The Evaluation of Megaproject’s Success in Spatial Reproduction of Urban Interests, Case Study: Great Project of Shohada Square/Mashhad

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ABSTRACT: Mega redevelopment projects based on partnership planning approach and mixed-use development are considered as solutions for distressed and blighted areas. Despite some public benefits of such projects, they usually result in many challenges including cost overrun, failure to meet the time schedule, social segregation, and social tensions or negative environmental impacts. Megaprojects as extensive physical interventions lead to a space reproduction for that neoliberalism request, through private investment, attraction of creative class and creation of a variety of economic activities. The projects mostly offer four general promises including economic prosperity, place promotion, social, environmental and infrastructure improvement. However, the projects are not always successful in realization of the promises. The mega redevelopment of Shohada Square in the City of Mashhad began in 2002 to solve the challenges of the partly distressed area. But it seems that after more than a decade, from the beginning of the project, the challenges of the distressed area have been increased in some aspects. This paper assesses the success of the great project of Shohada Square in dealing with the general promises of megaprojects. In this paper, after reviewing the related literature about megaprojects and the space reproduction resulting from megaprojects, different aspects of the Great Project of Shohada Square are analyzed through mixed method. Necessary information has been gathered through the city statistics, interview and field observations. Findings show that although the project has led to physical improvement, it produced a functionally distressed area and it was not successful in dealing with the general promises.

Keywords: Megaproject, Space Reproduction, Large Scale Redevelopment Project, Shohada Square, Mashhad.

INTRODUCTION

Functional and physical deterioration usually lead to vulnerability of built environment to natural disasters, social disorders and environmental pollutions. Large scale redevelopment projects are seen as an approach to deal with the challenges. However, it is still a question that how these projects deal with the challenges of the distressed areas.

Mashhad is a city with an area of about 32800 hectares and 2.8 million people (Mashhad Municipality, 2015). The holy shrine of the eighth Shia Imam, located in the city downtown, attracts a huge number of visitors and pilgrims to the city and the city economy is highly dependent on the tourism-based services and retail sector. Since 1990s, the city has experienced several megaprojects as the result of some urban management’s policies like encouraging private investments and place promotion. The projects include infrastructure projects, shopping malls, tourist zones and large scale redevelopment projects. This paper

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assesses the Great Project of Shohada Square as one of the megaprojects based on public-private partnership approach. The redevelopment program, beginning since 2000s, has been continuing until now and only 48% of its sub-projects have been completed.

As the project is a huge public intervention on the main historical, social, political, commercial and traffic urban centers, some scholars have studied the project management, the redevelopment trend and the results of the project. Saeedi Rezvani and Nourian (2009, p. 8) assess the fairness of property acquisition in this project and they conclude that the acquisition process led to public dissatisfaction. Zahedi Mahbub and Malekabadi (2013) assess the redevelopment experience and conclude that the project management has been successful up to 74% compared with optimal management performance. In addition, Pilevar et al. (2014) concluded that the social development in this plan has been successful and the redevelopment plan is in accordance with the principles of creative cities.

However, the studies did not assess the results of the redevelopment project comprehensively and as a megaproject with many promises. In fact, the Great Project of Shohada Square was considered to stimulate urban development and improve the competitiveness level of the city beyond the physical improvement. Therefore, it targeted the demolition of a vibrant and physically distressed downtown. But, after more than a decade, from the beginning of the project, it seems that the megaproject has led to a new and weak level of the city beyond the physical improvement which is functionally deteriorated. This paper aims to explain the challenges of the mega redevelopment projects and the need to change the intervention policies in the redevelopment plans. Hence, it assesses the megaproject’s success in dealing with their general promises. It seeks for appropriate factors to analyze the success of mega redevelopment projects and assesses the success of the Great Project of Shohada Square. Therefore, after reviewing the related literature about megaprojects and their particular characteristics, it assesses various dimensions of Great Project of Shohada Square and discusses the results.

MEGAPROJECTS: CONCEPTION AND THEORIES

Megaprojects could be distinguished from other urban projects by their extent and magnificence of scale, cost, time and impact. There are various kinds of megaprojects such as expensive infrastructure projects, airports, intersections, highways, large-scale redevelopment projects, flagship projects, and shopping malls. Zakhaorva and Jager (2013, p. 8) pointed to the large numbers of stakeholders, complexity and risk as the recognizable characteristics of megaprojects. Megaprojects include major strategic results like provision of physical infrastructure or capital assets (2013, p. 8). Some scholars (Flyvbjerg, 2007, 2012; Altshuler & Luberoff, 2003; Orueta & Fainstein, 2008, p. 761) state that megaprojects can be characterized by cost overruns, benefit shortfalls, being expensive, risky, optimism, deception, initiative, luxurious, complexity, large scale, media attraction, involving or affecting different actors and stakeholders, and consisting global or extra-urban goals.

