Programs implementation prospects for the large city territories development in Russia: institutional aspect

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Abstract. The article shows that the development of large cities as centers and locomotives of economic growth requires efficient use of urban areas, ensuring their sustainable and balanced development. This necessitates improving the institutional framework and methodology for spatial planning. The authors note that the functioning of the institutions on which the rational land use in large cities depends does not meet modern requirements, primarily in the field of integrated sustainable territorial development (ISTD). The article analyzes the experience of St. Petersburg in the urban areas’ development aspect, which made it possible to identify the main problems, including the lack of public consensus on the choice of territories for the programs’ implementation. ISTD and insufficiently active participation of the city in the implementation of these programs, especially in terms of engineering infrastructure preparation. Analysis of literature and practice in the study area showed the need to improve the mechanism for the formation and implementation of programs for the territorial development in large cities, the development of real estate market institutions, rules and regulations related to ISTD. The article presents the recommendations of the authors, to a certain extent filling the existing gaps. The author's definition of the "depressed territory" concept is proposed (to solve the problem of choosing the territories for ISTD), substantiated the need to form a unified city program for ISTD project development with their introduction into the General Plan of the city development, as well as the use of the economic-spatial model of the developed territory to determine the possible effect of its development and the costs necessary to obtain it. The article proposes a unified methodological basis for the territorial development programs’ formation and implementation. The recommended methodological approach is aimed at improving the analysis and assessment quality of development programs for the territories in a megapolis, at ensuring the effective use of urban land.

1. Introduction
The issues of spatial development, effective use of land resources, urban areas have recently been in attention focus of both state and municipal authorities and specialists in the field of land management, land use, territorial and urban planning. Land is recognized as the most important factor in economic growth when used efficiently. At the same time, an increasing concentration of economic, scientific, technical and innovative activities is presented in large cities and megapolises. The relevance
of the article is determined by the fact that attention-attracting programs of territorial development, implemented in order to increase the urban land use efficiency and aimed at solving the socio-economic problems of society in providing housing and commercial real estate objects are closely related to the development of real estate market institutions and the construction of large cities. In this connection, the problems of institutional development in the field of territorial development and renovation have a significant impact on the prospects for the implementation of programs for the territorial development in a large city.

The authors of the article focus on the analysis of programs for the territorial development in large cities, which is due to the following reasons:

- such territories are most in demand for construction and development, they are actively involved in circulation, built up with housing and other objects, and are developed as public spaces;
- the use of land resources and the territorial development of large cities require special attention of the authorities, well-thought-out measures to regulate land use to ensure not only economic results and growth of city budget revenues, but also to create comfortable and safe living conditions in the city, to achieve the city development goals;
- the territories of large cities are the attractive objects for investors, which requires local authorities to actively work to create a favorable investment climate, prepare land plots for bidding, resolve issues of developing the necessary communal and other infrastructure and ensure an integrated approach to the urban areas’ development. Russia has vast territories, the land fund of the country is 1,712,519.1 thousand hectares, or 17,125.2 thousand square km. The share of land in settlements in the structure of the country’s land fund is insignificant - 1.2% (20.5 million hectares), of which the land of urban settlements occupies 41% (8.4 million hectares) [1].

With such a small share, these lands are densely populated and intensively used, especially in large cities. Currently, the share of the urban population is 74.6% [2].

These data show the relevance and importance of ensuring sustainable land use in large cities. At the same time, the development of institutions on which rational land use in large cities depends, although it is proceeding at a significant pace, but their current functioning is not enough for the modern development of society and the city’s economy, primarily in the field of land use and construction for the purposes of integrated sustainable territorial development.

This means that the recommendations to improve the mechanism for the formation and implementation of programs for the development of large territories are needed, which would include the recommendations for the development of real estate market institutions, rules and regulations related to the integrated sustainable territorial development (ISTD), taking into account the characteristics and potential ISTD for large cities. But today these issues are considered sporadically within the scientific and professional community.

