

---

# REGENERATING SÃO PAULO'S CITY CENTER: THREE INTERVENTION PROJECTS

---

Nadia Somekh<sup>1</sup> | Bruna Fregonezi<sup>2</sup>

- 1 Universidade Presbiteriana Mackenzie and Chair of the São Paulo Municipal Council for the Preservation of Historical, Cultural and Environmental Heritage
- 2 Universidade Presbiteriana Mackenzie

This paper analyzes the initiatives for the São Paulo city center over the past two decades, within the context of contemporary cities undergoing similar transformations through the implementation of urban projects in historic areas.

In São Paulo, three recent proposals have stood out due to their structural differences and complementarity: Urban Operation Centro (Operation City Center), a specific law aimed at attracting new activities to the center and raising funds for improvements to the urban environment; Ação Centro (Social program for the Center), an improvements and social development program drawn up through external financing; and Nova Luz (Nova Luz Project), which proposes the redesigning of 45 blocks.

This research thus analyzes how the projects have been carried out, the concept behind interventions and the ways in which these initiatives have been planned and implemented. We have concluded that these actions have complemented each other, with special emphasis on: attempts to attract real estate developers; on a lack of guidelines; and on their disregard for social participation. This fragmented scenario has created a backdrop for the lack of an effective integrated policy for the São Paulo city center.

## Keywords

São Paulo, urban projects, regeneration, historic centers

## How to Cite

Somekh, Nadia; Fregonezi, Bruna. "Regenerating São Paulo's city center: three intervention projects". In Carola Hein (ed.) *International Planning History Society Proceedings, 17<sup>th</sup> IPHS Conference, History-Urbanism-Resilience, TU Delft 17-21 July 2016, V.03 p.275, TU Delft Open, 2016.*

DOI: <http://dx.doi.org/10.7480/iphs.2016.3.1268>

## INTRODUCTION

Historically, urban planning in São Paulo has been based on incrementalism and a predominance of the real estate sector in defining normative priorities and public investments<sup>1</sup>.

This conceptual framework has also been applied to São Paulo's city center. The three cases selected below reinforce that narrative, albeit from a perspective of complementary actions that have not led to integrated and comprehensive planning for the city's central area.

Contemporary cities are characterized by productive transformations that create empty urban areas that require specific and fragmented interventions that do not always meet the more encompassing demands determined by the city's planning. The fragmentation of contemporary society and the immobility generated by economic disordering, based on the auto industry, have created two characteristics very much present in São Paulo's city center: diversity in its territorial appropriation, which has manifested in popularization and conflicts; and growing congestion that has shifted central activities to new elitist tertiary central areas comprised of shopping centers and gated communities.

There are many forms of regeneration and rehabilitation of contemporary cities and the literature on the subject is vast, see Peter Roberts and Hugh Sykes<sup>2</sup>, Silvio Zancheti<sup>3</sup> and Eduardo Rojas<sup>4</sup>. However, the three interventions in São Paulo's city center that we investigate here, have different conceptual bases. Urban Operation *Centro*, which was launched in 1997, is based on the concepts of the French ZAC; *Ação Centro*, a social program launched in 2002, has been discontinued due to a lack of institutionalization; and *Nova Luz*, a project started in 2005 closely linked to the design of public spaces, has not included contemporary democratic participation processes.

Within the context of contemporary cities, downtown areas have undergone similar transformations: on the one hand, they have seen peripheral growth and metropolitanization; and on the other, population flights and changes to the economic profile of downtowns and traditional areas. This scenario has prompted several proposals and discussions for urban projects, urban operations and improvement and development programs for these areas.

In the case of the projects analyzed in Brazil, regardless of party political management the center has always been subject to interventions due to existing infrastructure, to the area's history or to its important strategic location. In São Paulo, the research shows that these projects started to gain strength as of the 1990s.

