

Mini-Case Study: A Centre for Flöha, Germany

Work Package 9: Rural Development

Ex post evaluation of Cohesion policy programmes 2000-2006 co-financed by the European Fund for Regional Development (Objective 1 and 2)

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Mini-Case Study: A Centre for Flöha – New life in the former cotton spinning mill ‘Wasserbau’

Synthesis

Flöha is a small town (10,300 inhabitants) in the rural district of Middle Saxony (*Landkreis Mittelsachsen*). Typically for rural areas in Saxony, the Flöha surroundings are characterised by low population density, high unemployment, out-migration especially of young women as well as the increasing thinning of social, cultural and public services. According to the regional development plan of the Regional Planning Authority Chemnitz-Erzgebirge (*Regionaler Planungsverband*), Flöha is of special importance for the whole rural district, in particular regarding social and cultural infrastructure and as a major service and supply location. Moreover, Flöha has a special supply function for the region in the field of education. Bringing new life to the former cotton spinning mill was a flagship project for Flöha to fulfil the above mentioned supply requirements.

The city council of Flöha discovered the potential of the old industrial wasteland as a new city centre and planned to successively rehabilitate the industrial buildings into a new complex for business and trade as well as for social and cultural events. The beginning of this development was the ERDF-co-financed conversion of the former ‘House 4’ of the old cotton mill, the so-called ‘*Wasserbau*’ building. In the course of the last two centuries, the cotton spinning mill had an important influence on the development of the town. The mill is located in the middle of Flöha and even though it has not been active for years, it still dominates the townscape. 13 buildings were gradually decaying on a 6.5 hectare area.

Through the rehabilitation, this important industrial monument could be conserved and given a new use. On the ground floor of the converted building, rooms are provided for regional clubs and associations which were looking for new premises for their activities. On the first floor, the credit department of the district savings bank of Freiberg got their new premises. On the second floor, the city and district library as well as a multipurpose hall for civic, regional as well as national events are located. An important factor in the success of the project was that the tenants were found before the actual start of construction guaranteeing full use of the building.

With the conversion of the building, Flöha managed to fulfil different needs of the city as well as of the region. Not only did the project serve to maintain an important monument of the industrial heritage of the city, but it also gave the starting shot for the development of the whole brownfield site. Furthermore by converting part of the building into office space, the district savings bank of Freiberg could be established and until now 100 jobs created/safeguarded. The *Wasserbau* also provided social and cultural services for the urban and regional population – which is important due to Flöha’s role as district capital. With the rehabilitation of the old spinning mill and in particular with the *Wasserbau* and its supply functions in the field of economic, social and cultural infrastructure, Flöha has met the needs of the whole rural district. Particularly through the provision of facilities for the city and district library, Flöha fulfils demands and supply needs in the field of education and thereby supports the endogenous development of the region as a rural (development) pole.

Background information

Country: Germany

Region: Saxony

Project title: Rehabilitation and conversion of House 4 – ‘Wasserbau’

Programme type: Operational Programme

Duration of project: 09.2004 – 05.2006 (month/year)

Funding:

total budget	€ 5 340 000
ERDF contribution	€ 3 724 000
National funding for urban renewal	€ 1 047 000
Flöha city contribution	€ 569 000

Objective: x Objective 1

I. Project description

Overall objective and purpose

The ERDF co-financed project '*Wasserbau*' concerns the conversion of part of an old cotton mill in the centre of the city of Flöha in Middle Saxony (*Landkreis Mittelsachsen*). The *Wasserbau* is one of altogether 13 buildings on the brownfield site (see figure 1) and covers an area of 1.977,35m² with a gross floor area of 5.932,05 m². The aim of the project was to preserve the old industrial infrastructure whilst giving it a new function as library, clubhouse and branch of the district savings bank of Freiberg. It also houses a cultural centre and office space. The *Wasserbau* project was part of the wider conversion of the whole brownfield site. The overall objectives of conversion were:

- development of a new city centre for Flöha including the above mentioned functions;
- preservation and revitalisation of the cultural heritage;
- strengthening of the local economy and reducing high unemployment;
- environmentally friendly and resource-saving reuse of a brownfield site;
- building a connection between neighbourhoods separated through the river Zschopau and the unused brownfield site;
- strengthening the urban identity of Flöha.

