



The Model of *Urban Improvement Districts* in Hamburg and the pilot project for a *Neighbourhood Improvement District* in Steilshoop

Presentation on 11.05.2009 – City of Göteborg / Sweden

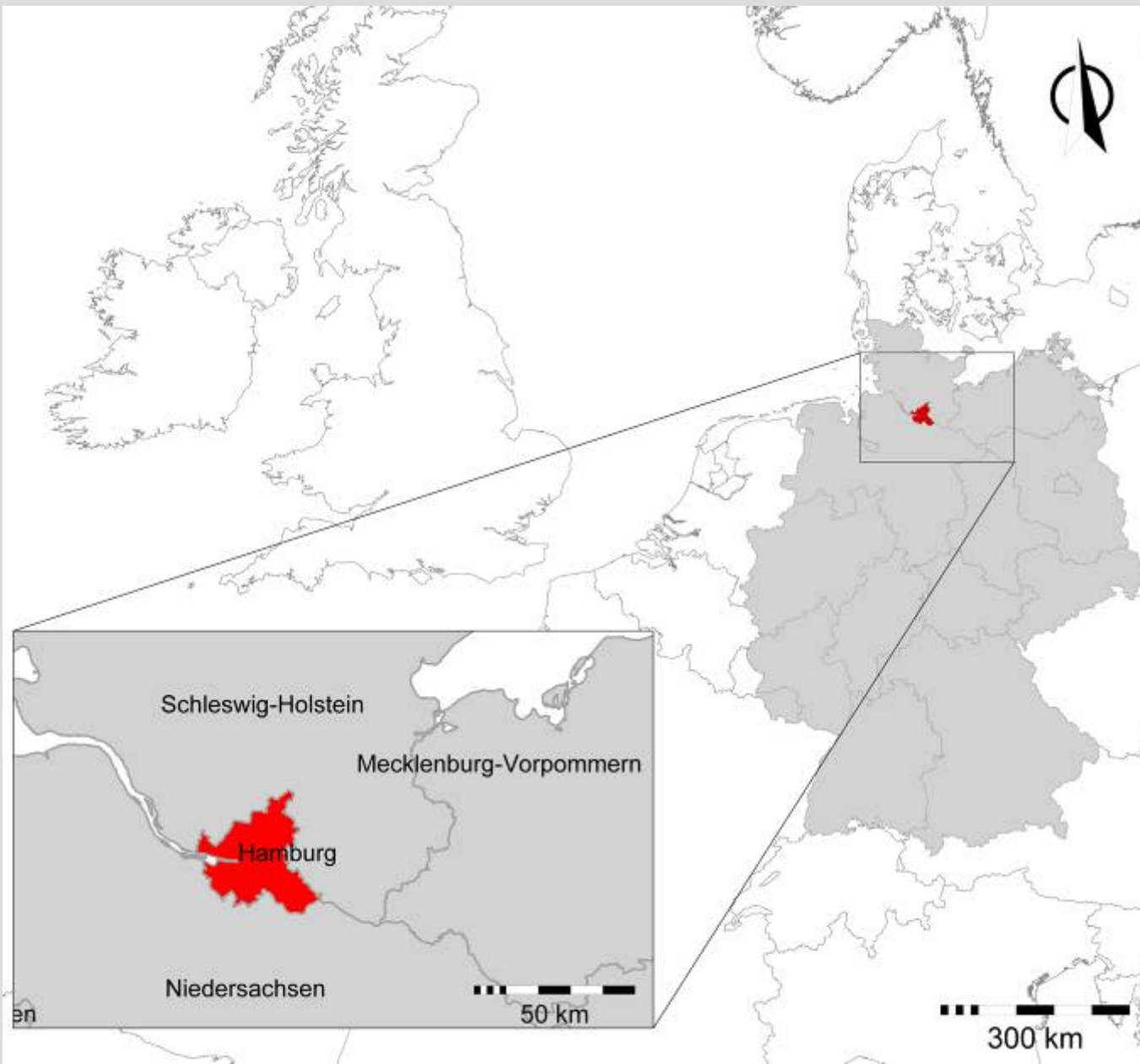
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The Interreg IVB
North Sea Region
Programme



