Between Myth and Reality: The Frontiers of Waterfront Redevelopment in Nigeria

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ABSTRACT

This paper is at once an evaluation and investigation into the economic viability and the architectural possibilities of waterfront redevelopments in Nigeria, in terms of the residential and commercial developments. It commences with a historic overview of waterfront redevelopments, highlighting the evolution of programmes for waterfronts; and furthermore, emphasizing the role of commercial developments in waterfront redevelopments. The paper then progresses to the issue of the public perception of waterfront redevelopments elaborating on the fact that public skepticism, in this regard, is attributable to the factors of technical feasibility, enforceability, resource and affordability and cultural validity concerning waterfront redevelopments. It then provides an insight into the economic context of waterfront redevelopments in Nigeria, elucidating the potentialities of waterfront redevelopments for tourism and economic development in the states of Nigeria. The paper then makes some policy recommendations stating that the potentialities of waterfront redevelopments for job creation and investments are immeasurable. It then reaches the conclusion that investors would no longer look further than the waterfronts of coastal states for profitable investments in properties and tourism – indeed, that waterfronts are new investment havens.

Keywords: Redevelopment, Commercial development, Public perception, Economic context, Investment potential and New investment haven.

INTRODUCTION

The rapidity of waterfront redevelopments in the coastal and riverine areas of metropolitan cities in Nigeria is indicative of their economic viability, in terms of the volume of the residential and commercial developments. Essentially, waterfront redevelopments are commercial and residential developments in form of shops, restaurants, aquariums, entertainment facilities, office and housing on the coastal areas or alongside large rivers, seas or oceans.

Globally, the revitalization of the waterfront has been a principal feature of urban development over the last thirty years. The herd mentality of city planners and developers has given rise to generic models of success that ignore local characteristics. Opportunities exist for more experimental approaches that accommodate a wide range of uses and users and that adapt their forms to the uniqueness of their place and topography.

HISTORIC OVERVIEW OF WATERFRONT REDEVELOPMENTS

The Evolution of Programmes in Waterfront Redevelopment

The obsolescence of the port began in America during the late 1950s. The rest of the world followed suit in the 1960s and 1970s. Advances in transport technology – the intercontinental jet aircraft, the automobile and the railway – weakened the dominance of the city port as principal transport centre. Maritime passenger traffic rapidly disappeared, eliminating the need for liner berths and terminals. At the same time, the emergence of containerized shipping forced many ports to relocate further away from the city where land was in abundance – enabling quick and inexpensive access and construction of railroads and highways.

The combination of large plots of derelict land in the heart of cities with the rapid growth in the sector industry made waterfront redevelopment an obvious and valuable opportunity for city planners and entrepreneurs. Programmes for renewal and rebuilding in waterfront redevelopment first began in major North American cities such as Boston, Baltimore, St. Louis and Toronto in the 1960s and '70s. These were followed in rapid succession by projects in Europe – the Docklands in London and Liverpool, the Vieux Port in Marseilles – and on the other side of the world, Darling Harbour in Sydney and the Victoria and Alfred Waterfront in South Africa.

Our the last two decades, cities as diverse as Barcelona, Baltimore, Bangkok an Buenos Aires have attempted to reclaim their waterways. City officials and developers have radically restructured abandoned and underused urban waterfronts; transforming their physical layout, function and use. In the 19th Century, the waterfront was a place devoted to commerce and industry. A post-war shift away from the manufacturing economy to the informational and service economy (leisure, recreation and tourism) led to the emergence of a wide array of new uses for waterfront – from parks and walkways, restaurants and casinos to mixed-use and residential projects.

The Role of Commercial Developments in the evolution of Waterfront Redevelopments

Neighbourhood commercial districts play a vital role in the overall stability of a community. Easily accessible and convenient commercial services contribute to the quality of life in neighbourhoods. Having a safe and convenient neighbourhood commercial district in which to stroll, socialize and shop is important to quality of life and potential business investment.

This is a very important aspect and often overlooked by neighbourhood people and program planners. Regardless of the incentives provided or special programs put in place, the business environment must be conducive to business success. Significant efforts must be made to make it easier to do business in that area. This may mean easing zoning restrictions, streamlining permit processes or recognizing that the pervasive business attitude is not pro-business. Many neighbourhood residents mourn the loss of a neighbourhood grocery, restaurant or service establishment, yet fail to see

their role in its demise. Neighbourhood residents must be willing to support neighbourhood establishments with their purchasing power and their political muscle.

The need to revitalize neighbourhood business districts is a problem that many cities share. These districts are fundamental to the overall economic development revitalization of inner city areas. The fate of a neighbourhood commercial area is tightly bound to the fate of the surrounding residential areas. Deterioration of the business district is often a forerunner of deterioration of the residential areas. A vital, attractive commercial area creates a positive image of the entire neighbourhood area and stimulates investment. Commercial districts contribute substantially to the tax base through both sales and property taxes.

There are many issues that have shaped today's commercial districts.

1. **Changing demographics,** decreases in population and households, changes from homeowners to renters, and decreases in household size.

