

## **Parallel Session F**

### **Planning & Policy Development for Creative Communities**

**Empowering Community through  
Poverty Reduction Programmes:  
Confirmation of Determinants**

Puziah AHMAD, Dasimah OMAR & Noor Rahamah ABU BAKAR F-003

**Enhancing Creativity in Planning:  
Dynamic Visioning as a Catalyst for Change**

Louis ALBRECHTS F-012

**The Bandung Creative City Movement:  
An Exploration of the Social and Spatial Implications  
of Policy Transfer**

Kristin ANDERSON, Dan COHEN, Alexis KANE-SPEER,  
Michael NOBLE & Morgan SKOWRONSKI F-022

**Land-Use Regulation: A Key Factor in the Relationship  
between Creative Communities and Place-Making**

Teguh U. ATMOKO F-032

**Strategy of Urban Upgrading in Informal Settlements  
by Transforming Spatial Experiences of Urban Poor**

Paulus BAWOLE F-037

**Urban Redevelopment for Creative Community of Binong Jati**

Yenny T. DWININGSIH, Dian ROSNAWATI, Andi Tenri DIO,  
Nunik HASRIYANTI & MEDTRY F-045

**Recovering Shrinking Core City  
through Urban Revitalization Projects**

Evawani ELLISA F-053

**Low-Income Society's Preference on Living Place  
in Creative Industry Area of Shirts  
and Screen-Printing, Bandung**

Lulut INDRIANINGRUM, Indrabakti SANGALANG & Ayu P.P. LESTARI F-063

**Creativity as a Means for Urban Survival**  
Miya IRAWATI & Wicaksono SAROSA F-071

**Addressing Creative Planning Imperatives**  
Rodney JENSEN F-076

**A Cradle for Creativity**  
Miel KARTHAUS & Martijn DE GIER F-084

**Cultural-Based Economic Activities and Transformation  
of Tebet, South Jakarta**  
Wita SIMATUPANG F-093

**Transformation vs Living Heritage:  
Value Space Regeneration for George Town City**  
Robert SITORUS, Sibarani SOFIAN & Chris YOSHII F-100

**Commodification and Nationalization  
of Land Matters across the *Nusantara*: The Case of Bali**  
G. Ayu. M. SUARTIKA F-111

**Thirdspace, Urban Informality and Creative Communities:  
Redefining Café in Contemporary Bandung**  
Ahmad Rida SOEMARDI & Dhian DAMAJANI F-123

## TRANSFORMATION VS LIVING HERITAGE: VALUE SPACE REGENERATION FOR GEORGE TOWN CITY

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### **ABSTRACT**

*The dynamic history of George Town in Penang Island formerly created by different cultures and people makes a unique identity for this town. From the 17th century, British, Jewish, Chinese, and Malay people as local ethnic from Penang Island have contributed and merged their own cultures, resulting in the multi-cultural society of Penang Island. This phenomenon shows how Penangites acceptance and the ability in adopting new values and cultures from foreign people.*

*However, once a economic and cultural center of Southeast Asia, Penang is facing competition in various sectors, especially electronics and industry, due to lost competitiveness in global stage, exodus of talents, scarcity of land and higher economic cost. George Town, in particular, being the cultural and heritage heart of the island, is facing even greater challenge as the core of the city is hollowing out and now in state of severe social, environmental and economic decline. The core area has become underutilized despite it's wealth of beautiful heritage buildings. This is alarming given the fact that George Town, along with Malacca, is being considered for UNESCO World Heritage Site status this year. Contributing to the urban decay is the overall loss of economic life in the core area as unique stalls, restaurants and small business owners are diminishing.*

*There is a great hope that George Town can be transformed and regain it's role as cultural and creative hub of Asia. The city has already been the base of technological industry (Intel, Dell, Microsoft). The city's diversity of culture, ample source of talents, strong identity and organizational culture provide ideal setting and necessary elements to attract creative class and entrepreneurs to come and set up business and industry. The city needs to organize itself and provide the right policy and implement strategic change.*