Moreover, megaprojects are increasing fast due to the technical progress, globalization trend that encourages competitiveness among cities, and privatization as principles of neoliberalism. Also, “the proliferation of such projects around the globe reflects both the rapid expansion of economies in the former developing world and the equally voracious hunger of developing cities and nations to be seen as major actors on what is now perceived as a single world stage” (Ryan, 2013, p. 2).

In fact, the growth of megaprojects in cities is influenced by globalization and the requirements of competitiveness between cities in regional and international level. Hence, the recent increase of megaprojects could be explained according to the neoliberalism thought and the values of market-oriented development, competitiveness and globalization approaches to development. In fact, neoliberalism needs city development and megaprojects are considered as the catalyst tools for the development. This kind of development is accompanied by social and economic evolution in societies. So, new demands and promises have been raised for cities while some local and basic demands are ignored in the shadows of the new promises.

Recent megaprojects tend to be built in brownfields or blighted areas with high potentials for profitability. They are frequently mixed-use (Orueta & Fainstein, 2008, p. 760) and have no harmful effect on environment (Altshuler & Luberoff, 2003). However, the projects are still criticized due to their negative consequences.

Some scholars (Flyvbjerg, 2014; Dahl, 1961) criticize the projects as those are highly influenced by the wants of those in power. Thus, they can easily ignore the others’ demands and concerns or they highlight some public benefits of the projects and shadow their negative consequences. Dahl (1961) and Healy (2003, p. 103) state that urban projects are highly affected by the powerful actors who can achieve their interests by lobbying and ignore other interests. In fact, as megaprojects are
attractive particularly for policy makers and developers, they are adopted and approved despite restrictive legal framework, master plans and building bylaw, and ignore the predicted consequences and risks.

In addition, Jia et al. (2011) criticize megaprojects according to the social conflict theory. They explain that although the projects may be proposed to release social tensions and provide public facilities, they can lead to more social conflicts. Large displacement, social segregation, marginalization (Biddulph, 2011), the distrust of citizens (Orueta & Fainstein, 2008, p. 761), the demolition of urban structure (Ryan, 2010, p. 5) and identity loss (Sager, 2011, p. 172) are some of the negative impacts of megaprojects on urban texture.

**MEGAPROJECTS AND SPACE REPRODUCTION**

Sager (2011, p. 149) explains that neoliberalism mobilized urban spaces as an arena for market-oriented economic growth and elite consumption practices. In fact, neoliberalism seeks for urban development and reproduction of spaces to provide infrastructure and facilities, increase competitiveness, vitality and prosperity and stimulate development through private investment, attraction of creative class and creation of a variety of economic activities. Megaprojects are seen as tools for the space reproduction. In general, the projects look for extensive changes in urban context (mainly distressed areas and brownfields) to eventually provide better quality of life and create an urban place with superior features. Therefore, the projects promise economic, environmental and social improvement through giant physical evolutions.

The promise of economic prosperity is usually obtained through attraction of private developers and investments, job creation and increase the competitiveness level. Another promise on which most of the recent regeneration of megaprojects (mixed-use developments) focus is place promotion. The place promotion is sought through provision of public and open spaces, enhancing the attractiveness and desirability of urban places, urban identity development. The third promise is replying to the accumulated challenges of declining urban areas including social disorders, social unsafety and the lack of fair access to urban facilities. In fact, the extensive physical developments outlining the future of urban places as safe, vibrant, diverse, inclusive places. Therefore, the projects mostly include promises related to social inclusion and affordable places while those may directly or indirectly undertake the promises by displacing some social classes. The fourth promise is the infrastructure and environmental improvement that mainly provided by public sector or public-private partnership. Many of megaprojects are justified by supply of public parks, green spaces, major infrastructure, streets, parking and offering eco-friendly construction models. The four general promises of megaprojects are summarized in fig.1.