2. **Changes in structure of convenience retailing.** For example, the jumbo supermarkets that consolidate convenience needs and provide the services of entire neighbourhood commercial strips.

3. **An excess convenience and retail capacity.** The major loss of population has led to reduced expenditure potential and limited resources. Decisions must be made on which neighbourhood to save; some areas should not be revitalized. An area with no market, no viable businesses, and a seriously undermined economic base is a candidate for extensive redevelopment, not commercial revitalization and requires a different approach.

4. **Inadequate advertising and promotion.** Commercial strip businesses have failed to act as a group and individually cannot compete with shopping centers and malls. In most business districts, the merchant community is diverse and fragmented, lacking a well-developed sense of its need to promote collectively the area and to organize to further mutual interest.

5. **Poor store mix.** The failure to act as a group has meant no coherent leasing plan for the commercial strip. This has led to much duplication and not enough variety to meet community needs.

6. **Poor development climate.** Stores have not concentrated on some primary concerns of commercial strips such as safety and lack of infrastructure. Older commercial districts have a host of physical problems such as inadequate parking, poorly maintained infrastructure and traffic patterns that interfere with pedestrians' use of the area. Improvements are necessary to address these problems and demonstrate the commitment to the area's future.

7. **Lack of capital.** Commercial strips need more financial instruments. Lack of access to capital is reflected in inadequate inventories and poor appearances.

8. **Lack of leadership.** This leads to a lack of direction, vision and cohesion. Commercial strips need to be managed as a shopping center with concerted efforts by all the merchants in matters such as security and marketing. Merchant groups have to make links with people of other disciplines who can provide the credit and investment that will make for attractive quality setting in commercial areas.

The Necessity of High-impact Projects in Commercial Redevelopments

Commercial redevelopments require high-impact projects that will furnish the services and needs of the area. The plan should provide a place with potential for business opportunity that will impact the tax base. There are already a great number of neighbourhood commercial/retail business districts. All of them cannot be revitalized; therefore decisions must be made on which to save, and which are the most viable.

The target area chosen for redevelopment should meet some basic tests. The area should have a core of financially stable business set in a generally viable market area. These businesses are necessary to provide a basis for expansions and visible building improvements and later to attract other businesses to locate there. The area planned for development should be of manageable size, ideally no more than eight square blocks or four to five linear blocks. This enables businesses, government officials and other professionals involved to establish and maintain relationships with area merchants and property owners, and concentrates the effect of improvements.

It is very important to have active leaders among the local merchants and property owners. They are ultimately responsible for securing private sector support and relations with local government. Acknowledged leaders can spark the development of group support and consensus.

Tax incentives and abatements

Unless a community is willing to invest a very large amount, incentives typically play a very small role in what firms really want. According to the National Council for Urban Economic Development (CUED) (1994), results from a recent survey it conducted showed a general consensus among respondents that in order to influence the business investment decisions in urban areas, tax incentives should be targeted to small and medium-sized businesses-where there is believed to be the greatest potential for growth and job creation. Localities should try to ensure the incentives and abatements offered are beneficial and do indeed influence site location decisions. They should be reviewed to determine the effect of those decisions as well as the actual costs and benefits of the enterprise zone program to the city. If they are not making a substantial difference, the city may want to forgo using the program except when it can make the case that the benefits outweigh the costs. Most advocates maintain that the relatively small amount of benefit provided by state and local tax incentives have little effect on business location decisions. They only become truly effective when communities link other programs such as enhanced law enforcement, job training, social services and infrastructure with the incentives provided in targeted areas.

Even with this information about the importance of tax credits to improve the capital investment climate, it is important to note that many local economic development professionals were reluctant to encourage tax incentives as a tool to encourage investment in new small enterprises.

In particular, their concern was that few small businesses would actually take advantage of the incentives while larger corporations or individuals would develop their own strategies to use the incentives as a loophole. As a general philosophy, business tax credits or incentives need to:

- **Provide a substantial benefit to the business:** Small businesses typically have marginal profits for the first few years of start-up so that tax credits would not have a particularly important effect on their overall cost of doing business.

- **Consider the limitations of small businesses and the differences between industries in their financial and tax planning:** Many small businesses are not capable of comprehending fundamental concepts of finance or financial management, particularly as they relate to tax planning and analysis. Changes in some industries make investment in human resources more important than in plant and equipment while in other industries the opposite may be true.

- **Be simple to follow and implement and ensure that errors are corrected, but do not carry punishments:** For many companies, the perceived costs of credits often outweigh the benefits because the limitations on the incentives are difficult to understand, the related paperwork can be expensive to process, and the fear of the consequences of a potential mistake being found in an audit is so great.

PUBLIC PERCEPTION OF WATERFRONT REDEVELOPMENTS

The Myths Surrounding Waterfront Redevelopments

The myths associated with waterfront redevelopments are not peculiar to the Nigerian situation. Indeed, these myths are embodied in the public perception of waterfronts and has a universality of appeal in nearly all socio-economic environments. The public skepticism regarding the feasibility of waterfront redevelopments in developing countries are attributable to the following factors.