*In this paper, we wish to share the case study of transforming and revitalizing George Town by repositioning it self as creative center while recognizing culture as its greatest asset and ensuring that new developments do not compromise old values. The effort is initiated by Khazanah Nasional, a government linked corporation which invited EDAW as lead consultant in Economic, Planning and Environment discipline, Scott Wilson as Traffic Engineer, Badan Warisan as heritage advisor of the city. Lawrence Loh architect and Charles Landry are two leading experts being the advisors of the projects.*

*This paper primarily focus on socio-economic and cultural aspect, market trends in Penang, UNESCO world heritage status impact, assets-obstacles and Northern Corridor Economic Region (NCER) context. The approaches for the project is more empirical and based on data gathering, interview with key prominent person or institution and finally involve analysis of historical research to examining the past to find solutions for the present.*

*This paper presented George Town Transformation as an ongoing process and not a final result. Due to the length of the project, lack of information and on ground research, a lot of assumptions were taken and still many outstanding issues to be explored further.*

**Keywords:** *heritage, transformation, identity, creative cultural industry*

## **BACKGROUND INTRODUCTION**

### **Penang and George Town Introduction**

Once a cultural center of Southeast Asia, Penang is seeking new economic growth options as it faces competition from across the region. Most acutely impacted by a quarter-century of regional competition is George Town, whose core area is now in state of severe social, environmental and economic decline. The core area has become so underutilized that many buildings have been turned into breeding grounds for birds. George Town is a case study for a Southeast Asian center with a wealth of cultural identity but one that has been drained of people, vibrancy, and economic activity.

Over the past 25 years, Penang has had impressive economic growth, but its competitiveness in the Electronics & Electrical products (E&E) Industry is slipping due to a lack of skilled workers to help move it up the value chain, and due to low-cost competition from China, Vietnam, India and other countries in the region. As a result, manufacturing employment has been decreasing since the mid 1990s.

As Penang experienced 25 years of growth, George Town experienced nearly 40 years of decline. Starting with the loss of free port status, countless attempts were made to revitalize George Town, but many failed due to their short-term outlook and piece-meal approach. After the repeal of the Control of Rent Act in 2000, much of George Town has been abandoned with many buildings converted to swiftlet breeding grounds (the bird's nest is used for medicine) which result in heritage loss with the release of protected properties on the market, accompanied by indiscriminate renovations to the historic shophouses, out-migration of tenants and businesses, and loss of traditional trades. Suburbanization had already begun to take effect before the repeal of the act, and new residential growth areas, such as around Bayan Lepas and Jelutong, offered "modern" lifestyles replete with AC indoor shopping malls, large parking lots, and skyscraping residential buildings.

Today, inner George Town is in a severe state of social, economic, and environmental decline, with a host of associated problems, such as poor pedestrian safety, high urban temperatures, and unsanitary drainage. Contributing to the urban decay is the overall loss of economic life in the core area. The viability of the small individually-run businesses (food stalls, retail shops, craftsmen's, small trader) is diminishing, as domestic markets open up to global competition, allowing the importation of cheaper goods.

### **George Town Transformation Project Introduction**

Khazanah Nasional, a semi government investment company of Malaysia, initiated the study with the objective to alleviate the obstacles that George Town is facing by introducing 'transformation' project to the city. The consultant team was lead by EDAW, a multi-disciplinary international company that will examine aspects of planning, economic and environmental. The team is comprised of traffic engineer, heritage specialist, branding and creative industry expert. Khazanah's vision is to revitalize the town while recognizing culture as its greatest asset and ensuring that new development do not compromise old values. It is hoped that the transformation program will promote value space regeneration of the city, creating George Town as one of the best livable city in Asia, which will attract skilled new comers and it's migrated Penangites back to the city and tourist to come and enjoy the heritage architecture and cultural wealth of the city.

## GEORGE TOWN ASSETS AND OBSTACLES

In assessing current issues George Town facing, the team identified obstacles and assets of the city.

### Assets

A survey of negative trends earlier in this paper identifies some of the social, economic, and physical problems and threats currently facing George Town and Penang and puts them in historical perspective. Analysis of positive trends and growth potential is equally important for repositioning George Town.

