

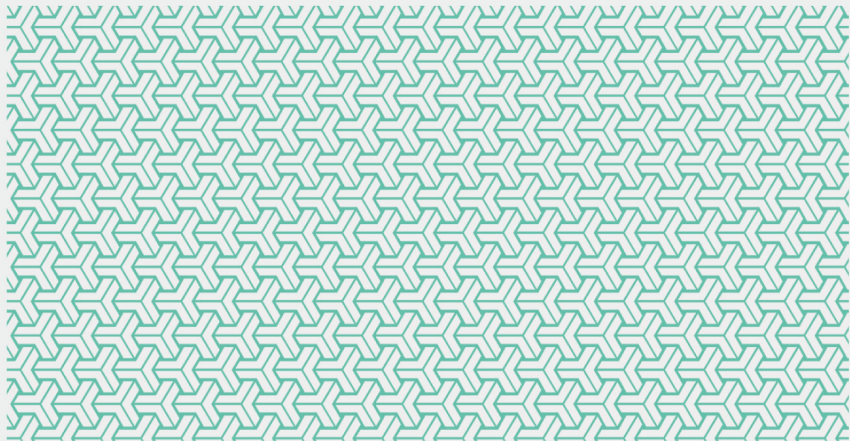
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Urban Regeneration Company's Business Model Based on the Local Resources

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In terms of the urban regeneration project that began in 2014, 534 project areas nationwide have been selected by 2021, and as of May 2022, 37 projects have been completed. As the increase in the completed project areas is expected to begin in earnest in the next 2~3 years, a) the continuation of the urban regeneration support effect after completion, b) the preparation of follow-up measures to spread the regeneration effect to the surrounding areas, and c) the establishment of a community-based self-reliant project promotion scheme are emerging as major issues.

The urban regeneration project was promoted with the goal of inducing private-sector vitality and promoting community-centered self-sustaining regeneration through public funding, which is a form of financing, and to this end, projects have been carried out to discover local actors and strengthen their capacities, such as through urban regeneration universities programs and resident participation programs. Through these various efforts, the basis for participation in urban regeneration by local residents and communities was established to some degree, and understanding and interest in urban regeneration enhanced. However, there is a limit to converting to a community-based urban regeneration rollout initiative with only a resident-oriented organization that lacks project know-how, expertise, and project implementation experience, and project planning and implementation capabilities and financing capabilities that exceed the scope of public financial support or administrative capabilities. As such, the participation of private-sector actors is gaining momentum.

Locally-led urban regeneration promotion and transition to regional management are being attempted through the participation of competent private-sector entities, such as through the Ministry of Land, Infrastructure and Transport (MOLIT)'s urban regeneration company pilot project and the Ministry of Oceans and Fisheries (MOF)' fishing village vitality promotion area pilot project. There is a need for a differentiated strategy to solve the problem of regional decline, and planning and regional management reflecting regional characteristics. Therefore, this study tried to establish the role of the urban regeneration company as an project operator of an urban regeneration project based on the utilization of local resources. Also this study tried to seek out plans to introduce an urban regeneration company-based system by presenting the basic principles underlying the business model.

Chapter 2 reviewed the recent trends in urban regeneration policy and local actors for identifying, incubating, and participating in locally-led actions. As the

urban regeneration project has been underway for about 8 years, the urban regeneration capacity building project for the restoration of local communities and the establishment of governance have been promoted on a gradual, phased basis. In particular, as the urban regeneration New Deal policy was launched, projects to foster urban regeneration economic organizations were expanded through the augmentation of participation by residents and private-sector entities, and residents participating in urban regeneration projects. As a result, local actors and governance for urban regeneration projects have been discovered including the establishment of community management social cooperatives, and certification of preliminary social enterprises of MOLIT.

In the 2022 new administration's urban regeneration policy, the promotion of specialized regeneration projects using unique local assets and the discovery and spread of private-sector participation business models are presented as major directions, so the importance of urban regeneration projects with private participation is expected to expand further.

In addition, not only urban regeneration economic organizations, but also policies and projects related to socially-oriented economic organizations as regional actors and local actors themselves are spreading. Social economy organizations such as social enterprises, cooperatives, and community companies, as well as local actors such as local creators, local ventures, and social ventures, create social and economic value for the local community through business models that utilize the unique characteristics and resources of the region. These activities are leading to the creation of regional vitality, such as local branding and revitalization of local businesses.

As such, the participation and role of competent private-sector entities that can create local value and culture and regenerate the region in a creative fashion is becoming ever more important. As a creative economic activity entity that can implement a community-based sustainable business model along with the implementation of projects for the public interest, the discovery of a business model of an urban regeneration company is under consideration as a major task of urban regeneration policy.

