



Ain Shams University
Faculty of Engineering
Department of Architecture

COMPREHENSIVE DEVELOPMENT MANAGEMENT FOR HERITAGE CITIES

By

Shady Mohamed El-Zeiny

M sc. Architecture, Ain Shams University 2006

A Thesis Submitted in Partial Fulfilment of the Requirements of

PhD. Degree in Architecture

Supervised by

Prof. Dr.

Mohammed Ayman Ashour

Professor of Architecture
Department of Architecture
Ain Shams University
Faculty of Engineering

Prof. Dr.

Tamer Zakaria El Khorazaty

Professor of Urban planning
Department of Planning
Ain Shams University
Faculty of Engineering

Cairo, Egypt
2011

Dedication

Dedicated to:

*My loving Mother, Father and family,
My supporting wife and children.*

Every one of you had set an example in a way that brought along this success, without your continuous support, patience, love and sacrifice; it would have been a lot harder for me to be who I am.



Ain Shams University
Faculty of Engineering
Department of Architecture

Approval sheet

PhD. Research

Name: **Shady Mohamed Mohamed El-Zeiny**

Title: **Comprehensive Development Management for Heritage Cities**

Supervisors Committee

1. Prof. Dr. Mohamed Ayman Ashour

Prof. of Architecture Department of Architecture
Ain Shams University-Faculty of Engineering.

2. Prof. Dr. Tamer Zakaria El Khorazaty

Prof. of Planning Department of Planning
Ain Shams University-Faculty of Engineering.

Jurors Committee

1. Prof. Maartje Van Eerd

Prof. of Housing
HIS, Erasmus University.

2. Prof. Dr. Sayed Madbouly Aly

Prof. of Architecture, Department of Architecture
Ain Shams University-Faculty of Engineering.

3. Prof. Dr. Mohamed Ayman Ashour

Prof. of Architecture Department of Architecture
Ain Shams University-Faculty of Engineering.

4. Prof. Dr. Tamer Zakaria El Khorazaty

Prof. of Planning, Department of Urban Planning
Ain Shams University-Faculty of Engineering.

Post Graduate Studies

Approval Stamp

The Research was approved on:

/ /

Faculty Council Approval

/ /

University Council Approval

/ /



**Ain Shams University
Faculty of Engineering
Department of Architecture**

Title sheet

Name : **Shady Mohamed Mohamed El-Zeiny**

Degree : **PhD. Degree in Architecture**

Department : **Department of Architecture.**

Faculty : **Faculty of Engineering.**

University : **Ain Shams University.**

Graduation Year : **1999.**

Degree Achievement Year : **2010.**

Abstract

Shady Mohamed El-Zeiny

COMPREHENSIVE DEVELOPEMENT MANAGEMENT FOR HERITAGE CITIES.

A Thesis Submitted in Partial Fulfillment of the Requirements of PhD.

Degree in Architecture.

Ain Shams University, Faculty of Engineering, Department of Architecture.

In a context of globalization, economic Liberalisation, restructuring and establishment of an open market, many Egyptian cities are experiencing significant difficulties in maintaining their competitiveness. Many are losing employment and industry at an alarming rate and this has significant social and environmental implications.

During the early 1990s, Egypt embraced a regional approach to trade and investment liberalisation alongside their unilateral and multilateral efforts. In order to reach an effective growth, the GOE through the GOPP started a regional strategic master plan for all Egyptian cities to identify problems, potential and constraints defining new vision and objectives, taking into consideration the threat of cross competitiveness, enhancing identity and viability of economic base sufficient to provide the anticipated comprehensive development (urban, socio-economic) for the country.

This approach is adopted in parallel with an ambitious program for decentralization, providing local authorities with required capacity building, resources and framework in order to provide an efficient and flexible management for cities resources for a better future.

In this era of globalization, a changing world, Heritage resources are subject to the negative impacts of economic developments that often fail to take into consideration the tangible and intangible benefits that can be accrued from mobilizing cultural resources as assets for both economic and human development. This justifies the increasing political focus on cultural heritage, both because of higher public interest in heritage itself and because many see heritage as a means to stimulate economic activity in regions with economic problems. Nevertheless, social needs related to heritage use cannot be fully satisfied, through market processes only, they must be provided for by complementing the market with state intervention through budget mechanisms. This is why governments have the lead role in making various CH public goods accessible to their citizens and to humanity at large, in both present and future generations.

