
Public Consultation: Proposal for a Municipal Ordinance regulating the Urban Sandbox of the City of Valencia

Result Report

Valencia City Council

sandbox
urbano VALÈNCIA



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0. Introduction

0. Introduction



The Valencia City Council, on the initiative of the Delegation for Innovation, Technology, Digital Agenda, and Investment Attraction, **has drafted a Proposed Ordinance with the goal of regulating access to and functioning of the Urban Sandbox of the city of Valencia**. This is **with the aim of contributing to the development of the goals of the Urban Strategy Valencia 2030**, and especially to the success of the Valencia Climate Mission 2030 and the improvement of public services offered to the citizens and Valencian society.

Both strategies contemplate, among other actions, offering to the entrepreneurial ecosystem of the city spaces, instruments, and agents that **facilitate experimenting with innovations** aimed at the economic, social, and environmental development of the city, as well as the improvement of public services. This includes, among the specific actions, the initiative for the creation of a regulatory sandbox. To achieve these goals, the **Valencia City Council has presented a Proposed Ordinance** that aims to regulate the procedure for joining and using spaces, infrastructure, and events of the city of Valencia that can serve as a testing ground in relevant, real, and controlled environments for the development of innovation projects in the city.

Thus, it intends to be the instrument to facilitate that interested entities can carry out their pilot experiences, trials, and tests in these urban resources of the Sandbox **with the objective of encouraging and promoting research, development, and technological innovation, favoring the creation of open innovation spaces** that allow testing the viability of innovation before fully accessing the market.

Furthermore, the Urban Sandbox of Valencia positions itself as a one-stop-shop for innovation and experimentation in the city with the capacity to retain and attract talent and investments, where opportunities will be concentrated and centralized. This centralized approach seeks **to promote efficiency by removing obstacles, regulating procedures, and streamlining processes** so that the different agents of the innovative ecosystem can focus on generating transformative solutions and have the local administration as an ally facilitating the necessary management for innovative experimentation.

In accordance with the provisions of the Organic Regulation of the Plenary and the Law 39/2015, of October 1, on the Common Administrative Procedure of Public Administrations, at the end of March 2023, a process of Public Consultation was opened on the text of the Ordinance with the objective of (i) incorporating improvements that facilitate and favor the development of innovation projects and the generation of public value and collective well-being and (ii) gathering the opinion of the most representative agents potentially impacted by the future regulation about the problems that are intended to be solved with the initiative, the need and opportunity for its approval, the objectives of the norm, and the possible alternative regulatory and non-regulatory solutions.

0. Introduction

At the end of the period for receiving contributions, on May 29, 2023, and after having collected the proposals over a **two-month period**, a phase of organizing them and designing the categories and criteria that would be used for their analysis began. Thus, it was established that, in addition to the content of the suggestions, their **relevance**—whether they fall within the objectives of the Public Consultation—their **feasibility**—the possibility of including them in the text—as well as the **proposing agent** would be observed.

Once this information was systematized and organized, a joint effort was made among the agents involved in this stage to thoroughly study the contributions, providing solutions that are tailored and coherent with the objectives of the proposed **Municipal Ordinance regulating the Urban Sandbox of the City of Valencia**.

In this sense, in addition to analyzing the subjects referenced in each proposal, their possible inclusion was evaluated, and the most appropriate mechanism was devised to transfer these suggestions into the text. This task has been carried out prioritizing legal certainty and consistency with the objectives of the instrument and guaranteeing the participation of the innovation ecosystem and respect for the times, processes, and competencies within the framework of the public sector.

As detailed in the following sections, **the Public Consultation process has recorded a total of 69 contributions from 32 participating agents from the public and private sectors**. In addition to the contributions collected through the contact and participation channels provided by the Valencia City Council, the explanatory session and presentation of the Urban Sandbox of Valencia, that was organized on May 4, 2023, at Las NAVES, also allowed for the collection of the first impressions of interested parties. The study of relevance and feasibility shows that the vast majority of the contributions have been directed at the proposed Ordinance and have generated value by contributing to a more complete, efficient, inclusive, and innovative design of the instrument.

The contributions collected have provided a **multitude of approaches** for the improvement of the text, covering a wide range of subjects regulated throughout the legislation. After an exhaustive analysis of the different suggestions, six major thematic groups have been identified that concentrate the main aspects to be reviewed in the text of the proposed **Municipal** Ordinance regulating the Urban Sandbox of the City of Valencia:

- Terminology review;
- Definitions, subjective scope, and selection criteria;
- Procedure and guarantee scheme;
- List of Urban Resources;
- Institutional organisation;
- Intellectual and Industrial Property Rights.

Once the contributions have been incorporated, the next steps, in accordance with articles 108 and 109 of the Organic Regulation of the Plenary of the Valencia City Council, lead to the conclusion of the Public Consultation stage and to the referral to the Plenary's register for debate and the processing of amendments.



