



CULIC

CIRCULAR MODELS LEVERAGING INVESTMENTS IN CULTURAL HERITAGE ADAPTIVE REUSE

Balancing stakeholders' expectations in Heritage building reuse: governance and circularity in decision making

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During the last decades there has been a gradual change in the management of public real estate assets

- to increase income of the State
- to reduce the costs of management and maintenance of the assets

Measures to promote sale, long-term license and the renting to private stakeholders

The decision making process of Public Cultural Heritage Reuse is carried out according to the prescriptions of Cultural Heritage and Landscape Law (D.Lgs. 42/2004), ensuring compliance with the preservation constrains and enhancement policies.

◆ **SALE OF FULL OWNERSHIP**

- ◆ Artt. 55-58 D.Lsg 42/2004
- ◆ The buyer must guarantee conservation, maintenance and public access.

◆ **LEASE**

- ◆ Art. 57bis D.Lsg 42/2004
- ◆ Operation and Maintenance

◆ **ADMINISTRATIVE CONCESSION**

- ◆ Art. 106 & 57bis DLsg 42/2004; DM. 6 oct, 2015
- ◆ Regeneration works are not required

◆ **FINANCE ONLY**

- ◆ Art. 120 d.Lgs 42/2004 — Art. 19 e 151 D.Lgs. 50/2016; Circ. Mibac 9/6/2016
- ◆ Sponsorship

◆ **REDEVELOPMENT LONG LEASE**

- ◆ D.Lgs. 42/2004
- ◆ Reuse, renovation and regeneration works must preserve the historical, artistic and cultural interest of the property without limiting or ruining, under any circumstances, the asset.

AIMS

To define strategies and programs to enhance built cultural heritage through shared decisions involving State, Regions, Local Municipalities, Cultural associations, Private Enterprises (profit or not for profit).

Art.112 co.4 Dlsg 42/2004

Art.5 co5 D.Lgs. 85/2010

MIBAC note n.18/2011

A Project of enhancement is required to free transfer heritage buildings from State to Local Administration (Art.5 co5 D.Lgs. 85/2010)

Vertical Governance: Preference for enhancement entrusted to Local Administration

Horizontal Governance: Private stakeholders and their associations can contribute to cultural Heritage enhancement

STEPS

- Memorandum of understanding
- Strategic planning
- Operational Programme
- Contractual Agreement
- Implementation & Monitoring

Strategic Level	<p>Fundamental lines of valorization plan; Territory and assets involved; Integration with infrastructures and related production sector; Decisions about protection, conservation and enhancement; Compatible uses</p>
Programme level	<p>Definition of intervention, actions and implementations methods Compliance with urban planning and local regulation Required resources to start up, carry on and manage the programme Economic and financial sustainability assessment Suggested governance structure; Private stakeholders involvement Fundraising planning</p>
Implementation level	<p>Agreement execution</p>
Management	<p>Art. 115 Dlsg 42/2004; Art.151 D.Lgs 50/2016 Direct Management; Contracting out; Special PPP; Foundation;</p>

STRATEGIC LEVEL	CIRCULARITY PERSPECTIVE
<ul style="list-style-type: none"> • Identification of the building • Structural, artistic, historic feature • Limitations to use due to Cultural interest • Aims and strategies of enhancement linking goals to the territorial area; • New uses of the building(s) proposed in the middle and long term; • Strategic planning for cultural development including other cultural buildings and new initiatives (integration/network approach • Expected results according to enhancement goals as well as protection, conservation and public use of the building; 	<p>Strategic Institutional Cooperation</p> <p>Share Values</p> <p>Urban/Landscape Regeneration</p> <p>Long Term Perspective</p> <p>Think in System Cultural resources integration</p> <p>Economic Social Goals Intergenerational use optimization Sustainability</p>

