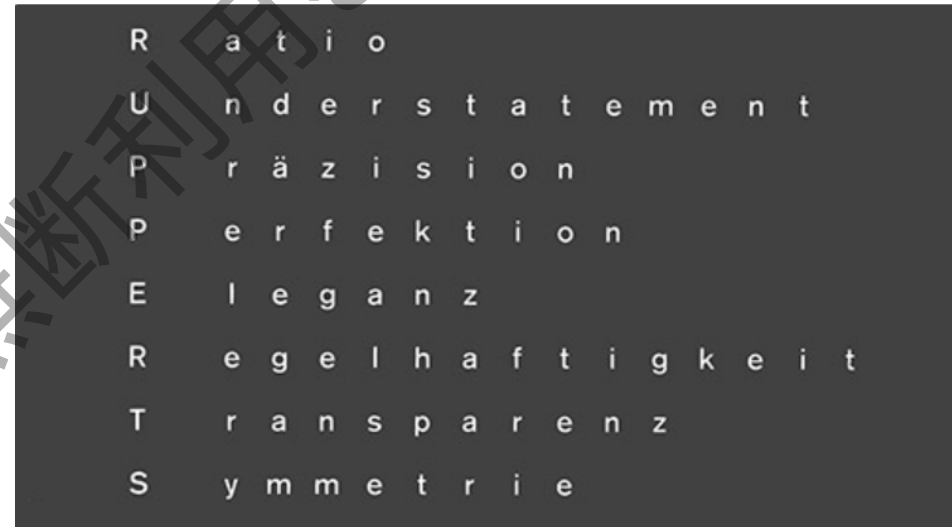




Business Improvement Districts (BIDs) in Hamburg

BID Seminar Osaka 6th of November 2018

Ruppert Immobilien: Family Business in Hamburg With a Long Tradition (Founded 1892)



1. Introduction
2. BID Legislation
3. Need for Action
4. BID Procedure
5. Typical BID Measures
6. Achievement
7. Conclusion

無断転載・無断利用を禁ず

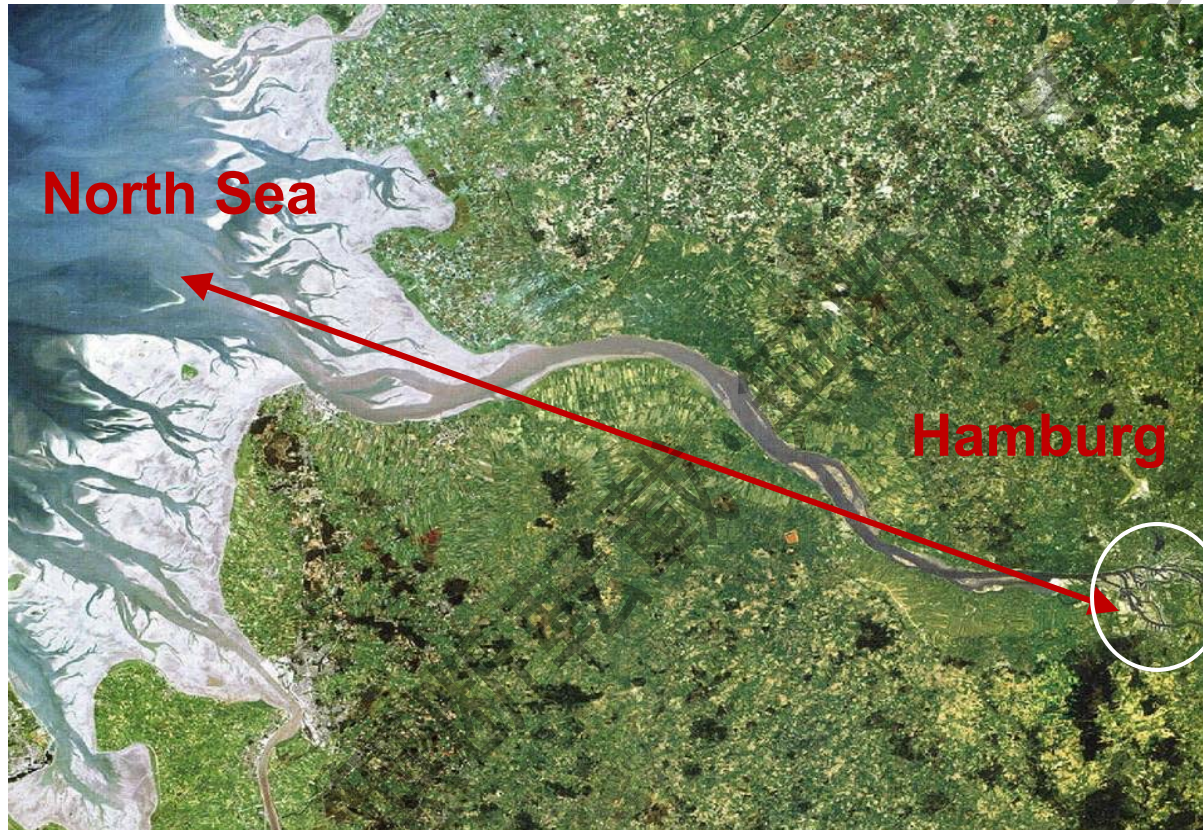
1. Introduction



Hamburg, in the heart of Europe, home of:



1. Introduction



Location:

- 110 km away from where the river Elbe mouths into the North Sea

1. Introduction



Region of Hamburg:

- Hamburg is the center of the Metropolitan Region
- Including **17 districts** and more than **500 cities**
- The Region has a population of about **5 million** inhabitants

1. Introduction



Hamburg is:

- the second largest city in Germany, not only by population (1,75 m) but also by space (755 square kilometer)
- one of three City States in Germany
- a city with maritime flair

1. Introduction



Green City:

- Hamburg has countless large and small green areas
- 8 % of the city's area is covered by water
- There are roundabout 60 km of waterways (canals) in the city and almost 2.500 bridges

1. Introduction



The Harbour:

- Largest harbour in Germany
- Third largest in Europe
- 19th largest world-wide
- Around 10 % of Hamburg is occupied by the harbour (74 hectare)
- The biggest industrial site in the city

Sister Cities Osaka and Hamburg

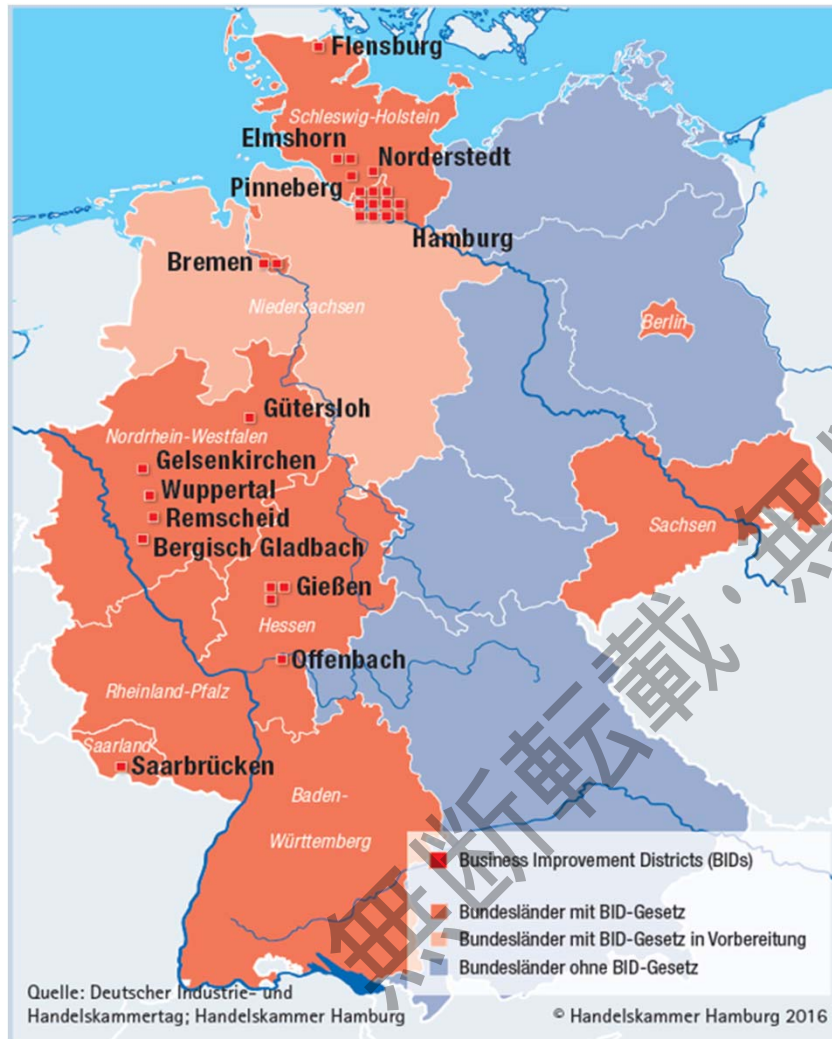
- 2019: Celebration of **30 years** of successful partnership
- Working together on different levels and in different fields:
 - **Universities**, for example the Technical University of Hamburg and the Osaka Municipal Technical Research Institute (OMTRI)
 - **Political visits** and exchanges of experience, for example about organizing G 20
 - **Exchange programs for children**, for example about firefighting and handball
- **Economic relationships** between Japanese and German companies

BID Legislation

- Hamburg was the **first German federal state** that established the legal foundation to implement BIDs (1.1.2005) with meanwhile 3 legislation revisions
- Until today **9 German states** have followed the Hamburg example with an own BID law



