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RESEARCH ARTICLE

Planning: a glue for development coalitions? State actors' agency and power relationships in urban development projects in Milan and Brussels

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ABSTRACT:

In this paper, I combine urban regime analysis and financialisation scholarships to uncover the role of planning and question the role of state actors in urban development processes. Through an analysis of CityLife in Milan and Tour and Taxis in Brussels, I argue that state actors have a strong agency in decision making as they own a critical resource: planning.

My investigation reveals that, in projects characterised by uncertainty and internal conflicts, planning functions as a glue of development coalitions. Local governments mobilise it to bring together private and public interests, in order to achieve their agendas. Nevertheless, this glue function plays out differently in Milan and Brussels. While in Milan local administrations used planning to facilitate the anchoring of capital, in Brussels local governments enacted planning to shift the balance of power between them. This outcome reveals contextual differences that ultimately depend on local governance settings and planning systems.

The comparison depicts the making of two different development regimes. CityLife indicates a financialised turn in governance, in which planning choices are driven mainly by economic – and financial – imperatives. Tour and Taxis symbolises an experimental entrepreneurial urban regime, a sort of "laboratory" to test new governance and planning frameworks.

KEYWORDS:

Brussels, development regime, Milan, planning, urban development projects

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1. Introduction

Due to the current phase of fiscal austerity, state actors have become heavily dependent on financial capital to achieve their development goals and implement their political agendas. Scholars have produced an extensive amount of work on the role of finance and financial players in shaping urban development processes. But under which conditions does this happen? How do private players acquire the power to orient decision making? What is the agency of state actors? And, finally, how can we explain contextual differences?

To address these research questions, I draw on urban regime analysis and the grounded accounts on the financialisation of urban development. Both approaches adopt an actor-oriented perspective to study how local governments cope with international competition and bargain with private players. They draw attention to local state structures as key sites in which 'planning and redevelopment are implemented and political conflicts are mediated' (Gotham 2000, 209). Lastly, they provide theoretical lenses to understand the change in power relationships in the negotiations over planning regulations and urban projects.

The article focuses on two urban development projects (UDPs) in Milan and Brussels: CityLife and Tour and Taxis. Their selection is in line with both the scientific literature on UDPs, that considers them as symbols of entrepreneurial urban agendas, and with financialisation scholarships, that see them as engines of financial markets. Moreover, the two selected projects represent privileged sites to study the restructuring of local governance as they have been promoted by changing public-private partnerships.

The analysis of CityLife and Tour and Taxis proves that state actors do not have a passive role in urban development. Planning represented a crucial resource for local authorities: as such, it was mobilised to enhance the stability of development coalitions, in order to bring together private and public interests for the implementation of their development agendas. In both cases, planning benefitted financial investors and property developers. However, in the case of Brussels, it was used as a leverage for local governments to affirm their authority in an institutional setting characterised by unbalanced power relationships. Therefore, the study underlines substantial contextual differences, depending on the specificities of governance settings and planning systems, as well as on the existence of a shared public political agenda.

The comparison additionally shows the interplay between UDPs and the making of two different European development urban regimes. The case of CityLife calls into question whether the city is experiencing a shift to a financialised governance, aimed to promote Milan as an international city and a major target for real estate investments. Tour and Taxis, instead, has represented a sort of planning laboratory, a key arena to redefine local governance and planning, in order consolidate the role of the Brussels Capital Region in urban development matters.

The paper is organised as followed: in the first section I build my theoretical and analytical framework; in the second part, I outline the methodology and introduce the case studies; in the third and fourth sections, I present and analyse the cases; finally, I discuss the main findings.

2. Theoretical Framework

Due to the current phase of fiscal austerity, state actors have become heavily dependent on financial capital to pursue their political agendas (Farmer and Poulos 2019; Peck and Whiteside 2016; Guironnet, Attuyer, Halbert 2015; Weber 2010). In this process, planning has a clear role in directing the flow of interest-bearing capital in the built environment' (Waldron 2019, 689). Through specific land-use planning procedures, the state influences investments' financial conditions (e.g. profitability) and affects financial intermediation (Halbert and Attuyer 2016), regardless of the socio-spatial impacts on the city.

Hitherto scholars have produced an extensive amount of work on the role of finance and financial players in shaping planning frameworks and urban policies. But under which conditions does this happen? How do private players acquire the power to orient decision making? What is the agency of state actors? In the literature, these questions remain understudied. To answer them, urban development must be considered a "social phenomenon" (Logan and Molotch 1987, 1), a "politically loaded" process (Clark, Gutzon, Lund Hansen 2015 2015, 23), strongly embedded in institutional settings crafted to create a "good business climate" (Logan and Molotch 1987, 59) to anchor capital investments. In particular, it is unclear how changes in planning frameworks are entangled in broader processes of governance restructuring, and how the former affect power relationships, between financial players and state actors as well as within the state apparatus.

Addressing these literature gaps requires the adoption of an analytical approach that, through a focus on actors' agency (O'Brien, O'Neil, Pike 2019, 1295), brings to an understanding of the ways actors mediate their interests *through* planning. It additionally requires framing urban development within the political economy of the city as it depends, and is constrained, by 'locally specific structures of opportunities' (Halbert and Attuyer 2016, 7), namely multi-level state configurations and political agendas. Thus, in this contribution I combine a broader analysis of governance with the study of – financialised— urban development projects.

