



MP4 WP1.3 Transnational Assessment of Practice



Case study report: NID Steilshoop

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Introduction

The Free and Hanseatic City of Hamburg is Germany's second largest city (after Berlin) with nearly 1.8 million inhabitants. Hamburg has a metropolitan region with more than 4.3 million inhabitants and is Europe's largest non-capital city. Hamburg City-State is one of the 16 German Federal States which has a degree of autonomy and legislative powers in several fields. The City-State parliament is known as the *Buergerschaft* and the government is the *Senate*. The head of the Senate and the City-State's Prime Minister is the First Mayor. The government is divided into nine Ministries or Departments, each one headed by a Senator. The Ministry for Urban Development and the Environment (*Behoerde fuer Stadtentwicklung Umwelt*) is responsible for Hamburg's overall urban development.

The city is divided into seven administrative districts (*Bezirke*): Altona, Bergedorf, Eimsbuettel, Hamburg-Mitte, Hamburg-Nord, Harburg and Wandsbek. All of them are the size of large cities (with between 117,000 and 407,000 residents) with their own city-centres. The districts have their own elected parliaments (*Bezirksversammlung*) and their own administration (*Bezirksamt*). The level of the district is comparable to the Municipality or Local Authority elsewhere in Europe, while the Senate represents the regional Laender-level, i.e. between Federal government and Local Authority level. In many relevant policy areas, the districts are strongly dependent on the City-State structures, i.e. the Senate and the Ministries.

Hamburg was the first Federal State in Germany to introduce legislation for the creation of Business Improvement Districts (BID) in 2005¹ and the first in Europe to legally transfer the BID model to residential areas as Housing or Neighbourhood Improvement Districts (HID/NID) in 2007². BID laws are currently applicable in six³ of the sixteen Federal States with only some statutory BID projects actively running in practise so far.⁴

While there is dedicated legislation in Hamburg, there is no formally designated NID as yet in Hamburg or elsewhere in Germany, except the pilot project for a NID in the housing estate of Steilshoop (described and analysed in this case study). The process to establish the first NID has been running since the beginning of 2007. To date, Steilshoop is not a formally designated Neighbourhood Improvement District due to the fact that the largest proprietor in the area (the GAGFAH Group with almost one third of the housing stock) has a veto majority for the proprietor ballot and is not willing to pay the NID levy.

Context

The housing estate of Steilshoop was built between 1969 and 1975. 14,300 inhabitants live in 6,380 dwellings in 21 large concrete building rings with a shopping centre in the middle of the estate (see Figure 1). 75 per cent of the stock was built as subsidised housing with public funding. Steilshoop was a formally designated regeneration area under Federal Law from 1987 to 1999. In that time, more than €13 million of public funds were invested in the physical improvement of the estate. This included improvements to open spaces (mainly courtyards), community houses in the courtyards, parking lots, a community café, a playground area, open spaces and yard of a school, a community meeting place, a youth centre, a nursery, a sports facility and (to a small extent) part of the central pedestrian zone.

¹ Via the Law to Strengthen Retail and Service Areas

² Via the Law to Strengthen Residential Areas through Private Initiatives

³ BID legislation in: Bremen, Hamburg, Hesse, North Rhine Westphalia, Saarland and Schleswig-Holstein.

⁴ Please refer to the Case Study on The Hamburg BID experience for more and detailed information.

But only shortly after the end of this public programme, problems began to occur again, mainly regarding the negative city-wide image of the estate – an image associated with being a large housing estate with perceived unsafe areas (despite statistics indicating otherwise) – and the poor condition of the public realm at the estate’s centre. These open spaces have not been substantially improved since the estate was first built.

Land and property ownership in Steilshoop are heterogeneous. A change took place in the ownership structure in 2004 when the largest proprietor, the former public housing provider GAGFAH, with more than 2.100 dwellings in the estate (one third of the total stock) was sold to the US Fortress Investment Group LLC. Since October 2006 the GAGFAH Group, which owns and manages large housing stock all over Germany, has been a joint stock corporation listed on the stock exchange. At the same time, over 20 per cent of the housing stock in Steilshoop is council housing owned by the housing association SAGA GWG. The other half of the stock is owned by several housing cooperatives, private housing companies and owner-occupiers. Hence, the estate reflects almost the whole range of property tenure possible in the German housing market. This situation makes the NID pilot both complicated and interesting for transferring the experience and results to other neighbourhoods.



Figure 1. Aerial view of the Steilshoop estate. Source: Freie und Hansestadt Hamburg.