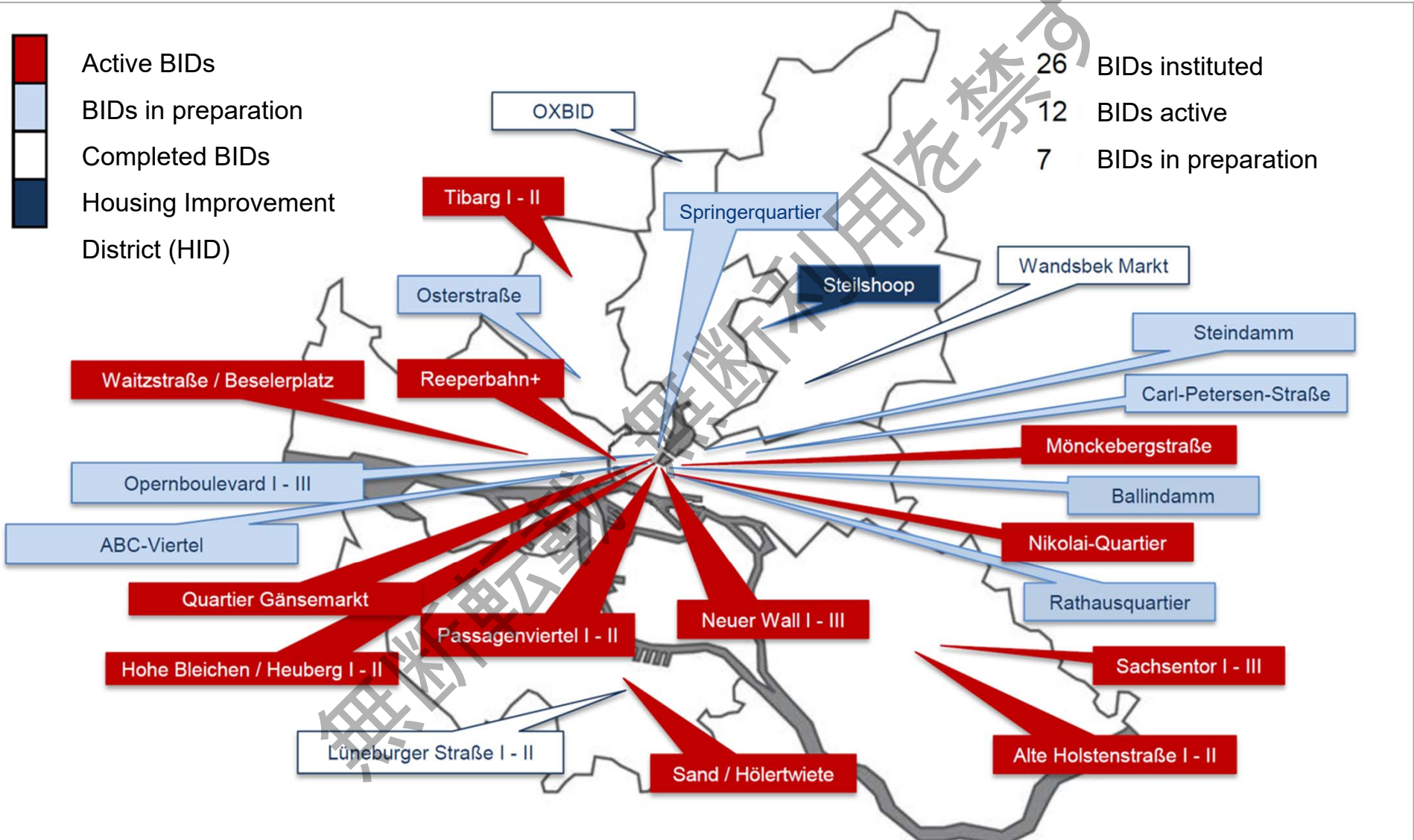
2. BID Legislation



BIDs in Germany

- 48 BIDs so far, 26 in Hamburg
- 33 active at the moment
- More than 94 m Euro investment
- Smallest BID: Ansgari Quartier in Bremen with only 8 estates
- Largest BID: Das Viertel in Bremen with more than 300 estates
- Biggest budget: 10.3 m Euro for the BID Mönckebergstraße in Hamburg
- Smallest budget: 3.500 Euro for a BID in Rendsburg in Schleswig-Holstein

2. BID Legislation



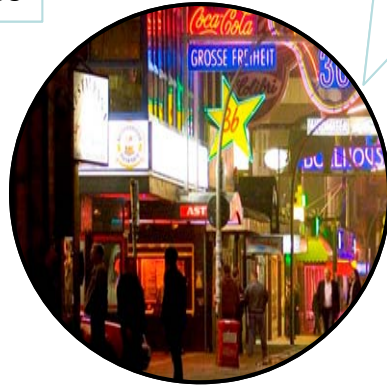
2. BID Legislation

Number of properties

Opernboulevard II
16 properties



Reeperbahn+
142 properties



BID-Budget

Mönckebergstraße
10,3 m €



Sachsenteor I
150.000 €



Plot area

Sand / Höllertwiete
14.387 sqm



Wandsbek Markt
91.271 sqm



Investment per sqm

Mönckebergstraße
214 €



Sachsenteor I
5 €



3. Need for Action – City Design



3. Need for Action – Maintenance



3. Need for Action – Land Use Conflicts



3. Need for Action – BID Passagenviertel



The BID law (in German: Gesetz zur Stärkung der Einzelhandels-, Dienstleistungs- und Gewerbezentren)

