three case studies, which indicate that these test questions have been considered by the TCG. Thus, we can infer that the TCG believes that these are the main principles of the partnership: "More than one group working together in a particular area" and "profit needs to be shared". However, the idea of sharing power or constructing a new form of management does not feature. The questions in the Group II show the subsidiary issues which might be considered by the TCG in a partnership: "all important groups should be deeply involved", "a clear future image should be provided", and "important groups should be involved in the decision-making stage and able to make decisions without interference from other groups". In practice, the regeneration proposal required at the early application stage can help people from a future image of the regeneration; the agreement paper requirement under the *Urban Renewal Act* ensures owners are involved and have power to influence the final decision.

*- How can current partnerships be improved?*

Most or all case studies failed the test questions in Groups III and IV. This may indicate what is missing in current partnerships, but it does not necessarily mean that these issues were not considered by the TCG. Unlike the test question in Group I, where the issues are arguably easier to regulate (apart from the sharing of profit), it is more difficult to enforce through regulation the issues featured in Group III and IV, such as building trust, balancing profit and risk...etc. These principles may only be

achieved by changing the attitudes of the main developer (leader), educating the local people...etc. For example, the public meetings sought by the TCG were intended to help the partners make decisions in a joint discussion process. Although this worked well in the DaLi Street Project, it was less successful in the Private Sector Projects. Also, the regulation does try to protect the original residents by asking for the agreement paper and take care of squatters by providing incentives. However, the developers can still find ways around the policies. They may buy most of the properties from the owner at the very beginning to avoid cooperating with the owners, which is the case is the ZhiXingDuan project. They also can relocate the squatters by providing little subsidy and ask them to sign documents which can help the developers to get the incentives from the government. It is because that the squatters who illegally occupied the land are not familiar with the regulations, and are not aware that the government has provided incentives to protect them. Sometimes, even if the private companies include the original poor group in the regeneration plan as the City wishes. The group still leaves in the end because they can not afford the high management fee for the high quality new buildings. This is another strategy that the private companies use to drive away the poor people. In the end, the original community and social structure are destroyed and other social problems are caused. From the discussion above, the government should not only put their ideas in the regulations but also need to pay more attention on monitoring the implementation process.

The main purpose of Groups III and IV is not to blame the TCG for not considering these issues, but to reveal what is missing in current partnerships and how they can be improved. According to Table 9.7, the test criteria which were not deeply considered by the TCG or not implemented were: “the partners have a shared goal”, “the important groups involved in the decision-making stage are all part of the discussion process and help make the final decisions”, “trust and mutual understanding have been built”, “the responsibility was clearly allocated and the risk shared”, and “a new form of management has been developed”. Finally, two criteria were not met in any of the case studies. People cannot avoid the latent issues or hidden conflicts, and it is difficult to balance profit against the contribution and risks.

### 9.5.3. Reflection upon the design of test questions

Finally, this section reflects upon the test questions used to appraise the case studies. Three main findings emerged in the examination and analysis process.

First, previous examination proves that the test questions defined in this research can be used both on the projects which practise partnership and on those that don't. On the other hand, the appraisal framework can assist with making and revising policies. In Chapter 9.1, the test questions were used to examine the HsiMen Market Project, which did not set out to create partnerships. The result of the examination may be useful to the TCG if they want to build the idea of partnership into other public sector projects. On the other hand, the results of the examination of the other three case studies may tell the government what is missing in its current partnerships and how these can be improved. The results show that the TCG is doing better regarding the first fundamental principle, but that it needs to pay close attention to the principles of power and management, and contribution, risk and profit.

Second, the test table only provides an overview of the partnerships in the case studies. It provides researchers with a direct way of reviewing the partnerships in these projects. However, further discussion or analysis of each issue is necessary because a "no" answer may not mean that a criterion has been completely missed. In addition, some problems cannot be represented in the list table. For example, the DaLi Street Project did not achieve the clear allocation of responsibility criterion, though in fact it was only non-TCUD departments who had a problem in this regard - the other groups handled this well. Another example may be found in the appraisal table of the Private Sector Projects. This table shows "Yes" to the question regarding the clear allocation of responsibility, meaning all important responsibilities for finance, human resources, and property were clearly allocated in the project. However, the private company thought this allocation was not balanced, and that the TCG should have taken more responsibility for encouraging the local people and for administration.

Third, three test questions need to be modified in order to respond to the difficulties identified during the examination process. The results presented in the test table for

these questions may be misleading. The three test questions are modified in Table 9.7 and the reason for these alterations are outlined below.

**Table 9.8** Modifying the misleading test questions

	Original test questions	Modified test questions
Q1-3	- Could clear leadership seen in the process?	- Could clear leadership be seen in the process and was he/she trusted by most of the partners?
Q1-4	- Did the main developer provide a visible and clear picture?	- Did the main developer provide a visible and believable picture image?
Q3-1	- Was there a clear allocation of responsibility among the potential partners?	- Was there a clear and suitable allocation of responsibility among the potential partners?

The Problem with test question 1-3 emerged in the examination of the NanJiChang Project. In the NanJiChang Project, a clear leadership was achieved in the persons of the Head of Li and the CP. However, the Head of Li had a very bad relationship with one of the main groups, BenShengRen in the community. His leadership became a big problem in the project, even adversely affecting people's trust in the CP. Thus, the question should not only ask about the existence of leadership but also check whether the leader can be trusted by most of the partners. Finally, test question 1-3 was changed to "Could clear leadership be seen in the process and was he/she trusted by most of the partners?"