#### George Town as a Multi Cultural City -

As a multi cultural city, George Town has embodied by many ethnics such as : Malay as native people, Chinese, Indian, British, Armenian and Jewish. Although Chinese and Malay are the major ethnic on Penang, the social issues have never been arise on George Town. The acceptance of different cultures and new values drive their mindset to be more opened and became a asset to attract foreigner to get here. Their tolerance gives opportunity to create George Town as international city and potentially attract foreigner from world wide. This effect can multiply on tourism and heritage sector since globalization has touches every aspect in our life.

#### Tourism -

Penang is one of Malaysia's top tourism destinations attracting approximately 3 million visitors per year. More than half of international visitors are from Singapore who makes the short flight north for beaches, food and to soak up the local culture. Malaysians, mostly from the Northern Region, come to Penang to experience its beaches and shopping, partially because it has the largest indoor shopping mall in all of Northern Malaysia.

#### Heritage -

George Town's built and living heritage is a primary asset, not only to Penang, but also to Malaysia. The diversity of the communities, not only in George Town, but also those living in the state, is a living bridge to Malaysia's history that no text-book could ever truly do justice. The influences of ethnic Indians, Chinese, and Malays, mixed with distinctive religious and cultural traditions from Buddhism, Sikhism, Islam, Hinduism and Christianity, among others, produce a rich palette that entertains the senses and moves the spirit. George Town, visibly a former British port-city because of its fort, Padang (military parade ground), and still-intact civic buildings, possesses a wealth of unique shophouse architecture dating from the early days of the settlement. The heritage experience and the closely related culinary experience rank as the top two reasons why tourists come to Penang.

#### Leisure -

The completion of the new cruise terminal at Port Sweetenham (2008/2009), the construction of new hotels in Battu Ferringghi, and the eventual addition of a new airport terminal are indicative of Penang's place as Malaysia's second most popular tourism destination, after Kuala Lumpur. Although the beaches need to be routinely cleaned and maintained, they are one of Penang's major assets, especially popular with highspending visitors from the Middle East. Furthermore, Penang Hill and its extensive trails offer respite from the hot and busy downtown areas.

#### Creative Arts & Media -

The establishment of several arts & design schools, the sprouting of art galleries in the core area, and the presence of initiatives such as the ABN AMRO Malihom Artist in Residence Program, indicate the emergence of a creative arts scene in Penang, concentrated in George Town. Several schools offering instruction in digital media and arts, such as Equator Academy of Art, have located their campuses in the core area and attract students from Penang and across the Northern Region. The presence of these schools, and the students they attract, has induced the opening of new businesses in the vicinity of their buildings, some even opened by former graduates. In tandem, art galleries have been opening up across the core area, featuring the work of local and international artists.

**Professional Services -**

George Town has not lost its reputation as the financial capital of the Northern Region, and financial institutions have clustered along Beach Street and Jalan Haji Ahmad Shah. The presence of financial services in George Town is largely symbolic, as they primarily service business activity occurring in the manufacturing zone to the South and other activity on the Peninsula. However, the growing presence of universities focusing on relevant business skills, such as Wawasan Open University, reveals the potential to match graduates with opportunities within, and supporting, the financial sector.

**Talented Human Capital -**

The Universiti Sains Malaysia is the Northern Region's premier education institution and one of the most respected research universities in all of Malaysia, known for its excellence in engineering and computer science, graduating approximately 6-7,000 students per year (total 28,000 undergraduates, 7,000 postgraduates and about 1,800 lecturers). Some of these graduates find employment in Penang, but many leave Penang and are employed elsewhere in Malaysia and abroad. Reversing this 'brain drain' is crucial to retaining talent in Penang, since many spend 4-5 years studying there already. Improving the skills match between university curriculums and the private sector and providing more job opportunities for graduates is key to retaining graduates.

**Federal Government Initiates -**

In 2007, the Federal Government put forward the Northern Corridor Economic Region initiative (NCER), which provides a road map for social and economic development to “accelerate economic growth and raise income levels” and overall quality of life in the North of Peninsular Malaysia. Many of the initiatives are focused on Penang's economic competitiveness and aim to improve competitiveness through diversification and development of niche markets, giving George Town the opportunity to reverse its decline.

