Article
Urban Policies and Large Projects in Central City Areas: The Example of Madrid (Spain)

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Abstract: Since the late 20th century major, European cities have exhibited large projects driven by neoliberal urban planning policies whose aim is to enhance their position on the global market. By locating these projects in central city areas, they also heighten and reinforce their privileged situation within the city as a whole, thus contributing to deepening the centre-periphery rift. The starting point for this study is the significance and scope of large projects in metropolitan cities’ urban planning agendas since the final decade of the 20th century. The aim of this article is to demonstrate the correlation between the various opposing conservative and progressive urban policies, and the projects put forward, for the city of Madrid. A study of documentary sources and the strategies deployed by public and private agents are interpreted in the light of a process during which the city has had a succession of alternating governments defending opposing urban development models. This analysis allows us to conclude that the predominant large-scale projects proposed under conservative policies have contributed to deepening the centre-periphery rift appreciated in the city.

Keywords: urban project; urban agents; market urbanism; speculation; urban transformation; central area; Madrid

1. Introduction

The framework for this study is the general context that emerged when the economic structure worldwide suffered changes as a consequence of the Fordist crisis and the globalisation of space in the late 1970s and became evident in Spain in the 1990s. In this state of economic re-structuring and territorial competition, nations are adopting neoliberal strategies that are transposed to major cities’ urban agendas in order to overcome the financial recession and recover their position in the global economy. In this scenario, urban policies promote strategic projects aiming to enhance the city’s position on the global marketplace. Cities review their objectives and modes of operation and drafting strategies of a neoliberal nature to multiply their bonds with economic players. This framework of connections is by which the major urban transformation projects should be viewed, especially those located in the central areas of metropolitan cities from the end of the last century and recognised as one of the more significant signs of the globalisation of cities.

An abundance of literature on this subject appeared from the first decade of the 20th century, and production continues to this day. Studies with greater theoretical weight are perceived to gain substance progressively from other more-specific studies centred on different scales and geographic scenarios, especially those appearing in Europe and Latin America that also incorporate a considerable theoretical background, with both approaches contributing to providing increasing conceptual wealth. From the profuse bibliography available, we have selected samples of the more general contributions [1–8] and those referring to specific geographical areas [9–14] that have helped outline the most significant constants of the urban model underlying large-scale projects in cities. Over the course of this research, we shall also refer to other studies dealing with more specific issues in the city model applied by neoliberal urban policies that use large-scale projects as strategic instruments wielded by the competitive global city they aspire to. Lastly, we cannot fail to point out the interest in studies that, from different perspectives, address some of the
major products undertaken in European and Latin American cities, national capitals or metropolitan agglomerations, which have been fundamental in recognising coincidences and differences with the projects undertaken in Madrid.

This progressive approach to academic literature has served as a foundation for the necessary conceptual premises to confidently address the study at hand, whose aim is to ascertain the degree of correspondence existing between tried and tested urban policies for city development and the large-scale projects proposed. We selected the city of Madrid as a case study because, since the end of last century, the urban policies of a succession of neoliberal conservative governments have promoted large-scale projects. In 2015, a progressive local government challenged these large projects and offered alternative plans.

In this work, we examine the actors and processes linked to the urban policies and models that are put into practice, underscoring the role of public and private agents who promote the projects, the strategies deployed through management models on the land prices produced and the design of the development projects. Moreover, this type of approach is found in many studies focusing on Latin America and Europe during the period studied [14]. Having set forth the premises underpinning this work, we discuss below the key points according to the sense, meaning and scope of major projects in general and those of Madrid in particular.

In this sense, having transposed the policies of neoliberal nature to the urban agendas of major cities in order to enhance their position on the global market, local administrations review their objectives and modes of operation to incorporate new priorities, forms of governance and management models that reveal new relationships among public agents and the private sector [2,15–18]. It is in this context where large-scale projects are promoted as one of the strategies applied under neoliberal urban policies seeking to maximise the city’s capacity of attraction and, at the same time, to multiply bonds with financial stakeholders. The new urban policy subordinates city management to the demands of an open and competitive market that requires an operational framework comprising urban deregulation and sufficiently flexible tools to offer opportunities for participation by private financial initiatives. Such an absence of political regulation is a determining factor driving and consolidating alliances between local governments and private interests.

Urban projects are successful when they combine the advantages of normative flexibility with effective management. To this end, local governments expedite the administrative process and issue the relevant authorisations, signing covenants with the private sector, and may even delegate in the latter the definition and execution of their urban master planning schemes. At the same time, they often shirk their democratic duty to all the participation of other urban stakeholders claiming a role in the decision-making process and their right to issue an opinion on the formulation of the projects. For their part, private companies introduce business management formulas guided by efficiency and profitability criteria, substantiated solely on profit expectations [11,19].

In this operational context, large projects are especially undertaken in urban spaces that have gradually gained a more central position, as the more central the location, the more profitable the investment. Governments publicise these projects as drivers of economic progress for the city, thus justifying the need for intervention to improve their urban image [6,7]. Their purpose is the structural reorganisation of the physical and economic fabric of degraded and dysfunctional spaces that are still to be found in cities’ central areas. These are commonly enclaves occupied by railway infrastructures, port installations, former industrial sites or military facilities. The objective is to convert these into modern productive and consumption areas through the radical transformation of their urban image, hence the importance given to designers and architects of renown, who impress their hallmark on these new iconic references to the contemporary city.