Another problem rose with question 1-4 which concerns the developers' presentation of a clear future picture. This was also an issue in the NanJiChang Project. A clear future image of the new buildings was provided in the NanJiChang Project by the main developer. However, the local people were sceptical about the plan due to the financial uncertainty of the project and their mistrust of the leadership. Thus, it is necessary not only to have a visible future picture; this picture must be credible to the partners. Otherwise, this achievement means nothing in a partnership. Here, test question 1-4 was modified to: "Did the main developer provide a visible and believable picture image?"

The final alteration was to test question 3-1, which reflected a problem in the Private Sector Projects. The test question only asks whether the responsibility was clearly allocated, not whether this allocation was fair or suitable. For example, the contribution of the partners was clearly allocated in the Private Sector Projects, but



the private companies thought the contribution of the TCG was inadequate. They thought the TCG should have helped them educate the public about regeneration and provided more help with administration. Thus, the test question was changed to “Was there a clear and suitable allocation of responsibility among the potential partners?”

#### **9.5.4. Conclusions arising from the comparative analysis**

The TCUR is the main authority dealing with the urban regeneration agenda in the TCG. Since the issuing of the *Urban Renewal Act* in 1998, they have announced their intention to build public-private partnerships into urban regeneration projects. However, such partnerships were not evident in the Private Sector Projects and the NanJiChang Project. The NanJiChang Project might yet achieve such a partnership if the urban renewal committee can be organized. The committee will be the official core organization implementing the project and will make it easier for the local people to work with the CP and the TCG. In the four types of urban regeneration project happening in Taipei, partnership was only apparent in the DaLi Street Project, and it achieved most of the test questions. However, it was the only case study which was not implemented by the TCUR but by division 1 under the TCU. The partnership in the DaLi Street Project still had room for improvement but the partners cooperated well in the project.

Finally, this research has to conclude that partnership is not being practised well in Taipei's urban regeneration projects according to the definition of partnership unpacked in this research. It was not even apparent in any projects in the TCUR. However, the DaLi Street project shows effective partnerships are possible in Taipei. What the TCUR is doing is still far away from the idea of partnership as defined in this research. However, the TCUR may still build effective partnerships if it considers the following 13 suggestions. These suggestions arise from the above urban regeneration projects in Taipei. Compared with the 17 test questions, these 13 suggestions are more detailed and specific for Taiwan. They point out the problems and the omissions in current urban regeneration projects.

- The important groups must be treated as partners
- Clear leadership is needed and the leader must be trusted by other partners

- A clear and credible future image needs to be developed jointly
- Joined discussion and a clear future image may help groups balance their different goals
- Focusing only on the public interest limited projects
- The urban regeneration topic should not only narrowly focus on the physical environment but also the economic and social issues.
- The potential partners should be involved in the decision-making stage and be able to make decisions independently.
- A joint discussion process is the best way of making decisions
- Latent issues should be avoided: the operation process should open to all partners
- Trust build up between the partners may reduce many potential problems
- A new form of management needs to be built in the TCUR projects
- The contribution of the partners must be determined according to their original resources
- Partners who only share the profit but not the risk should be avoided

Behind the 13 suggestions above, there are three key points which are less clearly evident in the case studies. First key point which the TCUR needs to bear in mind is that *urban regeneration partnerships in Taipei are still at a very basic level*. According to Table 9.5, most of the achievements were related to the first principle; the achievements in terms of the other two principles were much lower. As discussed above, this result suggests that urban regeneration partnerships in Taipei have only achieved a basic level, well below the definition of real partnership unpacked by this research.

Secondly, *the TCUD (TCUR) has not tried hard enough to set up partnerships*. Even after the TCUR, the main authority dealing with the urban regeneration agenda in the TCG, had announced that they were practising partnership in their urban regeneration projects, they showed little enthusiasm, whether they were the main developer (leader) or a partner. In the HsiMen Market Project in which the TCUR was the main developer, they showed no inclination to invite the tenants to become deeply involved in the project. Nor was the TCUR an active partner in either the

Private Sector Projects or the NanJiChang Project. The private companies argued that the TCUR did not take account of their difficulties or share the risk with them, but even made the application process more difficult sometimes. Thus, the TCUR might need to change their attitude if they are to practise the partnership approach.

The final finding was *the passive attitude of the main developers (leaders): reluctance to build partnership*. According to the literature review, strong leadership can play a vital role in ensuring partnership success; and lack of leadership will stifle it. Moreover, the leader also needs to bring visibility to a partnership, cement bonds by drawing in reluctant partners, drive forward the contentious regeneration agenda and make a framework for action (Carley, 2000). However, this attitude was difficult to spot in the case studies. Neither the TCUR in HsiMen Market Project nor the private companies in the Private Sector Projects provided a visible future image, nor did they try to draw the local people into the partnership. The local people were involved only so far as was necessary to reduce protests or ensure agreement papers were signed. What the leaders did was more like manipulation than partnership. The situation in the NanJiChang project was even worse, as the bad relationship between the Head of Li and the BenShengRen group was counterproductive. The local people could not believe the future image provided by the main developers, and the BenShengRen did not want to participate in the project because of the Head of Li. Evidently, good leadership is very important in a partnership, as the attitude of the leader can also influence many other issues, such as whether a future image is provided, whether a shared strategy can be determined, whether the partners can make decisions at a round table and whether trust and mutual understanding can be built in the partnership.