Specifically in São Paulo, at the end of the 1970s and throughout the 1980s the projects for the area aimed at building large esplanades and several metro stations. According to Raquel Rolnik, the implementation of the metro system and the construction of bus terminals in the center happened simultaneously to the dissemination of private car ownership – thus turning public transport into a means of transportation for the poorer population. As a result, where esplanades had already been implemented in the center, main streets also became pedestrianized, thus “turning the center into a popular area that has been gradually abandoned by the elites”<sup>5</sup>.

The devaluation process undergone by the center was marked by São Paulo city's scattered growth; by incentive from legislation and plans to decentralize commercial activities; and by the migration of the elites and difficult access of vehicles at a time when car makers were arriving in the country and promoting the use of private transport.

As of 1985, for the first time Director Plans (1985, 1991 and 2002) and Zoning Laws point towards stagnation of the center and a reduction in the resident population. They also created instruments to enable the execution of Urban Operations – exceptions were made within the Law for Land Use and Occupation in exchange for financial commitments aimed at regenerating specific areas. This paper analyzes three recent projects that have sought to reverse, based on contemporary regulations, the scenario presented so far. Each stage is focused on a different area in this territory.

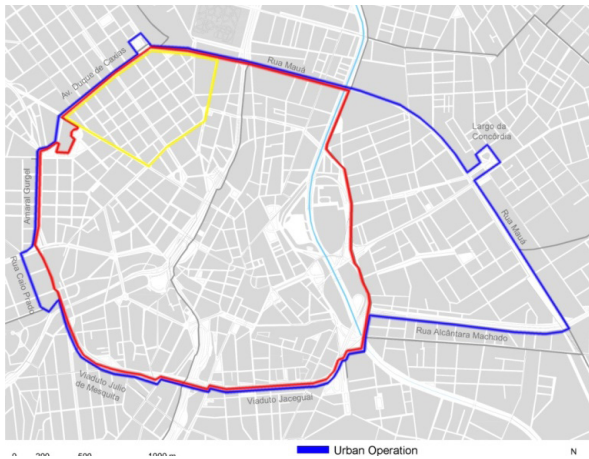


FIGURE 1 Three intervention projects' perimeter. We can see in this figure how the three perimeters overlap.

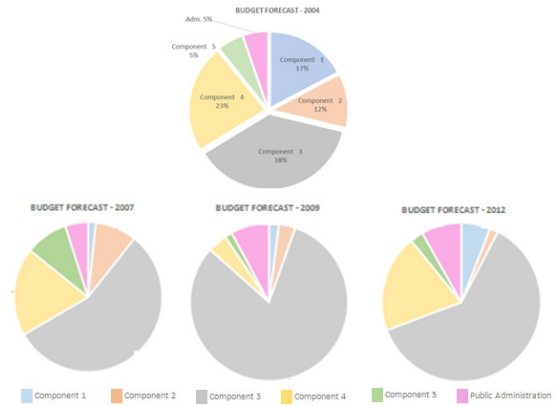


FIGURE 2 How the budget changed. The graphs show how the budget application ganged during the program implementation.

An aspect in São Paulo that has particularly drawn our attention is the different approaches adopted by each of the three projects: Urban Operation Centro (Operation City Center), a specific law aimed at attracting new activities to the center and at raising funds for improvements to the urban environment; Ação Centro (Action Program for the Center), an improvements and social development program drawn up through financing from IDB; and Projeto Nova Luz (Nova Luz Project), which proposes the redesigning of 45 blocks in the Luz area. In our view, the first project has a strategic approach, while the second one is based on an operating viewpoint and the third is strongly linked to space design.

We will conclude this paper with observations about the fierce attempts to attract real estate developers; the lack of defined guidelines; the disregard for social participation; and the absence of regulatory guidelines, all of which have created the backdrop of a lack of an effective integrated policy for the city center.