Outline of the presentation

0. Hamburg - Brief introduction
1. Brief history of Urban Improvement Districts
2. Business Improvement Districts in Hamburg
3. Transfer of the BID-model to residential areas
4. Pilot project NID Steilshoop in Hamburg
5. Comments and research questions



0. Hamburg - Brief introduction



The Free and Hanseatic City of Hamburg

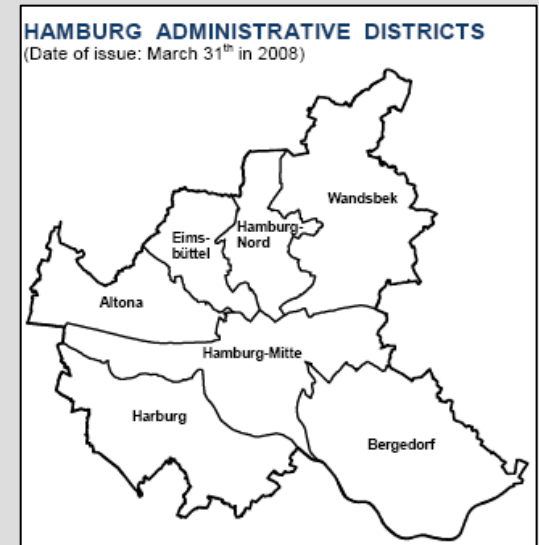
- second largest city in Germany
- nearly 1.8 million inhabitants
- Metropolitan Region with approx. 4 mill. inhabitants
- Relevant Economy-Cluster: Harbour, Logistics, Life Sciences, Media, Aviation

0. Hamburg - Brief introduction



The Free and Hanseatic City of Hamburg

- One of the 16 German Laender (Federal State)
- Legislative competences
- Government: Senate
Parliament: Buergerschaft
- 7 Districts as “Local Authorities”



0. Hamburg - Brief introduction



Urban Planning in Hamburg

- Ministry of Urban Development and the Environment
- “The growing Metropolis”: HafenCity Development; Leap across the Elbe; International Building Exhibition 2013 (IBA); International Garden Show 2013 (IGA); Olympic Bids for 2012 and 2016
- Innovation in urban renewal and development
- Polarisation between wealthy neighbourhoods and deprived areas (“hot spots vs. cold spots”)

1. Brief history of Urban Improvement Districts

- Urban Improvement Districts: Generic term for Business, Housing, Neighbourhood, Multifamily etc. Improvement Districts
- North-American Model for private initiatives with self assessment - especially BID
- **Constitutive features of the UID-model:**
Self-organisation of private stakeholders (ie. proprietors), defined area and limited duration, activities in the public realm additionally to public sector activities

1. Brief history of Urban Improvement Districts

- Transfer of the BID-model to Europe in the late 1990s
- Legislative models today only in the UK, Ireland and in Germany (voluntary models in other countries)
- Transfer of BID-model to residential areas as Neighbourhood (Housing) Improvement Districts in 2007
- Applicable Laws for BID and NID/HID in Hamburg
- Pilot project *NID Steilshoop* in Hamburg