2. Literature review

In the Strategy for the Spatial Development of the Russian Federation until 2025, large urban agglomerations and megapolises are considered as the leading centers of economic growth, which requires the rational and efficient use of their potential, the most important component of which is the spatial resource - urban land. The solution to this problem involves improving the methodology of spatial planning, overcoming "unbalanced spatial development of large urban agglomerations and the largest urban agglomerations" [3]. However, increased attention to these issues has not yet led to the required qualitative changes in institutional aspects, both from the standpoint of analyzing the development of individual institutions, norms and rules, and from the standpoint of the impact of territorial development programs on the real estate market institutional structure transformation.

A large number of scientific works, both scientific researchers and practitioners in this field, are devoted to the problems of territorial development and the territorial development programs’ implementation and are considered as general issues of sustainable regional development associated with the territorial development, including the use of green economy technologies, and certain issues
of the territorial development programs’ implementation from the standpoint of the individual institutional norms’ development in the context of sustainable territorial development.

Natalia Klimenko (2011) analyzes the principles and instruments’ development of the regional policy implemented by the European countries, shows the growing trend towards an increasing role of territorial conditions and geographical factors in the development of plans and strategies for balanced regional development [4].

Ferova, Lobkova et.al. (2019) the article presents the research issues aimed at finding and analyzing the existing approaches and tools for monitoring territorial development, as well as developing methodological and procedural foundations for assessing the stability of territories to solving socio-economic problems [5].

Vertakova and Plotnikov (2019) note that sustainable development is a priority in the modern world and one of its effective tools is the development of a “green” economy. The scientists propose the priorities and directions for the green economy development to regulate regional development in order to achieve the main goal - sustainable development in Russia [6].

In work “Green” technologies in housing: the experience of Russia authors I. A. Bachurinskaya, N. V. Vasileva, M. N. Yudenko and S. A. Nikolikhina (2020) an analysis of the institutional norms governing "green" construction in Russia at the present stage was carried out and the recommendations in the field of housing construction in the city were given [7].

Maksimov, S.N., Vasileva, N.V., Bachurinskaya, I.A (2015) consider the problematic aspects of the territorial development of St. Petersburg from the standpoint of analyzing the development trends of the territorial land and property complex [8].

The authors Maksimov S.N., Sirotnikova M.V. (2017) consider the projects for the urban areas’ renovation on the example of St. Petersburg and Moscow. The foreign experience of residential areas’ renovation is presented on the example of Great Britain and Japan. The main differences between Russian and foreign practice are noted. It is noted that the institutional aspect is decisive in the analysis of the prospects for the territorial development [9].

The listed scientists, researchers and practitioners agree that the territorial development is an important element in solving the socio-economic problems of the city, is closely related to the problems of sustainable development and the "green" economy and has a significant impact on the harmonious development of institutions and institutional norms for the formation and development of the real estate market in a large city, as well as the prospects for the implementation of territorial development programs as a mechanism for the functioning and development of the real estate market.

3. Analysis of the urban areas’ developing practice in Russia on the example of St. Petersburg

The deployment of the practice of forming urban spaces in Russia is proceeding in the direction of the transition from the projects’ implementation for the undeveloped territories’ development, mainly in the form of projects for the integrated territorial development (ITD) to programs and projects for the built-up areas’ development, which is reflected in the formal and informal institutional norms of the practice of using urban areas in large cities.

It is believed that the projects for the integrated development and development of the territory include those in which the construction of real estate with an area of more than 100 thousand square meters is declared. This includes housing, commercial real estate, infrastructure. According to the Consulting Center “Petersburg Real Estate”, today about 130 such projects have been announced on the territory of St. Petersburg and suburban regional territories. This is about 65.4 million square meters of housing, and in St. Petersburg 98 projects (or 53.7 sq. m.), and in the Leningrad region - 34 projects (or 11.7 million sq. m.) were announced [10]. According to the Consulting Center, 29 of the announced projects involve the redevelopment of industrial territories, where the construction of 9.5 million square meters of real estate is possible; 23 objects are the projects for the residential blocks’ renovation (such as "Khrushchev type real estate"). At the same time, according to the Office of the Federal State Statistics Service for St. Petersburg and the Leningrad Region (Petrostat), the investments in land improvement amounted to 66.226 million rubles in January-June 2020, which is 39.5% of investments in 2019, which
in our opinion is due to the objective conditions of the pandemic. The sources of financing the investments in fixed assets in St. Petersburg in January-June 2020 have a ratio of 15% - funds from the federal budget, 41% - funds from the budget of a constituent entity of the Federation and 44% - funds from organizations and population.