## URBAN OPERATION CENTRO

Urban Operation Centro is a legal instrument aimed at improving physical and social conditions in a 663 hectare area. In order to meet this goal, three types of incentives have been drawn up: The first proposes changes to coefficients and indices in the Law for Land Use and Occupation in order to attract the real estate development sector to the area; the second grants onerous exceptions within the prevailing legislation in exchange for counter advantages and the third grants onerous concessions for landmarked assets. The last two aim at raising funds through granting exceptions in order to gain subsequent investment in the area.

The minutes of the Executive Committee's meetings show that discussions have been mostly focused on concession proposals by citizens; on the calculation of payments; and on broad projects drawn up by secretariats or that are in the interests of a management within the Operation's perimeter. Some of the topics discussed in the official documents and which we consider to be important are presented here.

The first topic deals with the Law's lack of definition regarding works and projects that could be developed with money raised through the payment of coefficients. In an interview to *O Estado de São Paulo* newspaper on April 17, 1997, the architect and urban planner Raquel Rolnik says exactly that. "The Law is an instrument, but where are the policies? We need to draw up a clear policy for the downtown area, so we know which type of intervention should be carried out. In order to do something important that will bring changes, we need a strong and radical intervention in the center".

Within the context of urban projects and the need to raise more funds, we found in the Mayor Office's Archives a report called "Proposal for the creation of a real estate development fund for the Urban Operation Centro", which was drawn up by representatives from SMC in the executive committee. The document proposes the creation of a management body aimed at revitalization of the sub-areas in the operation's perimeter. This body would be managed by the Municipal Urban Planning Agency with resources from the operation; from investors and from budget provisions for the implementation of an Urban Proposal. This proposal foresees the creation of smaller perimeters within a bigger one for the execution of an urban project through changes to the layout and through the construction of buildings and public spaces which, combined to a new urban design, would create a renewed area.

These data suggest a lack of policies and demonstrate interest from the committee's members in creating possibilities for an urban project strongly connected to design. However, these initiatives were not carried out.

Despite pressure from interested parties in policy management, the Law was not altered and has been used as an instrument and resource for various projects that have been executed in the center. Through access to the Urban Operation's financial records we have identified the absence of an action policy and of guidelines, as the investment of these resources went against the interests of the government at the time.

A lack of definition on how to raise the funds and apply them led the operation to lose its focus, as the resources were alternatively destined to the Luz area and to Anhangabaú; or were either invested in small works or in large intervention projects such as Patriarca Square. Thus, this has become a Law which simply supports other government initiatives such as the Ações Centro program and the Nova Luz project - which are the next two proposals discussed in this paper.

## AÇÕES CENTRO

The Ações Centro program has received financial support from the Inter-American Development Bank (IDB). The proposal was launched during the creation of the program and of the Procentro Committee in 1993. Subsequently, in 1996 the first consultation letter was sent to the appropriate body in the federal government seeking to make a loan from IDB viable.

In 2004, during the term of Mayor Marta Suplicy, the central area underwent several interventions, including the innovative "Virada Cultural", which is based on the French "Nuits Blanches" and which has created a new form of public space appropriation by the population until today.

Regarding urban planning projects and actions, after eight years of negotiations, the loan was approved for a 4.4 km<sup>2</sup> perimeter (much smaller than originally proposed by the Mayor's Office). In 2004 this area held 8% of the municipality's formal jobs; it was the destination of 29% of public transport; it had 69,000 inhabitants and received 2 million people a day. Furthermore, it held 763 landmarked buildings and 147 in the process of becoming landmarked. Additionally, this perimeter was defined "according to a qualitative survey carried out with social sectors from different income bands" <sup>6</sup>.

The financing proposal took into consideration existing programs and studies and research carried out with the population's participation. This resulted in almost 130 actions, subdivided into five components, as described below.