The project and the place-keeping approach

When a couple of Steilshoop’s large proprietors started an initiative for image improvement in 2006 as a response to the worsening image of the estate, the Hamburg Ministry of Urban Development and the Environment raised the idea of creating a NID pilot project alongside the legislative procedure in Hamburg. It offered public co-funding⁵ for possible activities in the public realm. Consequently at the beginning of 2007, a Steering Committee for the NID initiative was set up, including representatives of each of the largest proprietors (altogether representing almost 70 per cent of the housing stock in the estate) including GAGFAH, the

⁵ In October 2008 the Ministry officially announced spending up to €4 million and it was made clear that this funding was contingent on match funding provided by the housing stakeholders.

owner of the shopping centre, the responsible district administration from the District of Wandsbek (Local Authority) and the Ministry of Urban Development and the Environment (state level). The author has been following the NID process in Steilshoop from the beginning as a member of the HCU research team commissioned to conduct research. At the time of writing, the partners were still aiming to hand in the formal application for a NID by the end of 2009, which means that the preparation procedure will take three years.⁶

To date, the Steering Committee has held more than 30 meetings and discussions focused mainly on ideas for marketing and image improvement, enhanced cleaning and maintenance of adjacent public and private space in the central area of Steilshoop, improved services and security within the area and the future development of the shopping centre. An architectural competition for a complete re-design of the central pedestrian area was partly co-financed by the proprietors in 2007 but mainly funded by the public sector. This major capital improvement worth approximately € 6 millions is the biggest crunch point in the Steilshoop debate and as yet no solution has been found.

This case study focuses less on the process to develop a formal Neighbourhood Improvement District with an obligatory levy for all proprietors⁷ and more on the informal and voluntary processes to improve place keeping in Steilshoop.



When the proprietors clarified that the maintenance of the central pedestrian zone in the estate was a big issue for the improvement of the area, debates on this sphere of activity started. The approx. 1,600 metre long central pedestrian zone (*image on left*) in Steilshoop is part in public (approx. 60%) and part in private (approx. 40%) ownership. Mismanagement and neglect of many of the public owned spaces in the centre of the estate were striking at the start of the process, due to a lack of public investments over a period of

almost 40 years and neglect of some privately owned spaces also.

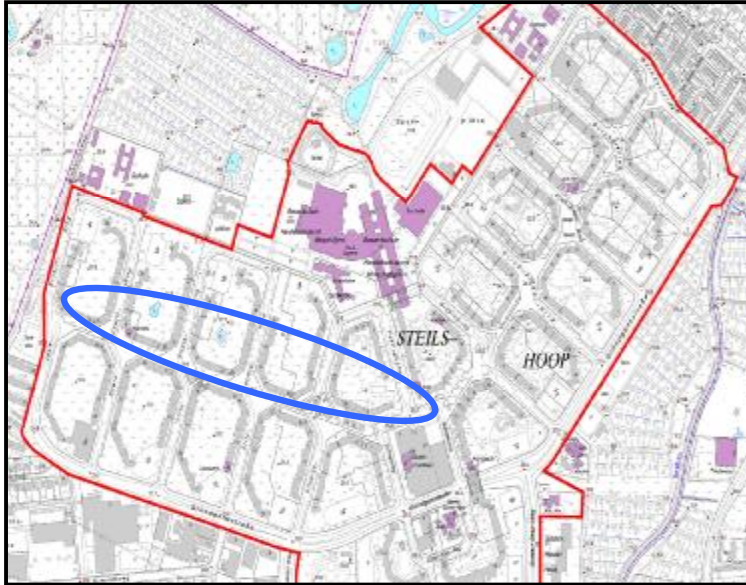
The vision at the beginning of the process was to contract out a mass cleaning operation of the whole area from house to house stretching over all property boundaries. The idea behind this vision was to organise joint procurement of this service financed by the Local Authority (for the publicly owned spaces) and the proprietors (for the private spaces in the pedestrian zone).

It soon became clear that this approach wouldn't be easy to execute because the responsibilities for the maintenance of this open space are complex and not easy to change. The public sanitation department (*Stadtreinigung Hamburg*), a company owned by the Free and Hanseatic City of Hamburg, has clear responsibilities for street cleaning and waste disposal on a statutory basis (e.g. according to the Hamburg Street Cleaning Law). To change these

⁶ The NID process is further delayed and no application was possible in 2009.

⁷ For a detailed analysis of Urban Improvement Districts in Hamburg please refer to the separate case study focussing on the BID model and the practical experience in Hamburg.

responsibilities, i.e. to contract another organisation to carry out the street cleaning of public spaces, the law must be changed. In addition, the proprietors have their own contractors/ in-house staff for caretaking and gardening the open space adjacent to their properties. Furthermore, some of these service providers have long-running contracts. Hence an area-based partnership is not able to easily and quickly pass the combined responsibilities for place-keeping over to another contractor.



