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Shared Cities: Building the Infrastructure for a Collaborative Economy.

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Sharing and collaboration have long been a universal characteristic for cities. Centuries ago, money and other financial means of exchange didn't exist. Thus human survival depended on cooperation, trading, and bartering.

Today, in many U.S. cities, an innovative, shared infrastructure is being erected, fueling a renaissance in how people live, work, and play. This new movement—both revolutionary and disruptive—dovetails the popularity of the book *What's Mine Is Yours: The Rise of Collaborative Consumption*, a bestseller by Rachel Botsman. It features ideas that promote civic connection, economic continuities of scale, and sustainable lifestyles. Once the concept takes hold, this fast-growing collaborative model promises to revolutionize urban systems and the delivery of goods and services to the general populous.

Convenient Options

In the past 12 to 18 months, consumers and civic leaders have witnessed the proliferation of early stage companies in what's being called the "collaborative economy." Popular new enterprises such as Lyft (ridesharing) and Zipcar (car-sharing) are sprouting up in hundreds of communities to provide cost-effective, convenient options to consumers craving flexibility.

These and other shared economy options have captured the attention of scores of stakeholders including public officials, transportation planners, regulatory commissions, private sector service providers, sustainability experts, and non-profit community advocacy groups. All are grappling with what a restructured societal landscape might look like amidst this new normal. And all of this is occurring against a backdrop of explosive shifts in demographics, consumerism, and technology that are butting up against existing Industrial Age rules and regulatory structures.

Shared Cities as an Emerging Trend

Enter "shared cities," a movement which is reimagining ways to efficiently and safely facilitate the dispersion of community assets like housing, transportation, and workspaces. Denver, Portland, Boston, and Madrid (Spain) are among the many cities now capitalizing on this model. If executed well, these collaborations will foster highly sustainable communities that boost civic vibrancy and strong economies.

Brad Segal is president of Progressive Urban Management Associates, a national leader in advancing downtown and community development. He believes that sharable assets in cities naturally grows out of significant changes in consumer behavior. "An entire section in our PUMA Global Trends Report explores the impact of the sharing economy on cities throughout the U.S.," says Segal. "It's an emerging trend that appears to be here to stay."

The shared cities movement recently captured the attention of municipalities, as evidenced by the June 2013 Sharable Cities Resolution adopted at the U.S. Conference of Mayors. The purpose of this resolution? To foster and encourage increased adoption of sharability within cities. This includes boosting awareness of the possibilities as well as addressing regulations that may hinder participation in the shared economy.

Collaborative Travel Services

A major catalyst behind the shared cities movement is Airbnb.com. This online travel rental portal facilitates guest lodging at private residents, in castles, on boats, and so on. Since 2008, it has created a worldwide community of hosts and travelers through its inventory of 500,000 accommodation listings in 33,000 cities in 192 countries.

Recently, AirBnb announced a partnership with the City of Portland called the Shared Cities Initiative. Based on a manifesto from its innovative CEO Mark Chesky, Airbnb aims to set up a social capital model that will be replicable in other cities. This model promises expanded economic, social, charitable, and environmental value to Portland's sharing economy.

As sharing services like Airbnb become more commonplace in cities such as Portland, so too will these partnerships between cities and companies. Collaborative arrangements such as this are being brokered amid concerns that private lodging and car share companies are violating laws and regulations designed to capture tax revenues and ensure consumer safety. In New York, Chicago, and San Francisco, for example, tensions are escalating as new shared city innovations bump up against established regulatory practices. In Denver— arguably the top relocation city for millennials hungry for a collaborative culture— hotels, taxi companies and other legacy businesses aren't happy. They argue that shared economy competitors reap an unfair advantage by sidestepping local rules and regulations.

Government agencies, meanwhile, feel reluctant to use their enforcement powers in fast-growing shared economies. After all, these collaborative business markets didn't even exist five years ago. So for shared economy stakeholders, both public and private, it can prove difficult to find the sweet spot between their model and existing, more traditional models.

A Middle Ground?