**Component 1:** A revision of real estate devaluation and the rekindling of the residential role. This aimed at drawing up legislation and urban intervention proposals, as well as creating management models for social renting and transitory living. **No 2°:** Transformation of the Social and Economic Profile. Its goal was promote

the downtown area and attract private investment; reverse the social exclusion process and tackle violence and public safety issues. No 3: Regeneration of the urban environment. This proposed a revitalization of public space, restoration works and a destination for solid residues. No 4: Transport and Circulation. This proposed a new circulation project and the creation of access facilities. N° 5: Institutional Strengthening of the Municipality. This foresaw the organization and systematization of existing data in tandem with technical training and support for transportation between municipal bodies and the center.

However, the implementation of the program was not homogenous. After there was a new mayor, the project underwent a brusque transformation - which we have called “One execution, two programs”. “One execution” refers to the fact that although the program’s structure and financing could not be changed, its essence and approach in relation to management changed significantly. Below is a description of this process in two stages: the first from 2002 to 2004; and the second from 2005 to 2014.

Regarding the program’s concrete results by 2004, most of the resources were destined to housing and to changes in social and economic profile, as well as to regenerating the urban environment. In 2005, Mayor José Serra (2005-2006) stepped into office, followed by Mayor Gilberto Kassab (2006-2013). Both of them slowed down the program’s implementation and made changes to its essence, which include transferring the resources to another area in the center.

In addition to changes in the team, the project was affected by exchange rate fluctuations. When the contract was signed the exchange rate was R\$3.20/US dollar; however, it subsequently dropped to R\$2.00. As the loan was paid by the bank in dollars, almost half of the money was lost, thus hindering the program’s development.

Until the period between 2006 and 2007, the Program was practically stagnant and its action guidelines remained the same. However, the initiatives foreseen by the five components were gradually altered, thus redirecting part of the resources to another part of the city, more specifically to *Nova Luz* Project, which we will discuss below.

Let us take for example **Component 1**: Review of real estate devaluation and rekindling of the residential role (the latter was drastically reduced). Studies suggest that it reached almost 1% of the resources. **Component 2**: Transformation of the Social and Economic Profile – there was a reduction to the spending budget and private consultancies were hired to provide services for a Technological Center in the Luz area. The sub-components related to vulnerable groups were kept in the research, but the existing social programs were subsequently cancelled <sup>7</sup>.

**Component 3**, Regeneration of the Urban Environment – this was the only one to receive an increase in budget provisions, namely for the development of projects and construction works. **Component 4**: Circulation and Transportation. The proposal for public transport was suspended and priority was shifted to street renovations. **Component 5** kept five of its original projects and added the *Nova Luz* Project as a technology center <sup>8</sup>.

Also in 2009, IDB consultants came to Brazil to conclude and define the priority works. Thus, a new proposal was put forward with forecasts for costs and financing for each component. Once again Component 3, which foresaw the regeneration of the urban environment, gained greater importance. This meant more resources for building constructions and for improvements to the urban environment rather than to the social sector. It was at this point that the resources actually started to be directed to the ongoing *Nova Luz* Project, as explained below.



FIGURE 3 Restoration projects. This restorations were made with a budget from the Urban Environment's component. The most of buildings are for cultural activities.

## NOVA LUZ

The Luz area had already undergone large building restoration works by the State government. Furthermore, it was considered as a very vulnerable area in socio-economic terms due to its large concentration of drug traffic outlets - a situation that was also negatively exploited by the media.

The 2002 Director Plan designated the area as a ZEIS (ZEIS – Special Social Interest Zone) and AIU (AIU-Urban Intervention Area). ZEIS are urban areas designated for regeneration through mandatory construction of social housing. Meanwhile, the AIUs were destined for the implementation of strategic urban revitalization projects. Thus, the Nova Luz Project was launched with Municipal Law 14.096, of December 8, 2005, which authorized the executive power to grant fiscal incentives to promote and boost the development of the São Paulo municipality. This Law was rarely put into practice and four years after its creation, the Urban Concession Law was drawn up and subsequently used as a basis for the implementation of a new project for the area.

