

1. Basic concept

The joint urban operation – OUC – can be understood as a structural transformation instrument for a part of the city, basically promoted through a partnership between public authorities and private investment. Its urban project also involves the participation of landowners, investors, residents and other stakeholders¹.

Since this is a public-private partnership instrument for urban development, the OUCs have elements for this partnership to take effect. The most important are urban incentives tied to contribution payments that serve as an attraction for private investment and also induce developments to adjust to the transformations desired in urban policy. These incentives, which are defined by the Statute of the City², are the modification of plotting indexes and characteristics, land use and occupation and the changes in building norms. There is also the possibility for Cepacs – Certificates for Additional Construction Potential – to be issued as a way to anticipate the contribution from the granted benefit and linking obtained resources to the urban operation program³.

The OUCs cut through certain areas of the city with the intent of promoting an urban intervention according to specific objectives defined in the master plan and in municipal urban policy. This intervention presupposes mid and long term management measures such as redrawing the land structure, interventions in public spaces, definition of real estate potential, rules for land use and occupation for laying out the blocks.

The urban operation concept was introduced in Brazil in the 1970s and 1980s through the absorption of international experience from France and the United States in terms of density control, real estate appreciation control and preservation policies for historical properties⁴. In the city of São Paulo, the OUCs were incorporated in the 1985, 1988, 1991 and 2002 master plans and applied to laws starting in the 1990s, marking the instrument's experimentation period. Starting in 2001, with the elaboration of the urban policy regulatory framework – Statute of the City – there has been continuity and the model has been adapted. In this chapter, we will see that the urban operation experience in São Paulo is divided into three phases: investigation, experimentation and improvement.

2. Purpose

Each city has specific urban tissue structuring conditions according to geographic aspects, infrastructure location, urban evolution process, economic aspects, densities and urbanization patterns, among other conditioning factors for format, landscaping and population distribution in the territory. These conditions, when added to municipal urban policy objectives, are determinants for applying urban operations.

Starting with the above described conditions and the understanding that the OUCs are linked to making the urban project feasible, it is possible to analyze how they can fulfill some of the main urban guidelines defined in the Statute of the City, such as:

- Fair distribution of benefits and burdens resulting from the urbanization process;
- Recovery of public authority investments that resulted in urban real estate appreciation;
- Cooperation among governments, private initiative and other sectors of society in the urbanization process, thus satisfying social interests;
- Order and control in land use to avoid the inappropriate use and speculative retention of urban properties that result in their underutilization or non-utilization.⁵

As you can see, the Statute of the City does not necessarily link urban instruments to specific urban problems, nor does it define how to use them in the application. Often, several instruments can be used for the same purpose in order to correct urban distortions (understood herein as disorderly growth, lack of infrastructure, irregular occupation of areas that are improper for urbanization, etc.). In the case of the OUC, this is associated with the recovery of real estate appreciation generated by investments and public actions and the transformation of urban sectors through comprehensive interventions of a restructuring nature.

The purpose for using OUCs in São Paulo has a direct relationship with the instrument's institutional evolution. In the 1990s, when these laws began to be applied, urban operations were located in consolidated urbanization regions, with the objective of reconverting underutilized areas (Água Branca), renewing central areas (Downtown) and consolidating new centers (Faria Lima). All of these operations had specific purposes and they also counted on the garnering of funds from contributions to put the public works into effect. They also had an exceptional character, and most especially, flexible land use and occupation legislation that were in effect at the time. (It is important to remember that the zoning law dated back to the 1970s, and was therefore outdated in relation to the urban dynamics that took place in the city over the more than two decades.)

After approval of the Statute of the City and the City Strategic Master Plan, the OUCs continued having a set of laws in effect, with yet another one approved (Água Espraiada) and new projected operations.⁶ During this phase, it is possible to observe greater territorial range and diversity of OUC action – consolidated urbanization areas, urbanization areas in the process of consolidation and the urbanization areas in the restructuring process. In a simplified manner, we can say that in the current context, operations are still planned with the purpose of obtaining funds to finance infrastructure, however they are linked to comprehensive urban projects and are no longer destined to the "secondary" function of providing flexibility to the land use and occupation law.

3. Mechanism

What we call a mechanism is the system for granting urban incentives and obtaining the corresponding contributions. This system presupposes the analysis of urban, economic and social implications of granted incentives and criteria for calculating and collecting contributions.