The project was one of several projects funded by the ERDF in Flöha. Most of the projects were focussed on urban development and targeted to rebuild the city area destroyed through the flood in 2002.

Figure 1: The location of *Wasserbau* in the brownfield site of the old cotton mill



(Source: Expose Alte Baumwolle)

Figure 2: The Wasserbau (before [left] and after [right] the reconstruction)



(Source: Expose Alte Baumwolle)

Description/type of activities

The *Wasserbau* project was the starting point for the revitalisation of the whole brownfield site called '*alte Baumwolle*' (literally 'old cotton'). The conversion of the buildings has started in 2001. In this year, the city of Flöha started to elaborate several utilisation concepts and began to search for new users and investors for the buildings. In 2004, the city of Flöha won the district savings bank of Freiberg as one of the major future tenants. This was the main reason to start the conversion process of the brownfield. To finance the conversion, the city decided to apply for ERDF funding. After funding was granted at the beginning of 2005, the city started with the first construction phase. This first phase included the roof and the foundation of the *Wasserbau* building. In August 2005, the conversion of the interior started. At the end of 2005, the first floor of the building was finished and the first tenant, the credit department of the district savings bank of Freiberg, could move in. The other floors were finished in the following two months. After finishing the building measures in April 2006, seven clubhouses including the regional rural women's association, the local association of Flöha, a shooting club and a brass band moved into the ground floor of the building. On the second floor, the new city and district library with a café as well as an event hall which covers an area of 360m² and has a capacity for events up to 370 people moved in.

The city of Flöha was responsible for the overall management, conceptual design and implementation of the project. The steering and coordination of the building phases was done by an external project management agency. The building measures were supervised by a redevelopment agency. More than 31 construction companies, one architecture office as well as one interior designer were involved in the conversion process. The project also had several participation measures to involve and to inform the future tenants as well as the interested citizens of Flöha. Furthermore, to enhance public relations, a neighbourhood office was established on the project site to support the participation of the general public and manage the public relations measures.

Figure 3: The new city- and district library in Wasserbau



(Source: Website Flöha)

Beneficiaries

The direct beneficiaries of the project are the tenants of the building like the credit department of the district savings bank of Freiberg, the regional clubs and associations, the city and district library as well as their employees and customers. However, all the citizens of Flöha, in particular children and teenagers and local residents benefited from the refurbished *Wasserbau* with its newly installed services. The building now offers rooms for social and cultural associations on the ground floor as well as a district library and an event hall for public and private events on the second floor. These possibilities improve the social and cultural environment and quality of life in Flöha. The city council of Flöha describes the benefits to the local urban but also regional community as follows: 'Since the beginning, the cultural life of the city and the region experienced a clear improvement. Events in the library are always well attended and the number of members has increased by 15% since opening. The users are not just from Flöha (66%) but from the whole region (from up to 20 km away). Especially old and disabled people use the full range of services of the library as the elevator offers comfortable access.

Furthermore, the project is the starting point of the further development of the brownfield and its numerous buildings. In the next few years, further buildings will be converted. Two concrete projects are the building of a kindergarten and retail shops in two further buildings. The planned future development will further contribute to improving the quality of life in Flöha and benefit those employed in the considerable building work.

Project main results

The main result of the project was the successful completion of the conversion of the *Wasserbau* in the framework of the revitalisation of the whole brownfield site of the earlier cotton spinning mill. The conversion is an important step in the direction of restoring a listed industrial area and developing the area into a new city centre. A further important result of the project is the creation of additional jobs in the area.

The concrete quantitative results of the project are:

- 5,203 m² redeveloped buildings, roads, recreation and industrial areas;
- 3,145 m² new or modernised area for infrastructure facilities (education, social, culture);
- settling of one new company;
- overall 100 newly created/safeguarded jobs.