## 10. Conclusions and Reflections

Almost 10 years after the Taipei City Government (TCG) announced the idea of partnership in urban regeneration projects; it is difficult to identify the partnership that the literature suggests. The original purpose or meaning of the policy may be distorted when the term was imported from other countries, or missing gradually when the policy was transferred. This has motivated this research to find a method which can help policy makers base their decisions of policy making or revising on an informed understanding of partnership. Based on the fundamental principles unpacked in this research, an appraisal framework was build. In addition, the framework was applied to examine the partnerships in Taipei in Chapter 9. It has proved that partnership was not evident and the problems of partnership in Taipei's urban regeneration were revealed. First, the research questions will briefly be reviewed, and then the findings of this research will be presented. Finally, reflections on this research will be described, and recommendations for further research will be put forward.

### 10.1. Introduction

The partnership approach emerged after the new chapter "Incentives for the private sector to invest in urban renewal projects" was added to the *Regulations for Taipei Urban Renewal* in 1993. It was increasingly important after the *Urban Renewal Act* was published in 1998 with the TCG also announcing that partnership was to become one of the important approaches in Taipei's urban regeneration. The government intended to attract private investment and practice public participation through the partnership approach which had been implemented in western countries for a long time. There are more sophisticate levels of partnership that the government did not appreciate when they sought to develop this policy. Almost ten years after the 1993 regulations, the result was not as expected by the TCG, and the benefits of partnership displayed in the western countries could not be reproduced in Taipei. Moreover, it was difficult to identity partnerships, as unpacked within this research, in existing regeneration projects. Thus, the main questions this research asks were: "Was partnership evident in Taipei's urban regeneration?", and "What were the actual problems?" Before examining the problems, it is important to understand the policy evolution and the relevant projects in Taipei. For this the following questions

are also asked: “How is the evolution of the urban regeneration in Taipei?” “How many different kinds of urban regeneration types can be identified?” and “What kind of partnerships is the government looking for?”

In order to examine the partnerships in Taipei, an appraisal method is needed. Further research revealed that current studies in Taiwan mostly focus on identifying the problem and then recommending policies or strategies applied in other countries to solve it. This was a good method to make new regulations or improve the partnership policies. However, this research also considers that the policies gradually drifted away from the nature of partnership when they were continually revised. This could be the reason why partnerships are so difficult to see in the case study projects. Also, it is necessary to examine why Taipei did not enjoy the benefits of partnerships seen in other countries. Therefore, this research intended to establish a new method to appraise urban regeneration projects, and this should be based on the fundamental principles of partnerships. Based on the discussion above, two research questions were asked: “What are the fundamental principles of partnerships in urban regeneration?”, and “How are these principles applied to appraise partnerships in urban regeneration projects?” The aim of these two questions was to establish an appraisal framework which could examine whether partnership is evident in a project and what fundamental principles have been omitted.

## 10.2. Reflections on the research

Before discussing result and contributions of this research, the reflections on the difficulties and limits of this research are discussed in this section.

- *Shortage of accessing information data*

As the research area is in Taiwan, the correctness of the information and understanding about the case studies in Taiwan needs to be concerned more and the understanding by these limited materials might mislead the research. In order to reduce the problem of misunderstanding before the field work, this research expected that partnership had been practised as the TCG announced, and intended to review the effect of it. However, it was difficult to identify what was understood to be

partnerships by this research during the field work. Thus, the research direction was modified after this problem was revealed.

- *The time constraint for field work*

As the case studies had to be completed within a finite period, the questions for the interviews tried to collect as many details of the regeneration process as possible. However, they not only focussed on specific points, such as asking the question of “how were decisions made?” instead asking “did you have real power to make decisions?”; asking about the regeneration process rather than asking the test questions. By this kind of interview structure, more time was spent for this research analysing this wider range of information from interviewees, but to avoid misunderstanding or missing important information this research did not have second chance to do the interview.

- *The basis of the fundamental principles*

The idea of the fundamental principles may be different from different people and it may be more convincing through a completed investigation with large amount of interviews or questionnaires. However, this kind of investigation did not take place in the research due to time constraint. In order to solve this problem, the principles unpacked within this research were not only based on the definition of partnership in western countries but also inferred by inquiring other academic’s opinions with the process showing in Table 2.3. Finally, thirty key factors were highlighted by the academics. The related key factors are grouped into nine simplified main ideas and then three principles (refer to Table 10.1) were defined through a rigorous and continuous inferring process as the descriptions in chapter 2.5.4.

Table 10.1 Three fundamental principles developed in this research

<b>Three fundamental principles of partnerships</b>
<ul style="list-style-type: none"> <li>- More than one group working together toward a shared strategy in a particular area or topic;</li> <li>- Sharing of power and a new form of management;</li> <li>- Contributions and the sharing of risks and profits.</li> </ul>

### **10.3. Findings of this research**

The most important thing for this research is to establish a appraisal framework which can reveal the problems of partnership, based on thoroughly understanding its principle. Under the limited time and difficulties above, the following are the findings of this research so far. Findings in this research can be separated into three main issues. First issue is about building an appraisal framework to examine the partnership. Second issue is about discovering the attitude, the policy evolution, and the types of partnership. The final issue is about revealing the problems of the partnership in Taipei's urban regeneration.