Most of these transformations are speculative operations with the promise of highly profitable investments stemming from their links to changes in the social standing of space. In their execution, strategies are implemented to promote and intensify real estate value dynamics in order to attract economic activities and social classes that are significant under
globalised capitalism [20]. Such transformations have important effects on land prices and on the real estate market, reinforcing the privileged status of these areas within the city, and contribute to widening the centre–periphery gap from an urbanistic and social viewpoint.

2. Materials and Methods

The purpose of this research is supported firstly on the most relevant literature on the meaning of large-scale urban projects and their links to the urban policies that sustain them, which has allowed us to build a framework of reference for our analysis of large urban projects in Madrid.

Secondly, the eminently empirical nature of this work requires the consultation of imminently quantitative sources for this analysis, which are complex but sufficient for yielding results and interpretations. We distinguish between three types of materials: documentary, hemerographic and manifestations of the social and associative fabric.

The chief protagonism falls on documentation expressing the urban project as an instrument of planning and intervention. Follow-up of such material throughout the process, from the submission of the project to its approval, is indispensable in evaluating its level of compliance with legal requirements (state, regional and local laws) and with current planning schemes (municipal urban master planning schemes and regulations). The analysis of the projects’ official documents, their location against current legislation and the applicable urban master planning schemes allows us to interpret the meaning and scope of the claims filed in the courts by other urban players. In this sense, the documentation issued from the judiciary, especially those contained in the rulings of the courts, is viewed as a valuable and essential source as it represents a large part of the unorthodox strategies employed by the principal urban agents involved in formulating the projects. Thus, many of the filed claims refer to breaches of the regional building code and to insufficiently upsubstantiated modifications to the general urban planning scheme. Moreover, the slow-moving process for the resolution of claims, generally through more than one court, explains the delays in the performance of the projects and, in some cases, their coming to a standstill, while also explaining many of the changes made in these projects’ formulation during the process.

Among the materials consulted for this work are hemerographic sources. These include those providing opinions by urbanism professionals who make use of the media to reduce the time required for publication in academic journals. These opinions of renowned experts add elements of judgement that help clarify the issues dealt with herein. Another type of those is found in research journalism whose function is to disseminate to the public information on current issues that are difficult to access. It is, however, necessary that these news items refer to the original source as a means of differentiating them from other opportunistic and biased articles.

Lastly, this work also examines the ways in which different social groups speak out against the formulation of the projects. The manifestations of these groups, whether informal, grassroots or more regulated bodies, provide an important element of reflection, as they portray opinions stemming from the experience and expectations of their members. These groups may bring actions before the courts of justice and demand their rights to participate in the negotiations with the administration for drafting the projects, in order to attenuate their negative effects in social, environmental and urban terms.

3. Results

Since the late 20th century, large urban projects have been undertaken in Spain with noticeable territorial and social consequences, especially in urban and metropolitan areas. These operations reflect the neoliberal urban model incorporated in the urban agendas of conservative governments. It has been corroborated that the deployment of large-scale projects has generated enclaves of a formal logic and independent management that deepen the social and economic segregation of lower-income groups obliged to move their homes
to the increasingly distant outskirts and close down their traditional activities in downtown spaces [21,22].

To this rising social inequality, increased during the period of economic expansion, is added the imposition of austerity measures and the absence of the right to decent housing. Citizens’ unrest is channelled through left-wing proposals claiming social urban planning and calling for a change in policy making [23]. They place the focus on fundamental concepts such as democratic regeneration, pacts, coordination, cooperation, the struggle against corruption, transparency, participation, inclusion, social justice and public ethos, which represent their rejection of a political and economic regime in crisis [24]. Citizens’ indifference towards the dominant urban policy was manifested after the 2015 elections. Many cities and municipalities would be governed by political formations emerging from social movements and would question the urban agendas of recent decades [25,26].

In Spain, Madrid exemplifies the most consummate version of the neoliberal model imposed on the administration of a city since the last decade of the 20th century [27]. It is also one of the most significant in responding to the crisis with far-reaching rallies that would bring to power a progressive municipal government until 2020, when the city returned to a conservative political formation [28,29].

It is important to keep in mind the sequence of the successive municipal and regional governments to easily understand the correspondence between urban policies and models throughout the period studied. In this vein, the socialist municipal government (1979–1989) was succeeded by Centro Democrático y Social (1989–1991), Partido Popular (1991–2015), the left-wing coalition Ahora Madrid (2015–2019) and the coalition Partido Popular/Ciudadanos to the present. In the Autonomous Community of Madrid, the socialist government (1983–1995) was succeeded by Partido Popular (1995–2019) and Partido Popular/Ciudadanos (from 2019).

3.1. Urban Policies and Large-Scale Projects Undertaken in Downtown Madrid

The 1990s witnessed a political swerve in Madrid towards conservative administrations at both municipal and regional government levels that remained in power without interruption for the next 25 years and carried out a number of large-scale urban projects in the central area of the city, adhering strictly to the neoliberal model. During this period a political–financial–entrepreneurial bloc was consolidated, which was to play a key role in the evolution of the city and the region of Madrid as a whole. Other factors concurred that were favourable for the urban model adopted. The huge array of fiscal and budgetary competences assumed by the regional government and the incorporation of Madrid to the financial and economic globalisation context were fundamental in this regard. From an urban planning viewpoint, the cornerstone was the Plan General de Ordenación Urbana—PGOU (general urban planning scheme) of 1997; thanks to which, an active urban and normative easing policy was implemented with the aim of achieving a more efficient process for producing housing and industrial facilities [8,30,31].