1. Participation in the Public Consultation

1.1. How many contributions have been collected? Number of proposals.

1.2. Who has contributed? Interested parties.

1.3. How were the contributions made? Channels of participations.

1. Participation in the Public Consultation

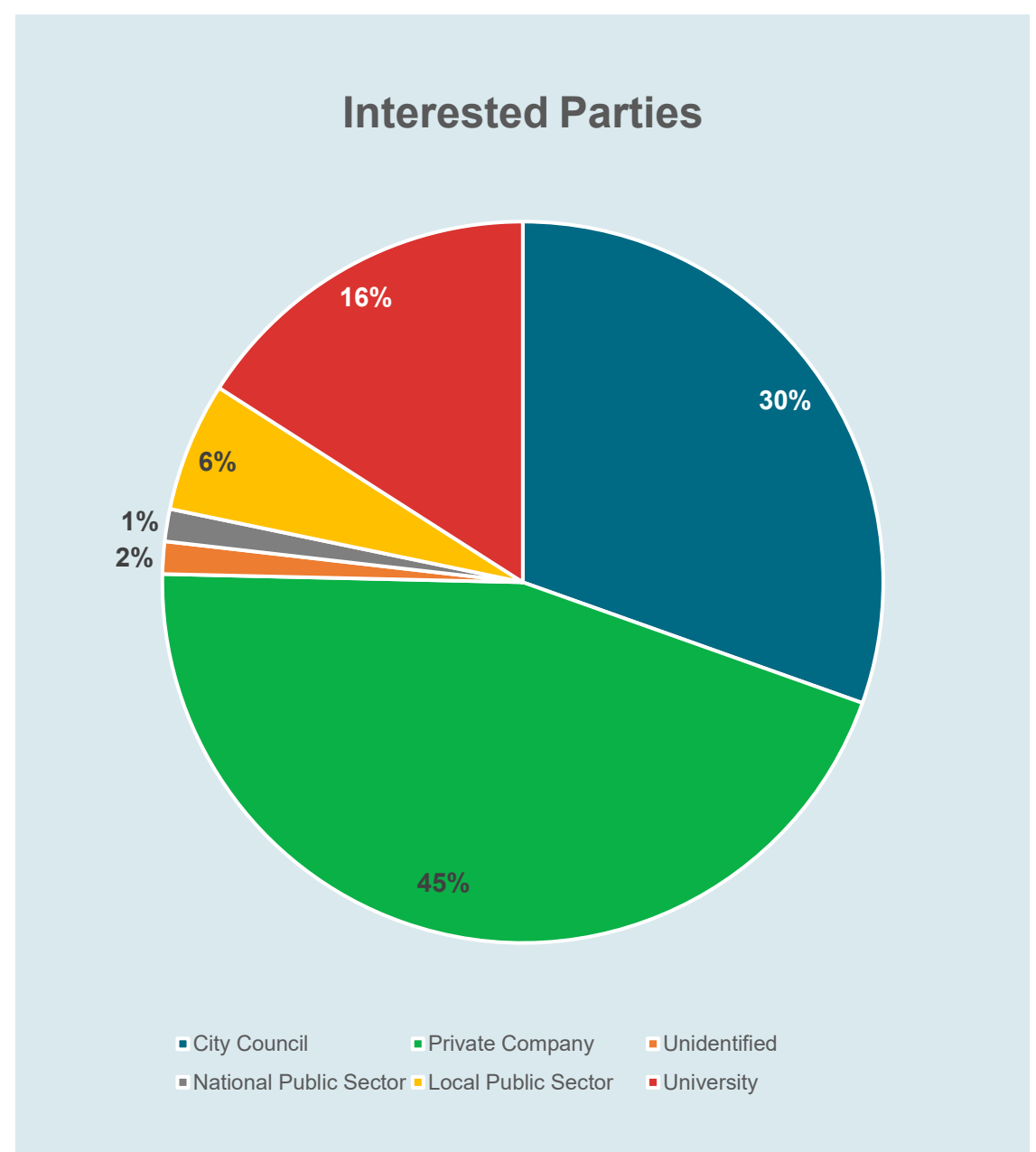
1.1. ¿How many contributions have been collected? Number of proposals

The Public Consultation has collected a total of **69 contributions** from **32 participating agents**.

1.2. Who has contributed? Interested parties

Most of the proposals come from the private sector, followed by those from different bodies and areas of the Valencia City Council itself and its Local Public Sector, and finally, those provided by the university sector.

Furthermore, studying the characteristics of the proposals from these different types of participating agents, it is observed that the private sector has been more involved in matters related to **Intellectual and Industrial Property Rights and the Regime of Responsibility and Guarantees**, while the suggestions made by the Local Public Sector and the City Council itself have focused, preferably, on issues related to governance, the management of the procedure, and the design of the responsible **bodies**.



1.3. How were the contributions made? Channels of participations

In addition to the direct participation channels made available to the innovation ecosystem, a characteristic note of this Public Consultation procedure is the inclusion of proposals and questions gathered during the explanatory and presentation session of the Urban Sandbox of Valencia, which was organized on May 4, 2023, at Las NAVES.

