



# Reinventing *France's* Second City

**Lyon is pursuing a more sustainable infrastructure  
for its many development projects.**

GORDON FELLER

SINCE THE 1981 ARRIVAL OF frequent, high-speed train service connecting Lyon to Paris in less than two hours, and links to the Mediterranean that connect in 90 minutes, Lyon has been undergoing steady urban development. The city is effectively growing from its industrial roots and transforming itself into a genuine metropolis—all the while preserving its status as the second-largest UNESCO world heritage site. According to Robert Maury, executive director of the Lyon Area Economic Development Agency, “Significant public and private investment, intelligently managed and implemented, is focused on creating a more sustainable infrastructure for Lyon.”

Local efforts to create a superior living and working environment seem to be paying off. Last year, Lyon was voted France’s most livable city by the national publication *Le Point*. But perhaps a better indicator of this success is the fact that there is a steady inflow of new investment by newly arriving companies and already established ones. Commercially, the region is now considered France’s central hot spot for international business operations, with one in four persons working for a foreign-capitalized corporation.

Last year, more than \$754.6 million (€600 million) was invested in greater Lyon real estate, which represents an increase of 39 percent over 2004 (when \$540.8 million [€430 million] was invested). Of last year’s total, 65 percent was invested in property used by the services sector; 23 percent for logistics-related properties; and 12 percent for industrial production facilities.

During 2005, a total of 2.01 million square feet (187,000 sq m) of office space was sold to investors, far exceeding the 2004 volumes. Investors also were more active in markets for production facilities (1.16 million square feet [108,000 sq m] sold in 2005) and logistics facilities (2.58 million square feet [240,000 sq m] sold in 2005).

Of the investors active in the local real estate market, the greater Lyon administration database indicates that 44 percent have their head offices abroad.

A number of reasons are given for greater Lyon’s healthy property market:

## Two New Lyon Projects

ON THE BANKS OF THE Rhône River, Lyon has launched a few high-visibility projects with the aim of restoring these settings as a social link into the city as an urban/rural link and a way for the city's residents to reconnect to the rhythms of nature. Over an area of 645,000 square feet (60,000 sq m), approximately three miles (five km) of the river ports are being transformed into more than simply leisure and relaxation areas.

The Duchère project, developed in collaboration with the residents of this neighborhood, offers inhabitants a wider variety of residences, all of them situated in high-quality areas. The strategy behind this is simple: create lively neighborhood cores, each with plenty of services and shops; help families build their

personal futures within their areas by improving schools, supporting local associations, sponsoring both cultural and sports activities; and offer training for new employment and social services, promoting job creation.

Another project, Porte des Alpes Technology Park, designed as a wooded area to meet corporate needs, is mostly open to the public and connected to the city by a tramway. It also includes housing and leisure areas. The main goal of the project is to harmonize economic development and quality of life in the midst of an expansive urbanization already underway within the eastern part of Lyon's metropolitan area. An additional 62 acres (25 ha) were planted to enable the creation of an organically designed water cycle.—G.F.



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- ▷ high occupancy rates at office and logistics sites;
- ▷ relatively inexpensive price per square foot when compared with the rest of Europe;
- ▷ stable rates of interest; and
- ▷ the availability to investors of a wide range of real estate products, thereby providing them with the option to spread their risk over several different types of investment.

Part of the city's success may lie in what is referred to as "the vision thing." Gérard Collomb, senator-mayor of Lyon and president of Grand Lyon, as the entire metroplex is known, recently put it this way: "Tomorrow's cities will combine both economic and intellectual riches, but also society's fundamental problems. To answer the challenge, we must dedicate ourselves to building more balanced cities, cities where citizens can come together in all of their ethnic, cultural, and social diversity."