Egypt's is now facing a commitment challenge for the successful achievement of the Millennium Development Goals, records of the MDGs reports shows a slow progress in two main development goals concerning eradicating extreme poverty and hunger as well as achieving full and productive employment, the second is insuring Environmental sustainability and achieving a significant improvement in the lives of slum dwellers. Progress in these two goals can be achieved through an innovative urban management process especially in heritage cities in Egypt, where preservation is still a concern along with targeted socio-economic development.

Luxor city. The seat of the pharaoh's power from 2100 to 75 B.C., a principal resource within Egypt's tourism industry. At the beginning of 2004 the Egyptian Government launched the execution of a comprehensive development plan for Luxor city (CLLC) financed by national government expenditure and international funds, most of these projects were directed toward the goals of tourism development.

Unfortunately the market forces were more influential than expected; land prices jumped to five times its original values and some times more in some developed areas and investments went to the lucky owners of those areas leaving behind the original targeted beneficiaries with worse conditions and greater reasons to live and work informally leading to a clear un-equitable Socio-Economic Development.

This research will focus on the current challenges facing Egypt's achievements through the MDGs and the comprehensive development plan for Luxor city as an example of heritage cities to examine the possible socio-economic values that can be achieved through a conscious and participatory approach for comprehensive development for heritage cities; illustrating different ways of financing via planning system that would support the sufficient institutional framework for Public and Private, Community Partnership (PPCP) in order to reach the aspiration of the strategic plan targeting the year 2027.

Application of Value Capture scheme will be chosen explaining the reason behind having it as the most appropriate development tool that would provide the required equitable balance within the market-driven policy. VC system and equitable development would be further illustrated providing international case studies with a conclusion for the comprehensive framework for an equitable development. The success of the proposed framework in Luxor city will be based on the achievement of a local self-dependant progress within two millennium development goals:

- 1- GOAL 1: Eradicate Extreme Poverty & Hunger
 - 1.1. Target 1: Halve between 1990 and 2015 the proportion of people whose income is less than one dollar a day.
Achieve full and productive employment and decent work for all, including women and young people.
- 2- GOAL 7: Insuring Enviromental Sustainability.
 - 1.2. Target 11: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers.

Key words:

Comprehensive Development, Value Capture, Public-Private Partnership, financing urban development, urban management.

Author's declaration

I the undersigned, hereby declare that this dissertation submitted to Ain Shams University, Faculty of Engineering, Department of Architecture; is my original work and no part of it was submitted to any other institution or university to achieve any degree and that all the references to the work of other authors have been duly acknowledged.

Shady Mohamed El-Zeiny

Acknowledgments

It is an honour that ALLAH had seen that I deserve to achieve this success;
for that and all other countless gifts I shall always remain grateful and
thankful.

I would like to express my gratitude to **Prof. Dr. Mohamed Ayman Ashour**,
for giving me the chance to experience professionally and academically the
concepts of planning and providing continuous support and encouragement.

I would also like to extend my respect and indebtedness to professors who
have had a great role along my education and professional years.

Last but not least the staff from Institute for Urban Housing and
Development Studies (IHS), Erasmus University and Lincoln Institute of
Land Policy for the precious experience provided during my diploma months
in Rotterdam; especial gratitude to Carlos Morales my diploma supervisor
and great teacher.