2. Business Improvement Districts in Hamburg

Overview over BID in Hamburg

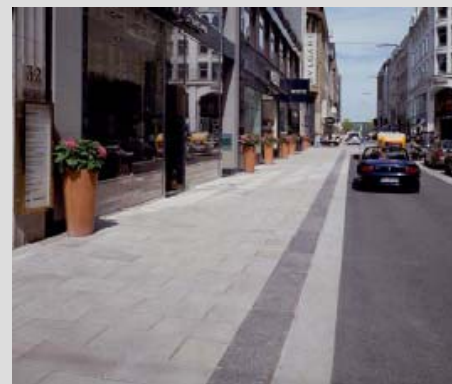
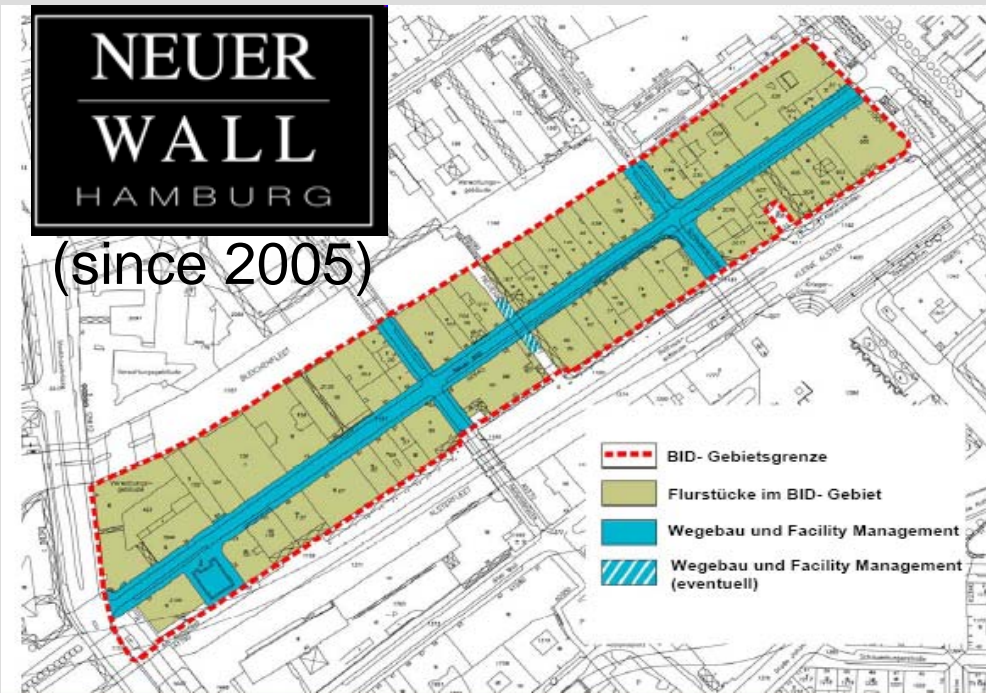
- BID legislation since 2005 (first BID-law in Germany)
- Statutory aim: Improvement of shopping and service areas through private initiatives
- Focus in practice on marketing, street cleaning, additional services and capital improvements
- Support from the Ministry of Urban Development in Hamburg and the Chamber of Commerce

2. Business Improvement Districts in Hamburg

BID in practice in Hamburg

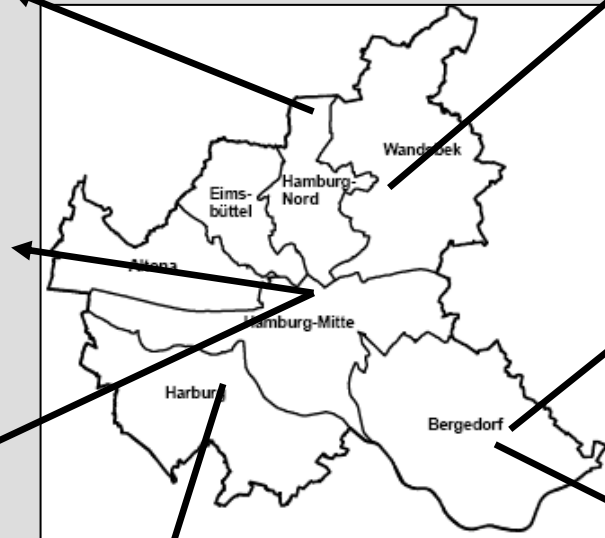
- 2 BIDs “in action” since 2005:
Sachsentor/Bergedorf: 150.000 Euro for 3 years
(2nd application running: 600.000 Euro for 5 years)
Neuer Wall/City: nearly 6 million Euro for 5 years
- 2 new BIDs “in action” since end of 2008
Wandsbek Markt: 4 million Euro for 5 years
Lüneburger Straße/Harburg: 550.000 Euro for 3 yrs
- Several initiatives for BID “to come” all over the city

2. Business Improvement Districts in Hamburg



2. Business Improvement Districts in Hamburg

Selection of BIDs "in action" or "to come"



2. Business Improvement Districts in Hamburg

Specific attributes of the Hamburg BIDs

- Compulsory self-assessment on real property = self-taxing mechanism of the proprietors
- Quorum for the obligatory proprietor-ballot: min. 15 % positive votes / max. 30 % negative votes
- Clearly defined area
- Limited period of time (max. five years)
- Management / Implementation through a third party
- Supplementary / complementary services “on top”, e.g. enhanced services (street cleaning), capital improvements (public realm), marketing activities