Urban Concession Municipal Law n°14.917, of May 7, 2009, regulates concessions in the municipality of São Paulo, while Municipal Law n°14.918, from the same date, authorizes the executive power to grant urban concessions in the Nova Luz area. According to these laws, the concession is an instrument of urban intervention destined to revitalize infrastructure or rearrange the space through private initiative. Thus, the private sector invests in the region through the exploitation of properties in the area, becoming responsible for expropriation, demolition and renovation and construction works.



FIGURE 4 Perimeter of Nova Luz. The lowest perimeter is the same of the are for social housing . If the perimeter did not increase, the private sector would not profit.



FIGURE 5 Nova Luz zoning project. The figure shows how the project would segregate uses.

It was the municipality's duty to regulate, inspect and oversee the quality and ensure interest in the area, while the concession holder was entrusted with carrying out interventions, buying and selling private properties, exercising preemption rights on behalf of the Mayor's Office, receiving donations from property owners, keeping an inventory and registration of the assets, carrying out expropriations and making periodic account renderings. The law practically "auctioned off" the area to the private sector, as the municipality was left responsible only for the management and guidance of the involved parties.

After the law was enacted, the municipality launched a call for tender for the concessions and determined that priority should be given to street embellishment, property replacement, preservation and regeneration of historic landmarks and expansion of green areas and of leisure and culture activities. Initially, the proposal was supposed to also include the ZEIS, AIU and the Fiscal Incentive Law.

The original perimeter was increased from 23 to 45 blocks. The 23 blocks that were established initially were destined for social housing. However, the increase in perimeter included areas without ZEIS, thus enabling an increase in land value and generating high profits for the private sector.

The pooling of concession holders sought to exploit the land through an increase in density and through mixed use with a per-sector hierarchy.

**Sector 1- Nébias:** predominantly residential, with internal patios and spaces for recreational activities and squares with cafes and restaurants. **Sector 2: Rio Branco:** "real estate condominiums" with a stronger possibility of verticalization. To be used for commerce and offices. **Sector 3- Triunfo:** as this was basically delimited by the ZEIS area, it should hold social housing apartment blocks and buildings destined for social activities. And finally **Sector 4: Mauá:** this was designed to offer support to existing cultural initiatives.

Regarding the social actions that were extremely important for the area, only one initiative was devised to that effect: the Human Promotion Center (CRAS), an aid and rehabilitation space that offered various types of support services to the population.

We have concluded that this project was an extensive study on design, space embellishment and social zoning without any type of social participation in its development. As a result, the population sought to participate through judicial means and the project was written off. After all, according to Brazilian law, urban projects cannot be executed without social participation.

## CONCLUSIONS

Case studies point to the need for intervention as part of an interdisciplinary project involving shared management between government agencies, involving the private sector and above all involving social participation. In order to achieve this, we believe that it is necessary to create a specific agency to carry out these negotiations and whose main concern is the living conditions of the local population (including increases in jobs and income for a reduction in inequality).

Specific regulation and the creation of financial instruments aimed at local development (rather than handing the area over to the private sector) are also important aspects. However, it is necessary to implement a global policy to define the issues, targets and structuring elements in order to achieve its development and efficient implementation.

The Urban Operation *Centro*, which was structured by a law that offered incentives through mutual obligations, showed the importance of specific regulation. On the other hand, it also demonstrated its fragility, as its lack of guidelines and of an intervention policy turned it into a source of revenue for other programs and projects in the downtown area. Furthermore, this is a passive law that basically worked through investment by the market interested in building outside the area permitted by the zoning delimitations. Regarding social participation, although the law foresaw the participation of civil society in the executive committee, the latter was formed by institutions that were not linked to local social movements, thus leading us to conclude that the population was not represented in the process.