I refer to Urban Regime Analysis (URA), a sociological and political theory 'regarded as a particularly appropriate means' to comprehend shifts in urban governance (Hall and Hubbard 1996, 156). URA's core argument is that, in a context characterised by a turn 'from managerialism to entrepreneurialism' (Harvey 1989), a necessary condition for any given urban policy is the foundation of development coalitions, composed of governmental and private actors endowed with different material (i.e. financial capital) and immaterial resources (i.e. technical-financial expertise and organisational capacity) (Stone 1993). A "common scheme of cooperation" (Stone 2005), made of regulatory frameworks, fixes the rules according to which "public bodies and private interests function together" (Stone 1993, 6), thus gaining the *power to* (Stone, 1993) orient the political agenda and achieve their interests, i.e. what Stone (1993, 2004, 2005). refers to as 'regime'. Planning is at the centre of the analysis: through it, development regimes '*promote growth* or counter decline' by linking private investments to public action (Stone 1993, 19).

The main argument of this paper is that state actors do not play a passive role in urban development matters. Planning represents a crucial resource for local governments to shape power relationships within the coalitions. As such, it is mobilised to promote the stability of development coalitions, by bringing together private and public interests towards the implementation of specific political agendas. To validate my hypothesis, I develop my analysis on urban development projects (UDPs). Implemented through flexible planning frameworks, they play a major role in entrepreneurial models of urban growth (Harvey 1989; Diaz Orueta and Fainstein 2008), thus becoming crucial policy tools to enhance the international appeal of the city (Ponzini and Nastasi 2011). From a political point of view, UDPs are the result of 'coalition politics' (Harvey, 1989:5) and public-private partnerships (PPPs): they represent key political arenas that 'reflect profound power struggles and position-taking of key economic, political, social or cultural elites' (Swyingedouw, Moulaert, Rodriguez 2002, 563). All this considered, UDPs are privileged sites to study:

a) how 'neoliberal systems of governance are crafted and through which a new articulation of regulatory and governmental scales is produced' (Swyngedouw *et al*. 2002, 546);

b) how power relationships unfold in the so-called 'trading rooms' (Theurrilat, Vera-Buchel, Crevoisier 2016), i.e. during negotiations (Mosciaro 2020; Savini and Aalbers 2016; Guironnet *et al.* 2015; Guironnet and Halbert 2014).

Recent financialisation scholarships additionally contend that UDPs are 'one of the engines of financial markets' (Savini and Aalbers 2016, 2) as for the tendency of private and public actors to treat land as financial assets. Scholars point to the *de-contextualization of land-use planning* as one of the consequences of the entrance of financial actors in governance matters. Local governments tend to employ planning in an instrumental way, to 'facilitate the influx of financial investments' (Ivi, 3), without taking into consideration the local socio-political contexts and, therefore, the real social demand of inhabitants. They do so either by defining more flexible legal procedures or by adjusting land-use to meet private requests. The latter often have to do with financial calculations on expected returns, that "rarely take into consideration the complexity and uncertainty of urban projects" (Ibidem) but rather depend to the risks associated with the management of larger real estate portfolios.

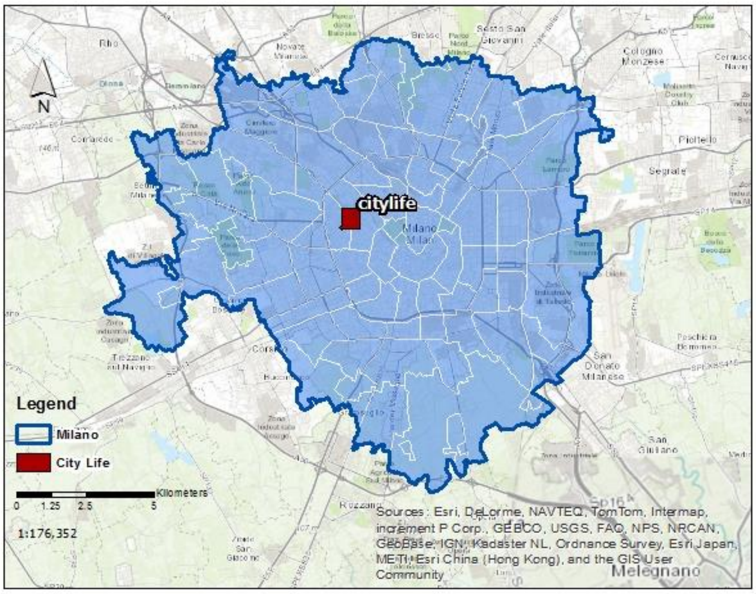
In the case of of Saint-Ouen, a Red Belt municipality in the periphery of Paris, Guironnet *et al.* (2015) conclude that this instrumental approach to urban planning is particularly evident when capital investors own the land to be redeveloped. In these situations, investors acquire a leading role, not only in the phase of development but also in orienting strategic planning decisions (Ibidem). 'This', they state, 'has important policy implications, since power relationships in the definition and implementation of urban redevelopment projects may be increasingly tilted in favour of financial investors' (Ivi, 20).

3. Methodology

The article is built on a comparative research design, based on a diverse case selection strategy. Milan and Brussels have acquired a leading regional role in the world economy and represent important business and service centres. Yet they followed distinct development trajectories: while Milan has emerged on the international scene only over the last two decades, Brussels has long been considered a secondary world city for its status of Capital of Europe (Corijn and van de Ven 2013; Taylor 2006). In addition to that, the transition to service and business economy has been driven by distinct sectors: the administrative sector in the case of Brussels (Corijn and Vloeberghs 2013; Papadopoulos 2006; Baeten 2001) and finance, real estate, fashion, design, research and communication in Milan (Andreotti 2019; Bigatti 2016; Gibelli 2016a, 2016b).