3. Transfer of the BID model to residential areas

Neighbourhood Improvement Districts

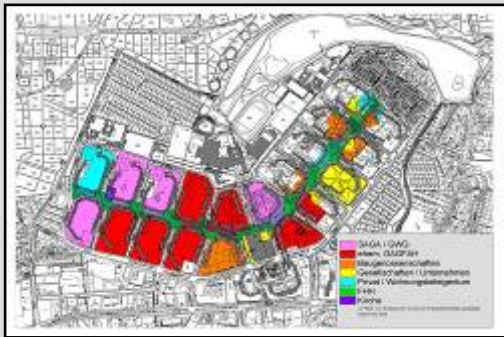
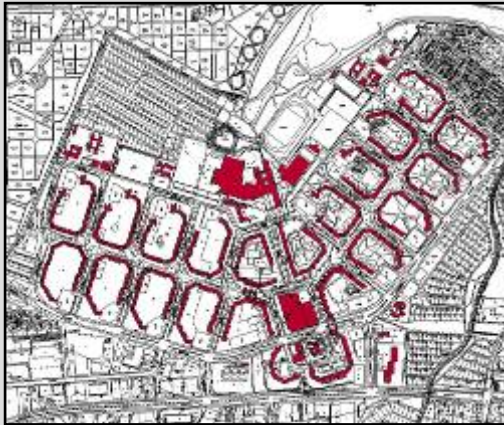
- Transfer of the legislative BID-model to areas with other functions, i.e. residential or mixed-use areas
- Hamburg Law applicable since December 1st 2007:
New law with only slight amendments
(almost 1:1 adoption of the existing BID law)
- Pilot-project for a HID in Steilshoop estate – start of the process at the beginning of 2007

3. Transfer of the BID model to residential areas

Specific attributes of the Hamburg NIDs

- Compulsory self-assessment on real property
= self-taxing funding mechanism of the proprietors
- Quorum for the obligatory proprietor-ballot:
min. 30 % positive votes / max. 30 % negative
- Clearly defined area
- Limited period of time (max. five years)
- Management / Implementation through third party
- Additionality (“on top”): complementary services, e.g. enhanced services (street cleaning), capital improvements (public realm), marketing activities