After these conditions and regulations were clarified, it was obvious that another strategy was required to improve the situation regarding place keeping in Steilshoop's central open space. This was initiated by the sanitation department as part of the NID, the alternative approach put forward to address this complex problem. The NID Steering Committee requested that the sanitation department begin a coordinated process of

cleaning and maintenance of the central pedestrian zone in July 2007. The proprietors and public administration responsible for the District of Wandsbek expressed their willingness to support this process as partners. The aim of this process was a rapid visible improvement of the situation at no extra cost as this was done as part of normal activities. Spatial focus of the initiative was the western and central part of the central pedestrian zone with the adjacent streets (*marked in blue in the map above*) – due to the fact that property tenure in this part of the estate are less fragmented than in the eastern part.

The declared motivation of the sanitation department⁸ was twofold: the opportunity to develop innovative new strategies together with the proprietors and the chance to optimise their own service provision without any significant additional costs.

On invitation of the sanitation department a task force was made up of partners with responsibilities for the operational work on the ground. Participating partners were the two largest proprietors in the area GAGFAH and SAGA GWG, and the housing cooperative Allgemeine Deutsche Schiffzimmerer Genossenschaft – with members both from the administrative level and the service level. Also included were representatives from the Shopping Centre Management, the District administration for the management of public spaces and the sanitation department itself.

In a couple of workshops the task force discussed the following relevant issues for place keeping in Steilshoop:

- clarification of responsibilities,
- definition of interfaces,

⁸ Stadtreinigung Hamburg et al (2009): Projekt Steilshoop. Koordination Reinigung und Pflege - Erfahrungsbericht. Hamburg 2009.

- identification of overlaps,
- identification of weaknesses and
- collection of responses to open questions.

The first key finding from the workshop showed that in the past, none of the partners had overall responsibility for providing a clean and tidy central pedestrian zone across all the property boundaries which was due to fragmented responsibilities: each partner focused only on the cleanness of their own plot. The second important finding was the identification of “unidentified” spaces (where property tenure was unclear) and non-existent communication between the partners on the ground. The consequent result of this situation was the long-standing poor appearance of the public space.

The task force developed a concept for a solution along the following steps:

1. Clarification of responsibilities (“Who is doing what, when and where?”) and documentation of the results on a map
2. Development of a contact list with contact persons for every plot and every issue regarding place keeping in the area to promote direct, quick and efficient communication
3. Optimisation of working techniques and methods to improve the delivery of services
4. Coordination of all workflows regarding time and activities to achieve positive synergies and to improve the quality of results, especially in times of intense work on the ground (e.g. autumn, winter and New Year)
5. Achievement of a joint integrated treatment of all plots in the central pedestrian zone
6. Involvement of residents in the place keeping activities through information and empowerment.

This concept was implemented under the coordination of the sanitation company. For special occasions joint action was arranged and implemented, e.g. for the fall of leaves in autumn or for cleaning up after New Year’s Eve. Parallel to these activities public funding was available through the regeneration initiative “*Lebenswerte Stadt*”⁹. This funding was an opportunity to financially support the NID and implement activities and small-scale physical improvements in the central pedestrian zone, e.g. seeding of grass (see *picture right*), tree cutting and paving repairs in certain parts of the NID area.



Further improvement of the situation was possible when the Ministry of Urban Development and the Environment granted the temporary employment of a dedicated area-based person

⁹ The District Council led the application for “*Lebenswerte Stadt*” in parallel to the start of the NID process.

from the sanitation company, or *Kümmerer*. The *Kümmerer* works in the estate available providing an active presence in the community five days a week until late afternoon. He is responsible for all activities regarding place keeping beyond the normal routine activities described above. The *Kümmerer* also acts as a contact person for proprietors and residents and is the main point of contact for the sanitation department.

The affected proprietors in the central and western part of the pedestrian zone agreed also on an exemplary sponsorship model for certain public green spaces in the area. Due to the fact that the District Council is not able to deliver a higher standard of maintenance as a result of cost reduction in the public sector, the proprietors agreed to take responsibility for some parts of the public open space, such as cutting trees and hedges in consultation with the responsible District Council Management.