In this framework, major urban projects were promoted in the city’s central area enclosed by the M-30 ring road. Since the mid-1990s, financial and business real estate income within the central area enclosed by the M-30 ring road has gradually accumulated around the north–south axis of the Paseo de la Castellana. This axis extended northward with landmarks such as the AZCA complex in the 1960s and Torres Kio in the 1980s. This trend further increased thanks to urban deregulation and the dismantling of planning instruments in the PGOU of 1997, at which point Madrid’s urban planning process assigned its regulatory capacity to the financial and land market.

On the borders of Madrid’s central area, there was still space for transformation projects in line with the new local urban agenda. These enclaves were originally on the periphery of the centre, an attribute they retain in part to this day. The aim is to accommodate these enclaves to the central status gained by the area. The neoliberal urban model facilitated their transformation through urban projects supported by the collaboration between public and private agents.
As examples of this type of intervention, we give a brief description of the three recent operations formulated in the city’s central area. Two of these are located on the northern extension of the Castellana thoroughfare: Cuatro Torres and Madrid Nuevo Norte. The third of these, the Mahou-Calderón operation, is far from the mentioned axis, on the southeastern border of the central area but nonetheless supports the central status of the area (Figure 1). The Cuatro Torres project has been completed and exemplifies the neoliberal model. Madrid Nuevo Norte has received approval but has not been executed, and Nuevo Mahou-Calderón is currently being built. The last two projects that were paralysed during the progressive municipal government of 2015 invite recognition of the alternatives proposed by the progressive government of Ahora Madrid [32].

![Figure 1. Recent large-scale projects in Madrid city centre 1. Cuatro Torres; 2. Madrid Nuevo Norte; and 3. Nuevo Mahou-Calderón (source: the author).](attachment:image.png)

The results of this analysis highlight the role played by public and private agents that promote these projects within urban models supported by the successive local governments during the duration of the process. In this line, we shall endeavour to demonstrate that projects are formulated when so decided by the agents willing to take part and benefit from the most favourable conditions, who deploy strategies to obtain modifications to land planning schemes and legislation, subscribe covenants and decide alterations to the formulation of projects. All of this pursues the aim of establishing the necessary conditions to allow private entrepreneurs and large investors to extract the maximum profitability from the transformation. We also examine the legal actions brought by aggrieved citizens’ associations who question the social quality of the projects. Finally, it is also necessary to determine the identity of the new owners of the land who would perform the material execution of these projects, thus adding evidence to the appraisal of the central area.

The casuistry accompanying each project, as well as the particular characteristics they present (surface area, type of developer, urban planning parameters, design, etc.), likewise makes individual analyses advisable. Thus, the issues addressed can be outlined more clearly and adequately when incorporated to the general premises for this study.

3.2. The Cuatro Torres Project

The Cuatro Torres skyscrapers stand on the grounds occupied since 1963 by the Real Madrid football club sports complex on 14 ha of land on the northern extension of La Castellana, expropriated by the City Council and sold to the Club. At the time, the press discussed the Club’s early attempts to modify the urban provisions of the PGOU of 1963 to include lucrative land uses, as well as the former landowners’ intention to demand the
restitution of the property, or an indemnification, in the event that authorisation should be
given to works not exclusively dedicated to sports activities.

By the end of the 1990s, stakeholders wishing to transform the sports city grounds
had begun to prepare the necessary conditions to achieve this goal. As a first step, the
Community of Madrid and the City Council purchased three hectares of land from the
football club in 1996 with the goal of enlarging the system of public facilities in the area.
Second, in 2001, all three owners concluded an agreement to boost Madrid’s candidacy for
hosting the 2012 Olympic Games [33]. A third step involved modifying the 1997 PGOU
and re-classifying the Real Madrid premises for tertiary use with a buildable floor area of
225,000 m², and an Olympic sports hall was planned on the public land. Political groups in
opposition and the citizen’s platform “Contra las Torres del Nudo Norte” spoke out against
these actions to no avail. The transformation of private land, the Cuatro Torres project, was
performed in record time and completed in 2009.

The enclave was thus consolidated as the city’s leading business complex and interna-
tional trading centre. The towers, ranging from 49 to 56 storeys high, dominate the Madrid
skyline (Figure 2).

![Figure 2. View of Cuatro Torres from the northern Paseo de la Castellana [34]. Copyright 2008 Eurostarshoteles.](image)

Of this skyscraper complex, Real Madrid was entitled to two complete buildings and
more than one half of a third, which it shares with the Community of Madrid, while the
fourth building was awarded to the City Council. The operation yielded multi-million
capital gains for all three landowners. The floor space in the future high-rise buildings was
sold to important companies in the leading economic sectors, who brought in world-class
architects to design their facilities. Torre Espacio was purchased by the real estate developer
Espacio (OHL group) and designed by Henry N. Coob. Torre Cepsa was acquired by the
Caja Madrid financial corporation and built by Norman Foster. Torre Cristal, shared
by the club and the Community of Madrid, was purchased by the insurance company
Mutua Madrilena who commissioned the project to César Pelli. The City Council sold its
rights to Torre PWC, built by Carlos Rubio Carvajal and Enrique Alvarez Sala, and to the
construction firm and developer Sacyr. Over time, with the exception of Torre Cristal which
has remained the property of its original owner, the buildings have changed hands. Torre
Espacio now belongs to the Philippine group Emperador, Torre Cepsa to the Pontegadea
group, and Torre PWC to the real estate investment trust (REIT) Merlin Properties.