Besides offering an initial approach to the nature of this innovation-boosting initiative by the City Council, **the session clarified the preliminary proposal of the Regulatory Ordinance of the Urban Sandbox**, with the goal of enabling any interested party to access and contribute to this text.

Thus, during the session, in addition to presenting the strategic framework in which the instrument is framed and describing the main aspects of the proposal, the Public Consultation procedure and the ways to participate in it were explained in detail.



2. Relevance, feasibility, and implementation of the proposals

2.1. Prompt and significant contributions. Relevance and feasibility.

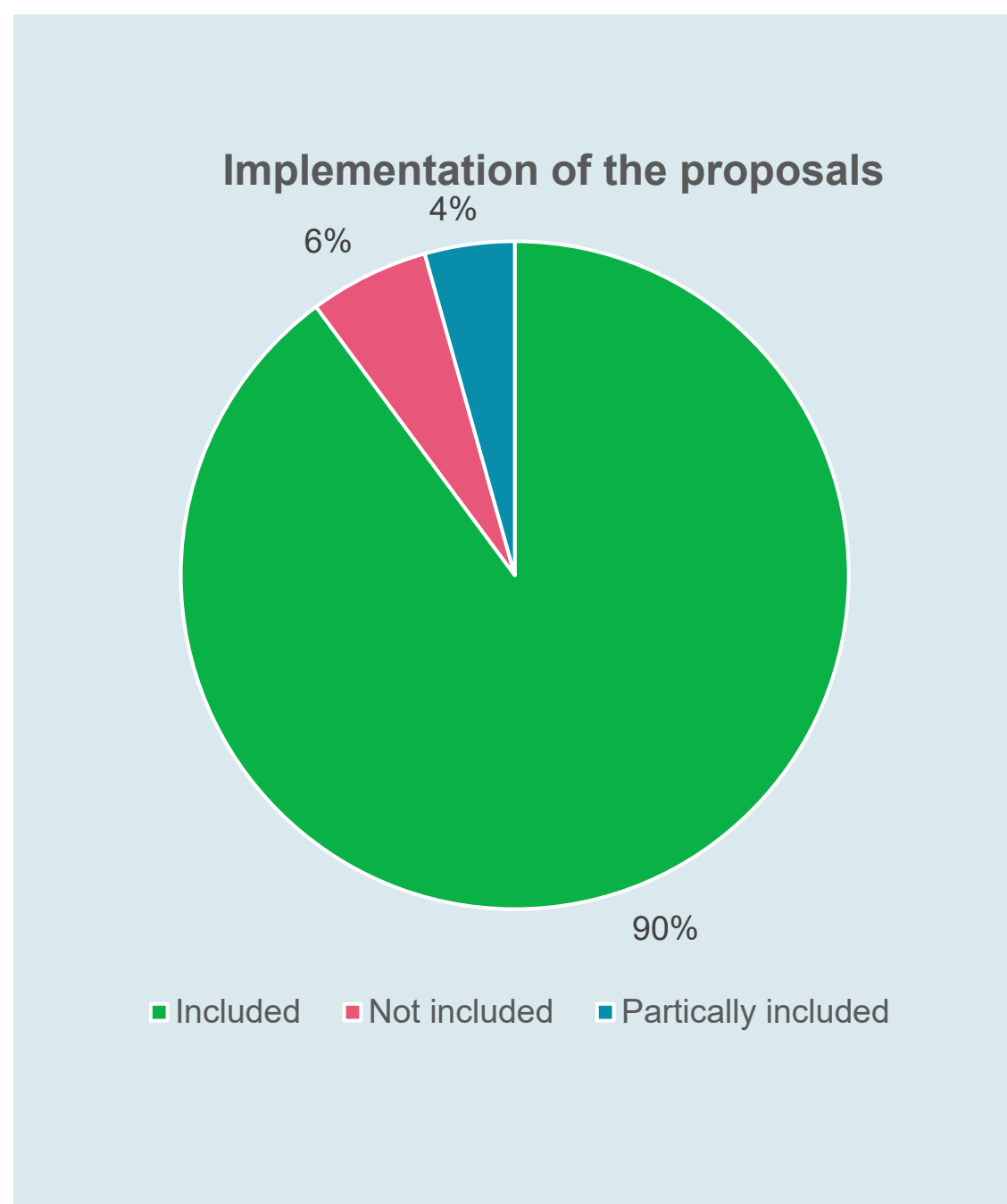
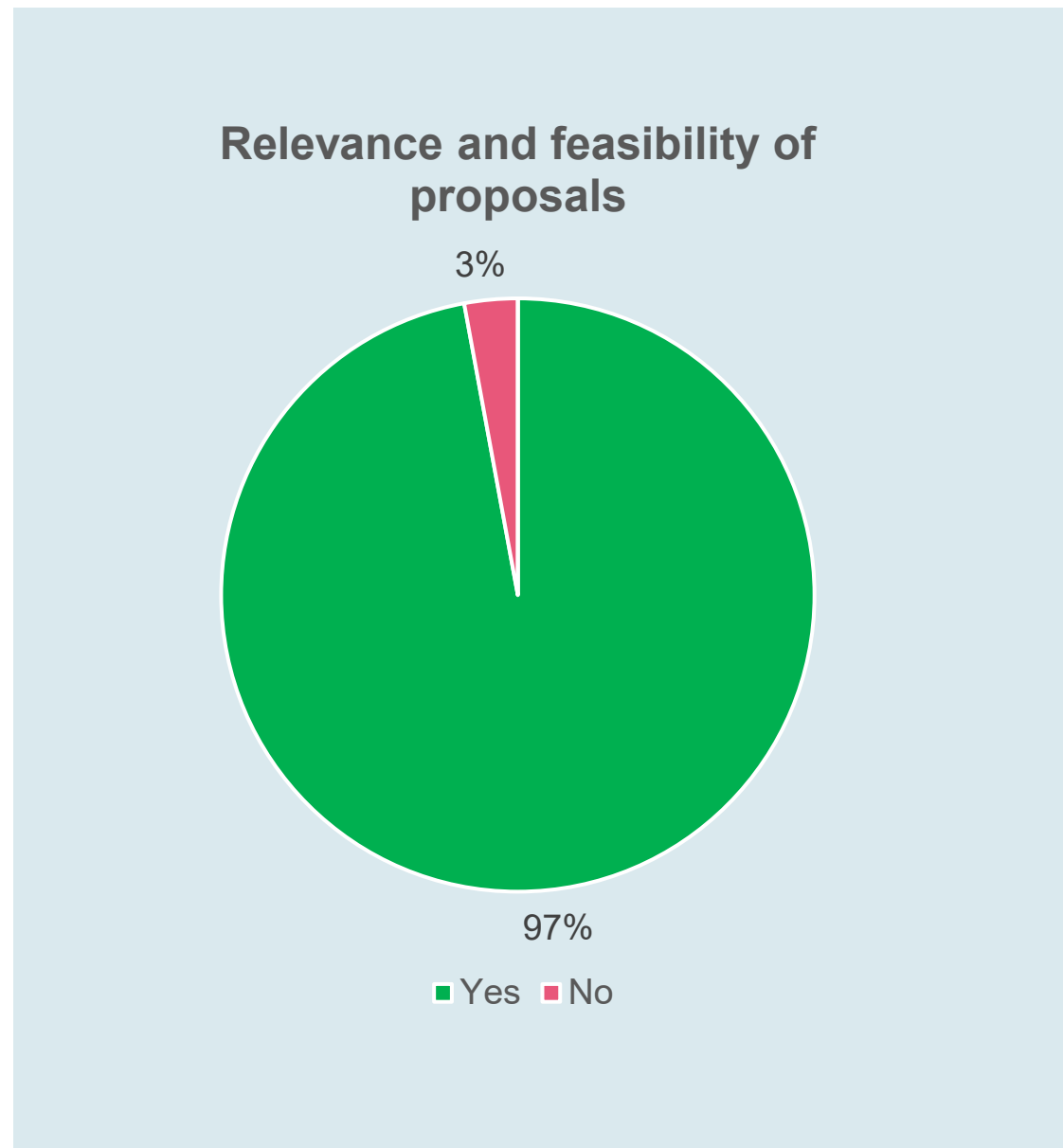
2.2. A proposal for a Municipal Ordinance by and for the innovation ecosystem. Implementation of the proposals.