How did "the big city with a socialist mayor" achieve its status as an unabashed capitalist success story? Lyon did what many cities only talk about doing: it created a viable platform for sustainable growth. Lyon focuses on what the city calls "six core elements": innovative, transport-oriented development; creating green spaces that run the entire length of the city's rivers; redeveloping industrialized areas into balanced arts/leisure/residential complexes; building award-winning, multitier subterranean and above-ground parking; developing industry-specific zones; and replacing high-rise public housing with modern low-rise communities.

But even at its current rate of urban development, unbridled growth and the accompanying sprawl are not afflicting Lyon. The city's key executives recognized some time ago the inherent risks associated with overdensifying a region. They closely monitor both the pace and the quality of urban development.

Numerous trips to study other international cities have helped reveal the difficulties



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**Lyon's Saint Exupéry International Airport is France's newest multimodal transportation center with air, road, and rail links.**

found elsewhere—and these are being assiduously circumvented. The end result is a city offering a high quality of life—as measured by opinion surveys and by steadily climbing property values. Investment now comes into Lyon from all directions: the United States and Canada, the rest of the European Union, Asia, and the Middle East. A particularly salient example is Cargill Corporation's \$109.5 million (€87.1 million) purchase in one of Lyon's most chic quarters of ten apartments (462,250 square feet [43,000 sq m]) for renovation and resale.

In one recent statement, Collomb revealed in the city's progress, and in the work being done to boost its international competitiveness. "The concerted effort being made by all of the local agencies to develop and reinforce Lyon's many strengths has produced a vibrant European capital with a modern, ecological infrastructure that is attracting persons, businesses, and investment from around the globe."



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To be certain, Lyon's international appeal is historically well established. The city's roots date to 50 BC, when the Romans settled the Lyon area for its central location and easy access by land and sea. Within a very short time frame, the city became both an important center for logistics, and the administrative capital of all western Europe. Then as today, Lyon was Europe's geographic crossroad, affording easy access to Spain, Germany, England, Italy, and northern Europe. Due to these forces, large, heavy industry grew and Lyon forged a reputation for being a hardworking, production-based city, all the while retaining the stylistic and architectural influence of Italian forbears.

In keeping with its logistics tradition, Lyon now hosts France's largest inland port and Europe's highest density of superhighways. By virtue of its location and its transport network by land transport alone, 180 million persons are accessible in one day. With ongoing state-sponsored rail projects, Lyon will be the definitive hub linking all of southern Europe, and will be France's center for all east-west, north-south freight.

The net result is that Lyon now offers 32.2 million square feet (3 million sq m) of warehouse space, divided among 250 logistics and transport firms, which employ 40,000 people. The rail freight link to Italy, when finished, will provide an additional 44.08 million short tons (40 million metric tons) of rail freight capacity per year.

In concert with rail and highway development, Lyon also developed the Saint Exupéry International Airport, France's newest multimodal transportation center with air, road, and rail links. To mark the importance of this project, Spanish architect Santiago Calatrava was commissioned to design the station, which has since become one of the region's emblems.



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Notwithstanding a costly and ambitious accessibility program, Lyon has invested in refinements of its inner-city and suburban mass transportation system. This step was seen as part of the broader effort to increase quality of life by simplifying day-to-day transportation issues and reducing excessive traffic. As of 2005, virtually all parts of the city are accessible by modern mass transportation in the forms of bus, subway, and free municipal bicycles.

To make bicycles a real option, Lyon invented the Vélo'v system, perhaps the world's most ambitious and high-tech, public/private bicycle loan system. Entirely financed by advertising revenues, Grand Lyon commissioned the installation of 175 network-

Lyon invented the Vélo'v system, a public/private, self-service bike rental system that makes 2,000 bicycles available to anyone 24 hours a day with 175 network-connected bicycle stations, 310 miles (500 km) of dedicated bike lanes, and 500 new parking places per year.

from anywhere in the city. In its first summer on peak days, the system registered 14,000 trips per day. The concomitant rise in bicycle traffic is paralleled by the creation of 310 miles (500 km) of dedicated bicycle lanes and 500 new bicycle parking places per year, in addition to the existing 1,250. People walk to the nearest station, place their magnetic card against the kiosk, and ride to their destination. Vélo'v bikes are free of charge for the first half hour and have quickly become a credible alternative to urban cars.