"Given the rapid emergence of the sharing economy infrastructure, there is a growing call nationally for cities to take a more expansive look at their regulatory practices in order to determine whether there is some sort of middle ground," said Brittany Cameron, partner for Smart Regions Initiative, a consumer advocacy firm that cultivates dialogue on regional strategies fueling smart consumption.

Cameron is also a private driver and mentor for the ridesharing service Lyft. This role has given her a behind-the-scenes perspective on how shared city environments can evolve. Citing a California example, she believes the political climate around the concept of shared cities will remain in flux as Industrial Age models collide with new market realities.

"The California Public Utilities Commission's approval of new regulations governing ridesharing services such as Lyft, SideCar, and Uber offers a great step forward in terms of informing future regulatory decisions for shared service providers," Cameron said. "This is our first real look at how to offer a clear articulation of guidelines for welcoming shared city providers to a new market."

Cameron believes prolific opportunities for shared cities innovations exist both locally and regionally. "It's no longer only a local issue," she said. "Even Lyft is expanding outside of Denver

into adjoining cities such as Boulder and Fort Collins.”

Innovations in Workspaces

In addition to transportation and travel lodging related services, communal workspaces are becoming another key infrastructure component of today’s shared cities revolution. It has led to a popular concept called “coworking,” which has sparked the proliferation of collaborative workspaces in warehouse and commercial districts throughout the world. Many of these locales were started by remote workers and freelancers who grew restless with working at home or in boisterous coffeehouses. These spaces cater to independent workers eager to nurture a like-minded community of professionals.

Craig Baute, owner of Creative Density Coworking in Denver, believes that this proliferation of shared worksites represents a hidden gem for local economies. In addition to independent workers, coworking appeals to start-up businesses that are on a growth trajectory but need to keep their expenses in check. Baute’s recommendation to cities? Invest in coworking start-ups. He believes that this allows for greater productive use of underused vacant spaces that dot many central-city areas. “Once a city steps forward to get the ball rolling, the private sector often helps move it ahead,” says Baute.

He notes that a small investment (typically \$150,000 or less) can yield a huge return for a city in terms of civic vibrancy and economic activity. “Sadly, many cities are unaware of this idea. Many city leaders haven’t recognized it as a tool for attracting top talent. Yet it’s an investment they can quickly break even on, one that young professionals will increasingly flock to.”

Coworking Setups Regionally, Nationally, Globally

As the shared cities model solidifies its presence locally, look for increased attention around these concepts regionally and nationally. In Colorado, for example, Baute is spearheading the development of a Colorado coworking “passport”. This will provide members with unlimited access to all passport-sponsored spaces throughout the state. He notes that beyond broadening the accessibility to those seeking shared work communities, this innovative passport creates a perfect forum for advancing regional economic cooperation.

Also in its early stages is CoworkingVISA, which provides access to member businesses at coworking spots globally. The city of Madrid, Spain, which boasts a fervent shared economy culture, features HUB Madrid, a coworking venue which provides benefits to businesses and their workers in this Spanish metropolis. All of this reflects the nature in which shared city infrastructure elements such as coworking spots are being adopted to support a global economy.

Implications for Shared Cities

Adopting a shared cities regional mindset could improve how municipal budgets are allocated for infrastructure projects such as roads and transportation systems. Currently when funding approval is being sought for new highways, bus lanes, or new rail lines, it’s often hard to get all stakeholders situated on the same page.

Making a shift to a shared economy may result in a more efficient means of addressing these issues in a cost effective manner. This will foster an environment where local and regional leaders begin asking questions such as: “Does it make sense to invest all this money, time, and construction effort into expanding our infrastructure? Or should we consider the less costly option of letting shared city innovations fill the gaps? What will allow for the best use of taxpayer money?” These questions and

more are likely to dominate future debates on the merits of the shared economy model.

In the meantime, a terse marriage is in the offing as Industrial Age mores continue to clash with innovations that represent the “new normal” for markets seeking efficiencies in service. While this wrestling over boundaries is likely to continue in the foreseeable future, the shared cities concept and the supportive infrastructure required to sustain it will garner increasingly more attention in years ahead.

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APRIL 21, 2014

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