2. Relevance, feasibility, and implementation of the proposals

2.1. Prompt and significant contributions. Relevance and feasibility.

Most of the suggestions collected are directed at the content of the text of the proposed Ordinance that is open for Public Consultation. **The contributions received request certain clarifications on the precepts**, propose new resources, specify new forms of wording for the Ordinance, and suggest ideas on elements or contents that could be improved by being modified or partially removed.

In addition to these contributions, **some have been submitted directly requesting participation in the Sandbox**. These correspond to the percentage of 'not relevant and viable.' Beyond appreciating the participation in the Public Consultation and the expression of interest in being included in the future Sandbox, as detailed in the proposed Ordinance itself, a portal or specific space will be provided for this purpose.



2.2. A proposal for a Municipal Ordinance by and for the innovation ecosystem. Implementation of the proposals.

Anticipating the results of this phase of study and incorporation of contributions, it can be affirmed that more than **ninety percent of the total proposals received** have been, wholly or partially, **included in the proposed Ordinance**.

The partially incorporated proposals are those in which part of their content has been **included in the Ordinance**, or which have been carried out with **slight modifications** to what was proposed to **ensure legal certainty in their inclusion**.

The proposals not incorporated, as detailed later, mostly refer to contributions that are viable and relevant, but it has been deemed more advisable to address them through other instruments such as instructions, guides, or sections for frequently asked questions that can be provided.