Table 1 NCER six key focus areas

<i><b>Strengthening &amp; Optimizing Existing Growth Areas</b></i>	<i><b>Promoting New Growth Areas</b></i>
Manufacturing: focusing on the high technology segment of the value chain Leisure & Tourism: medical tourism & MICE (Meetings, Incentives, Conferences & Exhibitions) Logistics: passenger & cargo for ASEAN, South Asia, and North Asia.	Agribusiness: modern farming, supply chain management. Biotechnology: medical devices & diagnostics. BPO (business process outsourcing), ITO (information technology outsourcing) & ICT (information & communications technology): leverage MSC status and the presence of large multinational corporations and explore potential for satellite site for Indian BPO companies

**Obstacles**

**Complex land ownership -**

A clear hurdle, and at the root of many problems, is land ownership. Most of the land in the core area is privately owned. Many private land-owners, such as some Chinese clan associations, are expecting land values to continue to increase and are seeking to sell to developers while, in the meantime, the buildings on the prized property continue to rot. Absentee landlords are not uncommon, rendering enforcement difficult, but eminent domain laws allow the government sufficient prerogative to repossess the land.

**Lack of Investor confidence -**

Attracting workers and residents back to the core area requires a change in mindset, or else many will continue to retain a poor image of the city. The identification of the core area with pungent smells from the open drains, unsafe pedestrian crossings, and swiflet houses is a difficult perception to reverse. Moreover, many Penang residents enjoy the comforts of modern housing, with amenities such as swimming pools and gyms, many of which could not be provided in the core area, given the tight space restrictions.

**Gentrification of low income areas -**

Careful consideration must be given to the potential displacement of low-income residents if improvements are made to George Town which raise land values and subsequently rents, displacing those who can no longer afford to live in the center. Social inclusiveness of all socioeconomic groups is essential to George Town retaining the rich diversity of cultures that make it a living representation of the historical events of the Straits of Malacca. The complexity of George Town's social, economic, and political fabric poses potential difficulties in trying to reverse negative trends and reposition George Town as an attractive place to work, live and play.

**PROCESS AND METHODOLOGY**

The approaches for the project is more empirical, which based on data gathering, site observation and interview with key prominent person or institution, as well as analysis of historical research, environmental aspects, cultural assessment and economic study. It is hoped that this multi-faceted approach will result in comprehensive 'plan' that is both powerful and international standards as well as sensitive to the heritage and locality of the place, despite the limitation of strict timeframe of works and sensitivity to the Penang's strong opposition from relatively vocal NGO and community groups.