(1) **Technical Feasibility:**
This refers to the issue of technical expertise for the realization of waterfront redevelopments.

(2) **Enforceability:**
Here, the recurrent issue of how enforceable minimum property standards are in waterfront redevelopments should be addressed.

(3) **Resource and Affordability:**
The extent of availability of human and material resources for waterfront redevelopments is very crucial and whether these commercial and residential developments are affordable to a broad spectrum of the society, especially the low-income and middle-income groups.

(4) **Cultural Validity:**
This refers to the degree of public acceptance of waterfront redevelopments within a developing cultural context, given the predominance of hinterland developments as the cultural norm.

THE ECONOMIC CONTEXT OF WATERFRONT REDEVELOPMENT IN NIGERIA

The waterfront offers the opportunity to create an urban environment that may not be experienced in other parts of the city. It is a place for experimentation and innovation. Rotterdam, for example, decided against complete commercial development of the docklands. Instead, the city government renovated substandard housing and built new low-income housing on the abandoned docks outside the central port area. In Providence, Rhode Island, conceptual artist Barnaby Evans created Waterfire which has dramatically transformed the downtown waterfront area, filling the beautiful but previously empty spaces with people. The installation is composed of bonfires which burn on metal braziers in the middle of both the Providence and Woonasquatucket Rivers. The spectacle is accompanied by a world of music soundtrack that can be heard for miles as people stroll, talk and simply stare at the flames. “It’s a social as well as a spiritual experience”, says Evans. “Getting Americans out of their cars, walking and talking together on the streets has been a principal motivation”, (qtd in Urban Age: 1999).

Indeed, waterfront redevelopments can be a process not just of economic reinvention but also of cultural/artistic endeavour and social invigoration. In Nigeria, the ministries of tourism at the state and Federal levels can play a vital role in the formulation of technical guidelines and the organization of waterfront redevelopments. For waterfront redevelopment to succeed, city governments must be prepared to finance infrastructure that may not give financial return for some years to come. This is obviously a tall order in times of fiscal austerity and enormous government responsibilities. According to the World Bank Technical Paper Number 77 (1988), “most of the economic value of the ocean lies along its margin – in its fisheries, recreation, tourism, transportation, placer deposits, cooling water, and waste assimilative capacity. To make the best of these ocean resources, we must assess, appreciate, allocate, and efficiently conserve them”.

Coastal states across Nigeria are literally sitting on goldmines. From the aesthetic scenery of the stretch of waterfronts in Cross River State, to the beautiful ambience of Akwa Ibom State waterfronts, the seafront in Port Harcourt, Rivers State (South – South Nigeria), and the aquatic splendour of the beachfront in Lagos State in the South-West, a huge goldmine lines the coasts. Still largely untapped and unexploited by local and foreign investors, none of the states have been able to take full advantage of the enormous economic value of the waterfronts, which are prime assets, capable of

raking in huge proceeds from investments in properties and tourism, including other spin-offs.

According to Okereocha and Oduwole (2010), Cross River State, for instance, rakes in ₦500 million annually through its Tourism Development Levy alone. The levy is five percent of everything bought. Already the state hopes to double or even triple that when its coastlines and tourist destinations are developed to international standard.

Furthermore, Etim – Bassey (qtd. in tell: 2010), stated that: we see the whole of Calabar as a goldmine in terms of ancient history and archival materials. So we are not doing any demolition because of the historical value of those waterfront communities. He said: the state has taken some steps to further boost the beautiful and captivating ambience of its waterfront, one of which was the establishment of the Department of Tourism Development. The Department essentially earmarks for development other attractions particularly those in the waterfronts that have been neglected, while strengthening the existing ones. As the department is saddled with the task of determining the locations they want developed, government also went a notch higher, restructuring and overhauling the tourism bureau for more effectiveness.

POLICY RECOMMENDATIONS AND CONCLUSIONS

Until recently, the obvious benefits of local and foreign tourists that would have been attracted to the beautiful stretches of the coastlines annually, translating to massive job creation in the states, have eluded the coastal states. Locals, who would have been available at the beach sides, providing ancillary services are denied the opportunities. A number of beautifully – designed hotels and apartment buildings that would have dotted the waterfronts, resulting in more direct employments in a tourism industry reputed as the highest employer of labour worldwide, have also not sprung up. Indeed, the potentialities of waterfront redevelopments for job creation are immeasurable.

However, a new awareness of the tremendous investment potentials of the waterfronts is now gradually but steadily seeping through the various coastal states. Some of the states are already investing in either transforming the hitherto neglected coastal paths into modern commercial and residential quarters or re-developing them into viable destinations for prospective local and foreign investors, particularly in the area of tourism. With the expected boost in the property and tourism sectors of the economies of the states, proceeds from the various business activities and ancillary services that would spring up would augment the shortfall from oil revenue accruing to the states, particularly now that the clamour for alternative sources of revenue to oil is gathering momentum. In the long-term, investors would look no further than the waterfronts of coastal states for profitable investment in properties and tourism, as some of the states are now making such locations choice destinations – indeed, new investment havens.

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