

implementation process, which would have made it very unpopular for any politician to interfere for the wrong reasons.

As a result, the City Government was enabled to act like the private sector in expediting the implementation process without surrendering any of the essential features of the public process. As an added protection, the Maryland state law requires all city bond issues to be approved in a referendum of all the voters; so as a practical matter the people had an opportunity every year or two to review the progress to date and decide whether to permit the public funding to continue.

### **A players' manual**

The public and private development professionals who are attracted by the opportunities for waterfront renewal would probably agree that it is no different from other forms of complex, mixed-use development – only more time-consuming, more costly, and therefore more risky and difficult.

More time-consuming because of the lead time required to clear the processes of numerous overlapping jurisdictions (in Baltimore's Inner Harbor, there were fourteen – local, state and federal), plus the added construction time required to create a buildable site, and possibly to remediate complex contamination problems, plus the need to phase development through the early stages when each new venue consisted of a pioneering or untested marketing challenge.

More costly because of the additional construction phase devoted to creating the site, and the hard truth that complex design and leasing challenges require more consultants; that, plus the extended time-frame for development, simply costs more money in terms of carrying costs (since developers use borrowed money, they have to pay interest over the entire process).

More risky because more often than not the development program is unique and untested, and that dictates a gradual phasing and build-up process, which allows time for the business cycle to shift and alter the cost and income projections, or for a change in public tastes to demand a different merchandising mix. The sturdy souls who are still determined to take on the challenge of waterfront development (and the romance and sheer adventure of the vision attracts many who will) would do well to understand the new elements involved: the emerging new uses of the CBD, the emphasis on environment or sustainability, the increasing role of the market for lifestyle product and humanism as a counterpoint to technology, and finally – and most important – the need to perform in the arena of global competition.

It is no longer enough for private sector players to calculate the risks and determine the mix and timing of a mixed-use development at the waterfront. Both public and private sectors need to understand the need for obtaining enforceable site control, pre-development "front money" and commitments of public funding and entitlements before promising to deliver a certain development product. (More often than not, because of the previous history of the site, the first capital invested will need to be the public sector's share.) They must appreciate the all-powerful challenge of the supply-demand equation: project cost/benefit ratios, the need for