3. Thematic lines of interest

- 3.1. Review and correction of writing.**
- 3.2. Definitions, subjective scope, and selection criteria.**
- 3.3. Procedure and guarantee scheme.**
- 3.4. List of Urban Resources.**
- 3.5. Institutional organization.**
- 3.6. Intellectual and Industrial Property Rights.**

3. Thematic lines of interest

The proposals collected have provided a **multitude of approaches** for improving the text, covering a **wide range of subjects** regulated throughout the legislation. After an exhaustive analysis of the different suggestions, **six major thematic groups have been identified** that concentrate the main aspects to be reviewed in the text of the proposed Municipal Ordinance regulating the Urban Sandbox of the City of Valencia.

The keys to the proposals collected in the Public Consultation Phase

Terminology review

Detailed revision of the wording, correction of errata and improvements linked to the comprehension and accessibility of the text.

Definitions, subjective scope, and selection criteria

Refining definitions and integrating sectors and activities under test.

Procedure and guarantee scheme

Clarifications regarding the correction of errata, resumption of testing and liability insurance.

List of Urban Resources

Incorporation of proposed resources and a more detailed description of their characteristics.

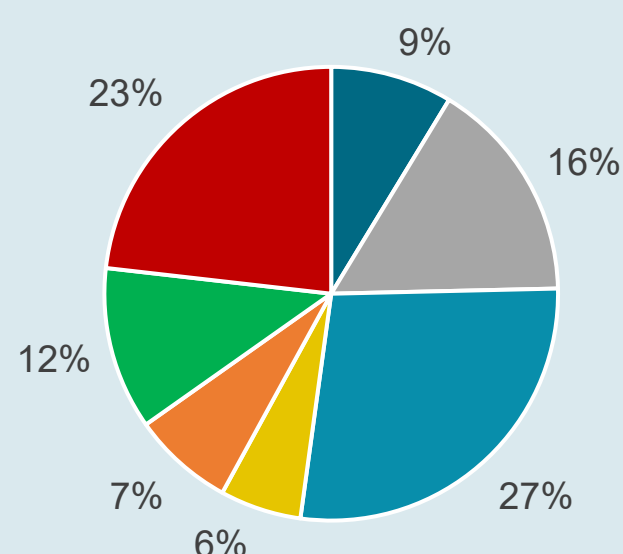
Institutional organisation

Improvement in the conditions of participation and collaboration of the resource owners involved.

Intellectual and Industrial Property Rights

Listening to the innovation ecosystem, supporting SMEs and adapting benefit-sharing terms.

Thematic areas of interest



- Institutional organisation
- List of Urban Resources
- Definitions, subjective scope and selection criteria
- Other
- Terminology review
- Intellectual and Industrial Property Rights
- Procedure and guarantee scheme

The thematic areas of interest most frequently mentioned in the proposals are those corresponding to the **Definitions, subjective scope and selection criteria**, as well as the **Procedure and the System of Guarantees and Liability**. On these issues, many suggestions were aimed at incorporating new matters to those envisaged in the Ordinance, adding new ideas for the selection criteria of the promoting entities and completing the information on the constitution of guarantees and insurance.

In addition, contributions have also been made to the Sandbox Urban Resource List and the area of Intellectual Property Rights and Industry, specifically in article 21 on profit-sharing. For their part, in relation to Urban Resources, different agents, both from the City Council itself, as well as agents from the Local Public Sector, have taken the opportunity to offer their resources for the Sandbox.

3.1. Review and correction of writing

The proposed Ordinance proposes a **Preliminary Title and a First Title in which twenty-five articles are developed**, ranging from the establishment of guarantees and precautions to the definition of the entry and exit regimes of the Urban Sandbox of the city of Valencia. Following the commitment to guarantee the accessibility and comprehension of the text, a detailed revision of the text has been carried out in order to attend to defects of form or wording, such as the one identified in a contribution regarding the name of Law 7/1985, of 2 April, Regulating the Bases of the Local Regime, in which 1958 appeared instead of 1985.

In this stage of incorporating the results of the consultation into the text of the Ordinance, several complete revisions of the wording have been carried out with the aim, not only of correcting those terms or expressions indicated, but also looking for those that could be difficult to understand or a source of misinterpretation, even if they had not been directly identified during the Public Consultation.

3.2. Definitions, subjective scope, and selection criteria

Article 2 of the draft Ordinance provides a list of definitions **to ensure consistency of regulation**, guide the development of procedures and facilitate the understanding of new terms in the framework of Sandboxes. In this context, while the draft proposes a description of this Anglo-Saxon term, a **new wording is suggested to accentuate the set of characteristic elements of this instrument for innovation and to align with other definitions already proposed**. Furthermore, in line with this first description, it is proposed to incorporate the concept of one-stop scheme for innovation in Valencia.

Both proposals are incorporated by describing the Sandbox as a confined, controlled and secure environment that allows experimentation and testing of new technological solutions or business models under limited regulatory supervision, with the objective of assessing their feasibility and associated risks, determining and testing necessary improvements, and, where appropriate, guiding specific regulatory developments, prior to their implementation in the market.

In the text of the proposed Ordinance, the Preliminary Title General Provisions introduces from Article 1 to 10 several precepts that guide the motivation of the project, establish the main core objectives and introduce some of the aspects that will later motivate the selection criteria.