#### **1. An appraisal framework was established to assist with policy making or revising**

Compared to other research in Taiwan, the characteristic of the examining method in this research is through the definition and the nature of partnership. It does not mean that this is the best method to review the policies but it can reveal some problems which other methods might not see. For example, this research reveals that the unenthusiastic attitude of the main developers (leaders) and lack of trust are the important principles which have been missed in the case studies, but they have not been mentioned in other research in Taiwan. Moreover, it also can help the TCG to reveal the missing principles of the strategy which is learned or imitated from the experience of other countries. For example, the TCG adopts the method of public meetings which is used to encourage public participation in western countries; however, the local people did not express their opinions in the meeting because of the culture of Taiwanese. Thus, if the TCG want to deeply involve the local people, it should encourage people to talk but not only hold public meetings. In addition, the framework can prevent the policy from drifting away from the original purpose and meaning of partnership when it is continually revised. Of course, the partnership is not an indispensable approach in urban regeneration projects, but the groups involved must have some expectation of partnership if the TCG has announced that the projects use the partnership approach. For example, with a name of partnership, the involved groups will expect to be treated as a partner, otherwise they will feel

that they are manipulated or cheated by the main developer. Moreover, they may lose their trust in the project.

*First, three fundamental principles of partnership were unpacked.* In this research, the understanding of partnerships was developed by reviewing the definitions of partnerships in other research. The key elements and the fundamental principles were identified by exploring other researchers' or academics' opinions. Three fundamental principles (see Table 10.1) are described at the end of Chapter 2:

*Then, an appraisal framework was composed by 17 test questions.* The new method was established to appraise the partnership in urban regeneration projects and was based on the three fundamental principles above. Table 10.2 shows 17 test questions drawn from three principles. This framework was established in Chapter 4 because the three principles were too brief to examine urban regeneration projects. The appraisal table might not reveal the details of the partnership, but this set of test questions provided an outline and a framework to appraise the case studies. The method can examine both projects that had applied the partnership approach and policies intend to adopt it. For projects which have already practiced partnership such as the DaLi Street project and the NanJiChang Project, problems of the partnership can be revealed through the examination. For projects which intend to adopt partnership such as the public sector project (HsiMen Market Project), the test questions can be used as a probing survey to assist with policy making.

Table 10.2 An appraisal framework is established to examine the partnership in case studies

Main Ideas	Important issues	Test questions		Y	N
More than one group working together toward a shared strategy in a particular area or topic	Who was involved?	Q1-1	- was more than one group involved in each stage?		
		Q1-2	Were all the important groups defined as potential partners?		
		Q1-3	- Could clear leadership be seen in the process?		
	Was there a shared goal?	Q1-4	- Did the main developer provide a visible and clear picture?		
		Q1-5	- Did the potential partners have a shared goal or an agreed strategy which could balance their goals?		
		Q1-6	- Did the public sector work for the public interest rather than purely commercial goals? (from TCG)		



	Did it have a particular area or topic?	Q1-7	- Did the project have a particular area or topic in mind?		
Sharing Power and a new form of management	How were the decisions made?	Q2-1	- Did all the potential partners have real power to influence the final decision?		
		Q2-2	- Could all the potential partners involved in the decision-making stage sit at the decision-making table and make decisions together?		
		Q2-3	- Could the potential partners make decisions without being controlled by other groups?		
	How is the relationship between the potential partners?	Q2-4	- Had all the issues or conflicts been presented or discussed?		
		Q2-5	Were trust and mutual understanding built?		
		Q2-6	- Could a form of management or organization be seen in the project?		
Contribution, sharing profits and risks	How did partners contribute in the project?	Q3-1	Was there a clear allocation of responsibility among the potential partners?		
		Q3-2	- Did potential partners share the risks?		
		Q3-3	- Did potential partners share the profits?		
		Q3-4	- Did the profit of each potential partner balance their resource contribution and risk sharing?		

## 2. The policy evolution, the types of partnership, and the government's attitude of partnership are analyzed.

In Chapter 3, the evolution of urban regeneration was separated into four phases (refer to Table 3.6). This research discovered that the partnership approach emerged in the third phase - the encouragement of the private sector to participate in urban regeneration (1993~1997), and was emphasised in the fourth phase - after the publication of the *Urban Renewal Act* (1997~2004). In addition, a classification of regeneration projects in Taipei was provided in this research. Four different types of urban regeneration project were defined as Table 10.3. It provides a wider way of reviewing the urban regeneration projects, because it is not only focused on the projects which have named "DuShiGengXing (urban renewal)" as most other research. Finally, the case study approach provides a complete story of the regeneration process and relationship between the involved groups in the case studies, and most of which have not been complete described in other research but only in the project report.

Table 10.3 Four types of urban regeneration projects in Taipei

	Main Investor	Main Developer	Four types
		The Public sector	The Public Sector Project

Urban regeneration projects in Taipei	The Public sector	The Private sector	The Neighbourhood Improvement Project
	The Private sector	The Private sector	The Private Sector Project
		Local residents	The Resettled Tenement neighbourhood Project

**3. In Taiwan, the partnership is still at basic level and it is not evident in most of the urban regeneration projects.**

It was not evident in any projects executed by the Urban Redevelopment Office (TCUR). However, the partnership approach still has potential to be practised in Taipei as could be seen in the DaLi Street project. The answer to whether the partnership identified within this research can be found is by studying the result of the appraisal. The test questions tables provide a simple overview of the partnerships in the case studies, and the set of test questions was based on the logic and continuous analysis of the partnership definitions in experienced countries. The result of the examination shows that the partnership practiced in Taipei was very different from the partnership in the experienced countries, even though many regulations or strategies in Taiwan were imitated from these countries. It may be one of the reasons for explaining the different effect of partnership approach in Taipei. This shows again that it is very important to learn the objective purposes behind a strategy or policy.