The cases differ for their governance and planning systems. In Milan, the implementation of a regional law in 1999 launched *Programmi Integrati d'Intervento* (PIIs), highly flexible instruments that refer to specific metropolitan areas and are subject to negotiations between local governments and their private partners. Due to that, the city has experienced an intense process of restructuring through UDPs (Anselmi and Vicari Haddock 2020; Mosciaro 2020; Kaika and Ruggiero 2013). By contrast, Brussel's local governance is characterised by fragmentation and overlapping competences among the Capital Region and 19 municipalities. This complexity has, to a great extent, impeded the creation of flexible planning tools for large-scale operations. Nevertheless, in 2015, a federal reform was introduced to simplify planning procedures, mitigate conflicts among local authorities, and regionalise planning competences.

In order to develop a more nuanced understanding of the issues proposed, I identified two UDPs: CityLife and Tour and Taxis. Their selection is in line with the literature on UDPs that sees the latter as symbols of the post-industrial transition of urban economies as well as of the shift from managerial to entrepreneurial forms of governance. Both projects are located in highly strategic areas. CityLife is a 36-ha site in the West of the city (Figure 1), rising in the area of the historical fair district of Milan. Tour and Taxis (T&T) is a 45-ha complex, originally functioning as a multi-modal platform and gradually dismissed since the 1980s. It is located within the Canal Zone (Figure 2), a strategic area for the development of the whole regional territory. The development of CityLife and T&T has been driven by changing development coalitions comprising local authorities and a number of real estate operators and financial players (Mosciaro 2020; Brill and Conte

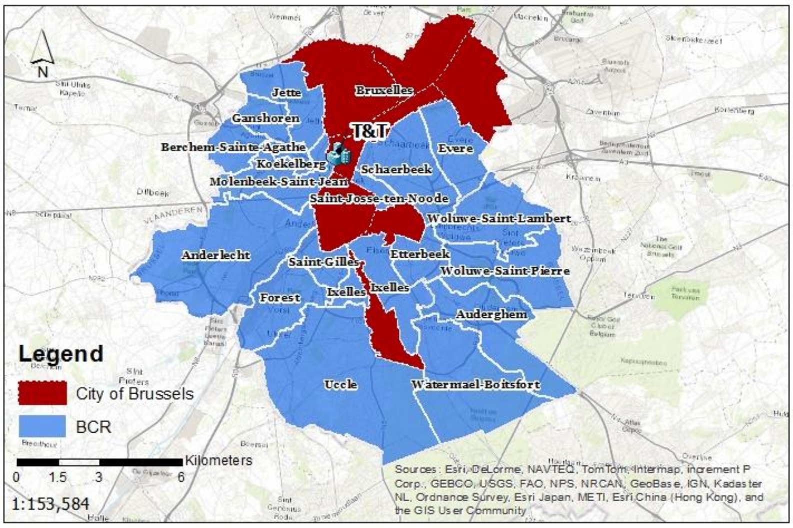


2019; Vermeulen 2015; Van Criekingen and Vandermotten 2007).

Figure 1 – Location of CityLife

The collection of data, started in 2017 and ended in 2018, was based on the analysis of policy documents, annual corporate reports, community groups' reports, and press articles. With respect to policy documents and corporate reports, I consulted land-use plans, master plans, and private companies' annual reports. I relied on 45 semi-structured interviews with key informants (25 in Milan and 20 in Brussels): public officials, developers, real estate consultants and advisors, other stakeholders (e.g. Fiera Milano and the Port of Brussels), journalists, and community groups' representatives. The interview guide followed the same logic in the two cases. It included a series of open-ended questions divided into two sections focusing on the urban/regional development agenda and on the UDP under study. Lastly, according to the specific profile and expertise of each informant, I posed specific questions to scrutinise project-related issues.

Figure 2: Location of Tour and Taxis



4. Framing Milan's planning system within the entrepreneurial turn of the city

Milan, the 'industrial and financial epicentre of the country' (Foot 2003, 9), has reinforced its leading economic status since the 1990s, thanks a to a strong diversification of the urban economy. At the turn of the new millennium, urban development, previously characterised by a strong public leadership (Savitch and Kantor 2002; Vicari and Molotch 1990), became the pillar of entrepreneurial strategies aimed to boost the international image of the city and attract investments in real estate.

The gradual reform of the planning system played a key role in this process. It provided local authorities the power to transform several strategic large-scale brownfield areas and open the local real estate market to new investors (Bolocan Goldstein 2009). In 1999 the regional government introduced the *Programma Integrato d'Intervento* (PII), thus setting aside the rigid and state-led planning system of the past. In 2001, PIIs were followed by *Documento di Inquadramento delle Politiche Urbanistiche – Ricostruire la Grande Milano* (Comune di Milano 2001). The latter indicated the future development trajectories of Milan, along the West-East axis and between the urban core and the North-East of the city, and established a number of evaluation criteria for the approval of PIIs, such as environmental quality and provision of public amenities (Mazza 2007). It also specified that, in exchange of open negotiations and flexible timeframes, private actors should not only convert half of the surface into public utilities but also contribute to the costs of infrastructures (Ibidem).