Lyon's transport and quality of life measures, however, cannot exist in a vacuum. The city's effort to augment accessibility while simplifying traffic circulation is supported by a business development strategy that grows from its industrial and science-focused history.

Business development in Lyon is based on the idea of "clusters of excellence"—known in France as *pôles*. The region's largest



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connected bicycle stations with 2,000 new bicycles available to all who wish to ride (with 4,000 planned by 2008). The ultimate installation will have stations every 984 feet (300 m) on average, or within a five-minute walk

Europe's newest amphitheater, Salle 3000, is part of the Cité Internationale, a mixed-use project that also includes Interpol's world headquarters, the Modern Art Museum, 300 apartments, a hotel, a conference center, a multiplex cinema, and France's largest city park.

clusters include vaccinology and diagnostics, for which Lyon is seen as a world leader; chemical and environmental industries; truck and bus production; technical textiles; and video games.

To increase the operational efficiency of businesses operating within the pôles, Lyon created industry-dedicated zones of development. Two notable developments include the biotech/hospital quarters and the digital industries quarter. For its biotech industry, Lyon designated three zones—each one with significant development projects of its own.

The Gerland biopôle, formerly home to the meat industry's slaughterhouses, now contains one of Europe's two publicly accessible P-4-rated ultra-high-security research labs, as well as a number of other life science research and production facilities. Also included are the world headquarters of Sanofi-Pasteur; the French headquarters of



3,000 students. But in addition to these already existant companies, there are still approximately 35 acres (14 ha), all within city limits, available to incoming companies. Some of the world's major biotech companies are rumored to be negotiating purchases within the park.

In the Rockefeller biopôle, named for the Rockefeller family's 1930s gift of the region's largest public hospital and medical learning facility, one finds WHO's Cancer Research Institute; the Laennic bio-business incubator housing the regional Cancer Cluster headquarters; the future Mother-Child Hospital with 1.075 million square feet (100,000 sq m) of development; Europe's future and only hadron therapy center (a new form of radiotherapy for cancer treatment); plus numerous specialized hospitals and the school of medicine. Among all this, Lyon is also developing the Bioparc, a publicly and privately funded 483,750-square-foot (45,000-sq-m) bioresearch and development facility on eight acres (3.3 ha). And there is still 193,500 square feet (18,000 sq m) of bio-dedicated terrain to develop.

Responding to the need for additional space, Lyon built a 346-acre (140-ha), ecologically designed technology park on the eastern border of the city, which is 90 percent occupied. This development is integrated into a larger 988-acre (400-ha) plan. Though it is a mixed-use development, contained within is Depuy's (Johnson & Johnson) world headquarters and Merial's testing labs and production facility.

In Vaise, on the other side of town, Lyon is building on an ambitious master plan specifically designed for digital industries. By redevelop-

oping the west bank of the Saône River, a formerly underused and deteriorating industrial zone is now home to Atari-Infogram's world headquarters, Electronic Arts' southern European headquarters, and Orange Telecommunication's national control center, plus several significant digital business incubators. In total, the Vaise district now hosts 60 digital industry companies, employing 3,000 persons.

To help stimulate this development, business service organizations were created, fiber-optic lines were installed, and automobile traffic patterns were adjusted. Accessibility was enhanced with an extension of the subway line and the city's inner-ring road. These efforts are now being complemented by the creation of outdoor walking malls, bicycle lanes, green spaces, additional parking, and hundreds of new apartments.