Chapter 3 suggested the implications for the direction and business models of urban regeneration company through case studies at home and abroad that are promoting a diverse range of activities using local resources. By considering the characteristics and scale of the city where the case study was situated in a comprehensive manner, examples within Korea such as Suncheon Brew Works,

Incheon Gaehanro Project, Busan Samjinium, and overseas examples such as the Bratislava AST in Slovakia and Meanwhile Space CIC in London, England were reviewed.

In summarizing the results of the case study, it was revealed that a project promotion system was established through the common resolution of local problems using local resources and connections as well as cooperation with the local community. Cases related to urban regeneration companies featured organizational structures that could generate profits through the supply of goods or services, and the types of corporations appeared diverse depending on the conditions and characteristics of each region and the nature of the business. There was a focus on spatial asset-based businesses adding value that contributes to the local community, such as local branding by discovering and utilizing local content resources, product development, archiving, and establishment of a startup ecosystem in the region.

These showed the characteristics of local-oriented companies that promote collaboration and public interest projects by establishing partnerships with various local entities such as local governments, universities, small businesses, and cultural and artistic organizations. In addition, by formulating various funding structures such as the use of public resources, private investment, self-financing, and donation/sponsorship, a profit structure has been established that enables sustainable activities, and at the same time, improves the physical environment, revitalizes local industries and economies, and manages local areas by creating social value, and were responsible for balanced projects and activities between public and business interests.

As such, the business model of an urban regeneration company is necessary to raise funds for organizational operation and secure spatial assets, utilization of local spatial assets and resources (locality), its own business area (profitability) and social impact on the local community (publicity).

Chapter 4 presented the basic direction and policy support plan for urban regeneration companies based on the utilization of local resources. In this study, an urban regeneration company was defined as a creative economic entity that creates a business by discovering and utilizing local resources and leads various activities to solve the problem of regional decline. An urban regeneration company is a corporation capable of generating profits such as selling goods or services, and should be an economic entity based on locality, profitability, and publicity as basic principles. The urban regeneration company's business model

should have a system for utilizing local resources by default, based on spatial assets, and connecting and cooperating with the local community, and depending on the size of the city, must consider regional characteristics, causes of decline and major problems in the region, regional conditions and resident demand, in order to strategically structure the business model.

Depending on the status of human resources in the region, the characteristics for activities of private sectors, the conditions for promoting public-private partnership, and urban characteristics such as large cities, small and medium-sized cities, and urban-rural complexes, the business strategies of urban regeneration companies may be applied differently. There are local companies starting from specific regions as well as companies that develop, operate, and promote a locally-based business model.

In order to introduce and revitalize the urban regeneration company's system, it is first necessary to discover projects involving urban regeneration companies and improve the project promotion system for public-private partnership type urban regeneration projects. It is also imperative to organize a spatial asset-based business that links local human resources, content, and vacant space as a specialized regeneration business strategy, and devise a promotion system in which urban regeneration companies can take the lead. In addition, the categories of project operators as well as urban regeneration projects are necessary to be expanded considering urban regeneration companies' roles.

Next, in terms of financial support measures for the stable business operation and expansion of urban regeneration companies, there is a need to look at the improvement of urban regeneration financing based on the housing and urban fund, improvement of urban regeneration fund investment standards, measures to establish local funds at the metropolitan city level, and utilization of social impact bond (SIB). Finally, there is also the need to formulate a private sector participation system through the introduction of an urban regeneration company recognition system and review the guidelines for implementing urban regeneration projects and the revision of the Special Act on Promotion of and Support for Urban Regeneration for the stable operation of this system.

This study provided the direction of public-private participation and public-private partnership urban regeneration projects was provided by establishing the role of urban regeneration companies and presenting the direction of the associated business model. However, in order to introduce and take advantage of the urban regeneration company's system, the provision of

various business models that can be utilized in the region and detailed guidelines for system operation must also be considered.

In addition, it is necessary to derive an operating system improvement plan that can be utilized in the field through an empirical survey of the urban regeneration budget, fund support system, and financial conditions. In addition to the urban regeneration project of the MOLIT, the Ministry of Oceans and Fisheries' new fishing village vitality promotion project and the Ministry of Culture, Sports and Tourism's cultural city project are looking into the establishment of a public-private partnership project promotion system, private-led project planning and implementation system, and continuous monitoring.

Keywords :

Urban regeneration company, Local resources, Locally-led urban regeneration, Local management, Public-private cooperation