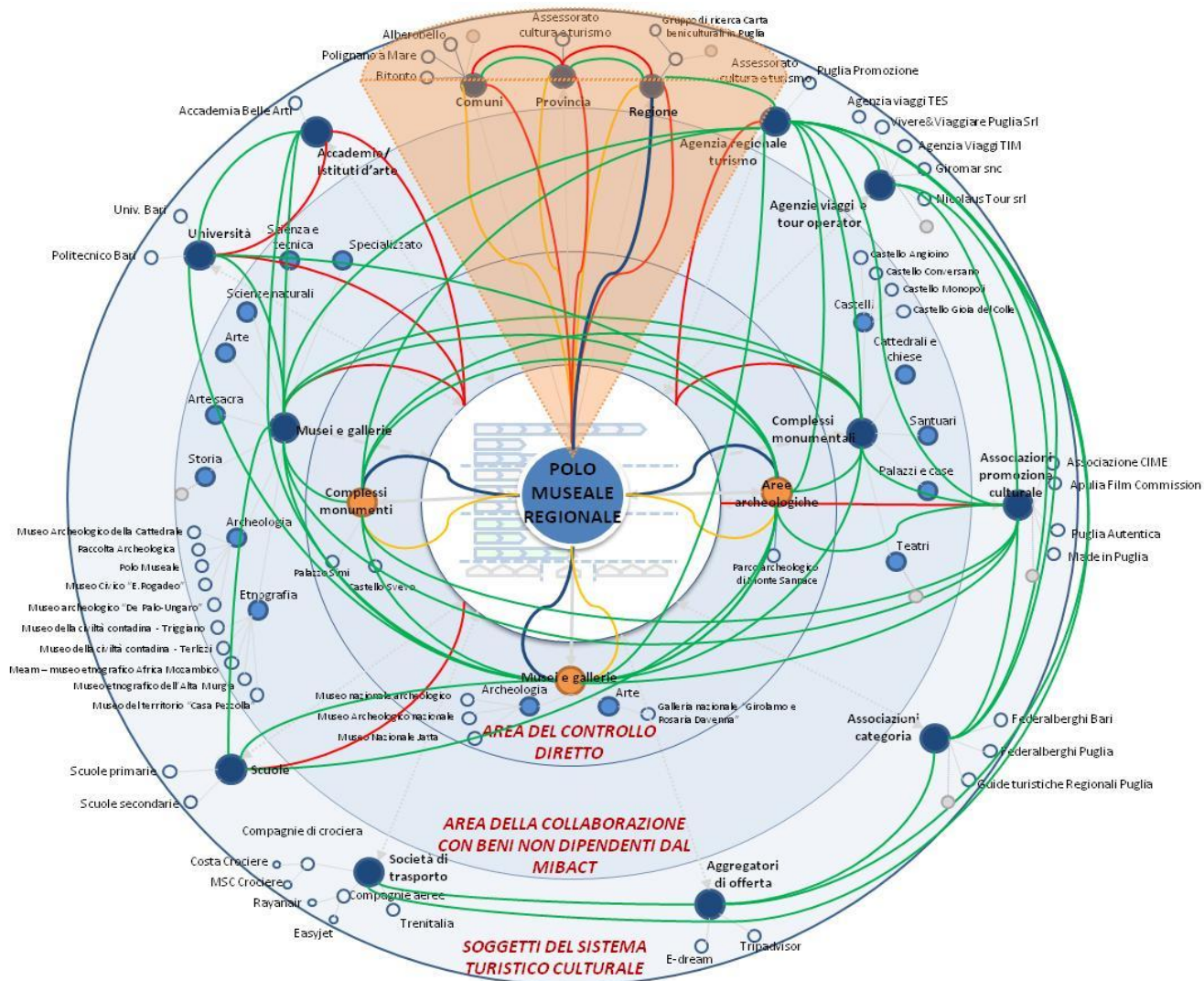
PROGRAMME LEVEL	CIRCULARITY PERSPECTIVE
<ul style="list-style-type: none"> • Organizational measures to implement and manage the programme • Interventions, actions • Compliance with urban planning decisions and local regulations • Timing and milestones • Fundraising (public and private financing) • Incentives and facilities • Economic sustainability (Investment and management costs) • Private stakeholders involvement • Suggested Governance structure 	<p>OPTIMIZATION of:</p> <p>Land Use and Infrastructures Water or energy saving Technologies</p> <p>Time and Financial Resources</p> <p>Partnership to programme and/or to manage and/or to finance</p> <p>ad hoc Company</p>



Key stakeholders	Public, private and non-profit organizations which may support Public Administration action
Community	Residents; Cultural heritage visitors
Institutional	Ministries, Municipalities, Regions
Social	Business Communities and enterprises, Public service providers, Chamber of Commerce, Workers Representatives
Cultural	Universities, Cultural Associations, Research Centers, Media
Tourism	Municipalities, Hospitality Companies, Tourism service Providers Consumers, Media.

NECESSARY Stakeholders	DESIRABLE/INFLUENCIAL Stakeholders	WEAK Stakeholders
High interest High power	Low interest High power	High interest Low Power





- Cooperation on strategic issues
- Regulation Compliance and Control
- Information sharing
- Decision making

PROJECT FINANCING

Art. 183, par. 15, D.L. no. 50 of 2016 allows for an economic operator to propose the planning, realisation and management of a public asset or of a service in relation thereto, also if not included by the Plan of the offeree.

In this case, the project financing can be used to obtain the concession of one or more assets, which must not be object of pending works decided by the public bodies in their plan, to realise private initiatives that shall meet specific public needs, ensuring at the same time the project's economic and financial sustainability.

PUBLIC REAL ESTATE FUNDS

Public Real Estate Investment Trusts (REITs) were born with the intent to ensure more efficiency in developing and increasing the value of real estate assets owned by the State, Regional Authorities, other Public Authorities and companies completely controlled by the aforementioned entities.

The introduction or transfer of properties to REITs must take place on the basis of **reusing or development projects** approved by resolution of the governing body of the public owner, after selection of the Asset Management Company managing it.

Regulation on <http://vademecum.publicrealestate.it/en/asset-acquisition/how-to-establish-public-contribution-real-estate-funds>

How does Project Financing and Public Real Estate Funds work in Public Real Estate Investment?

Are they successful applicable to Heritage Building Reuse?

Bottom-up vs. Top-Down approach:

which one works better to leverage new investments in Cultural Heritage Buildings reuse?

Thank you for your attention!

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