*13 suggestions for building a better quality partnership were addressed by the comparative analysis of the case studies; they could be the specific principles for Taipei.* Through the examination process, the problems and the missing principles of each case study were pointed out in Chapter 9.1 to 9.4. Moreover, the general problems of partnerships in Taipei's urban regeneration were also revealed through the comparative analyses. For example, joined discussion and a clear future image did make the partnership more efficient; this can be proved by comparing the DaLi Street Project with the Private Sector Projects and the NanJiChang Project. In the end, the 13 suggestions listed in Table 10.4 were provided. They point out the general problems and the missing points in the partnership principles. This not only can tell the TCG what it should pay more attention to in order to approach better partnerships, but also provide directions for improving the policies. Moreover, these suggestions

can be the specific guidelines for making an efficient partnership in Taipei; these suggestions were produced from both the general principles of partnership and the comparative analysis of the case studies in Taipei.

Table 10.4 The guidelines for improving partnership

<b>The guidelines for improving partnership in Taipei's urban regeneration</b>
<ul style="list-style-type: none"> <li>• The important groups must be <u>treated as partners</u></li> <li>• Clear leadership is needed and the leader must <u>be trusted</u> by other partners</li> <li>• <u>A clear and credible</u> future image needs to be developed jointly</li> <li>• <u>Joined discussion and a clear future image may help</u> groups balance their different goals</li> <li>• Focusing only on the public interest <u>limits projects</u></li> <li>• The urban regeneration topic <u>should not only narrowly focus on the physical environment</u></li> <li>• The potential partners should be involved in the decision-making stage and be able to <u>make decisions independently</u></li> <li>• <u>A joint discussion process</u> is the best way of making decisions</li> <li>• <u>Latent issues should be avoided</u></li> <li>• <u>Trust build up</u> between the partners may reduce many potential problems</li> <li>• <u>A new form of management</u> needs to be built in the TCUR projects</li> <li>• The contribution of the partners must be determined <u>according to their original resources</u></li> <li>• Partners who only <u>share the profit but not the risk</u> should be avoided</li> </ul>

#### 10.4. Recommendations of further research

The contributions and reflections suggest the need for further research in a number of fields:

- *The problems and suggestions revealed in this research can be used to revise partnership policies*

In this research, the failed test questions were presented in the Chapter 9 and the problems of each case study were pointed out. However, this research has only provided 13 suggestions for general problems in Taipei's urban regeneration. They were more like directions for improving the quality of partnerships, but not workable

solutions. Thus, the TCG or researchers can use these directions to find out solutions which are more suitable for Taiwanese culture.

- *Study of partnership guidelines for other countries can be based on the test questions set up in this research*

The three principles and 17 test questions defined within this research were based on the definitions of partnership in western countries. After analysis and appraisal process of the case studies in Taipei, 13 Guidelines for establishing a better quality partnership were revealed. Therefore, researchers Can follow this analysis and appraisal process to study other cities' urban regeneration projects. Then, a partnership guideline which is suitable for a specific location can be revealed.

- *Applying test questions to reveal different groups' ideas of partnership*

The existing partnerships were different from what the TCG has announced and different from the understanding within this research. Also, although the TCG have tried their best to help private companies, the private companies argued that they did not have enough support from the TCG. What made the feeling different? This research suspects it was caused by different understandings and expectations of the partnership. Therefore, the quality of partnerships should be improved if the partners can understand the different concerns of different partners and this understanding can be developed by further investigation of this topic.

This research suggests further research is necessary in order to understand different partners' attitudes of partnership by applying the test questions. The 17 test questions, which are the fundamental principles of partnership, can be used to question the partners and discover what they thought about these questions. It could help partners to understand the needs of other partners and reduce the conflicts between them. Different partners may present a different order of importance for the principles and the results should be useful for them to build an efficient partnership. For example, the private companies actually need the TCG's help more on executing policies, convincing owners...etc., but not the finance. Thus, increasing incentives might not be the best way to attract the private companies. What the local people were concerned most was the relationship between them and other partners, especially the

main developer (leader). For the local people, trust is the most important thing to be built, but not the empowerment to influence decisions. Thus, the agreement paper may not be meaningful for them.

- *The test questions could be used to monitor a partnership*

The further details of each test question can be defined in the initial stage of a partnership. The partners should sit together and determine the agreed standard of each test question, and the standards can be used to monitor the partnership in the development process. It not only can help partners to understand the meaning of the partnership, but also can build one they agree upon. Moreover, it also can make the partnership more effective and easier to correct the partnership in any stage. That is because they could modify the fail strategies or tasks any time under the principles of their partnership.

## **10.5. Conclusions**

The initial motivation of this research was to reveal the problems of partnership in Taipei's urban regeneration projects. However, the difficulties experienced identifying partnerships led to the review of case studies using fundamental principles. Therefore, this research aimed to establish a method to appraise whether partnerships are evident in Taipei's urban regeneration projects, and reveal the problems of urban regeneration partnerships in Taipei. In the end, an appraisal framework and an analysis process are established through this research. These can be used to examine whether projects have or have not applied partnerships; the results of the examination can point out what the principles have missed and where the problems are. This method provides policy makers with another way to review policies.

Apart from the new method, this research also proves that partnerships are not evident in most of the urban regeneration projects in Taipei. This result should demonstrate to the TCG that the existing partnership in Taiwan's urban regeneration projects are still at a basic level when compared to partnerships identified within this research, even though many implementing regulations or policies were imitated from these countries.