Some proposals, mostly coming from the City Council and its Local Public Sector, **have been aimed at including subjects to these articles**. An example of this are the proposals to include the **field of sports and healthy lifestyle habits or waste management** in Article 4 of the Objective scope of application. After assessing the alignment of these subjects with the objectives of the ordinances and ensuring coherence with the rest of the objectives, **both subjects have been incorporated into the drafting of the proposed Ordinance**.

On the other hand, some proposals have been specifically aimed at addressing the selection criteria for promoting companies or entities.

Thus, it has been requested to prioritise those companies with special roots in the city (10 years), those that include support plans for the City Council, those that already collaborate in the provision of innovation services, as well as those companies with headquarters within the area of management that corresponds to the City Council of Valencia. In addition, a clarification has also been requested in the regulation on consortium participation, as well as the possibility of participation without NIE (Foreigner's Identification Number) or NIF (Tax Identification Number).

After an exhaustive review of the proposals, it has been observed that **they are already compatible with the content of the proposed Ordinance and the suggestions are already contained in the regulatory text**. Thus, with regard to the first questions proposed in article 8.b), precepts aligned with the prioritisation of innovation in the local environment have already been included, and although the consortium is not expressly indicated, the proposed **Ordinance allows several companies to present themselves jointly**. In the same way, in accordance with Law 39/2015, on the Common Administrative Procedure of Public Administrations, **the text already proposes the participation of any organisation with the capacity to identify itself to the public administration**.

3.3. Procedure and guarantee scheme

Throughout Chapter I, the proposed Ordinance sets out the legal regime for access to the Valencia Urban Sandbox. Different proposals on a wide range of issues have been compiled on this matter. Thus, among other issues, the **power to rectify defects** and the **introduction of a deadline for the destruction of personal data** have been proposed.

In addition, questions have been asked about the possibility of incorporating multimedia resources in the application phase, as well as the **possibility of different testing periods** depending on the results of previous processes and the **possibility of stopping tests in unexpected situations** in order to resume them later.

Regarding these proposals, certain expressions in article 14 have been modified upon admission, inadmissibility and remedy to clarify the existence of the possibility of remedy.

On the other hand, concerning the issues relating to personal data, the Ordinance will in any case adhere to the provisions of Organic Law 3/2018, of 5 December, on Personal Data Protection and the guarantee of digital rights, as reflected in article 24, so that the requirements linked to deadlines and responsibilities fall under this umbrella.

After a detailed review of the proposed Ordinance, it has been found that it is now feasible to submit multimedia appeals at the application stage, as well as the possibility of different trial periods. In this regard, new wording has been incorporated to clarify the conditions for the resumption of testing.

On the other hand, the proposed Ordinance covers in its articles 15 and 22 the **guarantee and liability regime** to deal with possible damages that could arise during the testing of the innovation project in the Valencia Urban Sandbox. Regarding this issue, some proposals have suggested a longer period of time for the insurance to be in place, while others seek **greater clarity in the procedure**.

In order to address these proposals, this article has been carefully analysed and **the need for liability insurance or any other surety or guarantee has been clarified**. In addition, it has been noted that Articles 14 and 15 already **incorporate the possibility of making the deadlines more flexible** in the event of difficulties in providing insurance.

On the other hand, with the aim of **reinforcing the security conditions of the instrument and ensuring the fluidity of the procedures**, some modifications have been incorporated into articles 13 and 14. These aspects introduced are aimed at ensuring, through the completion of **responsible declarations**, compliance with the conditions required in terms of tax obligations, occupational risk prevention and jurisdiction. In addition, based on the suggestions for speeding up processing, procedural simplification has been sought for innovation projects submitted to participate in the Sandbox that have a high degree of technological maturity, are similar to other projects previously approved or whose degree of specialisation does not require specialised technical assistance in the field, may use a **simplified procedure**.

Differential aspects of the Urban Sandbox

-  Regulatory sandbox. Adaptation and **transformation**.
-  **Urban resource** forecasting
-  **Procedural agility**
-  **Specialised** and proactive Evaluation Commission
-  **Transparency and accountability**
-  **Security and confidence**

3.4. List of Urban Resources

The proposed Ordinance contains an **appended list of resources of Valencia City Council and its Local Public Sector available** for the testing of innovative products or services within the framework of the Sandbox. Outside this list, the regulation proposes the possibility of incorporating new Urban Resources at a later date at the request of the promoting entity or the owner of the resource itself.

In this regard, innovation agents, especially in the Local Public Sector, have expressed their interest in **incorporating new resources**, such as the Mercado de la Huerta de Valencia, "Ecotira" ecological space, "Benicalap Sandbox" in the city of the Fallas artist, the Climate Change Observatory, three Energy Offices or sports spaces (sports centres, pavilions, football pitches, etc.), among others. In addition, it has been proposed to provide more details on the characteristics of the available infrastructures and to clarify what happens when spaces that are not owned by Valencia City Council, whether private or public, but which are **under a collaboration agreement**, are used.