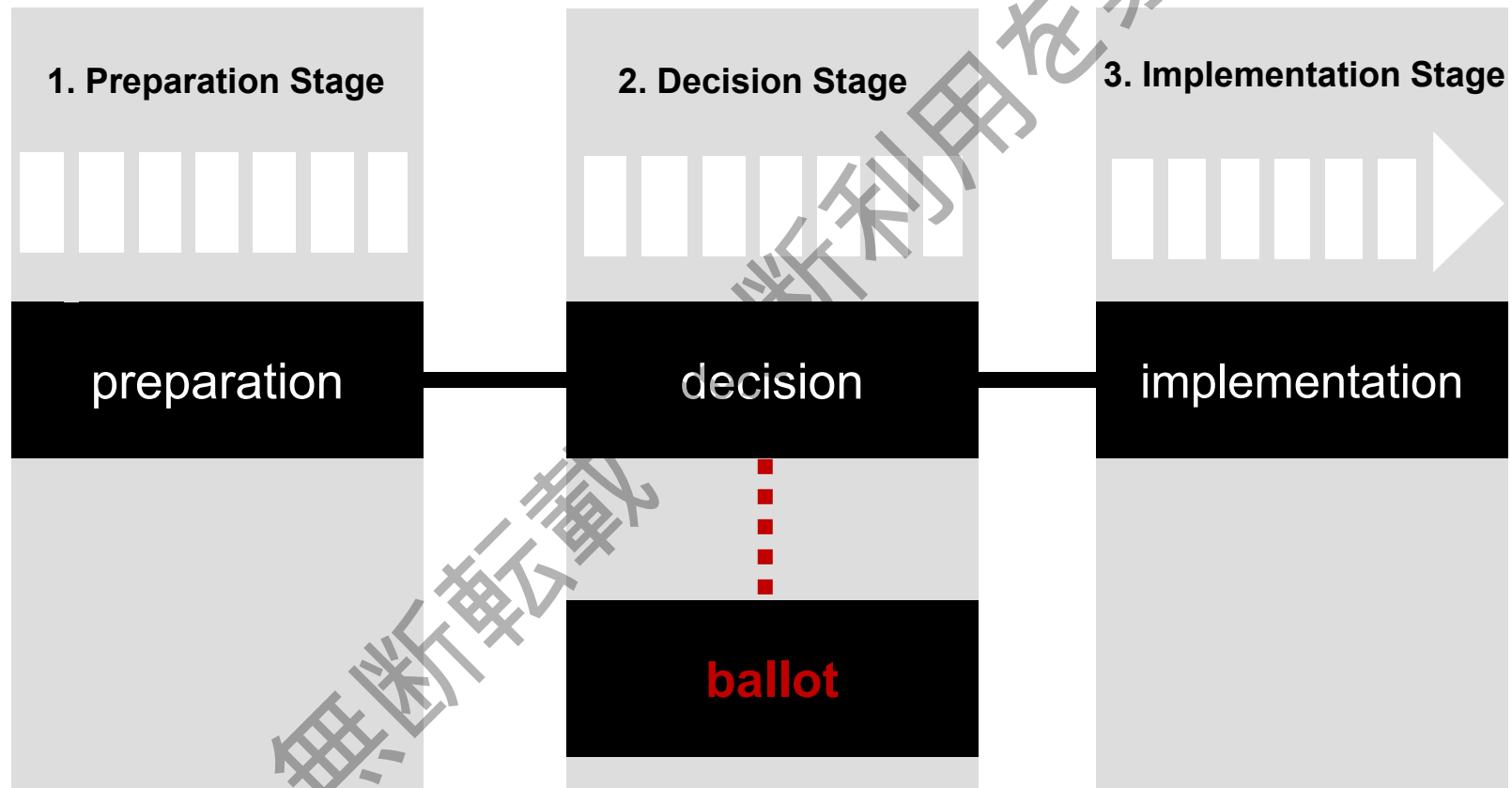
Only 9 clauses:

- § 1 Principles
- § 2 Objectives and tasks
- § 3 Establishment
- § 4 Task manager
- § 5 Application
- § 6 Implementation and monitoring
- § 7 Levy collection
- § 8 Budget use
- § 9 Duration

BIDs are:

- clearly defined **business districts**
- initiated by the **affected people**: property owners and retailers
- fixed period of time: maximum **5 years**
- in **self-organization**
- measures for the **improvement** of this business district
- financed by a **private levy** which all property owners in this business district have to pay

4. BID Procedure



The 4 challenges of the Preparation Stage:

1. **Leadership:** A BID initiative is a bottom-up process. Somebody in charge is needed. This person is usually a property owner with a good reputation and with a large amount of persuasiveness
2. **Concept:** For a successful preparation of a BID it needs an idea and in the further process a defined concept for the procedure, the planned measures and the budget
3. **Budget:** Experts must be hired. Therefore some property owners have to finance the preparation costs voluntarily. But private funding is only possible with a convincing concept. Keep in mind that preparing a BID can be expensive
4. **Time:** Preparation takes time, because there are a lot different interests to consider. To balance the concept with other partner property owners and the city administration takes also time. Don't lose patience, even if it takes years

Result: With a balanced concept an application for a BID can be made!

The 4 challenges of the Decision Stage:

1. **Good Governance:** BID initiatives need for successful application a good and reliable governance by the city administration. Hamburg for example supports the BIDs by the BID Commissioner and his team
2. **Always Convincing:** To avoid a denial at the ballot, the application for the BID must be convincing. Property owners must get a benefit
3. **Always Balanced:** A good application for a BID has been balanced between the BID initiators and the city administration and the local politics. Look for compromises
4. **Participation:** To be successful at the ballot the most property owners and the tenants should have been part of the preparation or at least been informed in a public hearing

Result: The BID application is successful at the ballot (when less than a third are voting against it). The city council decides. The BID can begin!

The 4 challenges of the Development Stage:

1. **Task Manager:** Only a professional task manager or task management company is able to implement the BID measures properly. You shouldn't do this work pro bono
2. **Controlling:** A steering committee consists of property owners and the city administration have to supervise the task manager or the task management company strictly
3. **Flexibility:** BIDs usually run 5 years. Sometimes the conditions change. A task manager must be able to handle occurring issues
4. **And again Good Governance:** Without the support of the city administration and the local politics a BID can't be successful

Result: At the end of the term property owners demand a follow up BID!