The built-up areas’ development program implementation started in St. Petersburg in 2008:

- Law of St. Petersburg dated May 6, 2008 No. 238-39 "On the address program of St. Petersburg” Development of built-up areas in St. Petersburg “;
- Resolution of the Government of St. Petersburg dated July 24, 2008 No. 904 "On measures to implement the law of St. Petersburg” On the address program of St. Petersburg "Development of built-up areas in St. Petersburg” [11].

The experience of implementing the program over the past decade has revealed a number of problems in the development of institutional norms and rules, which have remained largely unresolved to date and hinder its implementation. It is possible to distinguish the following problems:

- lack of public consensus regarding the choice of territories for the territorial development projects’ implementation;
- lack of an effective mechanism for resolving contradictions between the developers’ interests and the population of built-up areas;
- relatively passive participation of the city in the program implementation (in particular, in solving the problem of residents’ resettlement, in the engineering infrastructure preparation).

Currently, the number of projects for the built-up areas’ development is expanding due to the appearance in the legislation of a new form - projects of integrated sustainable territorial development (ISTD). The legislative basis for its implementation was the aforementioned Federal Law of July 3, 2016 No. 373-FL “On Amendments to the Urban Planning Code of the Russian Federation, certain legislative acts of the Russian Federation in terms of improving the regulation of the preparation, coordination and approval of documentation for the planning of the territory and ensuring a comprehensive and sustainable territorial development and the recognition as invalid of certain provisions of legislative acts of the Russian Federation” [12]. ISTD project implementation practice makes only the first steps, despite the fact that more than four years have passed since the adoption of 373 - FL. The reasons for this situation in many respects overlap with those that we have already indicated above regarding the practice of implementing the program for the development of built-up areas in St. Petersburg. Compared with the above-mentioned program, as well as the Moscow programs for the housing stock renovation, the ISTD projects have two essential features.

First, these projects are not limited to the territories occupied by different types of development - industrial, public and business, residential.

At the same time, the result of the ISTD projects’ implementation should become the multifunctional territories intended "for the placement of capital construction of residential, industrial, public-business and other purposes and necessary for the functioning of such facilities and to ensure the life of citizens of the objects of communal, transport, social infrastructure” [12]. This is their significant difference from the programs of emergency resettlement and dilapidated housing stock and programs for the residential buildings’ renovation.

Second, the ideology of ISTD projects is based on the use of the public-private partnership principles with the presence of obligations both for investors and local governments, distributed between them, as well as the right-holders when they initiate the implementation of territorial development projects, i.e., formation and development of the institution of public-private partnership of ISTD projects.

In contrast, the programs for resettlement of emergency housing stock are funded from budgetary funds, while renovation programs for residential buildings are mainly funded from non-budgetary sources. Thus, the current Moscow program for the residential areas’ renovation is built exclusively on budget funding, while the program for the residential areas’ development in St. Petersburg, on the contrary, is almost exclusively based on private funding.
The option of implementing territorial development projects, especially if the initiator of such a project are the local governments based on the public-private partnership principles, is the most acceptable for a number of circumstances.

First, the use of budget funds, especially at the initial stages of the territory development project implementation, is evidence of the municipality interest in the successful implementation of the project and in itself is already a factor in increasing the investment attractiveness of the project for private investors.

Second, in the early stages of the project (during the pre-project research and development period), the active participation of the municipality makes it possible to more accurately determine the conditions for attracting private investment, taking into account the socio-economic feasibility and potential profitability of the territory development project.

In addition, the direct participation of the municipality in the development of regulatory documents for the implementation of development projects of the territory (defining the boundaries of the developed territory, developing and approving the project for planning the territory, determining the list of objects to be demolished or reconstructed) makes it possible to take into account the needs of the local community more fully and creates favorable conditions for holding public hearings on the project. The key to ISTD mechanism effective use in the interests of developing not only local territories, but also the entire territory of the city, has a choice of territories planned for development. Such a choice should be made at the level of the city as a whole, taking into account the state and significance of specific territories from the point of view of urban development as a whole. This task should be solved by forming a unified city program for the ISTD projects’ development with their inclusion in the Master Plan of the city development.