In response to the proposals received, the **willingness and availability to offer these Resources has been confirmed with the Municipal Delegation and Service** or the organisation of the Local Public Sector of Valencia City Council to which they are attached, and their inclusion in the framework of the Ordinance has been assessed. In addition, several additional sections have been included in Article 5 to cover the properties under concession and a more detailed quadrant in the Annex to provide details on the location and main characteristics of each of the Urban Resources incorporated into the Ordinance.

3.5. Institutional organization

Directly linked to the previous proposals, it has been suggested by the City Council and the Local Public Sector to strengthen the participation of Urban Resource holders/decision makers in decision-making bodies.

In response to these issues, **Article 5** stipulates the condition that the Delegation and municipal service or Local Public Sector organisation of the Valencia City Council to which the Urban Resource is attached must have confirmed its willingness and availability so that the resources can be made available for the tests. Furthermore, in compliance with Law 40/2015, of 1 October, on the Legal Regime of the Public Sector, **there is an awareness of the need to establish prior constitution of the body responsible for these actions, and a service instruction will be drawn up at a later date if necessary.**

3.6. Intellectual and Industrial Property Rights

Article 21 of the proposed Ordinance covers **all aspects related to Intellectual and Industrial Property Rights**. As advanced in the explanatory and presentation day of the Urban Sandbox of the City of Valencia that was organised on 4 May 2023 in Las NAVES, benefit sharing is a particularly complex issue, so this was one of the areas where it was hoped to receive contributions that would help to determine the best approach for this article. **The main proposals** in this regard have focused on **rethinking the calculation elements for participation**, as well as the percentages and deadlines initially envisaged and introducing mechanisms to facilitate the participation of start-ups and small and medium-sized enterprises. On the basis of the suggestions and reflections gathered, the Valencia Urban Sandbox has been **designed with three key aspects** in mind: **learning and knowledge transfer**, the **shared growth of the innovation ecosystem** and **support for research**, self-employment, start-ups and micro-enterprises.

Knowledge transfer. A space for sharing services, resources and learning.

The Urban Sandbox of the City of Valencia is a key instrument to boost innovation. However, the opportunities offered by this environment go beyond establishing a shared relationship of risks and benefits. The implementation of this Sandbox contributes to **fostering an exchange of knowledge, experiences and learning of great value in an innovation ecosystem where the dynamics of public-private collaboration are key to the growth of all the agents involved.**

In order to guarantee this **transfer of knowledge**, each entity participating in the Urban Sandbox must propose in its initial testing protocol the way in which this Administration will share in the knowledge obtained during the tests, either with actions to disseminate the experience obtained, with the preparation of an opinion on the applicability of the tested technology to public services or with the free delivery of a number of copies of the tested product or prototype for use by this Administration. This proposal will be subject to assessment by the Evaluation Commission and will, in all cases, respond to the principle of proportionality in terms of the public resources that will be made available to the promoting entity, the period of time allowed, and the possible impact of the technology or product tested.

- **Growth and economic dynamisation of the innovation ecosystem**

Accompanying this commitment to the growth of all agents, the **Ordinance deploys mechanisms to guarantee the participation and adequate economic return of the benefits obtained as a result of participation in the Urban Sandbox of the City of Valencia** in the event of commercialisation or production of the innovative good, service or business model.

After the study of this issue, first of all, in addition to the Valencia City Council, the Local Public Sector has been included as a recipient of this participation and it has been determined that those resources in which the industrial and intellectual property rights are not held by them **will be agreed between the parties**. The specific percentage of participation of this Administration in the economic benefits of the commercialisation will be established, in each case, in the corresponding Test Protocol and, as a general rule, this percentage of municipal participation will be between zero-point five percent (0.5%) and five percent (5%) of the net benefit of the commercialisation **during the first 2 years of that good or service**.

- **Promotion of research, self-employment, start-ups and micro-enterprises.**

Finally, with regard to profit-sharing, the proposals made refer to the difficulties and burdensome consequences that it may entail for start-ups and small and medium-sized enterprises.

In order to support and encourage innovation that might arise from self-employment, self-employment, start-ups and micro-enterprises, as well as research and science, **Article 21 introduces an exemption from sharing intellectual property rights and industry. Thus, actors in these fields will be exempted from sharing the future benefits of such commercialisation.**

- Physical persons.**
- Self-employed persons and companies** during their **first two years** of activity. After the third year, they will be exempt if their annual turnover does not exceed 1,000,000 euros.
- Foundations and non-profit organisations.**
- Universities** and their research teams.

Key issues in the articulation of intellectual and industrial property rights (Article 21).



