

Neighbourhood Improvement Districts in Germany – A New Form of Urban Governance for the Improvement of Residential Areas

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Term	Type of areas	Main actors
Business Improvement District (BID)	City center, business area	Property and business owners, retailers
Neighbourhood Improvement District (NID)	Residential area	Property owners, tenants
Working Area Improvement District (WID)	Commercial and industrial area	Property owners, industrialists, manufacturer

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- World's oldest Business Improvement Area *Bloor West Village* in Toronto, Canada (1970)
- Today more than 1.000 BIDs in North America
- BID initiatives in Europe, Japan, Australia and South Africa
- Since 2003: formation and implementation of BIDs in Germany and United Kingdom

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<http://www.bloorwestvillage.com/>



– The first BIDs in Germany –

Objectives

- to enhance the quality of open spaces
- to create/conservate a retail mix in urban areas
- to assure the property values

Measures

- (Financial) incentives for new retailers
- Decorations in case of vacancy
- Seasonal planting
- Ameliorating street lighting
- Improving the public parking system
- Facility management
- Additional street/sidewalk cleaning
- Festival/ special event programming
- Social services



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<http://www.bid-neuerwall.de>

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Term	Type of areas	Main actors
Business Improvement District (BID)	City center, business area	Property and business owners, retailers
Neighbourhood Improvement District (NID), in Germany: Housing Improvement District (HID)	Residential area	Property owners, tenants
Working Area Improvement District (WID)	Commercial and industrial area	Property owners, industrialists, manufacturer

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A Neighbourhood Improvement Districts (NID) is a geographically defined residential area in which the property owners make a collective contribution to stabilize and improve their residential district.

The **NID services** provided are **supplementary** to those provided by the municipality and usually include security, maintenance of public spaces, additional removal of litter and graffiti, parking improvements, special events, social services and/or marketing activities.

A NID is an **additional instrument** of urban development and urban regeneration – not a substitute!

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- In 2007, the German government ratified a new „Act Facilitating Planning Projects for Inner Urban Development“.
- A new section 171f in the Federal Building Code has been added to promote private initiatives in urban development.
- The section allows to establish special initiatives in agreement with publicly articulated goals to strengthen or develop inner-city areas, neighbourhood centers, residential areas, and commercial centers.
- The financing mechanism and the levels of the private-sector contribution will be determined by the Federal States.

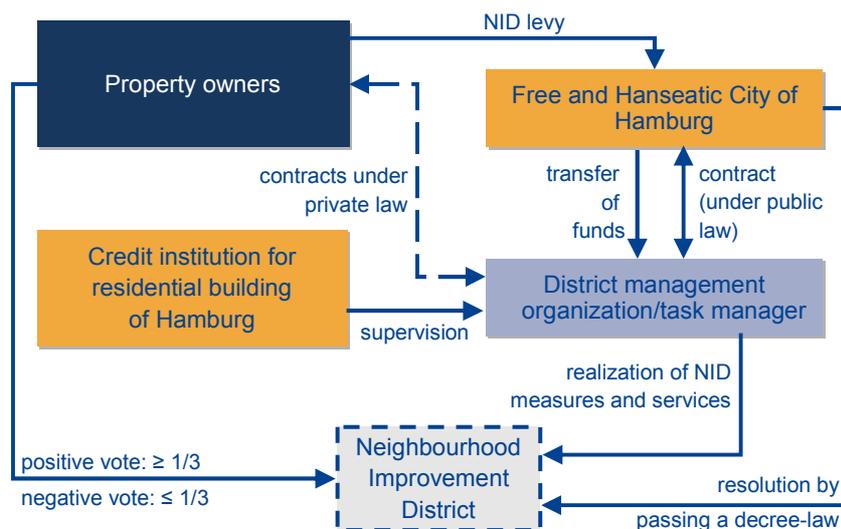
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- As a pioneer in Germany, the city of Hamburg established a “*Law to Strengthen Residential Districts through Private Initiative*”, which came into force on January 1st, 2008.
- The NID needs the support of 30% of the property owners (negative vote < 30%).
- After a **successful ballot**, every proprietor in the clearly defined residential area has to pay a special tax based on the value of the properties.
- Limited period of time (max. **five years**)
- Implementation through **professionally-managed organization**