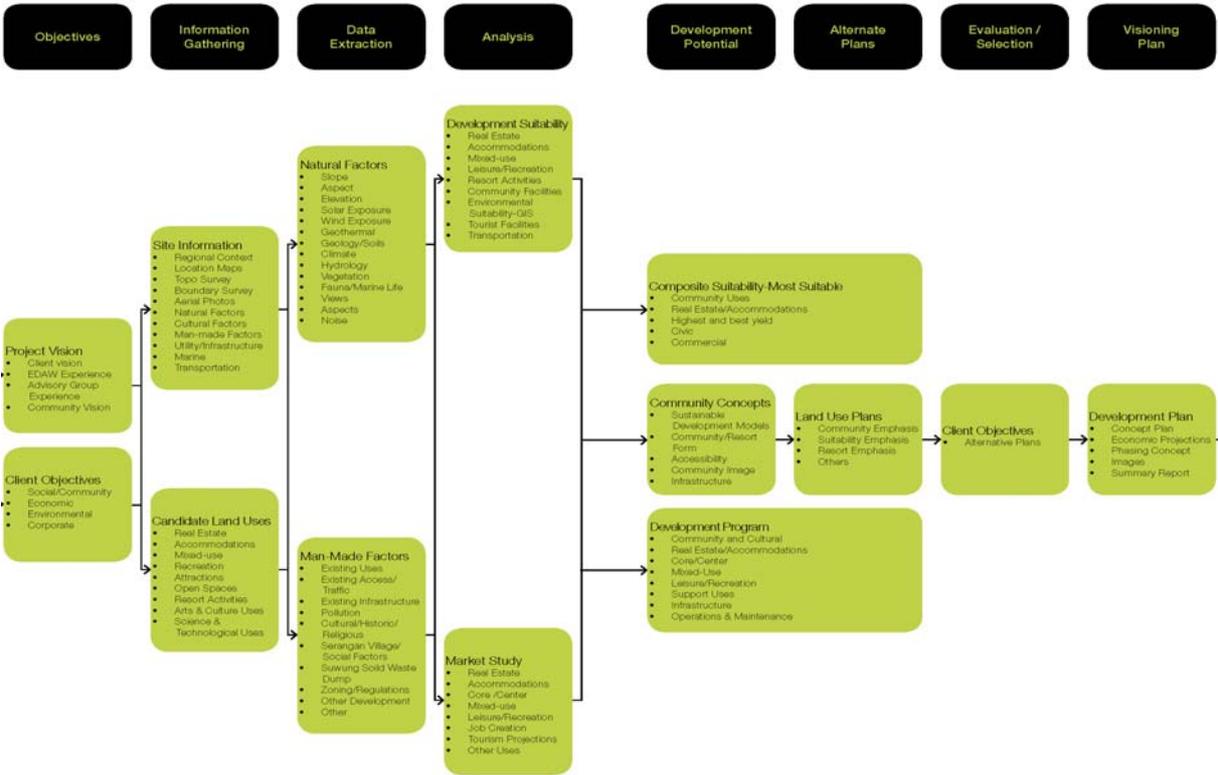


Figure 1. Project's Methodology (EDAW), 2008

**TOWARDS A CREATIVE HUB AND LIVABLE CITY**

Cities live and die by attracting people and giving them reasons to stay. As people move back and forth from one city to another, planners and city administrators are pondering ways to keep economies growing while safeguarding the environment. The increasing mobility of people, goods, and services has not reduced the relevance of cities but has instead intensified competition between them to attract high-growth industries and high-value human capital. As a result of rising interconnectivity, people have greater flexibility in choosing where they want to work, live, learn and play.

Many believed that not only the regular technology, IT, industrial and finance talents are required, creative and cultural industry players is becoming the important must-have ingredients in making a buzz and vibrancy in the economy of the city.

The paper argue George Town has what it takes to transformed itself to be a successful vibrant city based on a combination of cultural and heritage asset, supporting policy and unfolding the creative industry potential in addition to it's current strength.

### **Livability**

Clustering of certain kinds of economic activity and their related specialized networks has reinforced the importance of cities as central places of coordination and production. The relatively high mobility of the factors of production, especially in the tertiary sector, has led to cities being chosen based on a new set of criteria that stresses livability. Mercer's Quality of Life Survey and Economist's Intelligence Units lists best cities to live in based on several criteria which include : safety, education, healthcare, culture and environment, infrastructure, recreation, political and economic stability etc.

Jacobs and Appleyard (1987) define liveability as one of seven goals for future of a good urban environment. Jacobs define some physical characteristics such as : livable streets and neighborhoods and integrated activities-living-working, shopping-in reasonable proximity to each other. In addition, sustainability has become a foundation for livability and being recognized as criteria for most livable cities.

### **Creative and Cultural Industry**

Creativity and culture activity can be viewed two ways : (1) from production/consumption perspective and (2) creative knowledge perspective. Harvey believed that cultural products, as long as it is transmitted by a technical medium in the form of commodities, they could be deem as 'industry' (Harvey, 1989). Furthermore, any form of culture and art involving innovation and production is qualified as cultural industry (Wynne, 1992). According to Scott, any activity, as long as it involved individual creativity, technology and talent, the regenerative process of intellectual property, possessed a potential for social welfare and job creation, could be deemed as cultural industry (Scott, 1997). Pratt believes that cultural industry, even as it generates benefit, must unify technology, commercial support structure, capital and social networks (Pratt, 1997).

However, Alexander and Seidman (1990) argue that the value of the commodity in the cultural creative industry 'does not sell the substance itself, but the real value of the cultural products rely on it's local culture, historical memory, local mood, local milieu and aesthetic.

### **Livability + Creativity = Sustainable Creative City**

Relationship between livable urban environment and attracting talents has been discussed in the past few years as so-called 'creative city' (Florida, 2002, Florida, 2005, Landry 1996). It is a powerful notion and all encompassing panacea for various urban illness such as economic stagnancy, urban shrinkage, social segregation, technological aging, global competitiveness, etc.