Abbreviations

MDG	Millennium Development Goals
CH	Cultural Heritage
UNDP	United Nation Development Program
ERSAP	Economic Reform and Structural Adjustment Program
MSE	Micro Small Enterprise
GOE	Government of Egypt
GDP	Gross Domestic Project
MHUUD	Ministry of Housing, Utilities, and Urban Development
NHP	National Housing Program
GOPP	General organization for physical planning
UN	United Nations
NDP	National Democratic Party
HDI	Human Development Index
JICA	Japanese International Cooperation Agency
CAPMAS	Central Authority for Public Mobilization and Statistics
GTZ	Deutsche Gesellschaft für tEchnical Zusammenarbeit
UNESCO	United Nations Educational, Scientific and Cultural Organization
NGO	Non Governmental Organization
WB	World Bank
CBO	Community Based Organization
CSR	Corporate Social Responsibility
MENA	Middle East, North Africa
LCD	Least Developed Countries
WTO	World Tourism Organization

WBI	World Bank Institute
PPP	Public Private Partnership
HTF	Housing Trust Fund
SDHA	San Diego Housing Authority
NPV	Net Present Value
EIRR	Economic Internal Rate of Return
EHDR	Egypt Human Development Report
SCLC	Supreme Council of Luxor City
CDLC	Comprehensive Development for Luxor City
HERO	Helping Early Responders Organization
IDSC	Information and Decision Support Centre, The Egyptian Ministries Cabinet.
MOC/SCA	Ministry of Culture / Supreme Council of Antiquities.
MOT	Ministry of Tourism.
VC	Value Capture
IMF	International Monetary Fund

Table of Contents

Dedication.....	ii
Approval sheet	iii
Title sheet.....	iv
Abstract	v
Author's declaration.....	viii
Acknowledgments	ix
Abbreviations	x
Table of Contents.....	xii
List of Charts	xviii
List of Tables.....	xviii
List of Figures	xx
List of Annexes.....	xxiii
Research Problem.....	xxiv
Research Goal	xxiv
Hypothesis	xxv
Methodology.....	xxvi
Structure overview	xxviii
Introduction	xxx
Comprehensive development	xxxiii
Living with heritage.....	xxxiii
Egypt economic regime	xxxvi
Part I: Role of CH in Achieving Comprehensive Development.	1
Chapter I: Egypt Development Challenges.....	1
Introduction	1
1.1. MDG1: Eradicate extreme poverty and hunger.....	3
1.1.1. Poverty regional disparities.	4
1.1.2. Poverty rural-urban disparities.	5
1.1.3. Achieve full and productive employment.	6
1.1.3.1. Unemployment, regional disparities and poverty.....	6
1.1.3.2. Unemployment gender and age disparities.....	7
1.1.3.3. Informal market and employment.	9
1.2. MDG 7: Ensure Enviromental sustainability.....	10
1.2.1. Access to improved drinking water & sanitation.	11
1.2.1.1. Access to improved water sources.....	11
1.2.1.2. Access to improved sanitation.....	11
1.2.1.3. Regional disparities.	12
1.2.1.4. Rural-urban disparities.	13
1.2.2. Improvement in the lives of slum dwellers.	14
1.3. Urban development challenges.....	16
1.3.1. Urban strategy during 2000-2010.....	16

1.3.2. Current urban challenges.....	19
1.4. Human Development challenges.....	20
1.4.1. Decentralization.....	21
1.4.2. Human development disparities.....	23
1.4.2.1. Regional level disparities.....	24
1.4.2.2. Urban-Rural disparities.....	27
1.5. Tourism sector development.....	30
1.5.1. National tourism development plan.....	32
1.5.2. Projected tourism growth.....	34
1.5.3. Impact of the projections on the economy.....	35
1.5.4. Upper Egypt tourism development plan.....	37
1.5.4.1. Tourism Development Plan for Upper Nile.....	42
1.6. Overcoming challenges.....	44
1.6.1. Poverty alleviation.....	44
1.6.2. Employment.....	46
1.6.3. Urban sector management.....	47
1.6.4. Institutional reform.....	50
1.7. Conclusion.....	51
Chapter II: Opportunities in Egypt Heritage	54
Introduction.....	54
2.1. Egypt Heritage assets.....	54
2.2. Egypt Urban Heritage.....	58
2.2.1. Official urban heritage preservation initiatives.....	60
2.2.2. NGO's urban heritage preservation initiatives.....	66
2.3. Heritage Value.....	71
2.2.1. Heritage Public Value.....	73
2.2.2. Heritage Economic Value.....	77
2.4. Targeting benefits from CH.....	80
2.3.1. Poverty reduction.....	81
2.3.2. Employment creation.....	81
2.3.3. Urban Identity.....	82
2.5. Strategic priorities.....	84
2.6. Project Preparation Instruments.....	85
2.5.1. Economic and financial analysis.....	85
2.5.2. Social and environmental assessments.....	85
2.5.3. Risk analysis.....	86
2.7. Operational approach.....	86
2.6.1. Entrepreneurship.....	87
2.6.2. Social Cohesion.....	88
2.6.3. Pro-poor tourism.....	90
2.8. Conclusion.....	96