## Appendix A Interview schedule

- To public sectors

### A. Personal Details

- Name:
- Position:
- Relationship with the policy making / project:
- Detail of the interview:

### B. General questions

There are many different understanding of urban regeneration. Urban regeneration can just be focus on slum clearance sometimes. However, urban regeneration can be focus on *economic, physical, social* and *environmental* condition of an area. About partnership, Some people may think it is only a way to gain the additional funds from other sectors or a short term arrangements to achieve a particular objective (such as the technical partnerships), but some people may argue it is a kind of way to combine every kind of resources, such as knowledge, fund, technology...etc( Mackintosh, 1992; Tsenkova, 2002; Bailey, 1995). The definition of each key actor is impossible the same and the different parts may be the points which cause the problem of partnership. Thus, there are some questions will be asked first

1. Could you please describe your personally idea of urban regeneration?  
(Following questions may not ask the interviewee. There are somethings I hope can get the answers from this question)
  - meaning
  - The most important thing in it
  - Why it need to be done?
  - What is the objective of it?
  - How is the good urban regeneration project? (Is it done well now?)
2. Could you please describe your personally observation of the relationship between the main players in the urban regeneration process?
  - Who should be involved? Who are the main players?
  - How is the relationship between them?
 (If they mention something about "partnership", I will repeat it again and tell them that I am also interested about it and it will be discussed in the end of interview.)

### C. To understand the evolution of policies

There are many reason will influence the conception and the implementation of urban regeneration and its partnership, such as the economic condition, people's requirement of participation and government policies. Here, the policy will be analysed to understand the government's attitude of urban regeneration and the relationship of the stakeholders. Besides, the problems in each period also can reveal form the policies review because the new policy is always produced for the problem which already happened.

3. There are some important policies about urban regeneration was made. Do you know how urban regeneration policies have changed? And why have they changed?

(If they did not mention about following policy, I may remind them later)

-First phase (1949~1972)

-Second phase (1973~1993): the new chapter of "Urban Renewal" was added in Urban Planning Law

-Third phase (1993~1998): Taipei Application Notice of Encouraging Private Sector to invest urban Renewal.

-Forth phase (1998~now): Urban renewal Aty

4. What kind of urban regeneration dose the government's policy look for? And what is the most important issue considered in each policy?

Then, there are also some questions will be asked to reveal the partnership in those policies. According to the literature review, there are many different definitions of partnership discussed in other research papers, such as (1) Working together towards a common goal; (2) A sharing of risks and profits; (3) Any development activity involving two agencies, one public and one private or voluntary; (4)The co-ordination and integrations of policies and resources between the partners; (5) To organize people and resources around the tasks of urban regeneration and social inclusion...etc. (Young, 2000; Geddes,1997; Carley, 2003; Law, 1988). According to the description above, the most

important things which were described were who was involved and how was the role of them? And how is the relationship between the different groups which was involved? Thus, this research will try to reveal the answer from those two main questions.

5. Who is involved in the policy? And how is the relationship between them?

--- What is the role of those people in the urban regeneration process?

--- Who is the one really making the decision?

#### **D. To reveal the effect of those policies**

Sometimes people will find that what the government thought may not the same as what they did so it is very important to ask the effect of them. Besides, the problem of those policies and the real relationship between the people involved maybe can be revealed from those different results.

The questions of this part will focus on the effect of the projects in case study area. However, the officer in central government may not familiar with the case study are so the question may more general.

##### **(To the officer of central government)**

6. Now, I want to ask the effect of those policies. I don't know if you familiar with the regeneration projects in Da-tong district. If yes, Could you please describe your personally idea of the effect of those policies in Da-tong area? if not, could you please describe the general effect? Why?

7. How is your role in those regeneration projects?

8. As what you describe before, do you think all the groups which those policies want to involve was involved? What were the roles they played?

---Who was really involved?

---How is the relationship between the different groups which was involved?

9. And are there any problems between them when the urban regeneration case was done?

---The problem between those groups

10. Besides what you mention above, are there any other influenced by those policies?

11. (As what you mentioned before,) could you please describe your personally idea of partnership in urban regeneration?

--- What is it means?

--- The most important thing in it (member, share risks and profits, objective, organization...)

--- How is the good partnership in urban regeneration?

--- Who should be involved?

(---Can partnership be seen in the urban regeneration project now?)

##### **(To the officer of local government)**

6. Now, I want to ask the effect of those policies but I want to focus on the regeneration projects in Da-tong district. Could you please describe your personally idea of the effect of those policies in Da-tong area?

(I may mention the project chosen in each phase or in different type of the project)

7. How is your role in those regeneration projects?

8. As what you describe before, do you think all the groups which those policies want to involve was involved in those projects?? What were the roles they played?

---Who was really involved?

---How is the relationship between the different groups which was involved?

---who can make decision?

9. And are there any problems between them when the urban regeneration case was done

---The problem between those groups.

10. Besides what you mention above, are there any other influenced by those projects?

--- Neighbor? Or ...

11. (As what you mentioned before,) could you please describe your personally idea of partnership in urban regeneration?

--- What is it means?

--- The most important thing in it (member, share risks and profits, objective, organization...)

--- How is the good partnership in urban regeneration?

--- Who should be involved?

(---Can partnership be seen in the urban regeneration project now?)

