## CENTRALITY AND LOCATION DECISIONS OF THE PUBLIC SECTOR

## Project background, objectives and procedure

In the 2001 publication of the Austrian Spatial Development Concept (ÖREK 2001), the Austrian Conference on Spatial Planning (ÖROK) identified centrality as one of the most significant spatial development topics of the future.

The Central Place Concept has long been an acknowledged principle of spatial development, and in the majority of Austrian provinces Central Places (CP) are still a key element of regional planning, and, as a result, frequently incorporated in regional development programmes or special regional planning programmes.

Novel trends in economic development (e.g. in retail trade), a newly sprung up cost awareness in the public sector and changing social and demographic structures constitute the need for increased flexibility in the planning of central spatial functions.

For this reason, the Austrian Conference on Spatial Planning (ÖROK) set up the "Centrality-New" working group, which, in collaboration with external experts, was to focus specifically on the new demands placed upon centrality and centrality policy.

Its objective was to deal with the topic in a much wider sense, to place it in the context of ongoing social and economic framework conditions, and to outline approaches towards a new public-sectorcentrality policy.

The "Centrality and Spatial Development" study concentrating in detail on the underlying theoretical principles of the topic "Centrality – a Principle of Spatial Planning/Development" was published in January 2005 as No. 167 in the ÖROK series.

In August 2005, Regional Consulting ZT GmbH was entrusted with the project entitled "Centrality-New. Benefits of the Centrality Principle/Central Place Concept for the Public Sector" (Centrality-New Phase 2). Based on hands-on examples and processes, answers were to be provided to the questions how location decisions could be made by applying the centrality concept, in what way various different policies could benefit from this, and what synergy effects could be achieved by coordinating several fields.

At the beginning of the second project phase, an expert paper was devised with the essential objective of explaining the terminology and concepts relevant for further work, and thus contributing towards a joint understanding for all persons involved.

As part of the project, two workshops were held with external and internal administration experts on the topics of transportation and (semi-) public facilities in order to identify the required practical relevance.

The final report on hand presents the project results in conjunction with detailed explanations and further necessary fundamental principles and examples.

## The "Centrality-New" solution approach

On the one hand the "Centrality-New" solution approach is based on the "classic" Central Place Concept (CPC) but on the other it is an attempt to incorporate the goals of polycentric development. The essential idea is to cover the two most important tasks of spatial planning by a single concept, enabling them to be implemented in accordance with one another:

- → Securing supply
- → Promoting development

Securing basic supply still represents one of the most vital tasks of spatial planning. Various kinds of development in the public sector (centralisation and deregulation tendencies), the economy (globalisation and regionalisation) and society (dwindling population and budget development, increased demand for housing space, settlement development and migration movements, despatialisation as well as altered consumer behaviour) are leading to spatial changes that make it clear that this supply task is getting increasingly difficult to meet, especially so in peripheral areas. It is undisputed that there must be a minimum degree of supply, and to meet such supply-related tasks the CPC undoubtedly provides an adequate basis.

Unlike with securing supply, there is no area-wide approach for the promotion of economic growth. It will be rather a question of taking targeted measures to support such locations that have the potential of establishing themselves nationwide as significant economic hubs or business motors.

The coupling of supply and development aspects leads to a new, extended and flexible system of centres able to face these new tasks in a realistic and future-oriented way. As part of the "Centrality-New" project two hypothetical approaches were defined, which on the one hand explain and summarise the methodology involved and on the other outline the benefits of the new approach. The methodical hypotheses are as follows:

## **Methodical hypotheses**

1. A future-oriented approach can be achieved by focussing on individual centralities that are distributed spatially according to various different rules.

2. Individual centralities are distributed spatially according to various different rules. The locational overlapping leads to a network of centres.



Quelle: REGIONAL CONSULTING ZT GMBH: Eigene Darstellung

Individual centralities of locations are specific, rarely offered functions that are geared to a very special demand and are very easily accessible for exactly this particular demand group. Unlike the previously applied approach by which a certain order of CP displays an exactly defined overall supply of facilities, the "individual centralities" approach allows for this particular completeness claim to be circumvented.

The concentration on individual centralities that comes hand in hand with the new approach has advantages that are presented in the following benefit hypotheses:

### **Benefit hypotheses**

1. By concentrating on and by the overlapping of individual centralities a classification system can be developed that is capable of defining centres based on functional type development without having to establish hierarchically structured levels, as was previously necessary.

2. This allows for planning and classification principles to be applied that are fundamentally in accordance with actually ongoing social and economic processes.

3. This approach makes it possible to continue to judge measures at the location itself, as well as such measures that have an influence on accessibility in view of their effect (positive, neutral or negative) on the centres' functions.

The crucial fact is that there is no need for the individual locations to have a comprehensive and complete supply of facilities in all areas. In accordance with its planned features, a location only needs to be provided with the particular selection of central facilities (individual centralities) that corresponds with its specific function.

The locational overlapping of individual centralities leads to individual quality-specific centres. These are characterised by typical combinations depending on the specific quality of how pronounced the individual centralities are characterised. In this respect, it is not the location's size that distinguishes them, but the respective function. The variety of combinations of individual centralities leads to different types of centres.