In summary the results of these activities can be described as clearly positive for the situation in the estate. An optimisation of place-keeping activities was possible more or less without additional costs for the private partner. This was achieved through intense communication and cooperation of the different stakeholders involved, by raising awareness of the general situation and creating a sense of “corporate responsibility”. Additionally some joint activities by different stakeholders brought about rapid improvements at

critical times, e.g. during autumn or New Year. In addition, the management and coordination efforts of the sanitation company the public sector provided funding for this project through the minor physical improvements in the case study area and paid for the *Kümmerer*.

Partnerships

All relevant stakeholders for cleaning and maintenance in the central and western part of the pedestrian zone were involved in the process: The sanitation department, the District Administration and the proprietors respective their contractors for caretaking and gardening.

The sanitation department played the most important role in this process because they actively coordinated all partners and activities. It can be said that they were the hub of the partnership and the driving force of the process.

A success-factor for the joint activities was the direct involvement of the responsible personnel, e.g. the *Kümmerer*, on the ground. The model described in this case study was not developed from theory but locally from people’s practical experiences in working on the ground. Their identification with the area and with joint place-keeping was raised as a result of their cooperation.

Communication between the stakeholders was, and still is, complicated from the outset – not only between public and private partners, but within the sectors as well. Decision making in the GAGFAH GROUP was delegated to the Headquarter in Essen (far away from Hamburg) and also to the US after the privatisation of the company. Therefore representatives from

Hamburg quite often need a decision from their executive board. In contrast, the co-operatives are much closer to the ground and more closely connected to the community in the neighbourhood. The public housing company SAGA GWG is under political pressure and has to fulfil political targets, while single owner-occupiers have their own motivations in decision-making. It is therefore clear that there is real variety in the proprietors' aims and objectives in Steilshoop. This has an impact on communication and decision-making procedures. An added complexity is the two-tier nature of the public sector: state-level (e.g. Ministry of Urban Development...) and district-level. These different tiers do not always have the same rules and directions in place. In addition, other Ministries have some influence on the area-development in Steilshoop without actually formally participating in the NID pilot, such as the Ministry for Education.

Policy

The impetus for the described model must be seen against the background of the pilot project for a Neighbourhood Improvement District (NID) in Steilshoop. The area based communication of the large proprietors and their discussion of activities for area improvement gave the impulse to discuss the issue of place-keeping in the central pedestrian zone. The "threat" of a statutory NID with a compulsory levy for all proprietors as a funding mechanism for joint activities might have been a reason for the pro-active stance taken by the sanitation company.

Finance

Most of the activities have not required extra funding and have been financed by existing public and private budgets for place-keeping (e.g. street-cleaning and gardening) within the estate.

Extra funds were temporarily available for some physical improvement in the publicly owned areas of the central pedestrian zone. These funds came from the public regeneration initiative "*Lebenswerte Stadt*" which was in place in 2007/2008.

The labour costs for the "*Kümmere*r" were also temporarily paid for by the City. The funding of this staff in the future is not clear yet, indicating that new funding models are required for this job going forward.

It is difficult to say with any certainty if the funding for the capital improvements will be secured through the NID model. This is because GAGFAH (owning around 30% of the property in the estate) refused to pay their share in summer 2009 despite accepting the terms earlier in the process. If the largest proprietor is unwilling to agree and pay, even the NID law does not have the power to force it to do so. One way to get this large investment project off the ground would be via political pressure on GAGFAH. Exactly how successful such an approach might be is unclear.

Evaluation

The responsible project group (or task force) for this model published an "evaluation report"¹⁰ to describe and assess the hands on experience. All partners involved (i.e. sanitation company and three housing companies) express their satisfaction with the results and their hope for a long-term establishment of this model. All partners involved, and also the

¹⁰ Stadtreinigung Hamburg et al (2009): Projekt Steilshoop. Koordination Reinigung und Pflege - Erfahrungsbericht. Hamburg 2009.

residents from the neighbourhood, express that the conditions of private and public open spaces in the central and western pedestrian zone in the Steilshoop estate were improved. It can therefore be argued that the model is working successfully by the results achieved.

Place-keeping challenges and lessons learnt

The 'NID' agreement is informal at the moment and one of the big issues relates to if and how:

1. A formal agreement is actually achieved; and
2. If not, whether the partnerships established will continue in tact.

In the past, voluntary or informal agreements and solutions often do not last and cannot be used as the basis for strategic management issues or physical improvements. For this reason, it is argued that a formal NID model agreement would help improve the long term obligation of stakeholders, their joint activities and increase available funding.

Having said this, the importance of informal agreements and procedures should not be under-estimated, as the currently “place-keeping activities” in Steilshoop demonstrate. It is clearly necessary to establish a communication platform where multiple ownership of public space occurs, because the stakeholders usually don't know each other and wouldn't communicate with each other. A coordinated approach is therefore appropriate.