- **To private companies**

**A. Personal Details**

- Name:
- Position:
- Relationship with the project:
- Detail of the interview:

**B. To understand the evolution of policies**

1. There are some important policies about urban regeneration was published. Could you please describe your personally idea about how urban regeneration policies have changed? And why have they changed?

(If they did not mention about following policy, I may remind them later)

-First phase (1949~1972)

-Second phase (1973~1993): the new chapter of "Urban Renewal" was added in Urban Planning Law

-Third phase (1993~1998): Taipei Application Notice of Encouraging Private Sector to invest urban Renewal.

-Forth phase (1998~now): Urban renewal Aty

2. As you thought, what kind of urban regeneration dose the government's policy look for? And what is the most important issue considered in each policy?

3. As your personal idea, who is involved in the policy? And how is the relationship between them?

--- What is the role of those people in the urban regeneration process?

--- Who is the one really making the decision?

**C. To reveal the effect of those policies**

Now, I want to ask the effect of those policies. According to the regeneration project which you participated in Da-tong district, I will ask you some detail of it.

4. I know that this project was applied under the ... regulation. Could you please describe the process of it?

5. Are there any problems or difficult things when the project was done?

6. What was the role you played in this project?

7. As what you describe before, do you think all the groups which those policies want to involve was involved?

---Who was really involved?

---How is the relationship between the different groups which was involved?

8. And are there any problems between you and the other groups involved when the urban regeneration case was done?

---The problem between those groups

9. Besides what you mention above, are there any other groups were influenced by this project? Or should be involved in this project?

**D. General questions**

10. Could you please describe your personally idea of urban regeneration?

--- meaning

--- The most important thing in it

--- Why it need to be done?

--- What is the objective of it?

--- How is the good urban regeneration project? (Is it done well now?)

11. Could you please describe your personally idea of partnership in urban regeneration?

--- What is it means?

--- The most important thing in it (member, share risks and profits, objective, organization...)

--- How is the good partnership in urban regeneration?

--- Who should be involved?

12. As your personal idea, can partnership be seen in this project?

--- Yes....why?

--- No....why? Can it be seen in the policy now?



- **To residents**

- A. Personal Details**

- Name:
    - Position:
    - Relationship with the project:
    - Detail of the interview:

- B. To reveal the effect of those policies / to understand the evolution of policies**

According to the regeneration project in this area, I will ask you some detail of it.

1. Do you know how or why this project was started?  
--- Who started it? Why?
2. Could you please describe the process of it?  
---process  
---who can make decision?
3. Are there any problems or difficult things when the project was done?
4. What was the role you played in this project?
5. Are you satisfy with this the role you played? Why?
6. Besides the residents, are there any other groups involved? And how is the role they played?  
---Who was really involved?  
---How is the relationship between the different groups which was involved?  
---who can make decision?
7. And are there any problems between you and the other groups involved when the urban regeneration project was done?  
---The problem between those groups
8. Besides what you mention above, are there any other groups were influenced by this project? Or should be involved in this project?
9. Do you know that this project was applied under the ... regulation? If yes, could you please tell me about what you understand about this regulation?
10. According to this regulation, the developer would hold some public meeting, exhibition or ... before the project was done. Did you join those activities? And how was them?

- C. General questions**

11. Could you please describe your personally idea of urban regeneration?  
--- meaning  
--- The most important thing in it  
--- Why it need to be done?  
--- What is the objective of it?  
--- How is the good urban regeneration project? (Is it done well now?)
12. Could you please describe your personally idea of partnership in urban regeneration?  
--- What is it means?  
--- The most important thing in it (member, share risks and profits, objective, organization...)  
--- How is the good partnership in urban regeneration?  
--- Who should be involved?
13. As your personal idea, can partnership be seen in this project?  
--- Yes....why?  
--- No....why? Can it be seen in the policy now?

- **To the pressure group**

- A. Personal Details**

- Name:
    - Position:
    - Relationship with the project:
    - Detail of the interview:

- B. To understand the evolution of policies**

1. There are some important policies about urban regeneration was published. Could you please describe your personally idea about how urban regeneration policies have changed? And why have they changed?

(If they did not mention about following policy, I may remind them later)

-First phase (1949~1972)

-Second phase (1973~1993): the new chapter of "Urban Renewal" was added in Urban Planning Law

-Third phase (1993~1998): Taipei Application Notice of Encouraging Private Sector to invest urban Renewal.

-Forth phase (1998~now): Urban renewal Aty

2. As you thought, what kind of urban regeneration dose the government's policy look for? And what is the most important issue considered in each policy?

3. As your personal idea, who is involved in the policy? And how is the relationship between them?

--- What is the role of those people in the urban regeneration process?

--- Who is the one really making the decision?

### C. To reveal the effect of those policies

Now, I want to ask the effect of those policies. According to the regeneration project which you participated in Da-tong district, I will ask you some detail of it.

4. According to the regulation, it may not ask the group like you to join the process of urban regeneration but you intervened in some project. Thus, i want to ask that which project you have intervened and why.

5. Could you please describe the process of it?

6. Are there any problems or difficult things when the project was done?

7. What was the role you played in this project?

8. As what you describe before, do you think all the groups which those policies want to involve was involved?

---Who was really involved?

---How is the relationship between the different groups which was involved?

9. And are there any problems between you and the other groups involved when the urban regeneration case was done?

---The problem between those groups

10. Besides what you mention above, are there any other groups were influenced by this project? Or should be involved in this project?

### D. General questions

11. Could you please describe your personally idea of urban regeneration?

--- meaning

--- The most important thing in it

--- Why it need to be done?