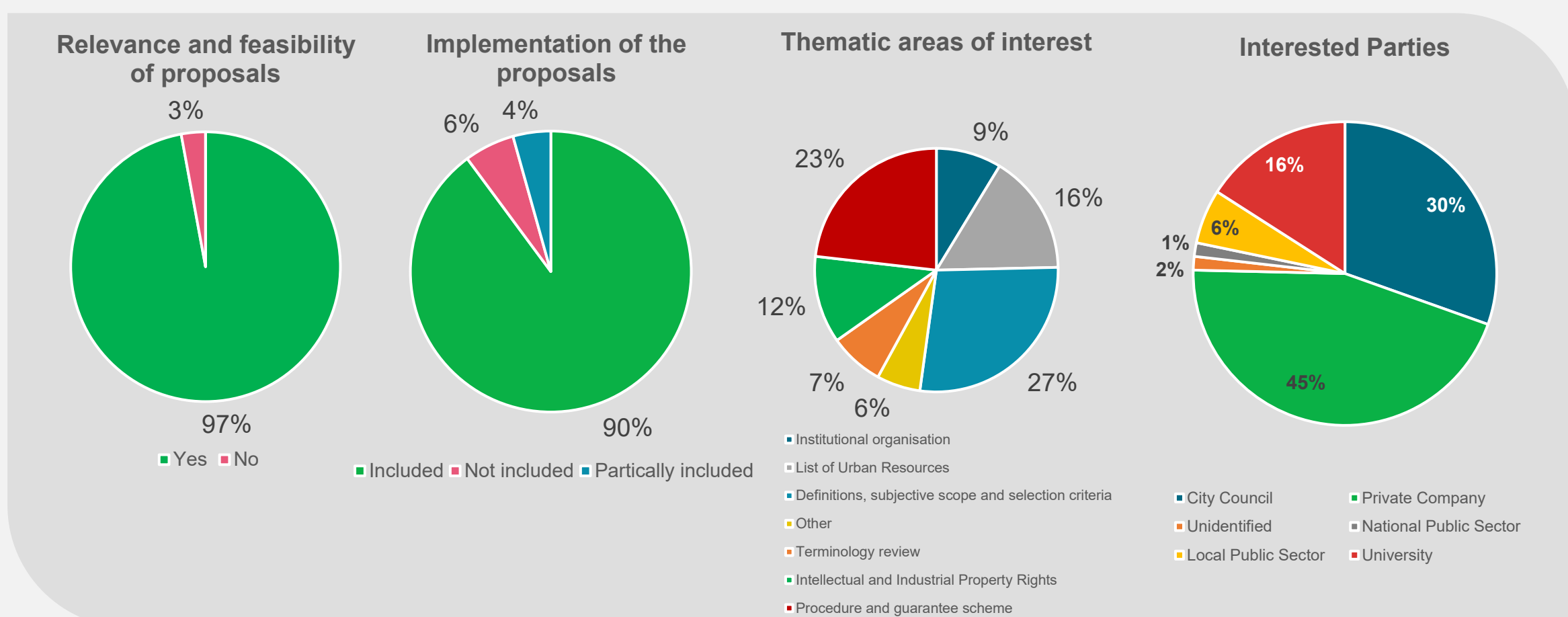


Annex I. Executive summary

Anexo I. Resumen ejecutivo

Public Consultation: Proposed Municipal Ordinance regulating the Urban Sandbox in the City of Valencia

The Public Consultation phase has gathered timely and valuable contributions. The suggestions and proposals launched by a diverse set of actors have contributed to reach shared solutions on the most complex issues, to improve the content and to confirm the acceptance of a proposal for an Ordinance of and for the innovation ecosystem.



The keys to the proposals collected in the Public Consultation Phase

Terminology review

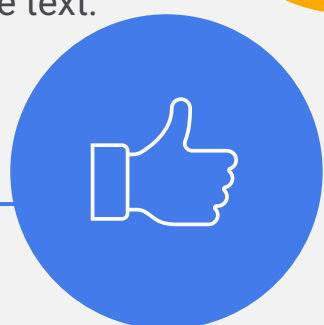
Detailed revision of the wording, correction of errata and improvements linked to the comprehension and accessibility of the text.



7%

Definitions, subjective scope, and selection criteria

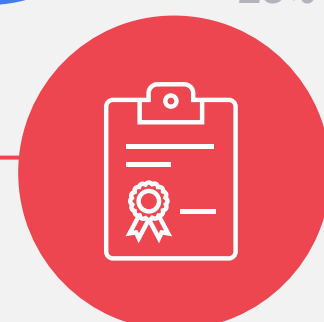
Refining definitions and integrating sectors and activities under test.



27%

Procedure and guarantee scheme

Clarifications regarding the correction of errata, resumption of testing and liability insurance.



23%



16%

List of Urban Resources

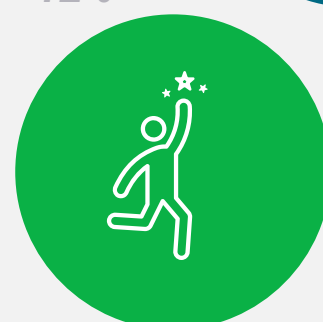
Incorporation of proposed resources and a more detailed description of their characteristics.



9%

Institutional organisation

Improvement in the conditions of participation and collaboration of the resource owners involved.



12%

Intellectual and Industrial Property Rights

Listening to the innovation ecosystem, supporting SMEs and adapting benefit-sharing terms.