Hence, UPDs became a policy tool and a brand-new season of real estate operations began. New actors entered the Milanese real estate market i.e. insurance companies, financial intermediaries, mega-developers, and industrial groups converted to finance and real estate (Pasqui 2019; Memo 2010). Today the city is a major target for investments (Urban Land Institute and PricewaterhouseCoopers 2017). Between 2014 and 2017 it attracted EUR 427,3 M of foreign investments (Scenari Immobiliari and Risanamento 2019). These figures will probably increase considering that, by 2030, it is expected that 1.3M m^2 of the metropolitan area will be involved in urban regeneration programs.

5. CityLife

Up to the 1980s, the area of CityLife hosted *Fiera Campionaria*, an international exhibition centre and major symbol of the 'made in Italy' in the word (Maria Langoni 1997). The decision to move the fair must be traced back to the 1990s, when the regional government, the municipality of Milan and Fondazione Fiera (FF) decided to transfer it to the dismissed oil refinery of Rho-Pero, in the western outskirt of Milan. However, the operation did not start until the early 2000s, when the partners agreed that the costs to acquire and reclaim the area in Rho-Pero, expected to be about 750 million EUR (Mosciaro 2018), had to be covered by the sale of the historical fair district.

Having established the price of the area (EUR 310 million), in April 2003, FF launched an international call for proposal on *Il Sole 24 Ore*, an Italian newspaper. The selection went through different stages. At first, FF and its public partners shortlisted the proposals on the basis of the participants' core competence, financial capability, and expertise (Roth and Artusi 2005). After the preselection, proponents presented their economic offer and business plan, indicating time and costs of the operation. Among the finalists, the pool of actors headed by Generali Group proposed the highest offer (EUR 523 million). At the end of 2004, the project CityLife, designed by prestigious international architects (Zaha Hadid, Libeskind, Isozaki), won the competition. In this way, FF was able to make around EUR 213 million profit, money that was reinvested in the operation in Rho-Pero.

The result of the call paved the way for the transfer of the property from FF to the CityLife Spa, a special purpose vehicle created by the winning financial consortium. The latter was initially composed of financial companies and developers: among the former, Riunione Adriatica di Sicurtà (RAS Spa)—which sold its shares to Allianz in 2005—and Generali Group; among the latter, the Spanish group LAR, Lamaro Appalti, and Progestim -Società Immobiliare S.p.A. The first negotiation led to adoption of the PII *Quartiere Storico Fiera Milano ed Aree Adiacenti* in 2005. According to it, the area would have comprised 195,896 m^2 of residential units, 84, 034 m^2 of office space, 16,000 m^2 of retail, 15,578 m^2 of public amenities (Comune di Milano 2005). The plan additionally defined that CityLife Spa would have financed two museums and a park (EUR 69 million) (Brenna 2013).

The PII was revised in October 2008, when the financial crisis hit the Milanese real estate market. The variant, explicitly aimed at coping with the changing economic conditions, included 'some *flexible* indications that would have guaranteed a better organisation of the space and the execution of the plan' (Comune di Milano 2013, 3, Author's translation). Indeed, it decreased the residential, retail and office volumes. Given the lacking accessibility of the site, the two partners made a deal on the construction of a new metro station (Comune di Milano 2013): local authorities would have financed the infrastructure, in exchange of EUR 20 million building fees for the renovation of an old pavilion of the fair and the construction of public facilities, such as the kindergarten and Modern Art Museum (Comune di Milano 2005).

Soon after the works of the first residential units started, while the consortium was gradually falling apart. The project was at a standstill. The housing stock could not find a niche in the Milanese real estate market (Brenna 2013). Some members of CityLife Spa could no longer sustain bank loans as financial risks were mainly concentrated in the residential sector.

> “From 2003 to 2005, residential demand fell by 20-30% (up to 50%). This was significant! Investing in the residential sector when the market had fallen by 50% became difficult. They made some assessments. Then we must also consider the scarce component of other destinations compared to residential. The former ensures that the risk is distributed across multiple segments. Having a risk centered on the residential sector at a time of crisis has led many to slip away. […] banks require a return on investment and, if the agreed times are not respected, they demand it anyway” (Interview with a real estate consultant, Author’s translation).

2013 marked a turning point with the implementation of the last variant and the acquisition of the property by Generali Group. The latter asked to further postpone the completion of the project to 2016. In exchange, the municipality of Milan was assured on the completion of the park and other public works (Comune di Milano 2013). Due to the recovery of the Milanese real estate market, CityLife Spa slowly –but gradually— brought the process to an end: the park was open to the public in 2016 and the office towers were acquired by Allianz (for about EUR 285 million) and Generali (for about EUR 286 million) (Mosciaro 2018). The retail space was completed and open in November 2017. Finally, the construction of the last office tower, which was previously suspended, finally started in May 2018, when the municipality and CityLife Spa found a tenant, Price Water Cooper (PwC), and signed the last operational convention.

6. Understanding Brussels’ planning system: institutional fragmentation in a socio-spatial divided context

The status of Brussels as a small world city is intrinsically related to its designation as Capital of Europe. The city also plays a key role within the Belgian federal state, characterised by the coexistence of two linguistic communities and three regions: Flanders, Wallonia, and the Brussels Capital Region (BCR). Created in 1989, the BCR is composed of 19 autonomous municipalities and defined by a double layered institutional structure: while communities are in charge of people-related issues, the regional government is competent in territorial matters (e.g. economy, spatial planning). The Europeanisation of Brussels was accompanied by a long wave of large-scale office development, which had a twofold effect: while giving a great impetus to the economy, it left the city with a highly divided socio-spatial structure (Kesteloot 2000). The latter became the main development priority of the regional government that identified the broader Canal Zone as a major development target.