A fifth tower, Torre Caleido, is currently under construction on the community services
land that was left undeveloped. In 2015, the City Council leased this land for 75 years to
the Villar Mir industrial and real estate group and the Philippine company Emperador.
This 36 storey building is the design of Fenwich & Iribarren Architects and is set to house a
university campus dedicated to health-related studies, as well as a spacious shopping and
leisure complex.
The impact of the Cuatro Torres development will reach beyond the central area, affecting the northeastern periphery of the city. The agreement signed in 2001 stipulated that the City Council would build a new sports complex for the Real Madrid football club on land in Valdebebas, near Barajas airport, previously earmarked for an airport complex. The land was obtained after the City Council accepted its owners’ demands for a major part of the envisaged ‘airport city’ to be re-classified from tertiary to residential use. However, the favours granted to the club did not end here: before the new plan for Valdebebas was approved, permission was irregularly given in 2006 for the first phase of the construction of the sports complex.

3.3. The Madrid Nuevo Norte Project

The project is located on the northern extension to the Castellana thoroughfare and originates from the Chamartín operation formulated 26 years ago, but its material transformation has not yet begun. As this was a lengthy process drawn out over a very long period of time, the developers have designed six different projects in which the surface area, buildability ratios and the envisaged number of dwellings have all undergone changes [35]. Given that this undertaking featured the State Administration as landowner, we should bear in mind the political nature of the succession of central governments: PSOE (1982–1996), PP (1996–2004), PSOE (2004–2011), PP (2011–2018) and PSOE/Unidas Podemos (since 2019).

This project was promoted by Red Nacional de Ferrocarriles Españoles (Renfe) in 1992 with the aim of modernising the railway facilities at Chamartín station. Renfe issued a call for tenders to procure financing. The awardees were the public bank Argentaria and the San José construction company, who formed the society Desarrollos Urbanísticos de Chamartín (DUCH), participated by Argentaria with 72.5%. This project was defined in 1995 as Operación Chamartín on 62 ha property of Renfe, with a gross floor-space ratio of 0.6 m²/m² and plans to build 5000 homes.

Over subsequent years, major changes were made to the premises inherent to this operation, formulated by neoliberal central, regional and local governments in power. The necessary provisions were lined up to make the urban development operation viable; at which point, it took on greater importance. First, DUCH and Renfe created a consortium and signed a new contract to adapt the undertaking to the new developers’ interests. Second, Argentaria was privatised through a merger with Banco Bilbao Vizcaya (BBVA). Third, spot changes were made in the PGOU to allow the desired urban transformation of the space. Moreover, three successive projects were designed in which the surface area of the initial operation of 1995 is multiplied five-fold and the gross buildable space is doubled.

These three projects were presented in 1997, 2011 and 2015 during the mandates of a conservative central government, save for the socialist parentheses in which only the first project was stopped for study by the new officials at the Ministry of Development and Renfe.

The first Prolongación de la Castellana project was designed in 1997 over a large area (305.7 ha), with no changes to gross buildable area (0.6 m²/m²) but with a very large commercial floor area (550,206 m²). The 2011 project, likewise entitled Prolongación de la Castellana, further enlarged the previous project’s parameters: surface area (312.5 ha), gross buildable area (1.05 m²/m²) and commercial floor area (1,204,541 m²). In addition, a total of 17,320 dwellings were planned, of which 22.5% would be social housing. These major changes required the modification of both the PGOU and the Ley del Suelo Regional [regional land-use act], in this case to allow the street-level area covering the rail yard at the station to be computed in the overall eligible surface area.

Citizen associations and urban planning professionals denounced the operation on the grounds of the excessive terrain covered, its excessive commercial floor area and the insufficient allowance for protected housing. As a consequence, in 2013, the Higher Court of Justice of Madrid (TSJM) paralysed the operation after revoking the selective modification to the PGOU, which should have been processed as a revision of the general plan rather
than a minor alteration and for infringing the 2007 Land-Use Act, which prohibited the construction of buildings exceeding four storeys in height on urban soil [36]. Nevertheless, this height limitation was solved by the regional government with an additional provision to the Ley de Patrimonio Histórico (historical heritage act) and a modification to the Land-Use Act to remove the height restriction. Judicial rulings obliged the developers to review the planning and reduce the dimensions of the project, while its viability was likewise threatened under the adverse economic circumstances nationwide.

Consequently, Renfe and DUCH concluded a new contract and in 2015 presented the project Distrito Castellana Norte, the name adopted henceforth by the developer (DCN). However, the new project’s parameters proved even more excessive than before. It only slightly diminished the surface area covered (311.4 ha) while maintaining the gross floor space ratio unchanged (1.05 m²/m²). In addition, to conform to the envisaged drop in the demand for office space, it reduced tertiary building potential (1,045,631 m²) while increasing the number of homes to 17,739, of which only 10% would be social housing. The City Council, however, did not manage to give its final approval to this operation before the municipal elections of 2015 were won by the coalition of left-wing parties Ahora Madrid.