Capturing and producing talented workers who can positively contribute to the economy becomes paramount to assuring continued long-run growth. So, where do talented people desire to work, live, learn and play? What kinds of environments are most conducive to generating high-value creative output? Florida (2005) conducted a survey to understand the location decisions of creative people and found that amenities and the environment are powerful attractors.

Environmental quality has become so important not simply as an end in itself, but as a prerequisite for attracting talent. Leading corporations have established a new relationship between the environment and economic competitiveness.

Environmental factors important for attracting talented workers at the firm level also apply at the city or regional level. Seattle, headquarters of Microsoft Corporation, and Portland have

developed sustainable policies to improve the livability of their cities in an effort to increase quality of life, reduce negative environmental impacts, and attract talented workers and firms.

Carmona had compared some sustain issues to some designers approach and find 10 principles to vision a cities as a livable cities. The 10 principles are : stewardship, resource efficiency, diversity and choice, human needs, resilience, pollution reduction, concentration, distinctiveness, biotic support and self-sufficiency. As more detailed, Rogers mentions cities must be creative to response a global changes with minimize it's ecological impact (ecological city) and equality of human rights in economic and social terms (just city).

The three pillars of sustainability, economic, socio-culture and environmental, capture this holistic approach to new ways of living, learning, working and playing:

Social - Sustainability of human capital through educational & social cohesion opportunities

Economic - Financial return and diversified economic activities to be sustainable over time

Environmental - Meeting the needs of the present without compromising the ability of future generations to meet their needs.

## **TRANSFORMING GEORGE TOWN**

Considering the assets and obstacles of George Town, site findings and series of interview, baseline analysis and strategic workshop, the team believes that George Town need to re-invent it self based by anchoring the transformation firmly in a value set based on the city's heritage and intrinsic character, maintaining the city's 'soul'. This will enable it to evolve and regain lost vibrancy and to the benefit of current and future stakeholders.

To enable meaningful decision-making to take place, it was therefore necessary to identify the city's core socio-cultural values. Accordingly, a dip-stick audit was undertaken involving interviews with a range of current and potential stakeholders, followed by a workshop involving all members of the GTTP team. The team proposed connecting the conservation and the urban transformation by not only emphasizing on physical planning as driver, but focus on conservation as instrument of social inclusion to promote sustainable development at local levels, enabling the communities to self-perpetuate and self-sustaining.

### **Core Values**

As a result, the team adopted the following four values to guide their endeavors to transform yet also conserve George Town.

#### **Inclusive -**

Being inclusive means being home to many cultural communities. It means being open to ideas as well as people, fostering local talent, and welcoming new blood. It means having an egalitarian mindset and caring about people.

#### **Respectful -**

Being respectful is about valuing the centuries of diversity that have made the people of George Town who they are. It is about recognizing that the past is alive in the city's communities and environments. It is about authenticity, continuity and evolution. Authenticity means being sensitive to the local context so as to preserve (and develop) the city's fundamental character and integrity.

#### **Vibrant -**

Being vibrant means being a city filled with life that continuously renews and reinvents itself to be constantly relevant to its stakeholders. It is about high energy that acts as a catalyst for ideas, inventions, and innovations sparked by genuine inter-culturalism.

#### **Excellence-Driven -**

For Penang to play a part on the global stage it must benchmark itself against the best in the world. Being excellence-driven is a call to develop world-class infrastructure, and to preserve

and conserve using best practices, taking account of the local context. Equally important, excellence is about adopting sustainability as a unifying principle and consistently implementing management plans specifically designed to support sustainability.

#### Integrating Value-Based Assessments into Decision-Making -

Having identified the core values that must inform every aspect of the team's decision making, there are then four basic steps that must be taken in order to integrate value based assessments into the process of developing and managing George Town's socio cultural assets. They are (1) creating statements of significance, (2) matching values to physical resources and site characteristics, (3) analyzing threats and opportunities, (4) making policies and taking actions.