In relation to UDPs, the case of Brussels tells a different story than Milan. On the one hand, the legacy of the past became a sort of burden for local authorities and a highly contested political issue. On the other hand, the adoption of the *Ordinance of Urban Planning* in 1991 did not foresee any solution for the overlapping competences between the region and the 19 municipalities. Indeed, the absence of specific planning tools and conflicting visions have slowed down, and even impeded, any large-scale operations.

Yet, since the 1990s the BCR gradually set the stage for a regionalisation of planning competences, with the introduction of a number of strategic and operational plans aimed to leveling out socio-spatial inequalities and bringing back tax paying population. The region identified a number of zones of regional interests (among which Tour and Taxis), with the *Plan Régional d'Affectation du Sol* (PRAS) in 2001, and implemented a master plan, the *Schéma Directeur*, in 2009. Nevertheless, these frameworks did not bring to any binding land-use plans. Because of that, when the Sixth State Reform on the *Politique des Grandes Villes* and the *Code Bruxelloise de l'Aménagement du Territoire* were introduced, the BCR revised planning procedures in order to gain more competences in the development of large-scale areas (Nassaux 2018).

7. Tour and Taxis

T&T is located in the municipality of Brussels and within the Canal Zone, close to the city centre and the North Station – one of the main commuting nodes of the city-region. Up to the 1980s, the site functioned as an important logistics platform connecting the port of Antwerp to Charleroi. Today, it is a 'new district' in Brussels (La Fonderie 2010), standing as a symbol of the rebirth of the Canal Zone.

The complexity and the governance system of the BCR has found a clear expression in the development of T&T. Unlike CityLife, the conversion of the area has been characterised by cycles of investments and disinvestments (Van Criekingen and Vandermotten 2007), 'unclear planning procedures' (Vermeulen 2015, 217), conflicting visions between public authorities, and a highly fragmented ownership structure (Ibidem).

In the 1990s, the site was owned by the Ministry of Finance, the national railway company, and the Port of Brussels. Throughout that decade, three different culture-led plans were proposed but not finalised, because of lacking financial resources and a strong opposition by civil society (Brill and Conte 2019; Vermeulen 2015; La Fonderie 2010; Van Criekingen and Vandermotten 2007). In 2000, the property was acquired by a joint venture 'Project T&T NV' composed of Leasinvest NV, a subsidiary of the Belgian holding company Ackermans and van Haaren (AvH), Robelco NV, and IRET development. The venture proposed the Master Plan HOK, designed by an American Architectural firm and a Brussels-based architectural office, in which the culture-led design was put aside in favour of a mixed-use development.

In the meantime, the regional government and the municipality of Brussels proposed a few plans for the area: while the BCR recognised T&T as a strategic regional site (2001 PRAS), the municipality of Brussels, competent for the delivery of building permits, approved its own local land-use plan (2001 *Plan Particulier d'Affectation du Sol*-PPAS). The latter was not well received for the scarce involvement of community groups in the decision-making process, and the insufficient focus on social and public amenities (BRAL 2017). In contrast with the vision of the municipality of Brussels, the new social-democrat coalition at BCR accepted citizens' requests and, in 2004, launched a public call for a Masterplan and a number of participatory events (Ibidem). This brough to a non-binding regional Master Plan – the 2008 *Schéma Directeur*, and to a regional Decree in 2009, through which the developer obtained building rights for 37-ha (La Fonderie 2010).

Nevertheless, the renovation only started in 2012 because negotiations suffered a number of setbacks due to internal conflicts within the partnership. On the public side, local authorities disagreed on what to do. In particular, the municipality of Brussels, that was also directly involved in another competing large-scale operations (i.e. the Neo Project in Hysel), was hesitant enough to enact a binding land-use plan. On the private side, the joint venture could not reach a common vision, given the different investment attitudes as well as the lacking flexibility of the planning instruments. The situation within the partnership changed when the Extensa Group, another subsidiary of Ackermans and vaan Haaren (already within the board of the joint venture since 2001), entered the process, thus becoming major shareholder. Meanwhile, the election of a new Master Architect at the regional planning agency was a prelude to a political change in the management of strategic UDPs. A new political agenda was finally put forward and experimented, for the first time, in the case of T&T: in order to give the region more bargaining power, the logic was to consult all stakeholders, make arrangements, and give municipal authorities detailed instructions for the delivery of building permits.

> "The kind of support that the Master Architect gives is not only about making good architecture, but also about improving the way the building permits are delivered. He always says: "I want to jump into a project before the building permit stage so that afterwards, when the building permits are introduced, we will have consulted all stakeholders, we will have given our remarks and then we can make deals, respecting the public enquiry" (Interview with a planner working at the BCR#1)

The BCR and the Extensa Group finally reached a compromise: the development of the area would have gone through a feasibility study and a public competition; in exchange, the region would have worked for the implementation of a municipal land-use plan. The latter was finally introduced in 2017, nearly 8 years after the regional framework (i.e. *Schéma Directeur*). From then on, the site could finally head to its completion.