Urban incentives

As previously described, the Statute of the City permits "the modification of indexes and plotting characteristics, land and underground occupation and use, as well as changes in building norms, taking into account the environmental impact that results from them; and the regularization of constructions, remodeling or expansions carried out in disagreement with current legislation."⁷ These are some of the measures to be adopted in the OUCs. The concession of additional construction potential is the main one, taking into account an incentive for landowners and private investors. Since there is the possibility to build more, there is consequently better economic utilization of the land and the landowner ends up being benefited. It is important to explain something separately here: the additional construction potential and the corresponding contribution, practiced in urban operation areas, are very similar to the granting of construction rights on a non-gratuitous basis, however with different purposes. The non-gratuitous grant emerged from the separation of the right to property and the right to build, as a result of the land concept that was created. The Embu Statute (*Carta de Embu*) explains this as: "It is hereby agreed that



Plan to apply an onerous grant in the joint urban operation areas. Design elaborated by Daniel Todtmann Montandon

just as the subdivider is obliged to provide areas destined for the road system, public equipment and leisure to public authorities, so then the land creator shall offer the necessary compensations to the collective to establish the re-equilibrium for additional land.⁸ Therefore, public authorities are able to recover real estate value resulting from the additional land. In this sense, it is similar to the OUC.

On the other hand, both differ in urban results and in the redistribution effect of the funds received from the contributions. The urban operation concentrates funds in a specific perimeter and has a transforming focus on the area of action. The non-gratuitous grant distributes the funds in broad proportion to the territory, focusing on land regularization, execution of social interest housing projects and programs, installation of urban and community equipment and creation of public spaces for leisure and green areas, among others.⁹

There are other types of urban incentives, such as changes in land use and building norms. Some examples are: maximum height gauge, retreats, occupation rate. These all have an exceptional nature with regard to general land occupation and use norms, and they can therefore be charged contributions.

Cepac

The Statute of the City instituted the Cepac as a means to anticipate funds stemming from contributions from the concession of additional potential for construction in urban operation areas. The decision to apply the Cepac is an alternative for public authorities and not an obligation. In São Paulo, the Cepac was foreseen in the Faria Lima Urban Operation in 1995, but it was only applied after approval of the Statute of the City in 2001 through the Água Espraiada Urban Operation and revision of the Faria Lima Urban Operation in 2004.

The basic Cepac application procedure begins with urban studies that define a stock of additional potential for construction. Then, a minimum value for each Cepac is stipulated as well as the equivalent m^2 in land and additional m^2 for residential and non-residential use and by sector. A Cepac can thus cost more for a certain use in one sector than in another, but all will be tied to a single urban operation.

With the approval of the OUC law – with an estimated number of Cepacs, an established minimum value and established conversion rules – this deed could be freely traded on the Stock Exchange. Its issue is controlled by the Brazilian Securities Commission and the City Hall can hold Cepac auctions, always linked to the projects foreseen in the urban operation program.

4. Institutionalization

Conception of urban instruments does not always stem from some national regulation. The history of urban planning in Brazil shows that the prodigious action by some cities (São Paulo, Curitiba, Recife, Porto Alegre) drove urban development through the innovative experiences of some instruments, such as the transfer of construction rights, institution of special social interest zones and the urban operation itself. Let's look at the example of São Paulo with the OUCs.

Urban operation laws approved in São Paulo

In the 1990s, the following urban operation laws were approved: Anhangabaú¹⁰ (Law 11.090/91), Faria Lima (Law 11.732/95), Água Branca (Law 11.774/95) and Centro¹¹ (Law 12.349/97). More recently, the urban operations in Água Espraiada (Law 13.260/01) and Rio Verde-Jacu (Law 13.872/04) were approved, and the Law for the Faria Lima Urban Operation was revised in 2004 (Law 13.769/04). The Strategic Master Plan (Laws 13.430/02 and 13.885/04) instituted nine new joint urban operations¹² besides the existing ones.

With regard to the institutionalization of the OUCs, it is important to consider that a legal foundation was built through the City Organic Law (1990), Interconnected Operations (Law 10.209/86) and the Master Plan instituted by Law 10.676/88, which together with the other urban studies, made it possible to begin applying the instrument in São Paulo. This legal foundation was further strengthened by the Statute of the City (Federal Law 10.257/01), the Strategic Master Plan (Law 13.430/02) and the urban operations laws.

Requirements for approving an urban operation

As established by the Statute of the City, urban operations should satisfy the following requirements in order to be instituted:

The municipal law specifies: Each operation shall be approved by law.

Projection in the master plan: Every OUC shall be foreseen in the master plan. The City of São Paulo delimited areas for future urban operations and incorporated the perimeters of the operations already approved by law.

Stakeholder participation: Democratic management is one of the pillars of municipal urban policy. For OUCs, it is indispensable to have the participation of landowners, residents, private investors, users and other stakeholders, in the formulation as well as the implementation process. The Statute of the City also requires control of the operation to be obligatorily shared with civil society representation.

Urban operation plan: The Statute foresees the minimum elements for the urban operation plan:

- Definition of the area to be reached. This deals with establishing the perimeter for the operation, which will receive funds from the contributions and where it will be permitted to change urban parameters;
- Basic area occupation program;
- Economic and social service program for the population directly affected by the operation. This is a fundamental item to ensure redistribution of the resources obtained within the operation's perimeter, since this will permit the population to remain in the areas that are the object of the urban improvements;
- Operation's purposes;
- Prior Impact on Neighborhood Study. This instrument is important in order to estimate possible impacts generated by the public projects as well as those that result from changes in urban parameters;
- Contribution to be demanded of landowners, permanent users and private investors. For example, the Cepac signals an improvement in the way contributions demanded of private investors will be collected.