The city has not overlooked the need for high-quality living facilities situated alongside commercial space to accompany the inflow of new commerce. Lyon has several of Europe's largest mixed-use residential/commercial/leisure projects. There are three such projects underway: the Cité Internationale, the Confluences, and the Carré du Soie, each corresponding in different ways to the city's philosophy of urban development. "Greater Lyon has engaged numerous concrete measures to create a quality of life and a working environment that actively respond to the needs of both its citizens and its businesses," points out Benoit Quignon, general director for the Urban Community of Greater Lyon.

The Cité Internationale, lying between the eastern riverbank of the Rhône and the Parc



**The 593-acre (240-ha) Carré de Soie (Silk Square) will include pedestrian zones with multiplex cinemas, restaurants, and boutiques.**

Sanofi-Aventis; a Merial Corp. production facility for veterinary medicines; world headquarters of Biomerieux; Genzyme's regional headquarters; and the World Health Organization's (WHO's) Department of Communicable Diseases, Surveillance, and Response. In total, there are over 150 international and national-level bio businesses and organizations surrounding Gerland. This pôle alone supports 8,000 jobs, 1,000 researchers, and



Musée des Confluences, a science museum designed by Austrian architecture firm Coop Himmelb(l)au, includes 287,025 square feet (26,700 sq m) of floor space. It is located at the apex of Lyon's peninsula, where the rivers Rhone and Saone converge.

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de la Tête D'Or, houses France's largest city park and a 2.4 million-square-foot (224,000-sq-m) mixed-use project with Interpol's world headquarters at one end, the Modern Art Museum in the center, and Salle 3000, Europe's newest amphitheater, at the other end. Designed by Renzo Piano to reflect the stylistic framework of the earlier *halles* that occupied the riverbank, this development also comprises 300 apartments, a four-star Hilton hotel, a conference center, a multiplex cinema, 3,350 underground parking spaces, and amenities needed for 5,000 residents and employees (as well as 3.6 million annual visitors).

The Confluence is a 370-acre (150-ha) development that is reclaiming brownfields, warehouses, rail yards, and underused riverbank space—all in an effort to create Europe's largest mixed-use urban development. When completed, the development will comprise 12.9 million square feet (1.2 million sq m) of new construction; create room for 26,000 inhabitants with 16,000 jobs; and provide approximately three miles (five km) of redeveloped riverfront with a marina, several parks and squares, plus a sports complex. The project started a year ago with an extension of the tramway; it will proceed block by block, advancing south with a final completion date of 2015. The marina, leisure center, mass transportation relays (i.e., hubs and stations), and museum are all expected to be completed by 2008.



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Musée des Confluences, a science museum project by Austrian architecture firm Coop Himmelb(l)au that gained prominence in the ninth Venice Architecture Biennale, has 287,025 square feet (26,700 sq m) of floor space and is sited at the apex of Lyon's peninsula, where the rivers Rhône and Saône

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converge. The Confluences is the new "southern gateway" into Lyon.

The third major project of this sort, situated at Lyon's northeast perimeter, is the 593-acre (240-ha) Carré de Soie (Silk Square). It is

named for the defunct textile factories bordering the canal that divides this neighborhood, now destined for a complete redevelopment. Public transportation lines are being extended to allow for airport and center city access in 15 minutes or less. Carré de Soie has plans already approved for pedestrian zones with

multiplex cinemas totaling 3,700 seats, restaurants, and boutiques. At the same time, 7,410 acres (3,000 ha) of natural spaces—forests, lakes, cycling and running paths, esplanades, and playgrounds—will border the Carré de Soie.

But how does all of this translate into inward investment? In 2004, Lyon attracted \$500 million (€397.7 million) of investment, with over 60 percent coming from foreign-based investors.

Although projects have only just begun, France's second city has already made a major leap forward in urban development. Will the massive redesign efforts underway

there set the stage for something bigger among French cities? Will rethinking urban design, and inviting private sector partners to become an integral part of the process, be copied elsewhere? And what parts of Lyon's vision will succeed? No one can predict—but many are watching with intense interest to see the outcomes. **U**

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