The new municipal government cancelled the operation and launched a participative process open to the city’s representative organisations and professionals in the fields of urbanism, ecology and transports. In 2016, it proposed the alternative project Madrid Puerta Norte, which it planned to lead single-handedly. This project cut back its extension (174.5 ha), reducing gross buildable space (0.7 m²/m²) and tertiary buildable area (582,275 m²). Similarly, housing was reduced to 4587 units, of which 22% would be protected homes. As a new feature, it divided the location into four sectors subject to different modes of management, buildable space potential and housing density, doing away with the operation’s previous unitary concept. The project was approved by the associations and citizens’ groups that took part in drafting it.

Nevertheless, the proposal was rejected by DCN, and negotiations were taken up with the City Council to unblock the situation. In 2018, the developers tabled the new Madrid Nuevo Norte project that caused indignation among social groups. This operation’s parameters were greater than any previous projects. The surface area of the plot (329 ha) was the largest up until then, and the total tertiary buildable area (1,505,659 m²) was also the highest. Although the four zones were maintained, gross buildability was established from 0.7 to 1.05, according to each zone. More housing was incorporated (10,510), of which 38% would be social homes.

Political groups, citizens’ associations, neighbourhood associations under the Zona Norte platform, non-governmental and professional urban planning organisations denounced the project, criticising its approval by a progressive municipal government. These groups demanded the cancellation of the operation on the grounds that it was blatantly speculative and kowtowing to interests of BBVA, as well as deepening the north–south socioeconomic inequality rift in the city. They urged the City Council to declare the grounds public property dedicated to social uses in order to ensure a sustainable balanced and fair development.

After the municipal elections in 2019, a conservative coalition came to power in the City Council and gave final approval to the project in 2020 [37] (Figure 3). Political groups in the opposition, however, called for the operation to be cancelled demanding that Adif (formerly Renfe) should make public all the documents related to the development hidden from public opinion. Deeming the project illegal, they filed a number of claims in the courts and brought action before the Fiscalía Anticorrupción (anti-corruption prosecutor’s office) against 28 policy makers and business leaders for alleged administrative prevarication, bribery and embezzling of public funds through contracts over a 25 year span. In the same way, the former owners of the expropriated land are still suing for their rights in the courts, after they learned of the incorporation of lucrative uses. All these claims remain unresolved today.
3.4. The Nuevo Mahou-Calderón Project

Prior to presenting the result of examining the project, it seems advisable to make a brief introduction of the territorial context in which this operation in planned, to the south of Madrid’s central area, distant from the Castellana thoroughfare business district, unlike the two foregoing projects. This space began as an industrial quarter in the second half of the 19th century, consisting of factories, services to the city and workers’ homes, and was conditioned by the earlier existence of the rail infrastructure, crossing the district from east to west. In the mid-1990s, in the early inner-city de-industrialisation period, the first factories were dismantled as a consequence of the developmental PGOU of 1963. These industrial voids were replaced with residential complexes that gradually raised the real estate value of the district generating expectations of lucrative activities. The PGOU of 1985, which advocated for the recovery of the city rather than its growth, attempted to ban speculative manoeuvres associated with industrial abandonment. However, the economic recovery at the end of that decade caused the urban market to prevail in this increasingly central space.

Two urban planning operations were promoted that hastened the transformation of the city sector south of the central area. The first of these, the Pasillo Verde Ferroviario (green railway corridor) was designed in 1987 by a consortium comprising Renfe and the socialist City Council. The purpose was to eliminate the rail ring line and to improve the district’s environmental quality. The undertaking envisaged sinking the 8 km rail line and adapting it to passenger traffic, covering it with a green surface-level pedestrian path and leisure spaces and facilities. To pay for these works, the remaining railway grounds were re-classified for tertiary uses and put up for sale. However, the original plan underwent modifications in 1992 by the conservative municipal government taking up office, considerably increasing its residential development potential and reducing community and rail facilities [39]. The second operation Madrid Río was developed by the City Council in 2006. This intervention included reforming and sinking the M-30 urban ring road that follows the course of the River Manzanares on the south-west, delimiting the southern border of the central area. The operation aimed to improve the environmental quality of peripheral districts and boost their connectivity, besides creating a new public space with green zones, with room for leisure and sports facilities for all residents and citizens of the metropolitan area [40]. The works ended in 2012, although a section remains unfinished in the proximity of the Mahou-Calderón location.

In the next section, we present the results of the Nuevo Mahou Calderón project, currently in construction. This covers a surface area of 19.3 ha originally occupied by the Vicente Calderón football stadium, property of the Atlético de Madrid football club and the Mahou brewery. Both were erected in the early 1960s on empty plots near the River Manzanares. Throughout the urban development process, which began in 2009 and ended
in 2017, two successive projects were tabled, ascribed to the conservative and progressive municipal governments of before and after 2015.

Among the circumstances surrounding the operation, it cannot be overlooked that it was related throughout to the former track and field stadium known as La Peineta, where the Wanda Metropolitano stands today. La Peineta stadium was built in 1994 by the socialist regional government for its unsuccessful candidacy to host the 1997 World Athletics Championships. The argument associating it with the transformation of the Mahou-Calderón site began with the regional government’s assignment of La Peineta to the City Council and with the agreement signed in 2008 by the City Council and the Football Club for the latter to purchase La Peineta and build a new stadium to replace it in anticipation of the 2012 Olympic candidacy.