5. Management and implementation process

As we mentioned at the beginning of the chapter, we will start with the understanding that the OUCs are instruments for implementing urban projects. Depending on the scale, on expected urban results and the need for obtaining funds for financing infrastructure, implementation time can take up to 20 years, depending on each case.

The formulation process can be time-consuming in order to satisfy the above described requirements, and it requires a participative process, extensive technical work and the development of a Prior Neighborhood Impact Study. In the city of São Paulo, Conama Resolution 001/86 establishes that urban projects in areas larger than 100 ha are considered environmental modifying activities, and

therefore, they need an Environmental Impact Study and the respective Environmental Impact Report. This implies the need to obtain a prior environmental license for approval of the urban operation law, which makes institutionalization even longer. This phase may take years, depending, among other factors, on the conflicts involved and each management's interest in regulating the urban operation. Once the law is approved, a council, management group or other participation institute shall be created with both public authority and civil society representatives. After that, all decisions related to the prioritization of public investments can be shared among these representatives.

The inclusion of private investments can occur through convocations or through the approval procedure at City Hall, obeying the rules established in the urban operation law. Public investments are generally made by the municipal bodies with funds from Cepac sales or the financial contributions.

The OUC implementation process depends on the management of each project and the model adopted, among other things. The reason for greater success of an urban operation may lie in the public authorities' entrepreneurship in fulfilling strategic projects that respect the property's social function and the fair distribution of economic, urban and social gains.

In the case of São Paulo, the Municipal Urbanization Company – Emurb was in charge of managing the operations. It played its role as the body responsible for managing all urban operation funds approved by law and for fulfilling the public projects related to all of them.

However, the abovementioned entrepreneurship lost strength to the real estate market. The areas of less interest for private investment showed few urban, financial and social results. The lack of subsidies, the nonexistence of urban projects and the lack of instruments that penalized for the speculative retention of empty lots could have been some of the aspects that contributed to a more "supervisory" and less inductive management of "strategic transformations" in urban operations areas.

6. Insertion in the urban planning system

In this item, we seek to explore the way urban operations were recognized in the Master Plans and legislation related to national and municipal urban policy.

Master Plan 1985-2000

It understood urban operations as "concentrated actions by public and private entities with the objective of accelerating the implementation of proposals of structural importance to the Master Plan".¹³ Urban projects located in district centers and around transportation equipment were projected, as well as the production of community equipment, the providing of infrastructure and the promotion of popular housing programs. The plan proposed 35 urban operations in the districts of São Miguel, São Matheus, Vila Matilde, Vila Maria, Campo de Marte, Centro, Santo Amaro, Pinheiros, Barra Funda, Vila Nova Cachoeirinha, Paraisópolis and Campo Limpo.

Master Plan 1988

Instituted by Law 10.676/88, it established the urbanization guidelines by differentiated areas, such as:

- "Established area – characterized by high urban potential due to the availability and concentration of basic infrastructure, equipment, good accessibility and concentration of commerce and service activities.



- Intermediate area – characterized by underutilized urbanization potential and insufficient road system, transportation, commerce and services, and with the existence of urban vacancies.
- Peripheral area – characterized by the predominance of low urbanization standards, dispersion and discontinued occupation, lack of infrastructure and urban services."¹⁴

The urban operations defined in the plan as "a joint action by the public and private sectors, destined for an improvement in the urbanization standard",¹⁵ would generally be promoted in the above-described established and intermediate areas.

Master Plan 1991

Urban operations began to be viewed as "a set of interventions developed in certain areas of the city under the coordination of Public Authorities and with the participation of private initiative funds aimed at improving the standard of urbanization with the minimization of public funds."¹⁶

The Master Plan studies of 1991 understood that "urban operations, individually or together, would be capable of causing structural alterations in the urban space through the implementation of new roads, parks, drainage works and housing for the low-income population."¹⁷ For such, it established that each operation should foresee a stock of buildable area and a schedule for works, destining those resources obtained to an urbanization fund linked to the urban operation. The contributions to be required from the stakeholders could be made through land donations, the implementation of infrastructure, social interest units, green areas and/or money. Five urban operations were projected: Anhangabaú, Água Espraiada, Água Branca, Faria Lima-Berrini (Boulevard Sul) and Paraisópolis.

Statute of the City - 2001

For purposes of comparison with the master plans and other laws related to urban operations, we have: "Set of interventions and measures coordinated by municipal Public Authorities with the participation of landowners, dwellers, permanent users and private investors with the objective of achieving structural urban transformations, social improvements and environmental appreciation."¹⁸

Strategic Master Plan - 2002

The city of São Paulo conceived of the Strategic Master Plan as a result of the new generation of post-Statute of the City plans: participative process in its conception, incorporation of diverse urban instruments and definition of their application through the delimitation of zones and macro zones in municipal territory. Law 13.430/02 maintained the clauses from the urban operations in effect (Água Branca, Faria Lima, Centro and Água Espraiada) and instituted new urban operations: Diagonal Sul, Diagonal Norte, Carandiru-Vila Maria, Vila Leopoldina, Vila Sônia, Celso Garcia, Santo Amaro, Jacu Pêssego and Tiquatira.