In the event that the NID does not happen, it might be possible for the informal arrangement to continue here and elsewhere in Steilshoop as there is the will to do so. However, it may be more complicated because there would be more stakeholders involved. While restricting participants in such a process is not desirable, an upper limit of the number of participants might be required in such an arrangement.

A lesson learnt from this process is the need for communication to be open and for a clear understanding of the different interests, motives, objectives, abilities and threats involved. A professional organisation which can coordinate and support these stakeholders would be helpful.

From the researcher's point of view, a significant issue is the need for cultural change. Proprietors and the public sector can consider one another as opponents, largely because they may not come into contact and have negative attitudes towards, and prejudices against, the other. In such a case, it would take time to tackle these ingrained attitudes to allow all partners to talk to, learn about and exchange knowledge with, each other.

Transferable aspects of the case study

This more or less informal model for more efficient place-keeping through improved coordination of joint activities in a larger open space with heterogeneous ownership can easily be transferred to other areas because it doesn't require extra costs or specific legal or funding mechanisms. Based on the positive experience of this pilot project, the sanitation company has explicitly expressed their will to transfer this model not only to the eastern part of the pedestrian zone but also to other neighbourhoods in Hamburg. Nonetheless it has to be said that each neighbourhood will need to put a specific process in place and employ a particular model to solve the problems.

Glossary

GAGFAH Group: the leading housing association in Germany with about 165,000 rental units and 20,000 apartments around the country managed for third parties.

SAGA GWG: social housing association which owns over 20 per cent of the housing stock in Steilshoop.

Allgemeine Deutsche Schiffzimmerer Genossenschaft: the oldest housing cooperative in Hamburg, founded in 1875 with almost 9,000 homes.

Place-making: creating high quality places that people want to visit, experience and enjoy. It implies a people-centred approach which emphasises designing spaces that promote health, wellbeing and happiness. Such spaces engender a sense of belonging and connection for those who use them.

Place-keeping: relates to maintaining the qualities and benefits – social, environmental and economic – of places through long-term management. The management required to maintain these qualities and benefits, the approach adopted and the timescale will depend on the place-making aims, the available resources and the life span of the 'place'.

Partnership: is defined as agreed shared responsibility between public, private and community sectors. It is a relationship which, in this context, is normally formed between governmental and non-governmental sectors – i.e. it is a manifestation of governance relationships.

Engagement: is a cross-cutting issue which describes successful models of working with communities and encouraging appropriate use. Engagement is an aspect of governance particularly relevant in forms of participatory governance and is intrinsic to the concept of 'governance' as defined below.

Governance: relates to the relationship between and within government and non-governmental forces. The term implies wider participation in decision-making than representative democracy or other forms of government, recognising a wider range of actors other than the state, and allowing for varying governance contexts and processes.

Finance: describes financial models for efficient long-term management.

Policy: is discussed within the context of embedding best practice into spatial planning and other policy.

Valuation: describes the economic impacts of improvements to open spaces, but also relates to wider socio-economic and environmental benefits.

Notes on this report

This report forms part of the output from MP4 Making Place Profitable – Public and Private Open Spaces, a project funded by the EU through its Interreg IVB North Sea Region programme 2007-2013.

This report is based on the findings from an interview carried out in October, 2009 with representatives from the Sanitation Department Hamburg (*Stadtreinigung Hamburg*) who granted permission for MP4 members to use their responses in this report. This interview was semi-structured and conducted using the question schedule used in the data collection for all the case studies. The report was finalised in Dec 09-Jan 10 and all details are correct as of that time.

In addition, the sources of secondary data which provided the contextual information are referenced in the footnotes. The author is part of the research-team from HCU for the concomitant research on the pilot project for a NID in Steilshoop since the beginning of the process in early 2007. The photos are reproduced without the owners' permission for further publication.

More information

Website on Urban Improvement Districts in Germany and internationally

<http://www.urban-improvement-districts.de/?q=English>

Online available information regarding the pilot project for a NID Steilshoop (in German)

<http://www.urban-improvement-districts.de/?q=HID/NID/Projekte>

Literature on UID models and practical experience in Germany

Kreutz, Stefan (2009): Urban Improvement Districts in Germany: New legal instruments for joint proprietor activities in area development. In: Journal of Urban Regeneration and Renewal Vol. 2, 4, 304-317.

Further information on this case study

Stadtreinigung Hamburg et al (2009): Projekt Steilshoop. Koordination Reinigung und Pflege - Erfahrungsbericht. Hamburg 2009.

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