4. Pilot project NID Steilshoop

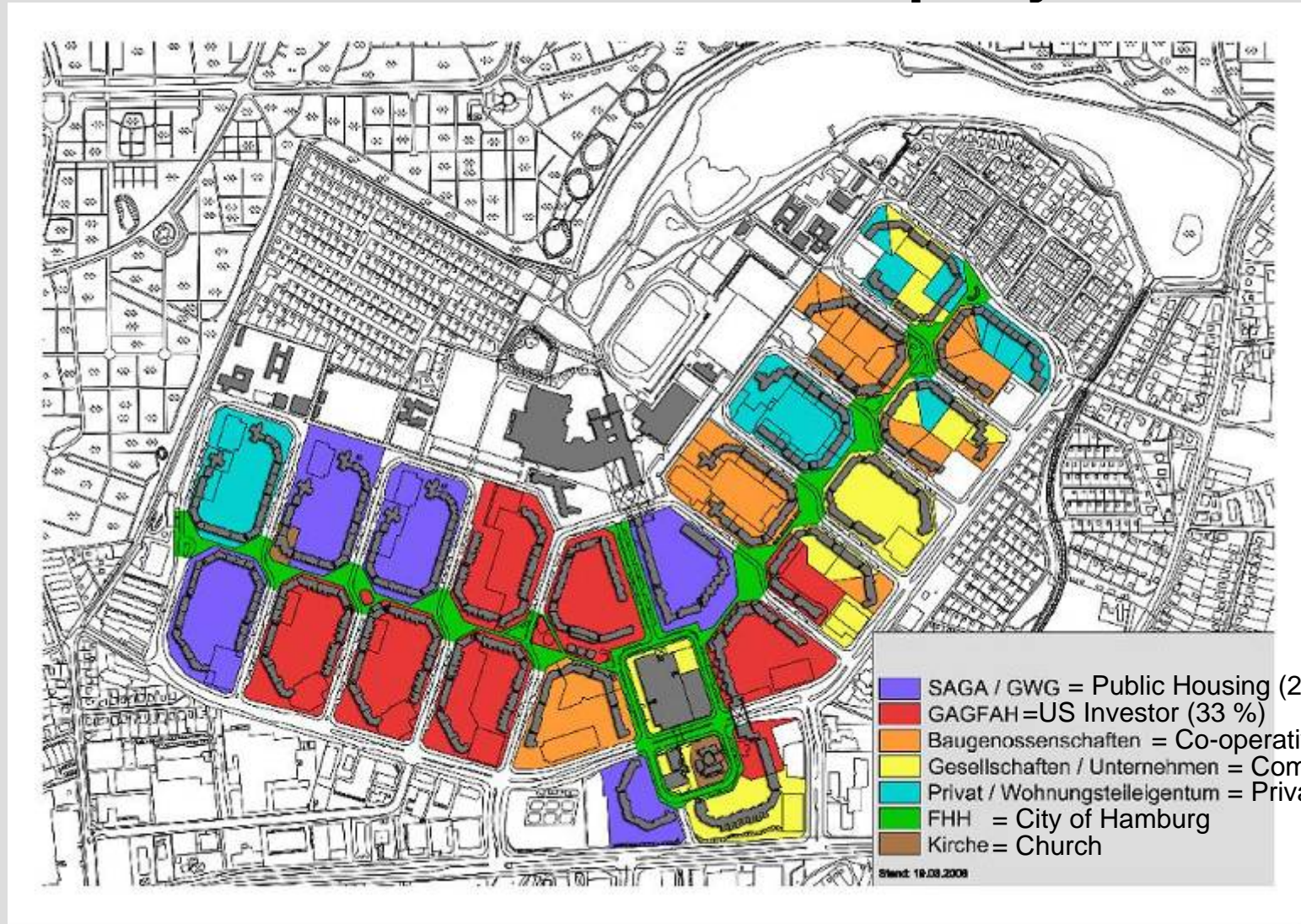


4. Pilot project NID Steilshoop

Steilshoop: Europe's first NID?

- Housing estate built between 1969 and 1975
- 6.380 dwellings
- 14.300 inhabitants
- Urban renewal programme from 1987 – 1999: more than 13 million Euros of public funds
- Largest proprietor GAGFAH (2.160 dwellings) sold to US Fortress Investment Group in 2004
- Negative image, declining quality of public spaces, worsening local amenities (shopping centre)

4. Pilot project NID Steilshoop **Property relations**



4. Pilot project NID Steilshoop

Steilshoop: Europe's first NID?

- Start of the NID-process at the end of 2006
- Initiative from large proprietors: public housing company SAGA GWG and housing co-operatives
- Political and administrative support for a NID
- Scientific support from HCU for the pilot project
- Parallel: Special public initiative for neglected neighbourhoods in 2007 (*Lebenswerte Stadt*) and Integrated neighbourhood management from 2008 – 2013 (*Aktive Stadtteilentwicklung*)

Steering Committee for the NID Steilshoop in 2007

H I D - Lenkungsausschuss Steilshoop

Proprietors

Gewerbliche Eigentümer

- GAGFAH Group
- SAGA / GWG
- Drei Genossenschaften
- EKZ Steilshoop

Festlegung von
Maßnahmen und
Finanzierung

**Definition of tasks
and funding**

Public Partners

Städtische Vertreter

- Behörde für Stadtentwicklung und Umwelt / Amt LP
- Bezirksamt Wandsbek / Amt Sozialraummanagement
- Hamburgische Wohnungsbaukreditanstalt
- Weitere städtische Dienststellen

Beratung und
Finanzierung von
Maßnahmen

**Guidance and
funding**

Other relevant actors

Weitere Beteiligte

- HCU / Begleitforschung
- Stadtreinigung Hamburg
- Planungsbüros / Gutachter

Beratung und
Unterstützung

**Consulting and
expertise**

Zusammensetzung in 2007

4. Pilot project NID Steilshoop



Programme + Träger-
schaften für Maßnahmen

Stadt	Unternehmen
<ul style="list-style-type: none"> • Sanierung • Impulsprogramm „Lebenswerte Stadt“ • Quartiersmanagement - Aktive Stadtteilentwicklung • andere freies. Maßnahmen • Pflichtaufgaben 	<ul style="list-style-type: none"> • HfD/NfD • freies. Kooperation • freies. Maßnahmen einzelner Untern. • Pflichtaufgaben