Expected impact

The conversion of the *Wasserbau* is regarded as a flagship project for the region with the aim of promoting the future development of the whole brownfield. Due to the positive results and the fast and uncomplicated project implementation, a further investor is interested in the conversion of a further building. In addition, the city intends to accelerate the conversion process by placing a kindergarten in a third building also funded by ERDF. These two projects could be the next steps of the revitalisation and future development of the brownfield '*alte Baumwolle*' towards a new city centre for Flöha. In a mid- to long-term perspective the quality of life in Flöha will be improved and new jobs will be created.

Besides the above mentioned direct impacts, the project has also had notable effects on urban and regional development. Due to the provision of new premises for public and private purposes especially in the field of social and cultural infrastructure, the quality of life in the city and the region is improving. The improvement of the quality of life could also contribute to the attenuation of migration and the movement of jobs and labour.

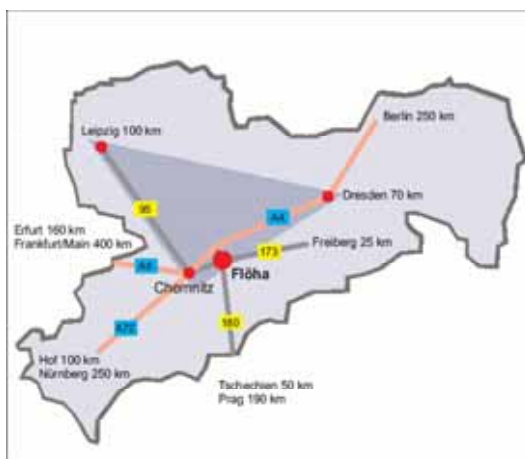
Community added value

The added value of the ERDF funding is very clear: without EU support the conversion of the *Wasserbau* could not have been achieved. After unsuccessful efforts of a first investor in 1998 the brownfield was transferred into the hands of the city. Without a new investor the city would only have been able to finance safeguard measures but not to develop the buildings. The situation was additionally complicated through the flood in 2002 which destroyed a large part of the city including the brownfield site. After this disaster, the revitalisation of the area was again taken up and pushed by the city. Due to the fact that funding as well as potential investors were missing, first discussions were held with the regional council of Chemnitz about public funding. As a result, an application for ERDF support was launched and approved in 2005. Without the EU support the city could not have realised the project.

II. Political and strategic context

The city of Flöha lies 12km east of Chemnitz in the lower part of the Erzgebirge in the south of the Free State of Saxony (see figure 4).

Figure 4: Location of the city of Flöha in the Free State of Saxony



(Source: Expose Alte Baumwolle)

With 10,300 inhabitants (approximately -13% since 1994), Flöha is the district capital of *Mittelsachsen*. The city covers about 18.63km² and is traversed by two rivers, the name giving river Flöha, and the river Zschopau. On account of the two rivers, the main through road and the railway line, the city is fragmented and lacks a city centre. Accessibility between the different parts of the city and to the national networks is limited. The two rivers also pose a flood risk. The industrial heritage of the city can be seen in the large number of brownfield and partial brownfield sites. The area suffers from a lack of research and development facilities and innovation and from low incomes sectors of employment. It has few facilities for cultural events of any scale. Subsequently, it has a declining population with young people and women in particular leaving the area.

The brownfield site on which the building *Wasserbau* is located is in the middle of the city but is separated from the actual city centre by the river Zschopau (see figure 5).

Figure 5: Location of the area “old cotton mill” in Flöha



(Source: Expose Alte Baumwollspinnerei)

Founded in 1809, the cotton mill was active until 1995 under different ownerships. Between 1995 and 1999, a considerable amount of deconstruction work was carried out on buildings which were not regarded as worth conserving. In 1999, the city began negotiations to purchase the 'Plaue/Bernsdorf' site as it was called and investigated the possibilities for rehabilitating the site. In 2001, the city council and the municipality resolved to conserve the industrial site as a whole and to rehabilitate and convert the 13 buildings. The ERDF co-financed conversion of the building *Wasserbau* was the starting shot for the overall conversion project. Behind the conversion is the strategic goal of the Flöha city council to develop the brownfield site into the future city centre of Flöha and thus fill an essential gap in the urban infrastructure of the city. In addition, the use of the buildings for both communal, social and cultural purposes fulfil the further goal of revitalising the city and making it more attractive for both its inhabitants and people from the region.