The *Ação Centro* Program was structured through proposals that were already being discussed with working groups inside the municipal secretariats and which involved the participation of local movements. As a result, the program was based on the concepts of shared and interdisciplinary management with social participation. In addition to improving the city's image through revitalization of urban spaces, the program also included social housing projects and proposals for the economic and social development of the area. Despite well-defined instructions, during the change in management there were changes in the intervention area, to the actions and to the destination of the funding (which was redirected to Nova Luz).

Nova Luz was a project promoted by public authorities that, through an urban concession law, handed over 45 blocks in the Luz area to the private sector, which in turn had to put forward a project and become responsible for expropriations and the sale of new buildings. Although the project had well-defined guidelines, they were all focused on urban design and on significant changes to the landscape in an area characterized by a large number of landmarked buildings. In order to increase density, it made use of the OUC Law. The project relied heavily on urban marketing and of the three projects. It was that which best fit the concept of "selling" an image in accordance with the idea of global-cities. Due to the Concessions Law, the project was heavily questioned as it allowed the private sector to profit and make decisions on behalf of the public authorities. As its proposals were developed without popular participation, the Public Prosecutor's Office ruled it unconstitutional and the project was never implemented. This model has not taken into account the particularities of the cities and the activities of the local population, as stated by Maquiaveli<sup>9</sup>.

During this research, we found that at some point these projects intersected or even complemented each other -especially regarding the OUC - as both projects used its resources to carry out some actions or proposals that required higher standards. *Ação Centro* stood out for including social participation and for the development of a shared management combined with well-structured actions - especially regarding local development and external fundraising. In fact, part of these funds was transferred to Nova Luz, which despite being an exclusion project stood out for its initiative to work with a program concerned with creating a quality public space.



Thus, São Paulo's case shows that regulation alone is not capable of transformation and that social participation is crucial. It brings to the table preexisting guidelines, the area's real needs and the means to create jobs and income for the promotion of individuals and reduction of inequality. Due to their discontinuity and to ineffectiveness of their proposals, we have come to the conclusion that the three projects as a whole cannot be considered as urban intervention projects and that, above all, there is a lack of plans and policies for the downtown area.

If we take into consideration that the word policy signifies a means of organization, then we need a policy comprised of intervention targets with a clear definition of the issues; structuring elements capable of well-funded interventions; a shared management office to oversee the actors involved in the project and above all, social participation to contribute towards the drawing up of an intervention proposal.

The downtown area has in fact undergone transformations since the 1990s: there is no denying that these projects have created changes in the area: building restorations, idle buildings that have become offices for the Municipal Government (and which have created demand for commerce and services), the establishment of cultural activity buildings and some demystification moments prompted by news of proposals for the downtown area. However, if there is real interest in implementing an efficient regeneration project, a new proposal must be put forward through an agency able to bring together technical knowledge and social participation, specific regulation proposals and above all, a comprehensive policy with clear goals for urban intervention. We therefore believe that a project proposal unifying these three action models could be the regeneration policy solution for the central region that several São Paulo municipal administrations have sought to implement in past decades.

## Notes on contributor(s)

This research has been carried out with financing from the Fundo Mackenzie de Pesquisa (Mack Pesquisa) (Mackenzie Research Fund).