4. Pilot project NID Steilshoop

- Proprietor meeting in January 2009 to discuss the envisaged activities and the further development



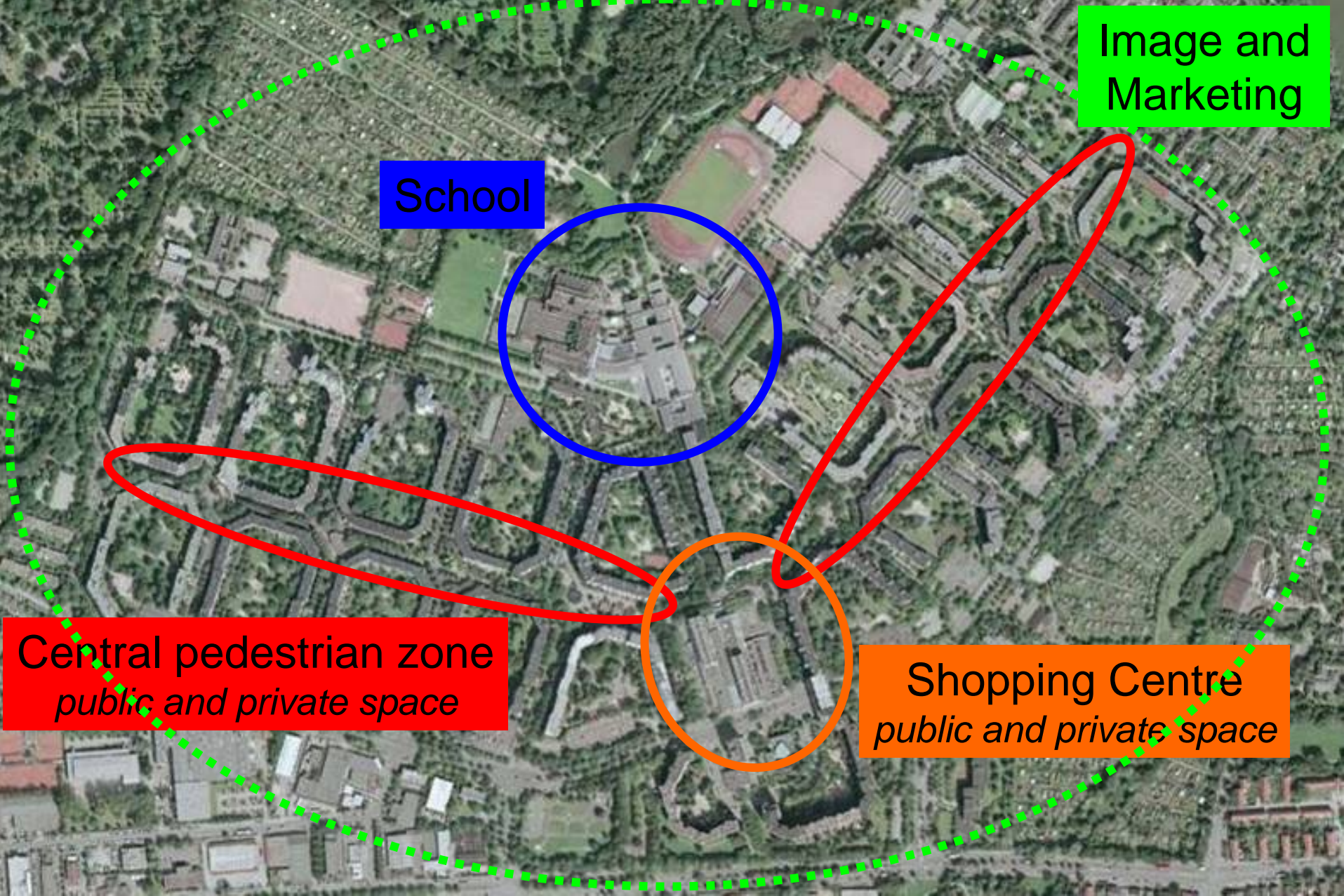


Image and Marketing

School

Central pedestrian zone
public and private space

Shopping Centre
public and private space

4. Pilot project NID Steilshoop

Results of the NID-process in Steilshoop so far

1. Improved area-based communication

2. Development of a Business Plan proposal:

- Joint Marketing and image-campaign
- Improved groundskeeping of public and private spaces in the central pedestrian zone
- Complete redesign of the central pedestrian zone
- Additional services, e.g. security

3. Calculation of costs and of the NID-leverage

4. Improvement of groundskeeping already achieved

5. and...