8. The role of planning in UDPs: a glue of development coalitions ?

CityLife and T&T confirm the argument that planning is a crucial resource for local governments. The two cases illustrate that coalitions' internal balance of power depends, in the first place, on what Halbert and Attuyer (2016) call the *local structures of opportunities*, such as the specific local institutional architectures and the existence of a shared public political agendas. Yet they finally show that planning changes are instrumentally enacted to shift power relationships, in order to promote the stability of public-private partnerships.

In Milan, due to the transfer of planning competences to local authorities, the Lombardy region and the municipality of Milan took the control over urban development. The case of CityLife points to the key role of the regional authority in the initial phase of the operation, when it offered FF the opportunity to move to Rho-Pero.

> "The Lombardy region gave us a kind of order: if you decide to go outside Milan you should go to Rho because this would allow us to clean up an area that had been the headquarter of one of the oldest refineries in Europe for 40 years. […] The region killed two birds with one stone: it freed the city of an

unbearable burden, and reclaimed a problematic area of the Milanese belt" (Interview with Fiera, Author's translation).

The change in the regulatory framework set the stage for the consolidation of a 'planning by project tradition', which set aside the statutory planning system in favour of more flexible instruments (i.e. PIIs). The case of CityLife clearly shows that local governments were aligned on the political agenda and that there were no conflicting visions on what to do with the area. Planning was an important pawn, jointly played by local administrations, to facilitate the anchoring of capital and the transformation of the historical fair district.

"We have a very important area, and we want excellent or emblematic proposals to be made, but we don't want to impose anything in the first place. We prefer to collect private proposals and, of course, dialogue and choose" (Interview with municipal councillor, Author's translation).

The first PII variant, for instance, did not include any specification about the functions to be allocated in the area, thus leaving ample room for manoeuvre to private proponents.

"The first urban variant only indicated what should not have been done and not what should have been done. In the new settlement […]. It was not possible to establish congestive functions. Otherwise, it was possible to do residential, retail or tertiary space. The important thing was to privilege the functional mix" (Interview with municipal councillor, Author's translation).

By contrast, in Brussels, the hierarchical planning system and the divergent interests of local authorities did not favour the definition of a shared public political agenda. In this case, planning was an important card played by local governments to shift the balance of power between them. The BCR could not implement a binding land-use plan, although it attempted to introduce strategic plans for the development of the site (e.g. PRAS and *Schéma Directeur*). However, such attempts were not followed by the delivery of building permits by the municipality of Brussels. As a matter of fact, after the *Schéma Directeur* was approved in 2008, it took almost 9 years for the approval of a local land-use plan.

This delay, as one of my interviewees noted, raises doubts about the whole public procedure: "And then you ask: «Is that a regional planning or is it the results of private initiatives?»" (Interview with a planner). It also calls into question the role of the municipality of Brussels that has historically enjoyed greater decision-making power, for its status of federal and regional Capital City. The City of Brussels was engaged in two competing large-scale operations: in T&T, as land-use regulator, and in the Neo Project, as both land-use regulator and property developer. Delivering the building permits on T&T would have potentially compromised the development of the Neo Project, in which the municipal authority had a strong interest.

Nevertheless, the governance settings gradually evolved from the 2010s: the approval of the Sixth State Reform in 2015 empowered the BCR, through the creation of regional planning agencies (e.g. perspective.brussels) and the adoption of a new planning code on large-scale sites.

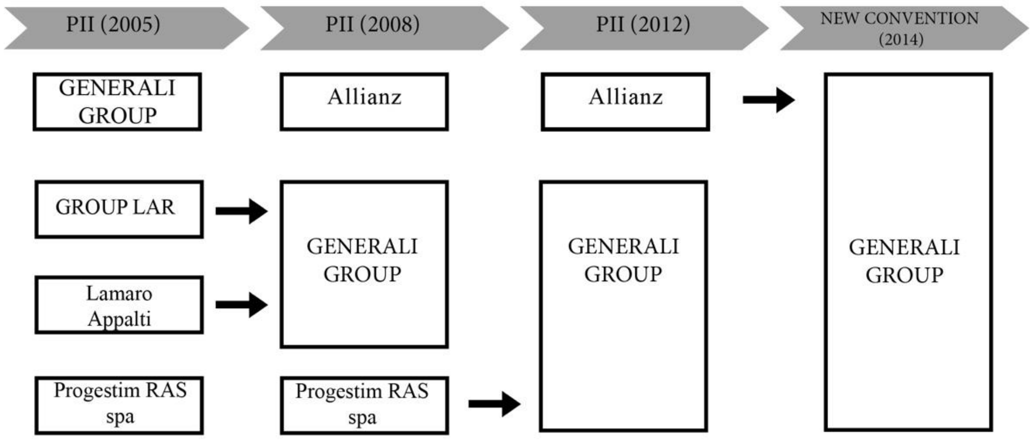
> "There's been a choice to further empower the region, so to ease off the municipalities (which are not necessarily well staffed and competent). Basically now, all major projects, having more than 200 parking lots, are automatically granted by the region (whereas before they used to be instructed by the municipalities). It must be said that the BCR is quite young: it dates back to 1989 and is progressively growing. The municipality of Brussels has often been named a «feudal castle», because it was only looking at its own territory (which has made it very messy at the regional scale)" (Interview with a planner working at BCR#1).