The urban development for this operation issued by the conservative government and entitled Mahou-Vicente Calderón was promoted by the owners of this stretch of land, namely the football club and the brewery. The club thereupon demanded the same treatment received by the Real Madrid football club for its transfer from Castellana to Valdebebas. This required exceptional modifications to the PGOU to re-qualify as residential the industrial and sports land granting it a gross floor space ratio of 1.49 m²/m². Neighbourhood associations and citizen groups denounced the high-rise buildings resulting from the excessive buildable floor space granted. The TSJM annulled the modification on the grounds of its infringement of the regulations set forth in the 2007 regional land-use law (Ley Regional del Suelo), which prohibits building more than four storeys [41]. The owners appealed this decision before the Supreme Court and, before a ruling was passed down, the Partial Plan was approved defining the urban planning rules for the area, and in 2014, the promoters designed a project in which the gross floor-space ratio was reduced to 1.0 m²/m² but the typology of residential buildings for 2000 dwellings was maintained as towers and blocks.

The Rubio & Álvarez-Sala studio of architects designed the project including 36-floor skyscrapers, 20-storey buildings and 8-floor residential blocks (Figure 4). The City Council publicised the timelines and the quality of the operation stressing its economic, social and environmental profitability, and for its contribution to creating a monumental, iconic residential area that would become a reference in Madrid, and named it La Nueva Puerta del Sur. Political parties in the opposition and the Contra el Plan Mahou-Calderón platform demanded its withdrawal, as it was approved without a legal settlement in the courts, and staged demonstrations to express their rejection: “No to the Mahou-Calderón operation. No to this policy of speculation!” and “This is no game; Arganzuela is not Manhattan!”

![Figure 4](image.png)

**Figure 4.** Recreation of the Mahou-Vicente Calderón project (2014) [42]. Copyright 2014 Laura Sánchez Carrasco and Rubio Arquitectura.

However, the sale of the municipal La Peineta stadium, necessary for relocating the Atlético football club still remained unresolved. Therefore, the PGOU was modified and the land re-classified for private sports uses. This move was denounced before the TSJM by the Señales de Humo association, composed of Atlético football team followers who were
critical of the club’s management. Before the legal resolution was handed down, La Peineta was demolished in 2011, and the new Wanda Metropolitano stadium was completed in 2019. Although the court ruling was issued in 2018, declaring null and void the modification to the PGOU for giving priority to private interests over the general interest, the promoters appealed before the Supreme Court, which finally ruled in favour of the modification, finding it in keeping with legal provisions, thus affording legal certainty to the purchase of La Peineta and to the new stadium.

The arrival of the progressive platform Ahora Madrid in 2015 to the municipal government marked a new stage in the development of the Mahou-Calderón operation, as all major urban transformation projects pending in the city for re-assessment were halted. The Mahou-Calderón operation was taken back to the drawing-board for re-assessment and negotiation with all urban players, including citizens’ groups, to design a new project on a scale compatible with the surroundings and with a smaller number of housing units. The progressive municipal council was supported by the rulings of the courts declaring null and void the modification to the PGOU and the Partial Plan. The City Council, however, was faced with a legacy of obstacles that would condition to a large extent its urban planning operation. It was unable to evade the commitments made in the agreement signed in 2008 to approve the operation as soon as possible, as otherwise the club would be entitled to a multimillion-euro indemnity. It also had to accept that the club should receive sufficient capital gains to compensate for the expenses of the Wanda Metropolitano stadium [43].

The Nuevo Mahou-Calderón project was drafted in record time. The landowners accepted the design with no skyscrapers and a smaller housing allowance. This gave rise to the process for a further modification to the PGOU and a new Partial Plan. The City Council conducted a restricted call for bids from urban planning professionals to address a new distribution of the area that was awarded to the architects Enrique Bardají y Asociados S.L. This new proposal was presented at the negotiation table made up of citizens’ groups, professional associations of architects and engineers, and political parties with municipal representation. The new urban players criticised the high floor-space ratio agreed between the owners and the council, as this undermined the effectiveness and adequacy of the participative process. Nevertheless, they acknowledged the improvements made and proposed, among other measures, spreading the buildable space to balance the height of buildings, enhancing aesthetic aspects and ensuring better sunlight exposure conditions [44,45]. These demands were included in the report given final approval by the regional government [46] and in the applicable urban regulations (Figure 5).

![Figure 5. Buildings recreated in the Nuevo Mahou-Calderón proposal (2017) [47]. Copyright 2017 E.BARDAJÍ Y ASOCIADOS/ARQUITECTOS.](image)

The project proposed by the City Council contained significant differences from the project put forward by the promoters in 2014: the surface area was 5.2% smaller; building heights where limited to dimensions similar to those in the surrounding areas with the exception of a number of architectural landmarks; the gross floor-space ratio was reduced to 0.76 m²/m²; the commercial floor space dropped by 16%; non-subsidised housing was
reduced by 34.7%, and 11.2% would be under a protection regime; the extension dedicated to community facilities was enlarged by 34.7% and green zones by 41.1%. The responsibility to provide a solution for the M-30 ring road was transferred from private developers to the City Council (Table 1).