5. Typical BID Measures

High quality public streets and squares



5. Typical BID Measures

Better illumination / Christmas illumination



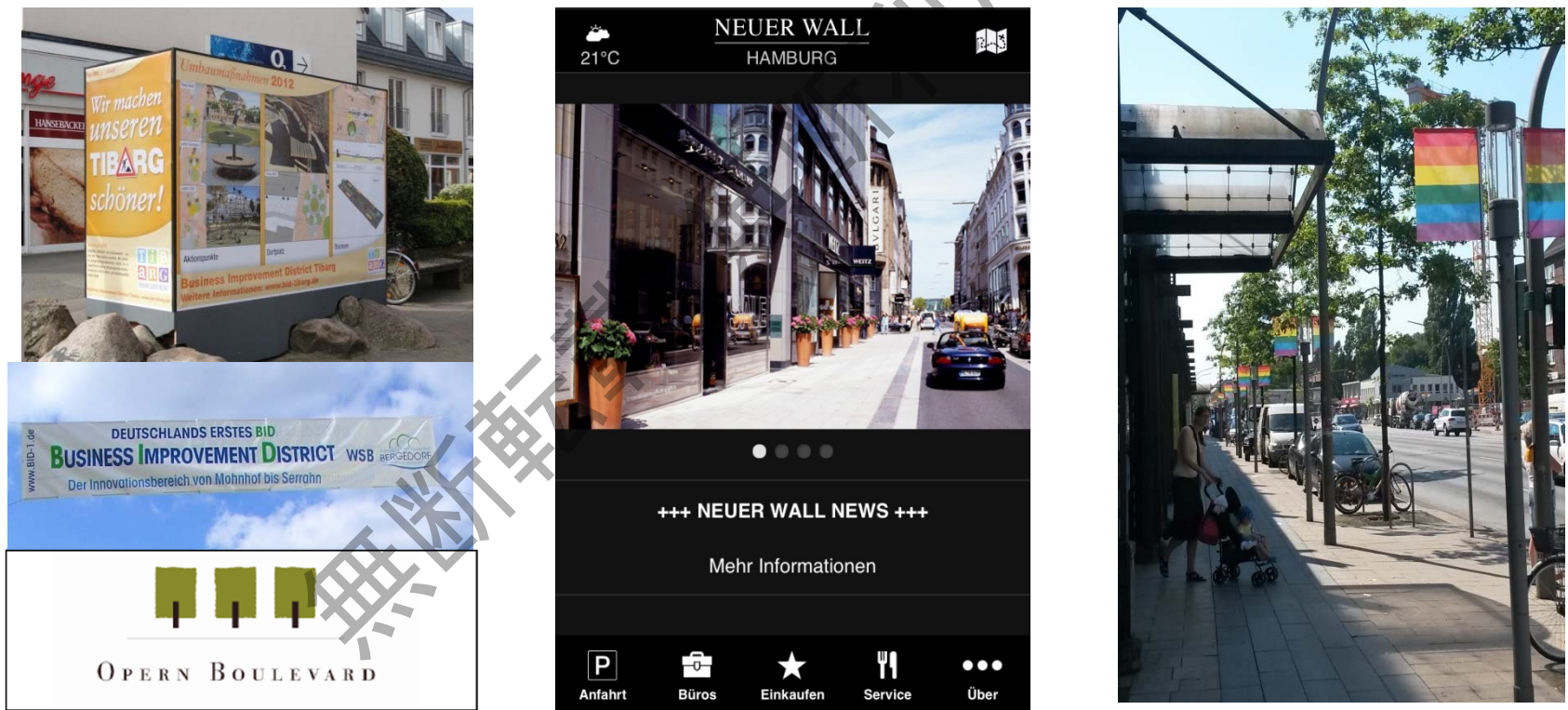
5. Typical BID Measures

Creation of a neighborhood identity



5. Typical BID Measures

Marketing / Events



5. Typical BID Measures

Service and additional maintenance



REEPERBAHN RÜNDE

Thema:
Boom in der Gästeführungsbranche:
Welche Regeln braucht St. Pauli?
Einführung eines Wertesiegels.

Zu Gast:
Vertreter gasteführender Unternehmen.

Einladeten:
Alle Interessierten

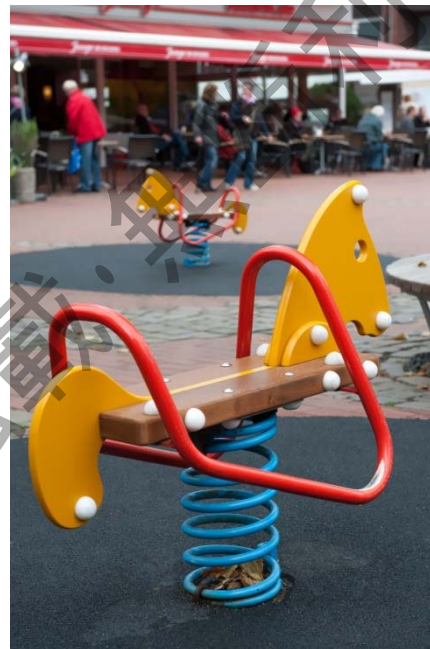
09. April 2015
19.00 Uhr
im **SANKT PAULI MUSEUM**
Davidstraße 17
20359 Hamburg