![Fig. 1. Four General Promises of Megaprojects as an Urban Intervention](image-url)
However, the space reproduction which most of megaprojects are looking for, is encounter with challenges that make some of the promises empty. In fact, megaprojects are considered as tools for stimulation of urban development. However, the process of space reproduction led to land speculation due to the high value of urban lands and properties that create power for their owners. Because megaprojects can facilitate land speculation and create higher financial profits for developers, they attract more powerful investors and provide rent condition. Also, the projects are not controlled or approved based on regular rules or the organized process of urban development control so they can provide the opportunity of covert lobbying for developers. Harvey (2013, p. 87) explains that a large capital can overrule the smaller ones through various tricks. The expropriation of properties from smaller owners and opening up the way for large agencies and investors, and benefiting from credit mechanisms (Harvey, 2013, p. 83) happens in favor of speculators and those in power. Harvey (2013) points that direction and ownership of space increase the domination of developers and investors over the space and lead to the continuation and spread of the land speculation.

In fact, although the space reproduction through megaprojects lead to physical improvements, most of them are accompanied by extensive displacement, compulsory property acquisition, destruction of social capitals and ignorance of their right to their properties. Also, because megaprojects can bend legal framework of development control, the consideration of environmental issues in the projects is controversial whereas the high density and footprint of such projects make the environmental impact assessment necessary for them.

**MATERIALS AND METHODS**

This paper, based on critical paradigm, uses mixed method (qualitative and quantitative) and content analysis to analyze the existed documents and city statistics related to the Shohada Square. The necessary data for the research are gathered through field observation, and interview with more than 20 of related experts, city managers, previous and current property owners or businessmen.

This paper also tries to study how Shohada redevelopment project has been successful regarding the four general promises of megaprojects: economic prosperity, place promotion, social and environmental improvement. The research factors and indexes (Table 1) are determined based on the availability of the data and information and the possibility of analysis.

<table>
<thead>
<tr>
<th>Aspects</th>
<th>Factors</th>
<th>Indexes</th>
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<tbody>
<tr>
<td>Economic Prosperity</td>
<td>Competitiveness</td>
<td>The percentage of active units comparing to the inactive ones.</td>
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<td></td>
<td>Private Partnership</td>
<td>The percentage of private investment in the whole project.</td>
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<td></td>
<td>Entrepreneurship</td>
<td>The percentage of productive activities or trade of local productions.</td>
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<td></td>
<td>Job Space</td>
<td>The percentage of increase of job spaces including commercial and office built area</td>
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<tr>
<td>Place Promotion</td>
<td>Identity Preservation</td>
<td>The percentage of conservation of existed buildings/ previous functional activities.</td>
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<td></td>
<td>Public Space</td>
<td>The percentage of increase of open and green spaces.</td>
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<td></td>
<td>Desirability</td>
<td>The percentage of attractive land uses built including restaurants, coffee shops and etc.</td>
</tr>
<tr>
<td>Social Improvement</td>
<td>Participation Level</td>
<td>The participation level according to the participation ladder of Arnstein (1969).</td>
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<td></td>
<td>Affordability</td>
<td>The percentage of difference of medium price of new buildings with the old or similar ones in the surrounding area.</td>
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<td></td>
<td>Social Inclusion</td>
<td>The percentage of residents stayed comparing to the displacement.</td>
</tr>
<tr>
<td>Environmental and Infrastructure Improvement</td>
<td>Green Area</td>
<td>The percentage of protected and increased green space.</td>
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<td></td>
<td>Smart and Green Architecture</td>
<td>The percentage of buildings using green or smart architecture features.</td>
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<td></td>
<td>Infrastructure Improvement</td>
<td>The percentage of increase of public infrastructure and facilities.</td>
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THE DISTRESSED AREA OF SHOHADA SQUARE

Shohada square is one of the oldest modern city centers in Mashhad (The Executive Management of Great Project of Shohada Square, 2013, p. 3). The square has experienced main political and social events in the city and had significant social, political, traffic, commercial and symbolic roles in the city. It encompasses major offices and has a strategic placement in the city because of its closeness to the Imam Reza’s holy shrine, railway terminal, and locating as the junction of three main arterial streets. Zahedi Mahbub & Malekabadi (2013, p. 126) explain that the prior buildings and activities in the square had made it an untraditional urban space and the main city center after Imam Reza’s holy shrine complex. The area was a vibrant, active and a productive area for accessories and stationary wholesale although some of the buildings were old and deteriorated. In 2000s, about 26% of the area of the current project were considered as distressed area according to the indicators announced by Urban Planning and Architecture Supreme Court and later Mashhad Municipality has proposed more area (more than 55 %) as distressed area surrounding the square (Fig. 2).