**Table 1.** Principal urbanism parameters in the projects of 2014 and 2017 (source: the author from [48]).

<table>
<thead>
<tr>
<th>Parameters</th>
<th>2014 Project</th>
<th>2017 Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface area (m²)</td>
<td>204,216</td>
<td>193,632</td>
</tr>
<tr>
<td>Architectural design</td>
<td>36 storey skyscrapers, 22 storey towers and 8 storey blocks</td>
<td>Closed 8 storey blocks; exceptionally, 12 storey buildings</td>
</tr>
<tr>
<td>Gross floor space ratio (m²/m²)</td>
<td>1.0</td>
<td>0.76</td>
</tr>
<tr>
<td>Commercial floor space (m²)</td>
<td>175,365</td>
<td>147,050</td>
</tr>
<tr>
<td>Housing (number)</td>
<td>2000 free disposition</td>
<td>1173 free disposition and 132 protected</td>
</tr>
<tr>
<td>Community facilities (m²)</td>
<td>22,115</td>
<td>29,791</td>
</tr>
<tr>
<td>Green zones (m²)</td>
<td>54,675</td>
<td>77,142</td>
</tr>
<tr>
<td>Solution for the tranche of M-30</td>
<td>Ring road re-directed underground by promoters</td>
<td>Covered at street level by the City Council</td>
</tr>
</tbody>
</table>

In 2019, the executive phase of the project commenced with the approval of land re-parcelling. Two plots correspond to the City Council by virtue of compulsory assignments, another four are destined to community facilities and green zones and the remaining six were put up for sale by the landowners. Real estate operations, investment funds and REITs were keen to acquire plots from one of the few pools of land for sale within the central area, a rare opportunity for investors. The plots were acquired by: the real estate management and promotion firm Ibosa; the American GreenOak investment fund; the Spanish real estate corporation Pryconsa; Vivenio, the Dutch APG fund’s REIT and Renta Corporación; and the investment fund Azora in association with the building company CBRE GIP.

The new owners of the plots set to marketing near future real estate products without delay. Sales promotions targeted up-market buyers and incorporated an abundance of private facilities. Real estate experts claim that offering quality and high-class common spaces has become equal in importance to location, and the Mahou-Calderón development meets both of these conditions. The average price of the homes advertised before the Covid-19 pandemic was close to 5000 euros/m², similar to the most sought-after central districts (Salamanca, Chamberi and Centro). Promoters estimate that this may reach 6000 euros/m², given the scarcity of new construction products in the central area of Madrid.

The expectations generated by this operation have caused the upward re-valuation of this area and prompted a significant rise in the price of second-hand housing and the rentals market in the surrounding areas. Shortly, this will also lead to fewer neighbourhood retail businesses, as the commercial surface Carrefour is planning to open on one of the plots.

At present, the developers are asking the City Council for agreements to simultaneously execute urbanisation and construction works so that housing units may be built as soon as possible. Likewise, in 2020, the regional government reformed the Ley del Suelo, replacing the process of applying for new construction licenses and habitation certificates with declarations of responsibility by promoters and architects, thus reducing processing time. It had been foreseen to include this modification in the future Ley del Suelo, but the regional government decided to act sooner to drive and reactivate the productive fabric damaged by COVID-19. However, in early 2021, the opposition parties appealed
before the Constitutional Court to invalidate this legislative initiative, claiming that it was approved illegally.

4. Discussion

In the light of our analysis of the large-scale urban projects in the central area of Madrid, in this section, we pose a number of questions for discussion that we endeavour to answer as concisely as possible.

These questions are closely related to the issues implied in the title of this work: firstly, on the relationships between urban policies and the significance and characteristics of large-scale projects in the central areas of cities since the last century; and secondly, whether the analysis of the projects undertaken in the city of Madrid discloses the mentioned relationship, in which case we are obliged to consider the various urban policies enacted by the succession of conservative and progressive local governments over the period studied.

In the first more general section, the following questions may be asked:

1. Do the large-scale urban projects undertaken in the central areas of cities since the end of last century respond to urban policies of a neoliberal nature?

   The abundant academic literature highlights that the effects of economic restructuring and the globalisation of space are the most general factors that explain the proliferation of large-scale urban projects aiming to enhance the city’s position on the global market. The way to achieve this is to consider the city as an open and competitive market on which economic agents operate with the maximum freedom. This requires the adoption of neoliberal urban policies that subordinate city management to the demands of private operators.

2. Do the large projects undertaken in central areas adhere to the same model or are there key features by which to differentiate them?

   Here, the location and purpose of the project play a fundamental and decisive role, displacing project size as an exclusive indicator. Thus, large residential, production, cultural or administrative operations located on the city’s periphery, or newly formed central spaces distant from the consolidated urban fabric, are dismissed. Within the central areas, the appropriate location determines the purpose of the projects undertaken and determines the behaviour of urban agents involved throughout the process, and the materialisation and functions they acquire, implying differential characteristics.

3. Can practices be recognised in the large urban projects in the central areas of cities that respond to the specific interests of public or private urban agents?

   The neoliberal urban model is designed to satisfy stakeholders in large-scale projects. It satisfies public agents because these urban operations carry a high symbolic value that strengthens their position in political power when advertised as drivers of progress within the city and improving its urban image. Private stakeholders are also satisfied because these projects offer great expectations of financial profit. These agents therefore establish alliances for their mutual benefit. Thus, urban agendas incorporate new priorities including the production of large-scale projects, facilitating the necessary planning and management instruments for private operators and large investors to carry them out.

In the section on the results of analysing the large urban development projects in Madrid, the following questions arise:

1. Have the chosen sources served to reveal the practices derived from the urban policies of the succession of administrations governing the city?