In both cases, development coalitions have been quite unstable. While in Milan this mainly depended on the lacking coordination among the shareholders of CityLife Spa; in the case of T&T, the coalition's hold was also undermined by an insufficient coordination among public authorities. CityLife Spa's structure underwent numerous internal reorganisations over the years. The Lar Group left quite early as it was not in line with the business plan of the consortium (Mosciaro 2020). The end of the collaboration with Progestim in 2011 was due to political and judicial scandals involving its manager as well as to the difficulty to cope with the effects of the crisis. The costs for completing the project significantly raised from the 1.7 billion EUR, set in 2005, to more than 2.1 billion EUR, at the end of 2009. The financial leverage decreased, which implied that shareholders could no longer count on banks credits but should have directly financed the project. While the initial agreement set that the operation would have been covered mainly by bank credits and 20% by shareholder investment, 'under the new agreement banks would provide only 67% and the shareholders the remaining 33%' (Mosciaro 2018). Finally, in 2013 the Generali Group acquired all the shares, thus taking the control of CityLife Spa. With only one major shareholder, the situation changed quite drastically, and the project could start again.

> "At the beginning, the group included operating partners who commanded and guided everything. With the crisis, the decision-making process was frozen, and the development was no longer possible. When Generali took over, the development restarted because that represented an opportunity to re-start. And it actually was!" (Interview with the developer, Author's translation)

In general, local authorities enacted planning to sustain private investment strategies and the coalition's hold. If we consider the first negotiations on the moving of the fair to Rho-Pero, local governments derogated from what prescribed in *Documento di Inquadramento* about the density of the historical fair district, to allow FF to make a more profitable deal from the sale of the area. Instead of granting a density equal to 0.6 m^2/m^2, local authorities increased it to 1.15 m^2/m^2. This calculation enabled FF to make substantial cash to finance the operation in Rho-Pero (Mosciaro 2020; Brenna 2013). Later on, local authorities adjusted land-use to meet CityLife Spa's requests. The 2008 PII variant revised the residential and tertiary plots within the master plan, and foresaw a new metro station, mainly financed by the public sector. The PII was again modified in the coming years, in order to postpone the completion of the project to 2016. Finally, when the property and the management of the site passed to Generali, they signed another operational convention to further postpone the end of construction works. Figure 3 clearly shows that PII variants occurred almost simultaneously to CityLife Spa's internal changes, thus validating the hypothesis that they were the results of private demands.

Figure 3: Planning procedures and CityLife Spa's shareholder structure (2005-2019)



T&T development was also affected by internal tensions within the joint venture, because of different development ideas ("Each one had their ideas and visions, but they didn't like the sun to shine for the other" –Interview with developer#2) and, most importantly, expectations of the on their investments.

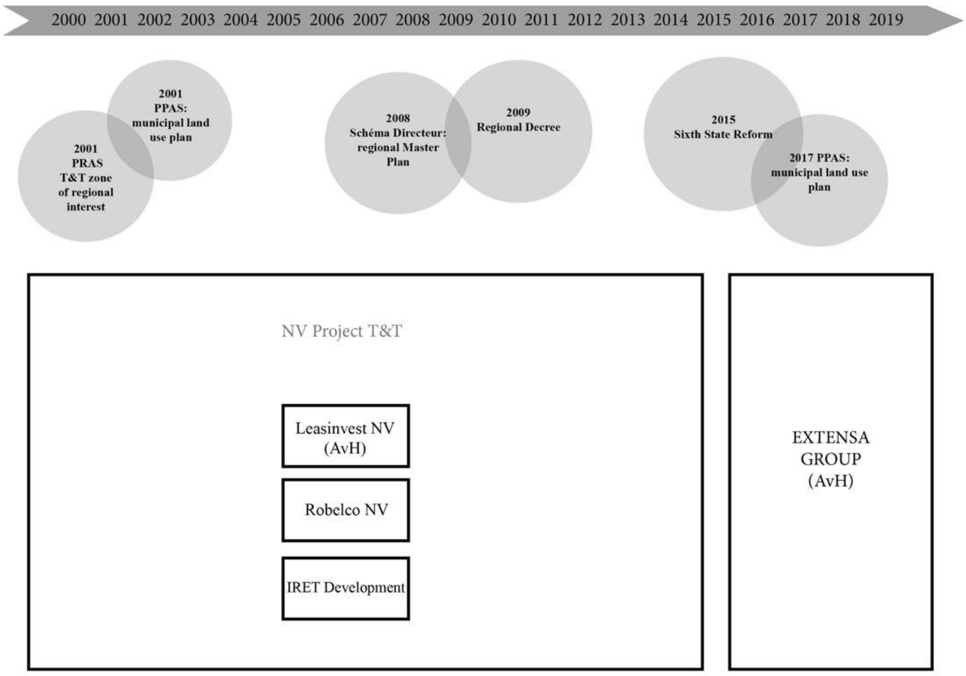
> "The conflict was not so much on the vision for the development of the area. In fact, it was more about different attitudes. If you are a developer of this kind of project and have a problem in investing small money, then this means that you already have a problem. It's going to be a bit longer, it's a long-term process. You cannot say: "I want my money now!" and things like that. That is not going to work" (Interview with developer#1)

As in the case of CityLife, the internal tensions within joint venture affected the whole process. The situation eventually changed when the Extensa Group became major shareholder.

> "The process has evolved according to the owner. In the past, different shareholders that did not agree on everything so the process was very long. I have the feeling that thigs have changed since 2013 and since Extensa acquired the whole property" (Interview with a planner from the municipality of Brussels)

Due to the 2015 reform, the BCR gradually acquired a more influential role than the municipality of Brussels. The rebalancing of power within the coalition was therefore fundamental for the identification of a common vision on the development of the site, and for the delivery of building permits in 2017 (Figure 4): 'Since May 2017, there's a framework and we can't argue about it any longer. That's the basis and it helps the negotiation' (Interview with a planner working at BCR#2).