The conception of the urban operation in São Paulo's Strategic Master Plan is practically the same as established in the Statute of the City. The specific characteristics are in the extensive perimeters previously established for future urban operations (ranging from 450 ha to 3000 ha) and the location of these new operations, which are no longer those with strong real estate dynamics, but those recognized as "strategic interventions" as a result of the economic transformation processes to which they are submitted. This strategic role can be recognized by the objectives for the OUCs:

- "Implementation of strategic equipment for urban development;
- Optimization of areas involved in large urban interventions and recycling of areas considered underutilized;
- Implementation of Social Interest Housing Programs;
- Expansion and improvement of the Structural Collective Transportation Network;
- Installation of public spaces;
- Appreciation and creation of environmental, historical, architectural, cultural and landscaping heritage;
- Improvement and expansion of infrastructure and the Structural Road Network
- Invigoration of areas aimed at generating employments."¹⁹

Strategic Regional Plans and New Zoning - 2004

As a result of administrative decentralization and the need to review zoning, the city of São Paulo promoted the revision of plotting and land use and occupation norms, while it simultaneously instituted the Sub-City Halls and the corresponding Strategic Regional Plans. Law 13.885/04 established 31 regional plans and general rules for zoning. Each regional plan adapted urban parameters and created conditions for certain uses according to local aspects of the city's urban structure.

Zoning revision contributed where the OUC was no longer the instrument for making land use and occupation rules flexible because it does not require the operation's urban parameters to serve as an update of zoning (until then "obsolete"). These parameters then begin to satisfy urban guidelines related to making the urban project feasible.

7. History

Interconnected Operations

Prior to the urban operations, the interconnected operations were the first experience in applying the land concept in São Paulo. These interconnected operations were a mechanism established by law where private initiative donated a certain number of Social Interest Housing units to the City Hall for the population living in shantytowns in exchange for modifications in land use and occupation indexes and characteristics on lots they owned.²⁰

During the period these interconnected operations were in effect, 313 Terms of Commitment were signed, which generated a contribution worth US\$ 122,498,609.00 – enough to build 11,102 social interest housing units, considering a value for each unit of approximately US\$ 11,033.00²¹.

There was much controversy in relation to the performance of these interconnected operations as public policy. Although resources were obtained for financing social interest housing, several questions were raised concerning their use to make zoning laws flexible, concerning the lack of criteria and parameters for analyzing contributions, concerning the distribution of proposals in the territory and concerning the urban results, among others.²²



In 1998, this mechanism was suspended and later prohibited in 2000 due to an unconstitutionality lawsuit filed by the Public Prosecutor's office for being in disagreement with the zoning law.²³

Faria Lima Urban Operation

Faria Lima was approved by Law 11.732 of March 14, 1995 with the objective of promoting the extension of Faria Lima Avenue and creating a road parallel to the Pinheiros River Marginal Road, mitigating the saturation of the road network in the city's southwest region. To optimize the new capacity of the improved infrastructure, it encouraged greater density and explored the sale of additional construction potential as a means to gather funds to finance the new avenue's works.

This urban operation encompasses a noble part of the city where real estate market activity, when the law was approved, was intensifying. Its perimeter is basically distributed between Faria Lima Avenue and the Pinheiros River Marginal Road, in the section between Bandeirantes Avenue, to the south, and Frederico Hermann Junior Street, to the north, covering 450 ha. This perimeter was divided into an ADB (Directly Benefited Area), distributed over 5 sub-perimeters, practically around the sections that resulted from road improvements, and an AIB (Indirectly Benefited Area). The ADB had a smaller territory, and its stock was defined at 1,250,000 m². The AIB had a greater territorial extension and the stock was established at 1,000,000 m².

Law 11.732/95 introduced the Cepac concept, with the possibility for being used in the ADB, and was automatically approved. It was not applied due a lack of federal regulations, thus all of the analyses and approvals for ventures and contributions were carried out as established for the AIB, that is, case by case. The law also instituted a diverse Works and Investments Program.

Faria Lima accounted for the largest flow of resources among all urban operations instituted in São Paulo: between 1995 and 2004 approximately R\$ 300 million²⁴ were obtained from financial contributions, as a result of the concession for additional construction potential. Its main urban results involved investments in road improvements made prior to the approval of the urban operation law. This mainly involved the extension of Faria Lima Avenue, connecting the two ends to Pedroso de Moraes Avenue, to the north, and, to the south, to Hélio Pelegrino Avenue – which was also extended and connected to República do Líbano Avenue. In relation to private investment, there was a broad-based adherence of new enterprises, most especially high standard and non-residential.

In 2004, the revision of the Faria Lima Urban Operation²⁵ was approved. The Cepac was regulated; the perimeter reviewed in sectors and the stock of additional potential construction was redistributed in the corresponding sectors.