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Building and housing environment <ul style="list-style-type: none"> ▪ Construction of new buildings (e.g. local authority center) ▪ Demolition of buildings ▪ Change of use of buildings and apartments ▪ Temporary use of fallow areas ▪ Facility management ▪ Vacancy management ▪ Storefront improvement programs 	Public spaces <ul style="list-style-type: none"> ▪ Park and public space enhancements, e.g. planting trees/shrubbery/flowers ▪ Establishment of playground areas/sports facilities ▪ Supplementary street/sidewalk cleaning, removal of graffiti from buildings ▪ Deployment of security personnel for public safety ▪ Pedestrian-scale lighting
Transportation and parking <ul style="list-style-type: none"> ▪ Traffic management and calming ▪ Management of the public parking system ▪ Promotion of existing public transport ▪ Establishment of additional parking lots ▪ Noise protection planning 	Local economy <ul style="list-style-type: none"> ▪ Employment incentives ▪ Establishment of new businesses ▪ Strengthening indigenous concerns
Social services <ul style="list-style-type: none"> ▪ Establishment and operation of social facilities ▪ Establishment of additional programs for different target groups (e.g. youth, seniors) 	District marketing and communication <ul style="list-style-type: none"> ▪ Development of a marketing and communication concept ▪ Image enhancement, district public relations ▪ Festival and special event programming

Mandatory elements ...

... cooperative tasks

- | | |
|--|---|
| <ul style="list-style-type: none"> ▪ legal foundation („NID law“) ▪ NID levy for all property owners ▪ statutory conclusion of a contract under public law between city and task manager ▪ supervision of the task manager by the state ▪ establishment of a NID for a limited period | <ul style="list-style-type: none"> ▪ establishment through residents' initiatives ▪ privately directed organization ▪ solutions by mutual agreement: <ul style="list-style-type: none"> - concept of measures - financing plan - choice of the taskmanager |
|--|---|



- Housing Real Estate built between 1969 and 1975
- 6.380 dwellings – 14.300 inhabitants - 84 ha – 21 large buildings
- Urban Renewal Program between 1987 and 1999
- Working group of proprietors in action since 2006
- Political and administrative support for NID

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Problems

- Increasing vacancy rates
- Negative citywide image
- Mismanagement and neglect of public space

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Objectives

- Development of concepts for area development
- Realisation of services like additional cleaning
- Security or resident-related services
- Capital improvements like the enhancement of the technical and social infrastructure
- Land-scaping and improvement in the public realm
- Image campaigns and public events



STRENGTHS

- Providing additional services that improve the district environment
- Supporting the long-term sustainability of a geographically defined residential area
- Developing partnerships between the public and private sector, strengthening private initiatives
- Predictable and reliable funding source for supplemental services and programs
- No free-rider problem

OPPORTUNITIES

- Encouraging corporate social responsibility
- Attracting inward investment: helping to decrease vacancy rates and to increase the value of the properties
- Making the district more competitive with surrounding residential areas

WEAKNESSES

- Lack of practical experience in Germany
- Mandatory district assessment as an unbalanced impact obligating all members of the property owners group and imposing no extra obligation on the other members (lack of tenant participation)
- Great efforts to mobilize the property owners
- Long foundation process (approx. two years)

THREATS

- Exorbitant expectations of the property owners
- Step by step privatization of public tasks
- Strengthening “strong districts” with property owners that are able to pay the NID levy in debit of “weak districts”
- Relocating problem areas to other districts
- Arising expenses even if the vote for a NID fails

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1. NIDs are compatible with constitutional law.
2. They can be used for all areas with mainly residential usage.
3. They provide enhanced services that improve the district environment.
4. Everybody that profits from the measures also has to co-finance (no free-riders).
5. Financing systems help make the measures easy to plan for.
6. The measures are less expensive if completed in a group than if completed separately.
7. NIDs encourage corporate social responsibility.

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