III. Implementation

3.1. Project design and planning

The brownfield on which the *Wasserbau* is located was acquired by the city of Flöha in 2001. Behind the purchase of the site and its buildings was the plan of the mayor and the city council to rehabilitate the area and the buildings and give them a new use. The overall goal was the

development of the whole area into the future city centre of Flöha. The city council of Flöha recognised the urbanistic potential of the site for the development of the city and made it a political priority. The whole complex was designated as an industrial monument. The conversion responded to the specific needs of a location for the credit department of the district savings bank of Freiberg, an extension of the city and district library and for additional space for community associations and events.

After the city had carried out the first safety measures and brownfield analyses in 2000, utilisation concepts were developed and possible investors searched for in 2001. In 2003, first discussions were held with the regional council of Chemnitz about funding possibilities and an application for funding was filed. Funding was granted in 2005 and the rehabilitation and conversion started. At this first stage of realisation there was only one notable risk: Although the ERDF covered 75% of the funding, the other 25% had to be negotiated between the city and the responsible (federal) administrations. The negotiations needed a very long time because the responsibilities on federal level for the co-financing were not clear. Due to the duration of the negotiations, the city Flöha decided to start the conversion without any final warranty from the other administrative levels. A few months later the commitment of the 25% was given. The construction work including the building of a multipurpose community hall took until the middle of 2006. In the latter part of that year, the library moved into the second floor, the credit department of the district saving bank of Freiberg moved into the first floor and several clubs moved into the ground floor.

The commitment of the district savings bank of Freiberg to take up tenancy in the future converted Wasserbau was actually secured before concrete planning started. This shows that the city of Flöha was concerned with the sustainable use and conservation of the building from the beginning.

3.2. Management, monitoring and evaluation system

The overall responsibility for the project was held by the city of Flöha. The city was also the owner of the site. An enterprise was contracted for the project management and supervision of the rehabilitation and conversion work. Right from the start, the future tenants and users, the relevant planning sectors and the general public were involved in the planning and implementation.

The management of the project took place on three levels. The first was the administrative and decision-making level, the second the coordination level and the third the working level (see figure 7).

The **administrative and decision-making level** consisted of the city of Flöha with the city council and the technical commission as well as the responsible municipal departments for city planning and building, public works and culture, and finance. This level constitutes the strategic level where all major decisions for the project were made. Due to the fact that the involved actors at the administrative level were all representatives of the city council or city departments, decisions could be made quickly in the context of regular meetings of the technical commissions.

The **coordination level** was assured by an external consulting company contracted by the city. It consisted of the project management including the economic and technical management and sponsorship. It also included the mediation between the administrative and operative levels and the compilation and publishing of the documentation on project progress.

The **working level** was composed of the contractors and other actors such as the planners and project controllers. It also included the future tenants of the building, sectoral planning

departments and the interested members of the public. On the working level, workshops and task groups for different themes about the future use and organisation of the building took place.

The key success factors of the project were the good controlling and coordination done by the project management as well as the co-operation between the three levels of the project organisation: the city council (strategic), the project management (linkage between the strategic and operative level) and the redevelopment agency (operational).

The information and publicity measures required in relation to the contribution of the EU Structural Funds provided a guideline for the public relations activities within this project. Besides the citizens' fora, club events in the *Wasserbau* and information sheets, press releases as well as a homepage were used. This was completed by an intensive and goal-oriented ongoing debate with representatives from the business sector and the city council. The annual evaluation of the project was carried out by a consulting company in cooperation with the federal authority in Chemnitz.