#### **Penang Leads Again**

"Penang Leads" was a motto that was predominantly used by earlier generations of Penangites. This found credence in the fact that the State excelled in many areas related to education, sports, science, arts and culture, architecture and business, plus having the nicest beaches and hills and the best food. It was the destination for trade via land and sea, as well the being a well-patronized holiday destination. What follows are five Transformation Drivers, which aim to regenerate George Town and promote sustainability throughout Penang. Transformation Drivers are key programs and initiatives that will be important to George Town's successful regeneration, including economic, social and environmental benefits. Five Transformation Drivers were identified as follows :

##### **a. Living and Learning in the City**

The older downtowns of cities have experienced decline worldwide as "suburbanization" and under investment has eroded the quality of life and vibrancy of the downtown. Intelligent cities are now encouraging residents to move back into central urban areas with a wide range of support programs such as fast track development approval process and financial incentives. The primary economic benefit from living in the city is the growth in spending by the household sector. Urban households spend approximately RM2,000 per month on food, transportation, rent and other goods and services. This spending is vital to the economic health of the downtown area. In addition, there are indirect benefits in that local residents are more likely to work and establish new businesses in the local area thereby increasing the economy.

Penang has a long history as an education center for South East Asia. Education is a key infrastructure element for any modern and competitive economy. George Town is well suited to become an urban campus with multiple institutions offering a range of opportunities for cultural exploration, professional service excellence and skills improvement, Education directly impacts local businesses making them more competitive and successful. This in turn drives investment in unique places for people and companies.

Reputable campus/university and polytechnic can attracts international student to live in and learning in George Town. After graduation, some will be able to stay and become young entrepreneur in the city. Local government should continue this effort by endorsing cultural economic policy, which can have wide applications in the arts, media, crafts, fashion, recreation, architecture and townscape planning, historical preservation, tourism, dining and entertainment, local history etc. (Bianchini and Parkinson, 1993; See also Wynne, 1992). This policy needs to be rooted in the local culture, engage a dialogue with the locale, and respect the unique character of the locale. For small scale cultural merchants and creators, creativity determines their future income and constitutes the source of their productivity and capacity for innovation (Banks et al., 2000) Cultural economic policy will contribute to the impetus of new entrepreneurship by providing incentives, incubator, catalyst/flagship projects in creative industry.

Spatially, certain area can be identified to be the 'creative district', linking and complementing back into the heritage trails of George Town. Connectivity between heritage trails and creative trails became a storyline for Inner City Development with improvement on the street and building. Following this, hopefully, George Town not only can keep it's people in the city, but can also add skilled and creative class with distinct skills and culture mix which will complement and enrich the existing resident and eventually induce vibrancy and economic benefit.

## **b. Transaction Spaces**

Transaction spaces are formal and informal venues where people work and communicate, and exchange ideas, goods and services. Where people choose to work and meet can be just as important as the encounter itself, with the space giving a character to the nature of the exchange. Spaces to work, play and interact with others cover a spectrum from office towers and shophouses, to coffee shops and parks.

Transactional spaces target tertiary industries such as tourism, professional services, creative industries, education and financial services. Malaysia and Penang have experienced strong economic growth since the Asian Financial Crisis with the secondary sector (manufacturing) playing a leading role in the growth of Penang. However, the tertiary sector is most relevant to George Town. George Town is well suited to capture this demand in the future as well as demand in tourism and retail facilities. New projects are expected to generate about 7,000 jobs while remodeled and upgraded existing buildings can accommodate another 10,000 jobs.

## **c. Heritage Structures + Innovative Design = Unique Neighborhoods**

The inner city was built as beautiful heritage city, however many parts of the city was demolished and replaced it with a generic high rise modern building. This 'total physical planning approach' that has little understanding about the local and based on mostly Western planning methodologies should be avoided and replaced by innovative approach to integrating and adapting the structure of the heritage building that refer to it's cultural context, roots and traditions embedded within. As suggested by Laurence (2007), the 'Maximum Retention with Minimum Intervention' should be endorsed with strict selection of heritage grade in mind. Lower heritage rate building can be transformed and intensified using new technology to create modern and smart building while keeping it sensitive to the context, using appropriate materials, and understanding the intended capacity and nature of use.

This definitely not a simple task for developers and architects, however, this is the preferred avenue which will eventually result in a New George Town that sustainable and has a unique built environment rich with character and interpretation. Applying this approach in the overall city transformation will result in unique neighbourhoods which offer districts distinct identity that allow living and working in and between the old architecture.

