



Smart and Inclusive
Solutions for a Better
Life in Urban Districts

Smart City Toolbox

Replicable measure:

Lyon - Creation of a local public company

Excerpted from: SMARTER TOGETHER – Smart City Toolbox – D8.3.2 - Version 1 – 28/06/2019



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement

Creation of a local public company

Presentation of the measure

The SPL ("Société Publique Locale") Lyon Confluence is a private company with public shareholders (most of the capital is owned by Lyon Métropole) that is in charge of implementing the Lyon-Confluence urban project. 24 employees are working for the SPL Lyon Confluence.

As urban developer, the SPL Lyon Confluence:

- Conducts the studies needed to realise the urban project (masterplan, etc.)
- Sells the land to the real estate developers, with guidelines (and works with the real estate developers to implement the guidelines in the various projects)
- Carries out the works for the public spaces (construction of underground networks, pavements, roads, squares, etc.)
- Coordinates all the actions related to information and communication on the Lyon-Confluence urban project: targeting the press, national and foreign delegations, general public (including public consultation)
- Implement urban innovative projects such as smart city projects.

Setting-up a special (small) purpose company to make an urban project allows the public authority to keep influence on the decisions, without the difficulties related to the decision-making process in a large municipal administration.

Budget needed

The budget depends on the scope of intervention. The type of budget needed:

- Staff costs
- Investment expenditures
- Operational expenditures

Funding sources

- The municipality and/or other public authorities
- Land sale to real estate developers
- Other (European projects for instance, calls, national or international subsidies)

Implementation timeframe

It requires one to several years to create such an organisation. The timeframe of the activities (once created) depends on the scope of the organisation and the time needed to implement its activities.

Main milestone/timeframe of the SPL Lyon Confluence:

- 1997: Lyon Métropole starts to mobilise a dedicated team to the first studies on the Lyon-Confluence area.
- 1999: Lyon Métropole and the City of Lyon create the society "Lyon-Confluence" to continue the first studies (until the implementation and operational phase).
- 2003: "Lyon Confluence" is officially appointed urban developer of the neighbourhood by Lyon Métropole, with 177 million euros of investment planned between 2003 and 2016.
- 2012: Change of the status of the company Lyon-Confluence, that becomes an "SPL" (Local Public Society; meaning private company with only public shareholders).
- 2013: Lyon Métropole adds a new assignment to the SPL Lyon Confluence: the construction of the Lyon-Confluence district heating system.
- 2015: End of the first phase of the urban project (500,000 m² built on 41 hectares) and beginning of the second phase (500,000 m² to be built on 35 hectares).

Partners required to implement the solution

Public organisations that can invest and be a shareholder in the creation of such an organisation; such as:

- Local administration: City of Lyon and Lyon Métropole. Lyon Métropole gathers the city of Lyon and 58 smaller cities for an overall population of 1.3 million inhabitants
- Regional authorities: Région Auvergne-Rhône Alpes
- Other public authorities: Département du Rhône, the city of Sainte Foy-les-Lyon, the city of La Mulatière

Preparation of the ground to create a fertile ecosystem for this measure to be set up

It is required that the territory and the urban project are large and ambitious enough to justify the creation of such a special purpose public company. Political willingness of the city and/or other public authorities is key.

Step by step approach

In the French regulatory context, the creation of a “SPL” (Local Public Society) exempts from a tender procedure (but needs official validation by the elected representatives of the city administration and the public authorities involved).

- A “concession contract” is signed to specify the assignments, the area and topics of intervention of the company, its budget, its objectives, etc
- Planning phase: definition of the scope of activities, the area concerned, the public organisations willing to be the shareholders, the governance and the budget.
- Official creation of the company: official deliberation by elected representatives is needed in each public organisation that is a shareholder.
- Operation phase: development of the projects by the company, board of shareholders gathers several times a year.
- Closing of the company once all the projects are finished.

Results/benefits available at this stage

- Agility of a small size company
- Faster urban (re)development
- The public local authority keeps influence on the decisions, without the difficulties related to the decision-making process in a large city administration
- Act as project leader to implement smart city projects on its territory

Is this measure a low hanging fruit?

This cannot be considered a low hanging fruit as it takes several years to create such a company and make the first results visible. This depends on the scope of the activities, the first studies, first reflexion to create such a company, time needed to change the status of the company including informal agreement and official validation by each public organisation that is a shareholder.

Lessons learned: enablers, barriers, solutions found

Though the Lyon-Confluence urban project is not finished yet, the specific type of governance of the SPL appeared to be successful in the implementation of the features of this urban project.

The fact that the president of Lyon Métropole is also the president of the SPL Lyon Confluence is an enabler.

The main barrier is the different pace of advancement between the municipal administration and SPL Lyon Confluence.

The solution found was to reinforce the role of leader of the SPL Lyon Confluence on several features of the urban project such as district heating implementation or eco-refurbishment projects.

Recommendations for a similar project elsewhere:

- Political support of the local public authorities for the creation of such dedicated organisation (like the SPL Lyon Confluence)
- Dedicated team and financial resources
- Clear assignments officially validated the by the public authority(ies)
- A decision-making process on a daily basis that takes advantage of the small size of the dedicated company (just a few points on the advancement with the contact persons in the city each year).

Replicability

The creation of such special purpose public company has been already replicated for “Lyon Part-Dieu” (urban project of the business centre, around one of the train station), in 2014, on a territory of 180 hectares [150 ha for Lyon-Confluence].

A special purpose company can also be created with public and private shareholders.

Contact person

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Further information

- <http://www.lyon-confluence.fr/>
- <https://www.ceep.eu/> [European network / lobby for companies such as SPL]

- <http://www.lesepl.fr/Anglais.php> [French network / lobby for companies such as SPL]