   The first point to mention is the constant scarcity and lack of transparency in the documentation required throughout the planning process for the large-scale projects proposed by the neoliberal conservative governments. By contrast, the progressive government adopted democratic forms of participation in the process and in exposure to public opinion. Moreover, the claims filed by urban players directly or indirectly affected and the decisions passed down by the courts of justice consulted in this study have allowed us to determine the strategies implemented by the promoters. Lastly, hemerographic sources have provided access to updated information throughout the process.
2. Did the occupied enclaves and the ownership of the land present characteristics that can be recognised in the performance of the neoliberal urban model driving the projects?

This is certain. These are urban projects located on spaces within the city that, over time, have become central. Originally, these enclaves were occupied by obsolete sports facilities or industrial installations, relegated today to the outskirts: the Real Madrid football club’s ‘sports city’ (Cuatro Torres project), the Atlético de Madrid football stadium and the brewery (Nuevo Mahou Calderón project) and disused railway infrastructures at the Chamartín station and their northern extension (Madrid Nuevo Norte project). With regard to land ownership, the first two locations belonged to highly renowned social institutions and an industry of nationwide prestige. The third enclave is property of the State who established alliances with the financial and real estate sectors.

3. Have the urban projects been planned according to formal and functional standards encompassing them within a single model?

The aim of converting the transformed spaces into modern production and consumption centres, and the obligation to satisfy the economic expectations of private investors, condition the formal characteristics of these projects. This is why the buildability parameter is of such importance, since a higher ratio allows a greater business volume and taller buildings ensure the necessary capacity. In the assigned land uses, lucrative purposes prevail: offices and hotel (Cuatro Torres), quality homes (Nuevo Mahou Calderón) and a combination of both (Madrid Nuevo Norte). In the latter case, the lucrative uses assigned to private investors share space with railway uses. Additionally, the morphology of these projects includes tall buildings whose architecture is designed to stand out for their innovativeness and quality.

4. Do the effects of large-scale projects impinge on their immediate surroundings or the city as a whole?

It is still too early to assess the effects that may become general in the immediate surroundings or throughout the city. It is difficult to confirm these impacts given the different phases each project is presently undergoing (Cuatro Torres, completed; Nuevo Mahou Calderón, in progress; and Madrid Nuevo Norte, not commenced), and also the consequences of the 2008 real estate crisis and the current pandemic in 2021 that have slowed down building activity throughout the capital. Nevertheless, we may mention some observations gained through the fieldwork conducted in the immediate surroundings that are a consequence of the rise in land prices experienced before, during and after the execution of these projects. The rise in land prices is determined by the refurbishment of residential buildings with the goal of increasing the purchase or rental prices of homes, and in the closure of traditional retail businesses as a consequence of rising rental prices. Regarding the effects produced without the central area, the projects undertaken certainly do not contribute to reduce, from an urban planning and social perspective, the centre–periphery divide that characterises the city of Madrid.

5. Conclusions

It is a fact that major urban projects located within cities’ central areas are fundamental in conveying an image of status and power of the economic and political elites, but it is likewise true that they become elements that contribute to increasing social inequalities, reinforce urban segregation processes and contribute to deepening the centre–periphery rift.

Similarly, it is confirmed that these actions are identified with neoliberal urban policies and may sideline democratic decision-making mechanisms. This line of action is corroborated when public powers create an institutional framework, presumed to fully guarantee free market practices, and speed up the implementation of major urban interventions by means of public–private collaboration strategies with the aim of concentrating economic profits into a few hands rather than disseminating them throughout the urban setting.

We believe that this study is an empirical contribution to knowledge since Madrid presents one of the most elaborate versions of the neoliberal model embraced by urban policies since the final decade of the 20th century. It demonstrates an urban planning model
based on collaboration among public agents—represented by the central, regional or local governments—and private entrepreneurs. It exemplifies an urban policy that places the economic profitability of private interests before the general good, favouring speculative practices in enclaves that ensure highly profitable real estate benefits to investors, while at the same time propitiating an institutional framework to support the necessary instruments and mechanisms to serve private interests. In essence, it is a model that adds the political opportunities of the former to the business advantages of the latter.

The article likewise recounts the attempts made by the progressive local government in 2015 to change the model, and the inherited obstacles making it impossible to bring in new, more equitable and citizen-oriented forms of governing the city. It also unveils how the return of a conservative government in 2019 reproduced the previous neoliberal principles, disregarding the growing social inequality.

The findings of this study confirm the suitability of the documentary sources consulted in monitoring the process for interpreting the postulates and development of urban projects and of the role played by the various players involved. In this sense, the aim of this paper, i.e., to confirm the correspondence between counterposed urban policies for city development and the projects proposed for the central area of Madrid over recent years, has been accomplished. Lastly, it goes without saying that the invariable modus operandi of neoliberal urban agendas and their contribution to the centre–periphery divide are likewise evinced.

Having shown the urbanistic-speculative nature of these undertakings that tend to deepen inequality in the city and having regard to their imminent execution, it would be advisable to call on the public powers to, at least, consider redirecting the capital gains generated in the operation towards covering the needs of citizens in general.

To finish, we quote the words addressed by architect Enrique Bardají to experts in urban planning practices, deeming them very appropriate for the managers and politicians who, to all effects and purposes, carry the greatest responsibility for the state in which we suffer in our cities:

When public opinion still views urban planning as a set of highly complex and obscure processes, there is something that we urban planning professionals are doing wrong. We should strive somehow toward achieving that the transformation of the city is viewed as a normal process, a NOBLE activity resulting from wisdom and reflection, the criteria of democratically chosen majorities, respectful of minorities, comprehensible laws and total procedural transparency [49] (p. 28).

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