## Bibliography

- Cymbalysta et al., *Políticas para o Centro: controle social do financiamento do BID à Prefeitura Municipal de São Paulo*. São Paulo: Instituto Pólis, 2008.
- Maquiaveli, Janaina. "Passando a limpo: um passeio pelos processos e pelos projetos de revitalização urbana do Meatpacking District, em Nova York, e da Região da Luz, em São Paulo." *EURE* (Santiago), September, 2012. Accessed May 09, 2016. [http://www.scielo.cl/scielo.php?pid=S0250-71612012000300007&script=sci\\_arttext](http://www.scielo.cl/scielo.php?pid=S0250-71612012000300007&script=sci_arttext).
- Roberts, Peter, and Hugh Sykes. *Urban Regeneration a Handbook*. London: SAGE Publications Ltd, 2000.
- Rojas, Eduardo. *Volver Al Centro: La Recuperación de áreas urbanas centrales*. New York: Banco Interamericano de Desarrollo, 2004.
- Rolnik, Raquel. São Paulo: Publifolha, 2003.
- Somekh, Nadia. "Projetos Urbanos e Estatuto da Cidade: limites e possibilidades". *Vitruvius*, 2008. Accessed May 20, 2014. <http://www.vitruvius.com.br/revistas/read/arquitextos/09.097/131>.
- Somekh, Nadia and Candido Malta Campos. *A Cidade que não pode parar: Planos Urbanísticos de São Paulo no século XX*. São Paulo: Mackpesquisa, 2002.
- Somekh, Nadia. "Projetos urbanos/utopias realizáveis: O caso do centro de São Paulo." In *Espaço Urbano e Inclusão Social: A Gestão pública na cidade de São Paulo 2001 - 2004*, edited by Ricardo Gaspar, Marco Akerman, and Roberto Garibe. 261-272. São Paulo: Fundação Perseu Abramo, 2006.
- Zanchetti, Silvio. "Conservação integrada e planejamento urbano na atualidade." Paper presented at the 4th meeting SIRCHAL (Seminários internacionais sobre la revitalization of these historic centers of Latin America and the Caribbean), Salvador, Bahia, May 10, 2000.

## Image sources

Figure 1: Developed by authors in base map of SEMPLA / 2003

Figure 2: Developed by authors

Figure 3: Photo – Nelson Kon, Accessed June 14, 2015, <http://www.vitruvius.com.br/jornal/agenda/read/2552>.

Figure 4: Developed by authors in base map of SEMPLA / 2003

Figure 5: Projeto Urbanístico Específico (PUE) Subproduto 5.1: PUE Consolidado. São Paulo, julho de 2011.

## Endnotes

- 1 Somekh, Nadia and Candido Malta Campos. *A Cidade que não pode parar: Planos Urbanísticos de São Paulo no século XX*. São Paulo: Mackpesquisa, 2002.
- 2 Roberts, Peter, and Hugh Sykes. *Urban Regeneration a Handbook*. London: SAGE Publications Ltd, 2000.
- 3 Zanchetti, Silvio. "Conservação integrada e planejamento urbano na atualidade." Paper presented at the 4th meeting SIRCHAL (Seminários internacionais sobre la revitalization of these historic centers of Latin America and the Caribbean), Salvador, Bahia, May 10, 2000.
- 4 Rojas, Eduardo. *Volver Al Centro: La Recuperación de áreas urbanas centrales*. New York: Banco Interamericano de Desarrollo, 2004.
- 5 Rolnik, Raquel. São Paulo: Publifolha, 2003. 46.
- 6 Somekh, Nadia. "Projetos Urbanos e Estatuto da Cidade: limites e possibilidades". *Vitruvius*, 2008. Accessed May 20, 2014. <http://www.vitruvius.com.br/revistas/read/arquitextos/09.097/131>. 5.
- 7 Cymbalysta et al., *Políticas para o Centro: controle social do financiamento do BID à Prefeitura Municipal de São Paulo*. São Paulo: Instituto Pólis, 2008.
- 8 Ibid.
- 9 Maquiaveli, Janaina. "Passando a limpo: um passeio pelos processos e pelos projetos de revitalização urbana do Meatpacking District, em Nova York, e da Região da Luz, em São Paulo." *EURE* (Santiago), September, 2012. Accessed May 09, 2016. [http://www.scielo.cl/scielo.php?pid=S0250-71612012000300007&script=sci\\_arttext](http://www.scielo.cl/scielo.php?pid=S0250-71612012000300007&script=sci_arttext).