 **REEPERBAHN**



5. Typical BID Measures

Plantation and city furniture



Source: www.bid-tibarg.de



Summary

Construction and City Design

- Redesigning of public space
- New city furniture
- New illumination and Christmas illumination
- Plantation

Service

- District management
- Additional cleaning and maintenance of public space and public greenery
- Management for vacant space
- Supply management
- Security

Communication

- Marketing
- Events
- Advertisement
- Creation of an identity
- Cooperation with neighbourhoods and companies
- Lobbying

6. Achievement



BID Neuer Wall before

6. Achievement



... and after

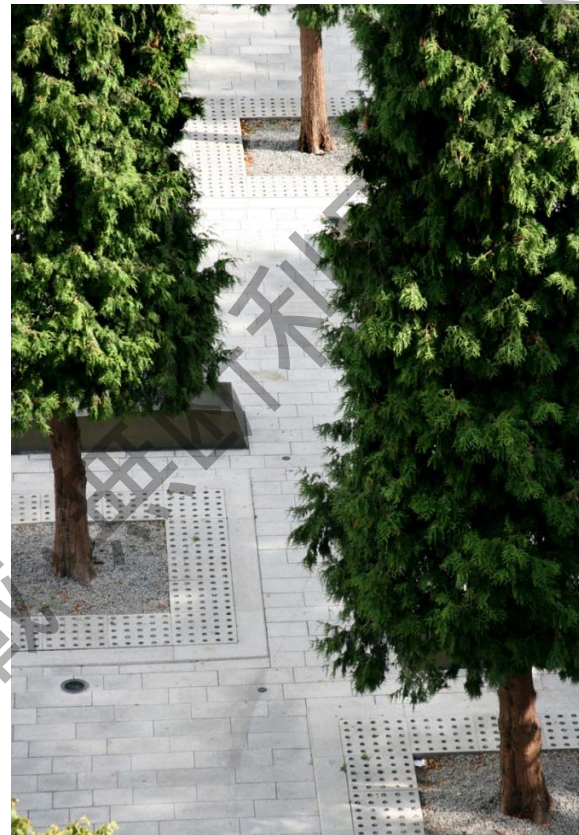
Private investments: 13.119.000 €

6. Achievement



BID Hohe Bleichen before ...

6. Achievement



... and after

Private investments: 2.908.000 €

6. Achievement



BID Opernboulevard before ...

6. Achievement



... and after

Private investments: 2.865.000 €

6. Achievement



BID Tibarg before ...

6. Achievement



... and after

Private investments: 2.900.000 €

6. Achievement



BID Alte Holstenstraße before ...

6. Achievement



... and after

Private investments: 1.000.000 €

6. Achievement



BID Waitzstraße before ...

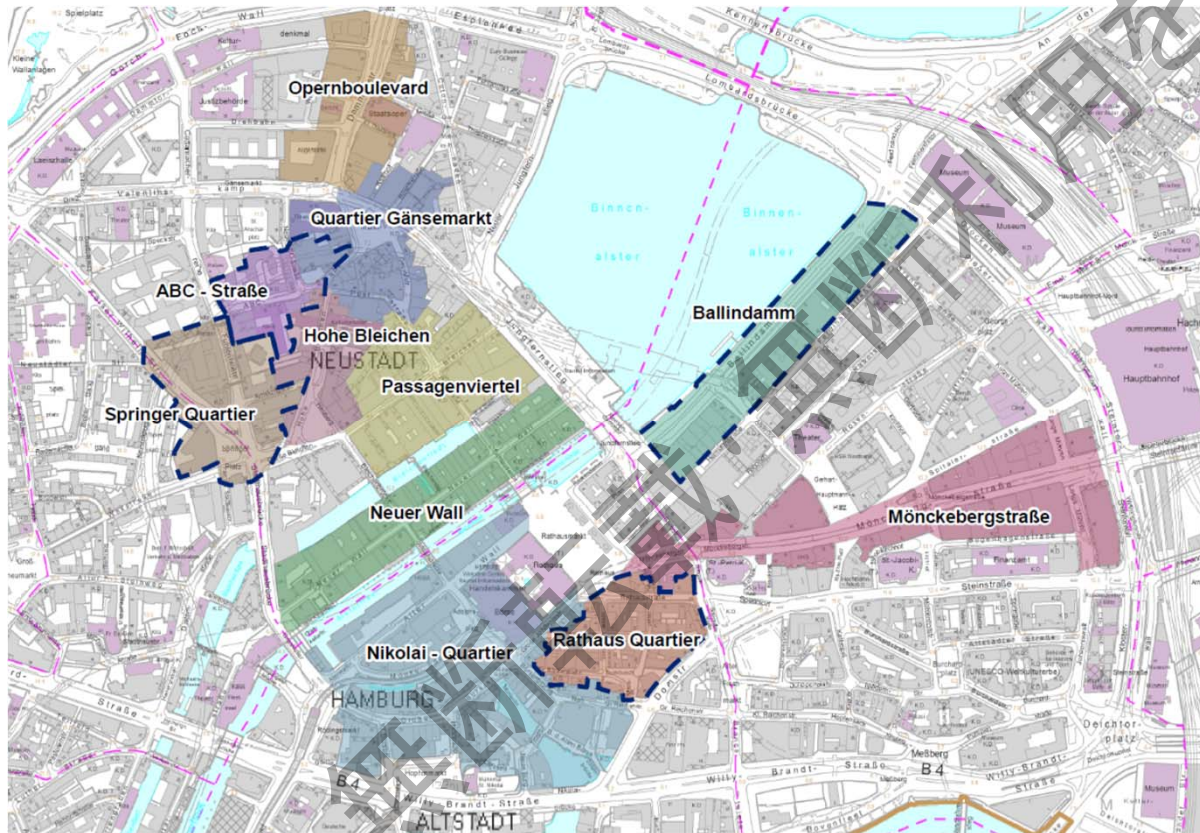
6. Achievement



... and after

Private investments: safety

6. Achievement



BIDs in the city center of Hamburg:

- Investment by the 7 existing BIDs: ca. **51,1 m Euro**
- 4 projects are in preparation with an estimated budget of ca. **10 m Euro**

Investment of established BIDs

Sachsenteur I - III	1.183.000 €
Neuer Wall I - III	13.119.000 €
Wandsbek Markt	4.000.000 €
Lüneburger Straße I & II	1.228.000 €
Alte Holstenstraße I & II	998.000 €
Hohe Bleichen I & II	2.908.000 €
Passagenviertel I & II	8.460.000 €
Ochsenzoll	173.000 €
Tibarg I & II	2.900.000 €
Opernboulevard I & II	2.865.000 €
Reeperbahn+	1.909.000 €
Nikolai-Quartier	9.320.000 €
Quartier Gänsemarkt	4.200.000 €
Waitzstraße	648.000 €
Sand	847.000 €
Mönckebergstraße	10.304.000 €

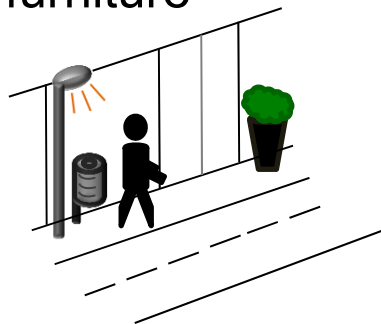
Total (26 Projects) ca. 65.062.000 €



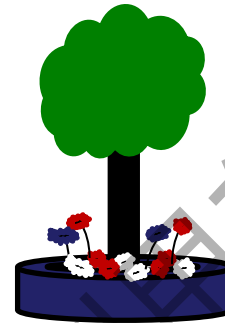
6. Achievement

Investments

4,8 m €
for public space
furniture



2,7 m €
for plantation



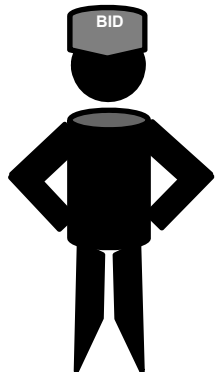
5,2 m €
for marketing, events
and communication



21,1 m €
for civil works



6,4 m €
for service



6,5 m €
for Christmas
illumination



4,4 m €
for cleaning and
maintenance



7. Conclusion

Why do property owners in Hamburg / Germany believe in the success of the BID model (factors 1 to 5)?

1. It's their own initiative / it's **private business** with helping governance
2. It's driven by **professionals**
3. BIDs create professional **networks**
4. Every property owner of the district has to pay the levy, **no chance for free riders**
5. It's based on a **fair financial distribution scale**