THE GREAT PROJECT OF SHOHADA SQUARE

Targeting traffic and physical improvement, the redevelopment program of Shohada Square began with the preliminary studies done by Bavand. It led to the approval of the geographical boundaries of the redevelopment area by the related Commission Article 5 in 2001 and 2003. However, the detailed plans for the redevelopment area were not presented to and confirmed by the commission. The municipality’s policy for property acquisition has been “buy as well as possible”. Thus, the redevelopment area has expanded from 12 hectares (Ghudsonline, 2015) to 23 hectares and then 30 hectares in 2009 (Bavand, 2011), and about 35 hectares in 2015 (Fig. 3).
The urban design of the redevelopment area is the result of a limited competition between the selected urban design firms and the arbitration of the related prominent university professors. The contest was done based on an ideogram, the creation of two acre of traffic free open space, locating a building as City Council, bus terminals, and transportation design. The winner of the competition, Tajir consultant firm, undertook the detailed plans for buildings and spaces.

The financial resources for the project came from the private and non-municipality investment (31%), stock distribution (50%) and Mashhad Municipality investment (18%) in which Mashhad municipality provided required permissions. The building plans and construction details were dictated by the municipality while private developers have limited roles in architectural plans and designs. Thus, there were a few investors avid to participate which were connected to the governmental and public bodies.

The land acquisition and construction work began in 2002 envisaged with challenges such as the difficulty and prolongation of property acquisition due to the owner’s resistance and protests, failure to the completion of power joints due to the lack of coordination with related power companies, very low demand for the completed commercial and office units, endowed properties located in the redevelopment area and the disagreement with the endowment office (Oghaf Organization), the complaints raised by the City Council about building contraventions in sub-projects, the general economic recession in the city, technical problems and subsequent addition of LRT station to the plan, and the duplication of some construction works due to the low quality of applied construction materials in the central courtyard of the public space.

**FINDINGS: THE CREATION OF A NEW DISTRESSED AREA**

In 2015, about 93% of the parcels in the area (890 parcels from the total of 960 parcels including 3500 units and 4000 owners) were purchased. The area included 715 residential units from which 82 units were unused (Pilevar et al., 2014, p. 9). Therefore, assuming one household in each residential unit and the average household size in Mashhad (3.46 in 2007), the redevelopment project led to the displacement of more than 2000 persons. According to the statement of the Shohada Project’s executive management, only two owners (0.4 %) have substituted their residential units with the new commercial ones. Bavand (2011) states that because the redevelopment project aims to remove the place from the intruder jobs, the attraction of previous owners and businesses were not possible. In addition, the studies by Saidi Rezvani and Nourian (2009) and the result of interviews showed that the acquisition trend in the project have not been fair.
Some of the owners, who owned properties with higher values, benefited from selling their properties, while the majority were not satisfied.

Thus, it is obvious that Mashhad Municipality has focused on the place-oriented approach rather than the people-oriented approach. In fact, the place-oriented gentrification was adopted in Shohada Square reproduced the area in a way that developers could get more profit. Also, the main target of the executive management was property acquisition. So, there was not an appropriate informative process in the project. In fact, according to the interviews with the related official and owners, at the first steps of property acquisition, the residents thought that their properties are demolished in favor of street developments. However, the municipality senior managers claim that the project accompanied with appropriate informing due to their efforts for sharing information about purchase options and using visible fences around the construction sites.

On the other hand, the whole redevelopment project includes about 60 projects from which only 26 projects are in use or ready to be used. The progress of the project costing about 12000 billion rials (398 million $) is 67.3% according the executive management’s report in 2015. The project which has been predicted to be finalized in 2010 is a public-private partnership project. However, only 31% of the financial resources for the project have stemmed from private investment (nine private investors for 25 projects). Meanwhile, some of the major investors were related to the governmental bodies like the cooperative foundation of Law Enforcement Force of Islamic Republic of Iran (NAJA). On the other hand, the major part of the project’s financial resources has been achieved from public funds and bank credit (49.7% from stock distribution, 20 million dollars from bank loans, and 50 million dollars from the governmental finance facilities for distressed areas in Khorasan Razavi Province).