Água Branca Urban Operation

Água Branca was created with the objective of transforming the idleness of occupation of large plots in the midwest region of the city through the implementation of a work program and a "new model" of land occupation and use, rationalizing existing infrastructure use.

The Água Branca Urban Operation was approved by Law 11.774 of May 18, 1995. It has an approximate area of 487 ha and the perimeter is distributed from the Tietê River Marginal Road, to the north, the Pacaembu and Abraão Ribeiro Avenues to the east, Turiassu Street and Francisco Matarazzo Avenue to the south and Santa Marina Avenue to the west. An additional construction potential stock was foreseen for different uses, destining 900,000 m² for non-residential use and 300,000 m² for residential use. A Works Program was also established.



Panoramic view of Água Branca Urban Operation area. Source: Sempla/Atou

D. Pedro II Park and downtown São Paulo. Source: Sempla/Atou

One of the characteristics of this operation was the possibility of paying for the contribution by making public works related to the requested urban incentives.²⁶

Contrary to Faria Lima, Água Branca received few private investments, the most significant being the four tower non-residential venture located on Francisco Matarazzo Avenue, which financed the extension of an avenue in a partial section of the project. The foreseen public works were not implemented and the land idleness situation is still present.

Downtown Urban Operation

The Downtown Urban Operation, approved by Law 12.346 of June 6, 1997, was created to replace the extinct Anhangabaú, distributed along a perimeter configured by the so-called "Counter-Loop" (contra-rótula) (Mauá Street, Duque de Caxias Avenue, Amaral Gurgel Street, Radial Leste Avenue, Glicério Viaduct, Alcântara Machado Avenue and the railroad). The operation's territory covers 582 ha.

The main incentives conceded were related to the modifications of urban indexes, transfer of preserved property construction potential and regularization of constructions, renovations or expansions carried out in disagreement with current legislation.²⁷

An important characteristic of the Downtown Urban Operation was the possibility to transfer construction potential of properties under trust to other lots in the city. This transfer, made possible under the condition of preserving properties under trust, could be carried out as a result of the effective utilization coefficient for the assignor's property.

This urban operation had little urban and financial success. The mechanism to transfer construction potential (to lots located outside the urban operation perimeter) was more explored than the onerous grant of the right to build. Different from the Faria Lima and Água Branca urban operations, the Downtown operation did not establish a Works and Investments Program, and the Executive Commission was given the responsibility to define investments to be made.

Água Espraiada Urban Operation

The Água Espraiada Urban Operation was instituted after the conclusion of work on a section of this avenue as a means to optimize the effects of the improved road infrastructure through increased density and the necessary complementary urban interventions. The onerous grant mechanism was used to finance these interventions.

Its perimeter is distributed along the urban area formed by the blocks along Jornalista Roberto Marinho Avenue and the Pinheiro River Marginal Road, for a total of 1,426 ha.

Água Espraiada was the first operation approved post-Statute of the City and it showed some advances with regard to adjusting the urban operation laws to the new "operating demands" in the Statute. These adjustments can be summarized as follows:

- Definition of the contribution payment in Cepac;
- Definition of the Cepac conversion in m² differentiated by sectors;
- Establishment of differentiated urban parameters by sectors;
- Development and approval of the Environmental Impact Study, although its elaboration was after the approval of the law for this urban operation – Law 13.260/01.



Auctions were held to issue Cepacs with the objective of building two Stayed Bridges over the Pinheiros River to connect Jornalista Roberto Marinho Avenue to the Pinheiros River Marginal Road, and build 1800 social interest housing units to attend to families residing in affected shantytowns.

Rio Verde-Jacu Urban Operation

It was instituted by Law 13.872/04, totaling nearly 7400 ha, which is the largest foreseen and studied perimeter in an urban operation. This broad territory is not the result of any expectation for collecting more funds through the sale of additional potential construction, but due to its link with regional policy in the east of the city. This policy has basic presuppositions that include the generation of employments through the stimulation of industrial activities in certain sectors and the urban development founded on environmental protection and preservation.

The perimeter has the Jacu Pêssego Avenue as its axis and it develops along an approximately 4 km wide section. It is limited to the north by Tietê Park, and to the south by the basin of the Aricanduva River. It includes the Carmo Park and the main Itaquera industrial zones, as well as the subway yard. The territory has a sinuous relief with the largest declivities in the south.

An extensive works program was established, mainly regarding roads, and an additional potential construction stock of 3,570,000 m² was foreseen. This urban operation permits land regularization, among other urban incentives, and establishes specific conditions for its application.

One of the characteristics of the Rio Verde-Jacu Urban Operation is its management, which has not only a Management Committee with public authority and civil society representatives, but also a Technical Office linked to the mayor's office comprised of City Hall technicians and representatives. This condition is an advance in institutional format, which permits greater entrepreneurship by public authorities.

The law for this urban operation is not in effect due to the need to elaborate the Environmental Impact Study.