Grundeigentümer sollen Wohngebiete verschönern

Hamburg hat als bundesweiter Vorreiter die ersten Eckpunkte für ein Gesetz festgelegt, mit dem zukünftig in Wohngebieten sogenannte Housing Improvement Districts (HID) eingerichtet werden können. Ein

HID Steilshoop

die tageszeitung

Public-Private-Schönheitskur

Nach dem Vorbild der "Business Improvement Districts" soll die Aufwertung des öffentlichen Raums. Das Modell

VON GERNOT KNÖDLER

In Zukunft sollen auch die Grundeigentümer in Steilshoop zu engagieren. Das Modellprojekt "Housing Improvement District" ist jetzt neben Lokstedt auch in Steilshoop-Ost in sein Programm aufgenommen.

Vorbild sind die "Business Improvement Districts", wie sie in New York City existieren. Sie erleichtern es den Grundeigentümern, die Finanzierung für die Verschönerung des öffentlichen Raums zu organisieren. Wenn das Geld fehlt. Eine Gruppe von Eigentümern kann sich mit ihren Ideen und einem dazu gehörenden Finanzierungskonzept an den Senat wenden mit der Bitte, einen Business Improvement District einzurichten. Wenn nicht mindestens ein Drittel der betroffenen Eigentümer dagegen ist, erlässt der Senat den District eine Rechtsverordnung. Die Stadt zieht dann von allen Eigentümern die nötigen Beiträge ein. Das ver-

...mer umsetzen können, gehören etwa die hochwertige Umgestaltung von öffentlichen Grünanlagen und Gehwegen. „Wenn auf einer öffentlichen Grünfläche genug Platz ist, können die Eigentümer sich auch ein Gemeinschaftsgrün anlegen“, sagt Büttner. ...

Schöner Wohnen mit Union und GAL!

City - Bausenator Axel Gedaschko (CDU) will die Förderung von Stadtteil-Initiativen verbessern.

City - Sie sollen ab 2008 gesetzlich abgesichert werden, mit privat finanzierten Quartiers-Verschönerungen nicht mehr in Anspruch einzelner Vermieter scheitern.

Den Auftakt macht eine Großwohnsiedlung im Problemstadtteil Steilshoop. Für das Pilotprojekt läuft bereits ein Wettbewerb, der aus dem Senatsprogramm "Lebenswerte Stadt" finanziert wird. Auch die GAL will Problem-Vierteln ein neues Leben einhauchen. Wichtigster Punkt ist es



Bausenator Axel Gedaschko (CDU)
Foto: ANDREAS COSTANZO

So wird Steilshoop schöner

Die Grundeigentümer sollen ihr Quartier aufwerten / Aber die Mieten bleiben stabil



Steilshoop, trister Beton. Ab Herbst 2008 soll alles schöner werden.

Wird HID ein Hit?

Komplizierter Name, einfache Sache: Wie sich Grundeigentümer in Hamburg an der Stadtentwicklung beteiligen sollen.

Frankfurter Allgemeine SONNTAGSZEITUNG

Housing Improvement District
Erstes Hamburger HID in Steilshoop

Stadtentwicklung für Axel Gedaschko (CDU) bereits an. Lebensqualität und Wohnumfeld des Quartiers zu verbessern. In Steilshoop haben sich die beiden Wohnungsbaukollektive...

5. Comments and research-questions

But what is this all about?

And what does it mean...

e.g. for the future of urban planning?

e.g. for the future of area-development?

e.g. for the future of public spaces?