Part II: Municipal finance for Development.....	98
Chapter III: Different forms of development contribution	98
Introduction	98
3.1. Urban finance fundamentals.....	102
3.2. Property rights and land policies.	106
3.2.1. Municipal tax Revenues.	108
3.2.2. Zoning.....	109
3.2.3. Transfer / Purchase of development rights.	110
3.3. Municipal finance via planning system	111
3.3.1. Land asset management.....	113
3.3.2. User charges.	114
3.3.3. Impact Fees:.....	115
3.3.4. Value capture.....	117
3.3.4.1. Value capture and property rights	117
3.3.5. Land leasing.....	118
3.3.5.1. Exactions	119
3.3.5.2. Urban Operations.....	120
Chapter IV: Regional and international experience	122
4.1. Sao Paulo city experience	122
4.1.1. Background.....	122
4.1.2. Process.....	129
4.1.3. Outcomes	131
4.2. San-Diego City experience	133
4.2.1. Background.....	133
4.2.2. Policy	134
4.2.3. Process	135
4.2.4. Outcomes	136
4.3. Rehabilitation of Fes-Medina	138
4.3.1. Background.....	138
4.3.2. Process	140
4.3.3. Positive project impacts.....	141
4.3.4. Negative project impact and mitigation measures.....	145
4.3.5. Project finance.	147
4.4. Comparative analysis.....	148
4.5. Lessons Learned	150
Chapter V: Proposed Framework.....	152
5.1. A need for intervention.....	152
5.1.1. Policy reform.	152
5.1.2. Scale application (Pilot projects).....	153
5.1.3. Organizational Structure.....	159
5.1.4. General frame work.	164

5.2.	Outlines.....	166
5.3.	Process.....	167
5.3.1.	Phase 1: Land-lease Auction	167
5.3.2.	Phase 2: Development permits negotiation	168
5.3.3.	Phase 3: Development permits approval	170
5.3.4.	Phase 4: slum area upgrading	171
5.4.	Allocating Captured resources.....	173
5.4.1.	Ways for developers contributions.....	174
5.4.2.	Infrastructure.	175
5.4.3.	Services.....	176
5.4.4.	Employment.....	177
5.4.5.	Entrepreneurship.....	179
5.4.6.	Housing.....	180
5.4.7.	Poverty.....	181
5.5.	Conclusion.....	183
Part III: Value Capture the missing link for Luxor City Comprehensive Development.....		184
Chapter VI: Unlocking the potentials of Luxor City.		184
6.1.	Luxor city initial masterplans.....	184
6.1.1.	Luxor masterplan (1984).	184
	Problems.	184
	Targets.	185
	Strategies.	186
	Achievements.	186
6.1.2.	Luxor masterplan (1993).	186
	Problems.	187
	Targets.	187
	Strategies.	187
	Achievements.	188
6.2.	Luxor structural plan (2000).....	189
6.2.1.	Structure plan goals	192
6.2.2.	The Vision for Luxor City in 2020.....	193
6.2.2.1.	Planned Development Neighborhoods	194
6.2.2.2.	New Public Facilities and Extended Utilities	196
6.2.2.3.	New Public Facilities and Extended Utilities	197
6.2.2.4.	The open museum and heritage district.....	197
6.3.	Comprehensive development plan for Luxor city 2002.	200
6.3.1.	Existing situation 2002.....	202
6.3.1.1.	Current urban fabric.....	202
6.3.1.2.	Current urban fabric.....	203
6.3.1.3.	Visual problems.....	204