An important institutional mechanism that regulates the territorial development is the Standard for the Integrated Territorial development, which is a methodological document that defines the main approaches to the formation and development of residential and multifunctional development territories in accordance with the actual needs and demands of urban residents [13]. This standard is advisory in nature. It was developed on behalf of the Government with the support of the Ministry of Construction and Housing and Utilities by the Unified Institute for Development in the Housing Sector, a subsidiary of Dom.rf JSC, and is aimed at a wide audience: residents, designers, developers, representatives of local government and government different levels. The standard gave certain directions for the provisions’ implementation of the integrated territorial development into the regulatory framework. In June 2020, the amendments to the Code of Rules “Streets and roads of settlements” adopted in December 2019 came into effect. Thus, although the Standard for the Integrated Territorial development is of a recommendatory nature, it has begun to be actively implemented, which means that the problem of the relationship between formal and informal institutions is being actively addressed in order to determine the prospects for effective territorial development. However, not all problematic aspects have been resolved to date.

4. Main results
From a methodological point of view, it is fundamentally important for the territorial development effective institutions formation to identify the depressed territories, the state of which negatively affects urban development, and therefore in need of development using the mechanisms of integrated sustainable territorial development. Analyzing the concept of "depressive territory" the authors of the article came to the following conclusion. In general, a depressed territory, in our opinion, should be understood as an inefficiently used territory, that is, a territory characterized by ineffective and irrational land use (incompatible or outdated location and architectural and planning solutions of buildings), due to structural deterioration of the state and chaotic development of the objects located on it; real estate (high degree of physical and functional deterioration); unfavorable living conditions and economic activity, environmental degradation and underdeveloped infrastructure; which leads to the loss of income from land use (including budgetary income) due to inefficient use of land and real estate.
Several studies on the use of ISTD mechanisms, a list of characteristics of the territory depression is proposed. So, for example, in the study of the Institute for Urban Economics Foundation, the following option is proposed: “The following characteristics of residential and non-residential real estate objects (including land plots on which such objects) on such territory are: emergency condition; high level of wear; inadequate technical condition, impossibility or inexpediency of overhaul, low improvement level; the danger of use for the life and health of people, the environment, historical and cultural monuments, including due to non-compliance with the legislation requirements in the field of environmental protection, legislation in the field of ensuring the sanitary and epidemiological well-being of the population” [14].

The allocation of the above-mentioned characteristics seems reasonable, but, in addition to the first position, they are quite general and, in our opinion, need to be concretized and need more complete methodological and methodological justification.

Taking into account the importance in the field of real estate economics of such a theoretical structure as the concept and the basic principle of the best and most efficient use of real estate (in the Russian practice of the best use), it is proposed to use them as a methodological basis.

As it is known, the best use of real estate (land) is understood as such use that is physically possible, legally permissible, financially affordable and most cost effective. In this case, the economic efficiency criterion is the maximization of the land value.

This approach, in our opinion, is quite appropriate when choosing the options for the territorial development. At the same time, a development option is understood as a whole complex of sequentially considered options: from the choice of a territory for development to the functional filling of the developed territory.

At the initial stages of project implementation, when choosing a territory for development, the concept of the best use can be applied precisely when determining the depression signs. Taking this into account, in order to effectively operate the institution of territorial development, it is proposed to supplement and clarify the above-mentioned characteristics with the following norms:

- ineffective functional use of land plots and real estate objects on the territory, which differs from the best use option (in total - at least 50% of the territory);
- income from the use of state-owned commercial real estate located on the territory is lower than with the best use of the territory;
- the cost of maintaining state-owned non-commercial (social) real estate, located on the territory, is higher than in the case of the best use of the territory;
- the level of provision of the territory with engineering, transport and social infrastructure facilities is less than 50% of the standards established by legal acts, in accordance with existing and future needs;
- the aggregate physical depreciation of real estate objects on the territory is at least 50%, and functional depreciation is at least 75%;
- the delimitation of land plots does not meet the necessary requirements (improvement of the territory adjacent to the buildings) for at least 50%;
- the use of buildings and structures is carried out in violation of the existing norms and rules (for operation, fire safety, etc.) in at least 50% of cases.