In general, the project provides 1890 public parking plots (about 113000 square meter), and street improvement (the improvement of surface streets and the construction of two vehicle underpasses), two bus terminals, an extensive pedestrian courtyard (two hectares) (Fig. 4) and the development of public buildings including buildings for the City Council and the municipality, as well as the production of new commercial and office buildings. So, despite the incomplete purchased parcels, the project has led to the physical improvement of the redevelopment area. However, some of the new owners and businessmen complain about the low quality of the produced commercial, office buildings and the open space including the air condition system, doors, power and paving.

Because there was not an appropriate market and demand research before the project’s operation, the majority of produced units and even sold units are now vacant and unused. In fact, the 600000 square meters of commercial space provided by the project is useless while the high density commercial and office area were allowed to justify the cost of the project for its developers. Although the developers set the installment condition and low rents inevitably, according to the interviews, the low prosperity of the commercial unit influences on the owners who have bought the units in installments more because the units do not provide enough financial return. The field observations demonstrate that only about 15% of the completed office and commercial spaces are now active (Fig. 5).
The Evaluation of Megaproject’s Success in Spatial Reproduction of Urban Interests

Although the project led to two hectares pedestrian urban space in the project, the space is more an extensive open space and passing way surrounded by commercial and office buildings rather than a social space because of its huge unsociable size \( (110^\times 180^\times 16) \) (Shaftoe, 2008, p. 73-74) and limited attractive land uses around the space. However, as citizens and officials state, the open space works for ritual events and large gatherings. Moreover, some criticize the non-Islamic design of the open space and buildings in the project. While some of the critics could be considered as personal insights, the monotony of the facades, lack of attention to the details, lack of attention to the historical patterns is obvious.

Also, the project, accompanied with large displacement, led to the production of commercial, official and residential spaces with higher prices than the surrounded area. According to the field study, in 2015, the average price for each square meter of commercial and office-residential built area is 270 million rials and 58 million rials respectively. Whereas the average price for each square meter of commercial and residential built area are 210 million rials and 40 million rials respectively (Manishen, 2015). Thus, they present less affordable units comparing to their surroundings.

The results of the success assessment of the Great Project of Shohada Square show that although the project improved physical distressed area, it causes the area to be functionally unused and distressed (Fig. 6).
DISCUSSION AND CONCLUSION

The Great Project of Shohada Square with the slogan of “today’s hard work, tomorrow’s contentment” has been a costly project using the public, governmental fund, stock distribution, bank credits, loans and private investment. The non-profitable sub-projects including streets, public spaces, public and religious buildings were built by public sector while private developers partnered in only profitable projects (commercial and office buildings). The partnership model did not lead to an agreement between private and public sector for the construction of both profitable and non-profitable projects. The project, by ignoring the right of residents to their place, did the design and construction works according to the sights of authorities and related experts. Also, the project did not consider the ideas of future users and investors in the building plans.

According to the analysis of the project, the megaproject has led to the physical improvement of an area which was partly physically distressed. However, the project has resulted in an area which is functionally distressed and unused. Although some challenges can be referred to the recent general economic recession in Mashhad and Iran in the first half of 2010s, the high density load of commercial and office buildings without enough attention to the real demands for Mashhad’s economic development (the improvement of entrepreneurship opportunities and support of local economy) cannot ensure the economic prosperity of the area. In addition, the project was not accompanied with social improvement and it has not reinforced the political participation, trust and social inclusion in the city. Moreover, the project has had the least attention to the cultural and physical conservation and the environmentally sustainable architecture. In fact, the reproduction of space in Shohada Square provided financial benefits for its developers and resulted in a physically promoted built area, the creation of more job space, more green and open space and improved infrastructure (the construction of energy tunnel). But it was accompanied with large displacement, considerable dissatisfaction and distrust, the destruction of social capital and creation of a functionally deteriorated area.

In conclusion, the evaluation of the Great Project of Shohada Square showed that the space reproduction that is promised through megaprojects, do not realize completely for several reasons. Actually, often the reproduction of urban places through megaprojects are done to produce profits for developers. The lack of comprehensive plan for the future of urban places, rent and speculation opportunities, bypassing the legal framework, lack of control, ignorance of residents’ rights and other stakeholders’ demands are among the reasons for non-realization of sustainable and efficient space reproduction through megaprojects. Therefore, this paper suggests the stronger and more serious supervision over mega redevelopment projects, their aims, their results, and the fairness, the quality and the sustainability of the related practices.
REFERENCES