Source: Anne-Catherine Caesar

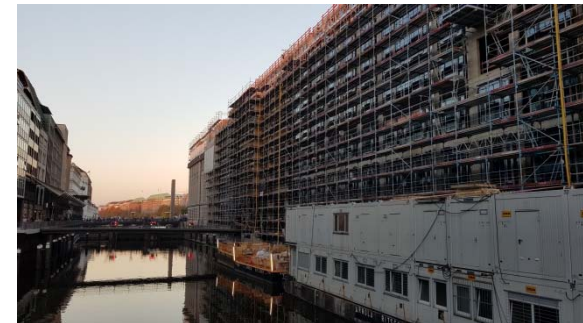


Source: Otto Wulff BID Gesellschaft

7. Conclusion

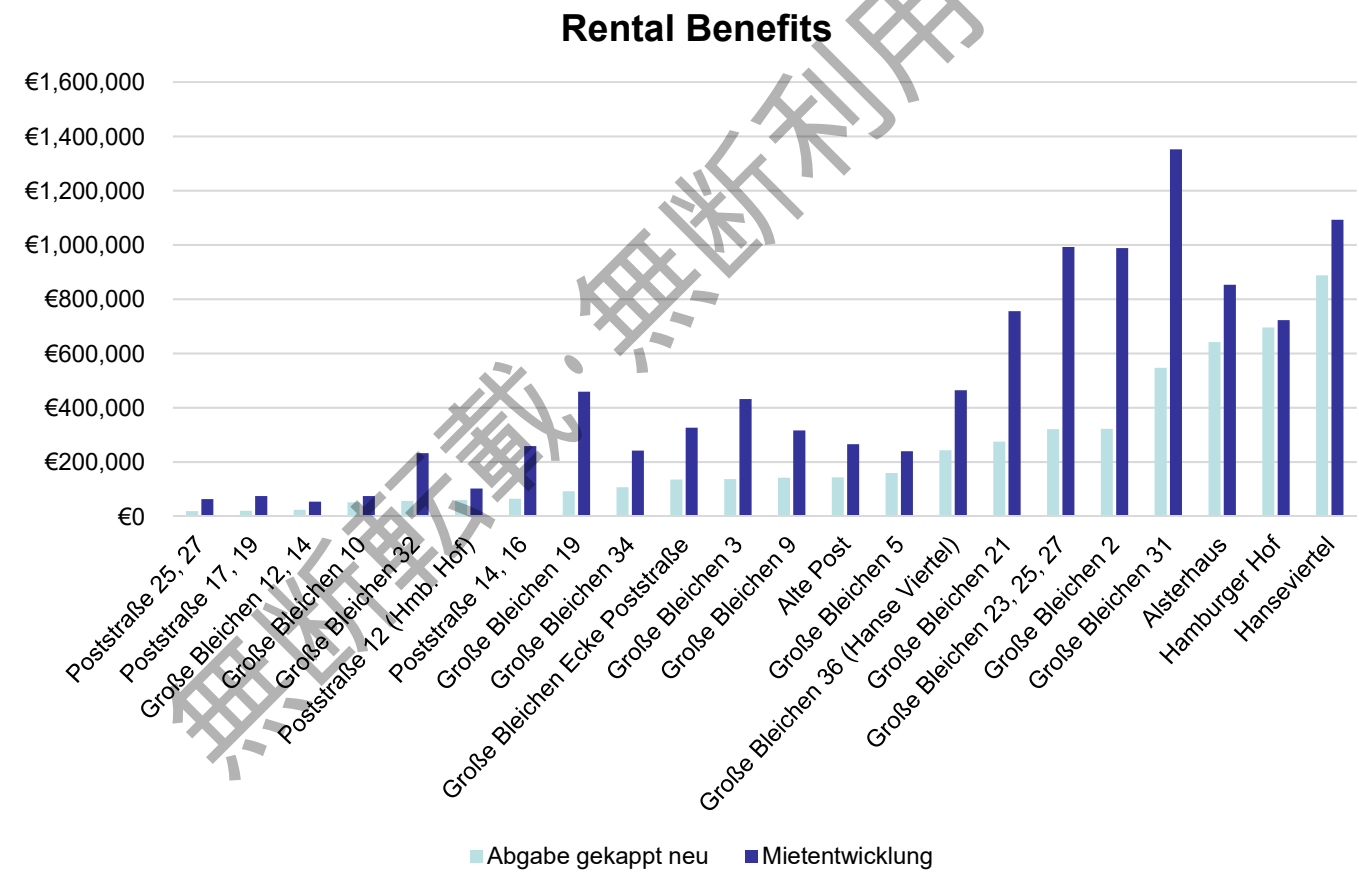
Why do property owners in Hamburg / Germany believe in the success of the BID model (factors 6 to 10)?

6. The levy is paid by the tenants or is **tax deductible**
7. It has a **secured budget** / the implementation of the measures is guaranteed
8. The **value of the properties** and the rents increase
9. It gets **easier to market** rental space or the property
10. It creates a **good investment climate**



7. Conclusion

Why do property owners in Hamburg / Germany believe in the success of the BID model (Rental Benefits)?



Source: Survey 2012

Benefits in general

Catalysator BID

BIDs boost the development of city centers. The centers become attractive again

Income return

Increased rent level, higher passers frequency, higher sales, higher customer and tenant satisfaction as well as a general improvement of the location



Benefits in general

Positive leverage effects

Property owner invest in their estates much more than in neighbourhoods without BIDs

Taking responsibility

Property owner take responsibility for public spaces and for the development of their own neighbourhood and the whole city





Positive Feedback

In general the redesign and all other BID measures are seen as a **great success** and create a **positive perception** by

- Visitors and tourists
- Customers
- Property owners
- Retailers
- Office tenants
- Urban planners and experts

Exception

Heel problems at BID Neuer Wall after completion of public space

Further Information



<https://ruppert-hamburg.de>



www.galleria-hamburg.de



<https://passagenviertel.com/>



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Further Information

For further information please visit the BID homepage
www.hamburg.de/bid

or contact

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Freie und Hansestadt Hamburg, Behörde für Stadtentwicklung und Umwelt

MERKBLATT ÄNDERUNG DES GSED

Am 1. Dezember 2007 ist die Änderung des Gesetzes zur Stärkung der Einzelhandels- und Dienstleistungszentren (GSED) in Kraft getreten. Folgende Änderungen gelten:

- 1. Gewerbezentren**
Innovationsbereiche können nicht nur in Einzelhandels- und Dienstleistungszentren, sondern auch in Gewerbezentren eingerichtet werden. Für die Einrichtung von Innovationsbereichen in Gewerbegebieten gelten dieselben gesetzlichen Anforderungen und Vorgaben wie für Innovationsbereiche in Einzelhandels- und Dienstleistungszentren. Auch das Verfahren unterscheidet sich nicht.
- 2. Antragstellung § 5 Absatz 3 GSED**
Für die Antragstellung zur Einrichtung eines Innovationsbereiches muss der Aufgabenträger
 - die Darstellung der Gebietsabgrenzung,
 - das Maßnahmen- und Finanzierungskonzept,
 - die voraussichtliche Höhe des Hebesatzes nach § 7 Absatz 1 und
 - den Mittelwert nach § 7 Absatz 2bei der Aufsichtsbehörde vorlegen. Somit werden bereits in den Antragsunterlagen der voraussichtliche Hebesatz und der für die Deckelung der Abgabenhöhe zugehörige Mittelwert benannt. Dies ermöglicht es den betroffenen Grundstückseigentümern, bereits in der Auslegungsphase die voraussichtliche eigene Abgabenhöhe zu errechnen.