A logical continuation in determining the project parameters is the development of an economic-spatial model of the territorial development: determination of the most appropriate boundaries of the developed territory, taking into account both the immediate and distant surroundings, taking into account the same principle of the best use. The land value included in the development area, as well as the surrounding area, may increase or decrease due to differences in the area and configuration of the land plot. The understanding of its functional content and structure, the definition of a set of functions, proportions between various types of development, commercial and non-commercial use of parts of the developed territory are organically connected with the definition of the boundaries of the territory. On the basis of the economic-spatial model of the territory under development, it is possible to determine the effect of its development and the level of costs required to obtain it. At the same time, it is necessary
to consider several possible scenarios, including taking into account the changes in the boundaries of the developed territory.

Determination of the projected amount of costs and the planned effect is the basis for choosing the type and organizational and legal form of implementation of the development project (the project for the integrated territorial development, the program for the residential buildings’ renovation, the program of emergency housing resettlement, etc.) to determine the role and contribution of the state, municipalities, property owners, investors in the initiated project.

On the basis of the developed economic-spatial and organizational-legal model, the formation of a system of contractual relations begins, ensuring the implementation of the project for the territorial development. The above-mentioned mechanism for the territorial development projects’ formation includes, as we can see, spatial, economic, organizational and legal aspects and forms the new institutional norms and rules for the territorial development of urban areas.

The recommended methodological approach, in our opinion, improves the analysis quality and development programs’ assessment for the territories in a large city and has a significant impact on the urban land use efficiency.

5. Summary

This paper presents the recommendations for improving the mechanisms for the formation and implementation of programs for the territorial development of a large city in order to increase the economic efficiency of using urban land. Taking into account foreign practice, it is necessary to note certain positive aspects of foreign practice, which, in our opinion, can be applied in Russia: development delegation and implementation of strategic territorial development specific projects to the level of municipal authorities; continuous monitoring of the implementation of projects, their goals and main parameters that affect the quality of the project and its results; consistency and continuity of programs and projects for the integrated territorial development. A unified methodological basis for the formation and implementation of programs for the territorial development based on the principle of the most efficient land use is proposed.

At the same time, it should be noted that socio-economic and social aspects are of paramount importance for the successful implementation for the built-up areas’ development projects (and this is their fundamental difference from projects for the development of undeveloped areas).

The most important socio-economic problem is the problem of the property institution, namely, taking into account the interests of owners or holders of other rights to real estate in the territory subject to development. As the analysis of implemented or currently being implemented programs or projects for the territorial development shows, it is precisely because of the incorrect consideration of the interests of property rights that many programs have not been fully implemented, while others have significantly increased costs and implementation times.

Taking into consideration the importance of the issue of developing institutions that contribute to the development of the land market in a large city, the mechanisms to effectively resolve the problems that inevitably arise in the implementation of territorial development projects in order to form prospects for territorial development based on the effective use of land are needed, taking into account the principle of the most efficient land use. At the same time, it is advisable to amend the current legal norms that provide for the ISTD projects’ implementation at the initiative of the municipality, the application of the procedure for the seizure of real estate for municipal needs in accordance with the Land Code of the Russian Federation in relation to all 100% of the objects within the boundaries of the ISTD territory. This procedure may cause reasonable objections from the property owners. More flexible mechanisms and norms are needed, based on agreements between the project initiators and real estate owners using the buyout procedure. At the same time, it is worth analyzing and using the experience of Moscow, where in the housing stock renovation program implementation, a mechanism to achieve the consent of the majority of owners and tenants under a social lease agreement in an apartment building (at least two-thirds) is used. Elaboration and creation of effective mechanisms for coordinating the interests of project
initiators and owners will significantly reduce the risks associated with the owners’ attempts to block the project implementation.

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