New urban operations

Territorial insertion of these new urban operations is related to the Urban Requalification and Restructuring Macro Area defined by the Strategic Master Plan's macro zoning. These are basically the low grassy areas along the Pinheiros, Tietê and Tamanduateí Rivers occupied by old industrial districts, large deactivated equipment, equipped with the highway loops and structured with the railroad network. It is a territory in transformation: whether due to the industrial plant change of location process or the need for environmental and landscape recovery, or even the optimization of installed infrastructure, these areas comprise a transition zone and an interface between the expanded center and the city's outlying areas. Nor is it only a transition region between consolidated urbanization areas and those in the consolidation process. It is a territory that is redesigning its productive base thanks to the new global economic and technological demands as well as real estate speculation.

Aerial image of Itaquera Industrial Center region in the Rio Verde-Jacu Urban Operation perimeter. Source: Emurb



In 2002, the Municipal Planning Secretariat – Sempla evaluated current urban operations with the intent of obtaining a critical analysis for improving and reformulating the urban operation concept with regard to the identified problems. The analyses and conclusions found in Administrative Rules 131/2001 (Faria Lima), 132/2001 (Água Branca) and 133/2001 (Downtown) can be summarized as:

- The need to establish an urban plan with clear and detailed rules with regard to public investments to be made, benefits to be conceded, contributions to be demanded and controls to which the developments must be submitted;
- Advance in the best technical definition for public projects;
- Divide the perimeter of the urban operation into sectors according to local characteristics and the desired transformation strategy;
- Equip urban operation management with objective and transparent criteria for conceding benefits and the corresponding charging of contributions; among other measures.

In this context, development of the urban operation plans foreseen in the Strategic Master Plan, or more specifically, studies of the Vila Sônia, Vila Leopoldina, Carandiru-Vila Maria and Diagonal Sul operations, began in 2002.

8. General balance

The genesis of the OUCs is in resorting to instruments capable of accelerating urban transformations prioritized in the Master Plans whether through facilitation measures or by obtaining funds. The crisis period for urban planning, founded on the modernist/functionalist matrix, revealed the fragility of the "pretentiously all powerful master plan"²⁸, which would be capable of solving all urban problems, precisely at the moment the opposite occurred: the largest (disorderly) growth ever seen in Brazilian cities.²⁹ This condition stirred up the debate on the need for urban reform in the 1970s and 1980s, making room for reflection on urban instruments including urban operations. Less land use control and greater induction capacity for transformations, fewer restrictions and more positive action in promoting projects, was expected from some instruments. For such, to intervene in property rights and control real estate activity were issues on the debate's agenda, and that, in a way, went forward.

However, throughout the process of fighting for urban reform, few cities were truly successful in socially including urban policy developments. Quite the contrary, with regard to the partnership theme, private investment ended up laying out the path to be followed by public authorities according to its own interests, which were essentially segregationist and elitist.

If urban operations emerged as a flag for an urban management catalyzing instrument in achieving structural urban results and as an instrument to recover real estate value, it was in the secondary objectives, and in an isolated manner, that some results were obtained. In other words, in creating greater density, in the (partial) providing of infrastructure and in intensifying land use. As we will see in the next chapter, the study of the Água Branca and Faria Lima urban operations, the urban results obtained were limited – when not contradictory, if the social implications are analyzed in the areas that were the object of some urban operations as well as in the city as a whole.

While urban success was reduced, the instrument's institutional evolution demonstrated greater maturity of urban management in recognizing problems, limitations and logic of city governance. This can be ascertained in the linking of urban instruments to urban

policy objectives through the master plan, in the future vision of urban operation use to make urban projects feasible, in improving the automation of contribution (Cepac) collections, and above all, in where these operations would occur in the city. The "geography" of these new urban operations dictates their strategic character: areas where there is greater availability of land for utilization renewal (industrial and underutilized areas), where the infrastructure, such as railroads, structural roads and other mobility systems, are being re-equipped, modernized and improved.

As can be seen, some progress was obtained, but there is still a set of problems, and the main issues can be summarized as follows:³⁰

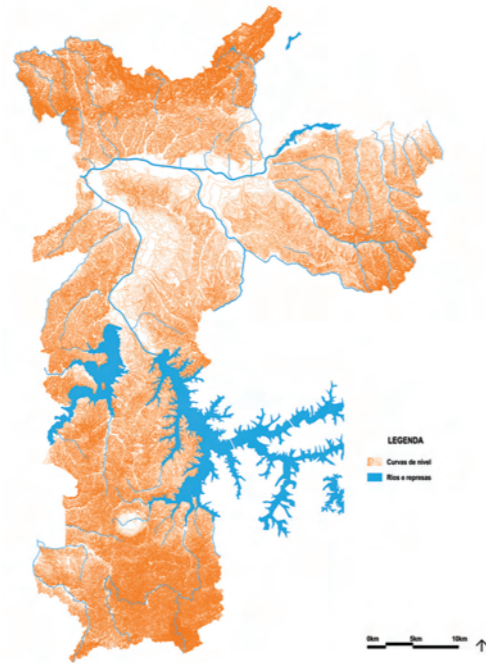
1. Issues related to the experience of already approved urban operations:

- The incentive for density and the corresponding improvement in infrastructure lead to more expensive land, population exodus and a concentrated increase in income if we take the Faria Lima Urban Operation as an example, which had the greatest financial success.
- Nonexistence of structural urban results linked to the city's general planning guidelines.
- If on one hand there was success and adherence in areas of real estate market interest, on the other hand, this condition led to disequilibrium between the partnership bases.
- False expectations for infrastructure financing: subsidies and investments are needed in an "engine" project, which often contribute to the concentration of resources in a same part of the city, which is already equipped.
- Relative performance as an added-value recovery instrument generated by collective actions and public investments: only the conceded benefit is recovered, not increased value.

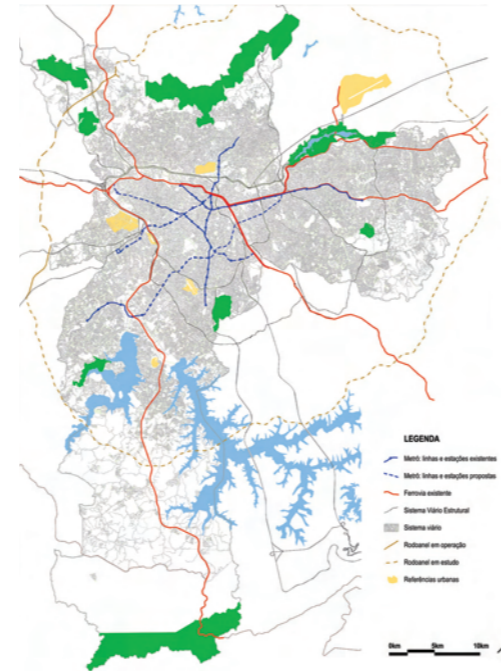
2. Issues related to the formulation method for urban projects for new urban operations:

- The transformation of large industrial sections and irregular sections no longer requires additional construction potential as an element to attract investors and for negotiations. What are the new elements? Land? Infrastructure? Occupation rules?
- How to implement local plans? The promotion of structured urban projects presupposes the search for comprehensive results. For such, it is necessary to intervene in the set of blocks and not lot by lot.
- How can an agreement be reached between landowners, between public entities, between investors and between all the agents? How can this agreement be legally legitimized?
- How can the partnership be made feasible in the promotion of urban development while attending to social pattern diversity?

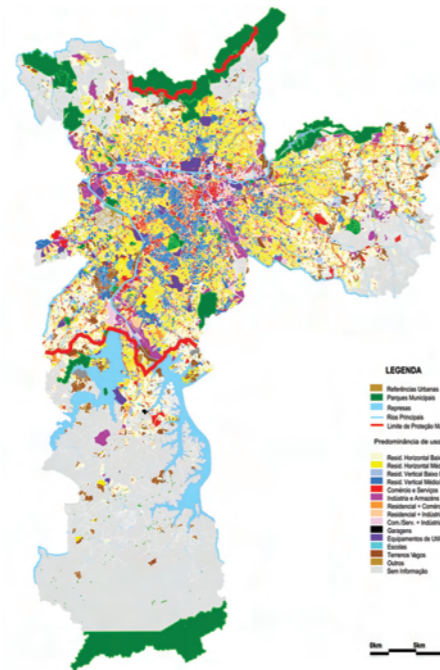
Relief and hydrography of the City of São Paulo. Source: Sempla/Dipro



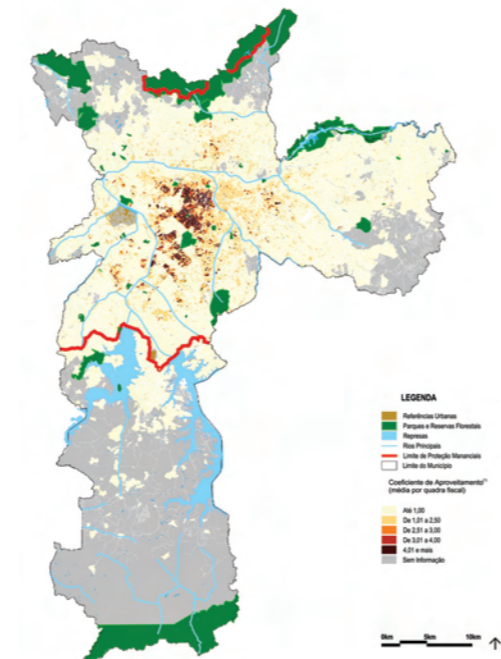
Main road and municipal transportation infrastructure of the city of São Paulo. Source: Strategic Director Plan, Law 13.430/02



Land use map by fiscal block in the city of São Paulo Thematic series: "The City in Maps". Source: SF/RI, TPCL 2004; Sempla