5. Comments and research-questions

Pros and Cons of Urban Improvement Districts

Arguments of proponents	Arguments of opponents
<ul style="list-style-type: none">• Involvement of free riders• Leverage of private investment for area-development• Stronger obligation of local proprietors as natural agents of urban change• New perspectives for a public-private Integrated Neighbourhood Management	<ul style="list-style-type: none">• Withdrawal of public activity• Privatisation of public space• Erosion of accountability• Lack of resident participation• Only profitable developments• Growing disparities• Worst case scenario: “gated communities” vs. even more neglected neighbourhoods

5. Comments and research-questions

Comments on Neighbourhood Improvement Districts

- Coalition of proponents is broad and heterogeneous: politicians from various parties, chambers of commerce, housing associations (cooperatives and public housing) and parts of the public administration
- Transfer from US BID-model to German NID requires more than “copy and paste” but specific adaptation, e.g. regarding public sector involvement and participation-procedures
- Implementation of the model still to come – almost no practical experience yet (beginning of a “new story”)

5. Comments and research-questions

Further comments

- Policy framework: Concurrence of the sale of public housing and the promotion of private initiatives for urban development in Germany
- Additional instrument in the tool-box of urban regeneration and development – not a substitute
- Suitability: NID model is not suitable for every neighbourhood, e.g. not for neglected / deprived areas with inactive proprietors
Urban Improvement Districts need strong proprietors

5. Comments and research-questions

Does the future of open spaces look like this?



5. Comments and research-questions


Questions for further research

- Is there more in the concept than “clean and safe”, e.g. a strategic perspective for an integrated public-private neighbourhood management?
- Can NIDs integrate all types of proprietors, e.g. private “amateur” landlords as well as housing companies listed on the stock exchange?
- What kind of neighbourhoods are most likely to implement a NID (owner-occupied or rented)?
- Will the NID-model support growing polarisation within the city, i.e. making good places better and neglected places even worse?

5. Comments and research-questions

More open questions for further research

- Are Urban Improvement Districts a paradigm change in urban development (“urban governance”) or just an indicator for “rolling back the state”
- Are NIDs the dusk of public-led urban regeneration or the dawn of sustainable integrated neighbourhood management with a strong private involvement?
- Research and discussion to be continued...



Urban Improvement Districts

Ein Forschungsprojekt der HCU Hamburg

BID HID / NID International Aktuelles Kontakt English Information

[Startseite](#)

Scientific Website on Urban Improvement Districts

Urban Improvement Districts: Business, Housing and Neighbourhood Improvement Districts

This is a website of the [HarbourCity University Hamburg](#) / Department of Urban Planning on Urban Improvement Districts (BID, HID, NID) for scientific use.

The website is online since June 2007. Over 340 links to projects, statutes and publications in Germany and worldwide are available at the moment and the number is steadily growing.

More than 1.900 visitors per month and almost 3.700 page impressions per month on average demonstrate the large and growing interest in our website and the issue of Urban Improvement Districts, especially in Germany.

The initially North-American model of Urban Improvement Districts is a legal instrument for urban development in Europe and Germany. So far you will find BID-legislation and projects only in the UK, the Republic of Ireland and six of the 16 German states (Bundesländer): Bremen, Hamburg, Hesse, North Rhine Westphalia, Saarland, Schleswig-Holstein.

The Free and Hanseatic City of Hamburg, one of the 16 German states, was first to introduce a BID-legislation in Germany in 2005.

And since June 2007 Hamburg has the first legislation for Housing or Neighbourhood Improvement Districts, too. They are called "Innovation Neighbourhoods" in Hamburg. This is the first transfer of the legislative BID-model to residential neighbourhoods in Europe.

A presentation in English with more information on the experience with Business and Housing/Neighbourhood Improvement Districts in Hamburg is available [here](#).

An updated presentation on the Urban Improvement District Model in Hamburg and the pilot project for a NID in Steilshoop from June 2008 is available [here](#).

A first scientific publication in English on this issue from Stefan Kreutz / HCU (*The Model of NID in Hamburg - New strategies for private sector involvement in area development*) is available for a download [here](#).

The Article "Neighbourhood Improvement Districts in Germany - A new Form of Urban Governance for the Improvement of Residential Areas" from Frank Friesecke and Silja Lockemann can be found [here](#).

The Article [Urban Improvement Districts in Germany: New legal instruments for joint proprietor activities in area development](#) from Stefan Kreutz in the [Journal of Urban Regeneration and Renewal](#) Volume 2, Issue 4 (April 2009) is not available for a

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