--- What is the objective of it?

--- How is the good urban regeneration project? (Is it done well now?)

12. Could you please describe your personally idea of partnership in urban regeneration?

--- What is it means?

--- The most important thing in it (member, share risks and profits, objective, organization...)

--- How is the good partnership in urban regeneration?

--- Who should be involved?

13. As your personal idea, can partnership be seen in this project?

--- Yes....why?

--- No....why? Can it be seen in the policy now?

### • To others

#### A. Personal Details

- Name:

- Position:

- Relationship with the policy making / project:

- Detail of the interview:

**B. General questions**

1. Could you please describe your personally idea of urban regeneration?
  - meaning
  - The most important thing in it
  - Why it need to be done?
  - What is the objective of it?
  - How is the good urban regeneration project? (Is it done well now?)
2. Could you please describe your personally observation of the relationship between the main players in the urban regeneration process?
  - Who should be involved? Who are the main players?
  - How is the relationship between them?

**C. To understand the evolution of policies**

3. There are some important policies about urban regeneration was made. Do you know how urban regeneration policies have changed? And why have they changed?

(If they did not mention about following policy, I may remind them later)

-First phase (1949~1972)

-Second phase (1973~1993): the new chapter of "Urban Renewal" was added in Urban Planning Law

-Third phase (1993~1998): Taipei Application Notice of Encouraging Private Sector to invest urban Renewal.

-Forth phase (1998~now): Urban renewal Aty

4. What kind of urban regeneration dose the government's policy look for? And what is the most important issue considered in each policy?

5. Who is involved in the policy? And how is the relationship between them?

--- What is the role of those people in the urban regeneration process?

--- Who is the one really making the decision?

**D. To reveal the effect of those policies**

6. Now, I want to ask the effect of those policies. I don't know if you familiar with the regeneration projects in Da-tong district. If yes, Could you please describe your personally idea of the effect of those policies in Da-tong area? if not, could you please describe the general effect? Why?

7. Did you play any special role in those regeneration projects?

8. As what you describe before, do you think all the groups which those policies want to involve was involved? What were the roles they played?

---Who was really involved?

---How is the relationship between the different groups which was involved?

9. And are there any problems between them when the urban regeneration case was done?

---The problem between those groups

10. Besides what you mention above, are there any other influenced by those policies?

11. (As what you mentioned before,) could you please describe your personally idea of partnership in urban regeneration?

--- What is it means?

--- The most important thing in it (member, share risks and profits, objective, organization...)

--- How is the good partnership in urban regeneration?

--- Who should be involved?

(---Can partnership be seen in the urban regeneration project now?)

- **To the group interview (residents)**

**A. Details of the interviewees**

- Name:

- Position:

- Relationship with the project:

- Detail of the interview:

**B. To reveal the effect of those policies / to understand the evolution of policies**

According to the regeneration project in this area, I will ask you some detail of it.

1. Could you describe the process of this urban regeneration area? Such as...

---How or why this project was started?

- the process
- who can make decision?
- 2. As your experience, are there any problems or difficult things when the project was done?
- 3. What was the role you played in this project? And are you satisfy with this the role you played? Why?
- 4. Besides the residents, are there any other groups involved? And how is the role they played? Are there any problems between you and the other groups involved?
- Who was really involved?
- How is the relationship between the different groups which was involved?
- who can make decision?
- The problem between those groups
- 5. Besides what you mention above, are there any other groups were influenced by this project? Or should be involved in this project?
- 6. Do you know that this project was applied under the ... regulation and according to this regulation, the developer would hold some public meeting, exhibition or ... before the project was done. Did you join those activities? And how was them?

### C. General questions

- 7. What is your idea of urban regeneration?
  - meaning
  - The most important thing in it
  - Why it need to be done?
  - What is the objective of it?
  - How is the good urban regeneration project? (Is it done well now?)
- 8. Have you heard about partnership? If yes, how is your idea of it in urban regeneration? And can partnership be seen in this project?
  - What is it means?
  - The most important thing in it (member, share risks and profits, objective, organization...)
  - How is the good partnership in urban regeneration?
  - Who should be involved?

## Appendix B List of interviewees

	Interviewees	Position	Recorded
Government officers	O1	- Central government officer	*
	O2	- TCG officer / TCUR	*
	O3	- TCG officer / TCUR	*
	O4	- TCG officer / TCUR	*
	O5 O5-1	- TCG officers / Division 1	*
	O6	- TCG officer / TCUD	*
	O7	- Director of WanHua district	*
	O8	- Central government officer - Member of the URB	*
Private company employees	P1	- FuAn construction company employee	
	P2 P2-1	- QiaoYang company employees	*
	P3	- Manager of Cosmos. Inc.	*
	P4	- Architect - Community Planner	*
	P5	- Architect - Community Planner - Member of the URB	*
	P6	- Employee in Urban Regeneration Foundation	*
Politicians	G1	- Taipei City Councillor	*
	G2	- Taipei City Councillor	*
	G3	- Head of Li	*
	G4	- Head of Li	*
	G5	- Head of Li	*
Local people / residents	R1(5 people)	- DaLi Street / Residents	
	R2(2 people)	- DaLi Street / Tenants	
	R3(5 people)	- HsiMen Market / Tenants	*
	R4	- HsiMen Market community leader	*
	R5	- Local community leader (HsiMen area)	*
	R6 (4 people)	- NanJiChang / Residents	
	R7	- NanJiChang / Tenants	*
	R8	- HuaZhongDuan project / Resident	

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