## **d. Heritage & Contemporary Culture Experience**

To estimate the impact of increased tourism to George Town, two key elements were considered. Firstly, tourism growth to Penang is currently well below Malaysia as a whole and in fact, international tourism is declining. Secondly, large investments in tourism and heritage products is expected to increase tourism on the order of 20% for international tourists and 15% of domestic tourists by 2012. The economic benefit of this increase in tourism spending (receipts) is likewise quite substantial resulting in RM2.6 billion per year in increased spending by 2012. Increased tourism can greatly increase the economy in the local area stimulating new jobs and businesses. However, research also indicates increased tourism must be well managed to maintain the integrity of the site.

George Town has ample resources to develop into a world-class cultural tourism destination. The benefits of cultural tourism are manifold: Increased resources for the protection and conservation of natural and cultural heritage resources, increased and induced income from tourism expenditures, new and induced employment opportunities, increased tax base, increased civic pride

## **e. Mobility & Accessibility**

Due to projected vehicular and passenger growth from 2010 to 2020, and limited road infrastructure, it is necessary to develop, encourage and enforce a transport modal shift from private to public transport. The current mode of transport for Penang is estimated to be 75% private transport and 13% public transport; this is an unsustainable ratio. Future transport initiatives should encourage a ratio of 40-45% private transport and 40-45% public transport. This would reduce car usage by 3,000 and motorcycles by 5,000 per hour during peak periods.

## **Expected Results**

The George Town Transformation Program will have significant positive benefits to the people, businesses and government of George Town, Penang and Malaysia. These benefits are measured in terms of GDP contribution, jobs, business formation and increased tax receipts. However, more importantly, the transformation program benefits society and civic pride through the celebration of culture and heritage as well as creating a healthy living environment and safe streets.

Economic benefits or economic impact follow two major avenues: 1) financial investment and direct financial return to investors, and 2) growth of the economy in terms of new jobs, business and higher land values that eventually pay higher taxes and fees to government. While the private sector focuses on direct economic returns, governments should focus on growing the economy, civil society and the environment. There are three principal areas of economic benefit of the Transformation Project: 1) increased tourism receipts, 2) new business formation and 3) increased land values and rates.

Several qualitative impacts expected as a result of the George Town Transformation Program. These impacts will spread throughout the community to all levels of society :

- ◆ Civic Pride: Civic pride in enhancing the unique culture and heritage of Penang
- ◆ Retention of Skilled Workers: Retention of skilled Penangites and attracting talents from Malaysia and beyond
- ◆ Safe Streets: Reduction in crime and street improvements to provide safe streets for residents and tourists
- ◆ Educational Excellence: Providing linkages between high quality education and high value industries such as creative industries and professional services
- ◆ Sustainable Communities: Improving the living condition including the environment, transportation and public realm.

## **CONCLUSION**

The George Town Transformation Program is indeed a complex and dynamic project that the consultant team found it extremely challenging given time limitation and lack of information and engagement with local people. It is therefore become more a on going process and should be follow up and substantiated with more involvement from various party, disciplines, NGO and other key players.

We learned and understood that George Town is a multi-faceted city which offers both opportunities and challenges. Heritage and conservation alone require deep and thorough understanding in specific subject, not to mention it's relationship with UNESCO's Heritage List related issue. Local culture and milieu present intricate web of activities, cross-cultural race religion, which need to be considered seriously. Local and regional politics and strong opposition from local NGO also play a very serious role in the decision making and selection of strategies. Internally, we are a team of engineers, planners, environmentalist, economist, landscape architects, heritage specialist, quantity surveyors, architects, branding specialist and creative consultant, which require a lot of coordination, cross discipline understanding, room to compromise and finally, capability to draw a conclusion. For us, it is a very meticulous and delicate project to handle which definitely need more thought and time to achieve expected result.

However, we believe that through multi-disciplinary approach, enough understanding on local context, good discussion among the team and experts input, the project expectedly can have better outcome compared to the top-down singular approach that typically happen in many cities in Asia. By focusing more on process and maintaining balance between economic, physical planning, conservation and environment approach, George Town Transformation project was able to cover broader aspects, more contextual and responsive to the sustainability issues.

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