3.3. Governance: partnership and leadership

The idea of the project was developed by the mayor and the city council of Flöha. Behind the idea to revitalise the *Wasserbau* was the overall aim of the city to rehabilitate the brownfield site starting from the old cotton mill and the *Wasserbau* building as a flagship project to develop the area into a new city centre for Flöha. Political support by the city was given right from the beginning. The mayor and the city council were one of the key actors in the partnership of the project. Together with the external project management and the redevelopment agency they formed the core group of the project partnership. One of the city officials characterised these partners as the three columns of the project and noted that without the good co-operation and coordination of these columns the project would not have been as successful whereby the external project management had a central position. The project management was the link between the city council and its numerous departments (financing, planning, culture, etc.) on the decision level and the redevelopment agency on the operational level. The project management coordinated the co-operation between the many partners (municipal departments, future tenants, citizens, etc), organised workshops, was responsible for public relations (including the establishment of a neighbourhood office on the site to inform interested citizens) and, when required, acted the problem-solver.

In addition to the core group, further actors were included at various stages in the project. These were on the one hand the planners (architects, interior designer) and construction companies and, on the other hand, the future tenants of the building (district savings bank of Freiberg, the associations, the city and district library and their employees) as well as interested citizens. The project and its realisation was discussed in several workshops and the ideas of the future tenants and citizens were taken on board. Due to this participatory process, the acceptance for the project among the citizens and other interested actors was secured not only for the first phase but also for future phases of the conversion.

3.4. Innovative elements and novel approaches to implementation

One of the novel approaches of the project was to secure the tenancy of the building before the conversion work was started. Thus, 100% of the usage of the building was guaranteed beforehand which was crucial for the later success of the project. The fact that the project was so successful made it a flagship project for the whole region and drew interest from further investors and other interested parties to the area.

A further innovative element was the continuous involvement of the general public as well as the future tenants of the building at every stage in the project. Due to the fact that (a) the revitalisation of the brownfield site was a central topic of the city and (b) the new use of the building foresaw areas for private and public purposes, the interest of the public was raised. To ensure a good participation, several information sheets were produced and club events held during the realisation phase. Furthermore, a neighbourhood office was installed on the project site. These measures proved very effective. They secured the acceptance of the project among the general public for the conversion of the cotton spinning mill site and for future developments. This is very important because the conversion of the *Wasserbau* was planned as a first step in the revitalisation of the whole brownfield site.

3.5. Key implementation obstacles and problem-solving practices

Overall, the project ran very smoothly and there were very few obstacles to implementation. One problem worth mentioning in the development phase of the project was the large amount of coordination needed to secure the 25% national co-financing due to the fact that the responsibilities on federal level for the co-financing were not clear during the application process. Since the negotiations lasted so long, the city of Flöha decided to start the conversion without any final warranty from the other administrative levels.

IV. Key results

The conversion of the *Wasserbau* combines a number of different fields and sectors of activity into one holistic urban planning project. Results can be found in the following fields:

Industrial heritage

The area and the buildings constitute an important industrial monument for the city of Flöha. Through the ERDF co-financed the rehabilitation and conversion, the brownfield site could be saved from dereliction and preserved in a productive way for future generations. In concrete terms, about 5,203m² building space as well as 0.6 ha of road-, trade-, and recreation area were rehabilitated.

Urban planning

The rehabilitation and conversion of the *Wasserbau* building was the starting shot for the conversion of the 6.5 ha wide brownfield of the former cotton mill. It is planned to develop this area into the new city centre of Flöha. Through the revitalisation of the prominent brownfield, the urbanistic situation including transport and other links between the different areas of the city could be improved. This in turn improved the living situation of the residents.

Economic

With the conversion of the *Wasserbau*, the city of Flöha could handle the demand for new office space in the city. Already during the planning phase of the conversion of the brownfield, discussions were held with the district savings bank of Freiberg which was searching for a new location for their credit department. A commitment on future tenancy could be agreed with the district savings bank before the beginning of the conversion work thus securing the future use of the building. The credit department of the bank is now located on the first floor of the *Wasserbau*. Due to its relocation, about 100 new jobs could be created/safeguarded.: Furthermore, the prompt putting into use of the *Wasserbau* encouraged the interest of further potential tenants and investors for other parts of the site.