Figure 4: Main planning instruments and T&T ownership structure (2000-2019)



In line with the financialisation literature on UDPs, in both cases planning decisions were 'de-contextualised' (Savini and Aalbers 2016; Guironnet *et al.* 2015): on the one hand, they came at the expenses of more distributional goals; on the other hand, they seemed not be based on a clear evaluation of local needs. In both cases, negotiations benefitted private developers. In Milan, for instance, social housing was never at stake and the municipality also showed a certain weakness in negotiating public amenities. Local authorities modified planning frameworks to enable their partners to postpone the end of construction works and build more or less residential plots/office space when it best suited them. When the PII was revised in 2008, they moreover bore the costs of the infrastructure investment, contributing to increase the value of land.

In Brussels, private actors took advantage from the tensions between the municipality of Brussels and the BCR on the inclusion of public amenities and social housing. If we consider the former, the City of Brussels demanded 10% of public amenities, while the BCR asked 5%. The 2017 local land-use plan recognised the regional alternative (18,500 m^2 min), but discussions on building fees remained open. The residential function was initially included in the 2008 *Schéma Directeur* and then left out in the 2009 Decree. These two episodes again reveal the contested nature of planning in Brussels. According to a regional planner, the cut in social housing was a political move. The municipality of Brussels never demanded it: "The City of Brussels has already a lot of social housing. Thus, *a priori* we haven't demanded social housing because we wanted mix" (interview with a planner from the municipality of Brussels). The fact that, after the 2008 *Schéma Directeur*, negotiations were carried out between the regional Minister President and the owner of T&T suggest that, before the 2009 Decree, there was another deal between the region and the City of Brussels.

> "The negotiations, which occurred after that master plan [*Schéma Directeur*], were carried out on a pretty high level, basically between the Minister President and the owner. These negotiations ended up in that decree which no longer stipulated that there had to be social housing. So again, this is a matter of negotiations! Public authorities were a bit weak" (Interview with a planner working at BCR#1)

As a result, the 2018 plan encompasses only subsidised housing, that will cover 44,000 m^2 (30% of the total number of dwellings). Yet, also in this case, the matter is still included in the discussions on building fees (BRAL 2017).

9. Conclusion: two European regimes in the making

In contrast to the literature assigning a passive role to state actors in financialised urban development processes, the analysis of CityLife and Tour and Taxis proves that state actors do have a strong agency in decision making. The adoption of URA's analytical framework (Stone 1993, 2004, 2005) was paramount to reveal that, despite the initial imbalanced dotation of *material resources* (i.e. capital) in favour of their private partners, state actors owns a crucial resource: planning. Through it, they succeed in anchoring capital investments to their entrepreneurial political agendas, while ensuring the functioning of development coalitions.

Planning functions as a glue in urban development processes. As such, it is instrumentally mobilised to shape power relationships, in projects characterised by growing uncertainty and the withdrawal of partners. Nevertheless, this glue function plays out differently in Milan and Brussels. In the Italian case, the presence of converging interests between local authorities meant that planning was crafted to maintain the profitability of investments, so to allow CityLife Spa to carry out the real estate operation. In the Belgian case, planning negotiations not only had to take this aspect into account, but also had to lead to a resolution of local governments' disputes.

This outcome depends on the cities' different *local structures of opportunities* (Halbert and Attuyer 2016). Firstly, while in Milan planning reform delegated, and clearly defined, planning competences, in Brussels this was not the case. Secondly, in Milan local authorities built a shared political agenda, aimed to launch the city at the international scale, also through UDPs. PIIs were designed for this very purpose. On the contrary, in the Belgian case, planning did not provide for any flexible tools for this kind of operations, which remained at the mercy of local governments' "power games". This was further complicated by the fact that the municipality of Brussels and the BCR always struggled to find a solution for their conflicting interests on the area.

By showing the role of planning in UDPs, the comparison depicts the making of two different European development regimes. In Milan, urban regeneration through large-scale projects has represented the core of the entrepreneurial city management approach since the 1990s (Anselmi and Vicari 2020; Mosciaro 2020; Gonzales 2009). The affirmation of the so-called 'planning by project tradition' was meant to open the real estate market to capital investments and put in practice new forms of private and public collaborations. The final objective was to position the city on the map, thereby increasing its competitiveness in the global real estate market. CityLife is an emblematic example of this process. Its analysis opens a new question on the shift to a financialised governance of UDPs, in which planning choices are driven by economic – and financial – imperatives, and local governments increasingly embrace finance logics and depoliticise the decision-making process (Theurrilat *et al.* 2016, 1510).

In the case of Brussel, T&T is the symbol of an *experimental* (Lauermann 2016) entrepreneurial urban regime. The project represented a sort of "laboratory" to test the functioning of local governance and planning frameworks. Its contested development led the regional government to take a step forward in the transformation of strategic areas and in the definition of new planning tools. This process, which began in 2015, resulted in the introduction of *Plans d'Aménagement Directeur* in 2018. The latter override the hierarchical system and represents the only framework for the regeneration of large-scale strategic sites. Lastly, they relegate municipal plans to a marginal position, in order to entrust the region with more negotiating and decision-making power. This marks the continuation of a regime change that began with Tour and Taxis.

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