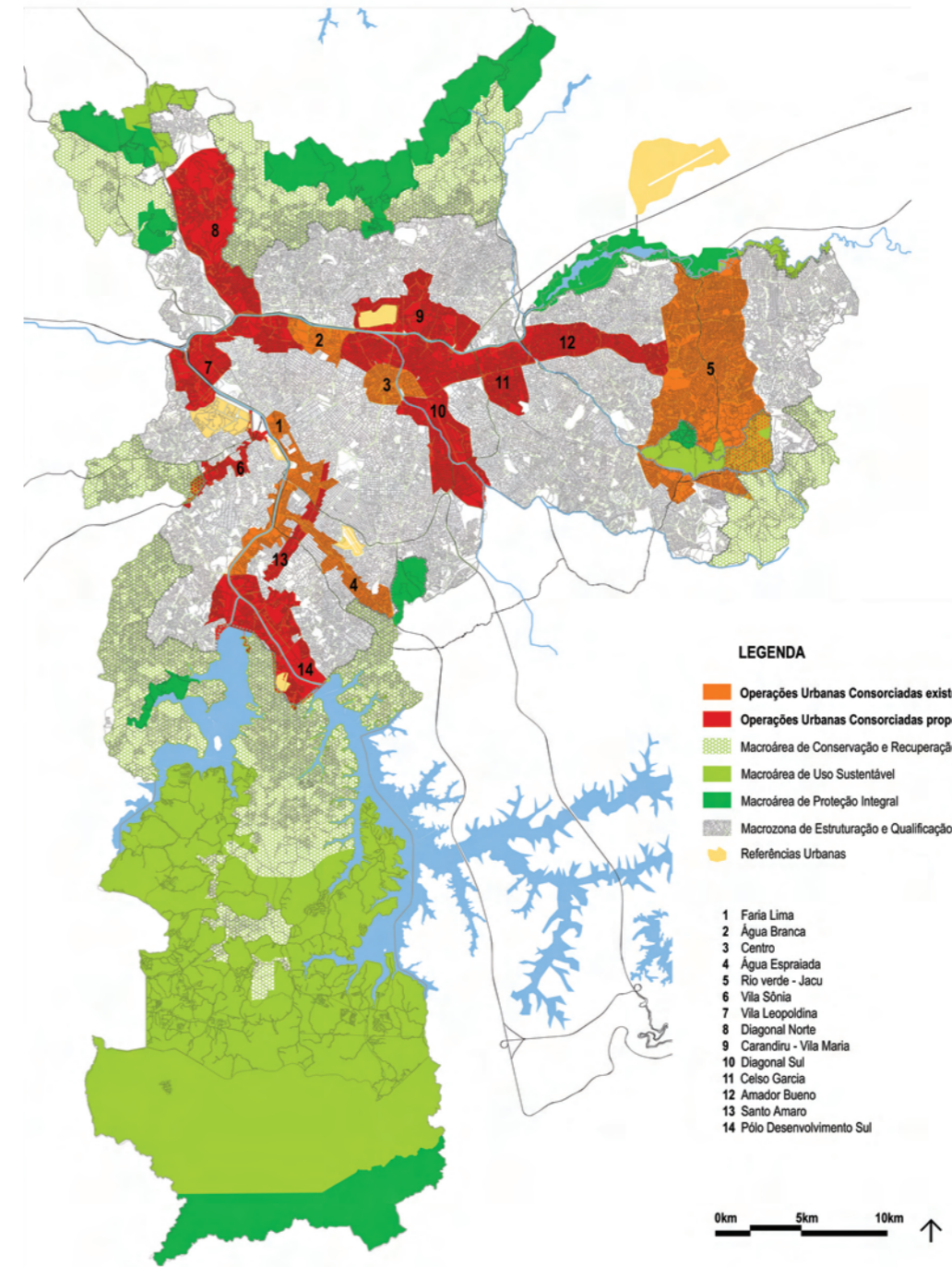


Gross utilization coefficient map by fiscal block in the city of São Paulo Thematic series: "The City in Maps". Source: SF/RI, TPCL 2004; Sempla



General map of Joint Urban Operations of the São Paulo Strategic Director Plan.

Source: Strategic Director Plan, Laws 13.430/02 e 13.885/04



- LEGENDA**
- Operações Urbanas Consorciadas existentes
 - Operações Urbanas Consorciadas propostas
 - Macroárea de Conservação e Recuperação
 - Macroárea de Uso Sustentável
 - Macroárea de Proteção Integral
 - Macrozona de Estruturação e Qualificação Urbana
 - Referências Urbanas
- 1 Faria Lima
 - 2 Água Branca
 - 3 Centro
 - 4 Água Espraiada
 - 5 Rio verde - Jacu
 - 6 Vila Sônia
 - 7 Vila Leopoldina
 - 8 Diagonal Norte
 - 9 Carandiru - Vila Maria
 - 10 Diagonal Sul
 - 11 Celso Garcia
 - 12 Amador Bueno
 - 13 Santo Amaro
 - 14 Pólo Desenvolvimento Sul