Social and cultural

In addition to the economic benefits of the brownfield conversion project, the urban and regional community also profited. About 3,145m² of space for social and cultural organisations and events was created. The ground floor provides rooms for clubs and associations which needed a central location. Furthermore, access to culture and education was facilitated due to the installation and expansion of the city library into a district library on the upper floor of the building. The *Wasserbau* also houses a multipurpose hall for cultural events. This is not only used by the people from Flöha, but also by people from the whole region. The building has been made accessible to people with disabilities and older people as well, e.g. through the installation of an elevator.

Regional Development

With the rehabilitation of the *Wasserbau*, supply functions in the field of economic, social and cultural infrastructure were provided not only to Flöha but also to the whole rural district. Particularly through the provision of facilities for the district library, Flöha fulfils demands and supply needs in the field of education for the whole region and thereby supports the endogenous development as a rural (development) pole. The new facilities and offers have contributed to the improvement of the quality of life in the city and the region as a whole and could also contribute to an attenuation of migration and the movement of jobs and labour to other regions.

V. Sustainability and transferability

5.1. Sustainability

The rehabilitation and conversion of *Wasserbau* was the successful starting point for further projects on the brownfield site of the old cotton spinning mill. The city of Flöha aims to develop the area into the new city centre. Subsequently, the area should provide the infrastructure for trade, culture and recreation and – due to the function of Flöha as district centre capital – further services for the city and its hinterland (retail industry, cultural and social facilities and medical facilities like a specialised medical centre). Developing the new centre also has the positive effect of creating a stronger connection between the two neighbourhoods split by the river Zschopau. Without the revitalisation of the site, the two neighbourhoods would be further separated not only by the river, but also by the unused brownfield.

It is therefore planned to rehabilitate further buildings on the brownfield site in the medium term and to put them to a new use. The initial planning has already started and negotiations are being held between the city of Flöha and an investor for the building called '*Neubau*'. The investor was attracted by the positive image of the converted *Wasserbau*. An application for the funding of the conversion of the building '*Altbau 1867*' has been applied for in the framework of the ERDF Programme 'Sustainable urban development' 2007-2013. The aim of the latter project is to create a day care facility for children. Moreover, areas for retail and medical services for the city and the region are planned in the long-term.

5.2. Transferability

The rehabilitation and conversion of brownfields and industrial heritage is an option for every region and city which possesses an industrial heritage that is worth preserving and wishes to provide areas for business and trade as well as for community services with the ultimate aim of improving the working and living situation of the population and thus curb depopulation and demographic change.

The experience of the *Wasserbau* project showed that it is recommended to clarify and secure the future use of the building at an early stage to avoid the building standing vacant after conversion. A further lesson from the *Wasserbau* conversion which is of relevance to the transferability of the project to other towns and cities is the necessity to carry out an analysis of the local needs and demands so that the sustainable use of the rehabilitated buildings and areas is tailored to the needs. This assumes, like in the *Wasserbau* project, widespread and successful public relations activities.

VI. Conclusions: Main success factors

During the planning and implementation of the *Wasserbau* project the following four factors were crucial for the success:

- **Flagship project approach:** The implementation of the project was the starting point for the conservation and rehabilitation of a landmarked industrial wasteland combined with the development of a new city centre for Flöha but with positive effects for the whole rural district (e.g. in the field of social and education infrastructure). The success factor was the fact that the project was not a one-off measure but a strategic project for the town and its surroundings.
- **Win-win solution:** The project addressed two issues at once. It not only saved the industrial heritage of the city and improved its urban and regional development, but also secured new jobs due to the establishment of the district savings bank of Freiberg and new facilities for the community. This integrated approach was a crucial factor in the project's success
- **Economic sustainability:** The pro-active behaviour of the city of Flöha which engaged in preliminary talks with potential future tenants has led to the fact that the future tenants for the converted building were established before the construction started. This course of action was positively evaluated by the tenants and should be repeated in the development of the other buildings on the brownfield site in order to avoid vacancy.
- **Participation:** The early integration of the general public in the first discussions and planning process for the brownfield improved the acceptance of the project and the support for future projects.

VII. Contact details

Contact details

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Relevant (project) websites

<http://www.stadtnetz-sachsen.de/pages/staedte/floeha/floeha.htm>

<http://www.floeha.de/content/view/102/91/1/1/>

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