# The benefit of the "individual centralities" concept

By concentrating on individual centralities and the resulting combinations, the "Centrality-New" approach offers the following benefits:

#### → Coordination with other policy areas:

This flexible and much more reality-based view of a region, along with the target-oriented approach, is easier to comprehend for other policy areas and makes it possible to coordinate priorities and targets trans-sectorally. This plays an essential role not only in the area of infrastructure policy in view of accessibility or transportation planning, but also as far as social and economic policy is concerned where it enables the establishment of jointly coordinated development goals and strategies. The solution approach also makes it possible to view an area regardless of its administrative boundaries (e.g. municipal, provincial or national-border crossing view) and, as a result, enables a cross-border location and development policy.

#### → Reduction of financial expenditure:

Due to the essential fact that the completeness claim no longer applies, and that it is now possible to coordinate developments with other policy areas, the required financial expenditure is reduced and resources are saved (among other things, reduced spatial requirements). The approach makes it possible to act in a more object-oriented way thus making more targeted use of resources.

#### → Flexibility:

The qualitatively defined establishment of location types makes it possible to respond positively to the varying qualities and strengths of regions and give a new development impetus to the region in accordance with regional policy goals without coming in conflict with the hierarchical elements (centrality orders) of spatial development.

Apart from this, qualitative definitions can also raise the local (municipal) acceptance significantly.

#### → Object-orientedness:

By concentrating on individual centralities, it becomes possible to analyse a region in accordance with the required goals and, consequently, to formulate the corresponding development strategies and targets.

### $\rightarrow$ Closeness to reality:

The "Centrality-New" approach makes it much easier than previously ("classic CPC") to regard a regionrealistically. Both in terms of supply and development, the actual situation is much easier to assess to form a basis for formulating goals and strategies.

#### → Claim of completeness:

When applying the "classic" CP approach and the static classification of places in hierarchical levels, the requirements of such places go hand in hand with a complete set of facilities established for each individual level. The concept "Centrality-New" is no longer based on this complete set of facilities; however by a combination of the respective individual centralities it can still meet the area-wide supply requirements.

### Practical application examples

In various different projects, the presented approach already has been/is being applied, at least in subareas. In the context of the project "Central Places Styria" different types of Central Places were defined that are distinguished by their function, with the exception of the sub-regional supply centres that, from a hierarchical point of view, are to be regarded as equivalent:

- → Central places with main focus on teaching and industry-related services
- → Central places with main focus on retail trade and industry-related services
- → Central places with main focus on retail trade and social services
- → Central places with main focus on general service provision
- → Sub-regional local supply centres

Sub-regional supply centres are locations in local areas that meet central-place functions, although in

such locations evidence of excess significance is not given in all industries considered.

Another example is included in the ZEWISTA study (Centre structure and business location development) developed in the context of the INTERREG-IIIB project "TECNOMAN perspectives" involving the analysis and evaluation of special accessibility and location requirements for the city of Vienna, which were taken into consideration in the development of the STEP05 – City Development Plan Vienna 2005. Various types (Types A to G) of locations were identified:

**Type A**, for example, points to a location that is provided with all location factors with the exception of having access to intermodal traffic junction. These types of locations are mainly suitable for productive development, R&D and for all service-industry-related business functions and central political offices/administrative centres (e. g. Donau City, Erdberg/Gasometer, Vienna Railway Station).

**Type-B** locations resemble Type A, however they do not have such convenient accessibility to the city and the airport. Accordingly, they can be used for B2B and B2C services and central political offices/ administrative centres (e. g. Muthgasse, Floridsdorfer Spitz).

**Type-C** locations are provided with a high elasticity, however they have poor accessibility to the city system. They are particularly well suited for production, assembly and distribution as well as assembly and sales (e. g. Rautenweg, Siemensstraße/Paukergründe, Hirschstetten, Aspern airfield).

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Location	Location factors	Elasticity	Citysystem	Supplysystem	Regionalmarket accessibility	Accessibility to intermodal traffic functions (IT)	Accessibility to airport (IT)	Accessibility to airport (PT)	Long-distance station (PT)	Accessibility to staff/consumers (IT)	Accessibility to staff/consumers (PT)
Туре А		х	х	х	х		х	х	х	х	х
Туре В		Х		Х	Х		Х		Х		Х
Туре С		Х		Х	Х	Х	Х			Х	Х
Type D		Х			Х	Х	Х			Х	
Туре Е			Х	Х	Х		Х	Х	Х	Х	Х
Type F		Х		Х	Х	Х	Х			Х	
Type G		Х		Х						Х	Х

Source: REGIONAL CONSULTING, Technical University Vienna – IFIP: ZEWISTA – Zentrenstruktur und Wirtschaftsstandortentwicklung: Vienna; 2004

**Type-D** locations are primarily distinguished by their accessibility to the individual transportation-network and their high elasticity. They are well suited for assembly and distribution (e. g. Inzersdorf/Metzgerwerke, Simmeringer Haide).

**Type-E** locations are such locations that are accessible to the city system but have a lower elasticity (Gründerzeitviertel). Accordingly, they are suitable for B2B services, central political offices and administrative centres (e. g. West Railway Station, Taborstraße, Technical University, "Wien Mitte").

**Type-F** locations are distinguished by poor accessibility to the city system, but by excellent individual transportation accessibility and a high "club factor". They are ideally suited for productive development, R&D and central political offices/ administrative centres (Wiener Berg, Laaer Berg).

**Type-G** locations have a poor geographic position that leads to poor transportation accessibility. Accordingly, such locations are only suited as supply or back office locations (Liesing, Siebenhirten, Breitenfurter Straße).