

## LEIPZIG, GERMANY

BACKGROUND INFORMATION	
<b>PROJECT TITLE</b>	ERDF Project 1: Baumwollspinnerei – Fassadensanierung und Fenster Halle 14 (cotton mill – renovation of facade and windows) ERDF Project 2: Baumwollspinnerei – Kreative Spinner – Ausbau Kursraum (cotton mill – creation of a training room) Case study title: 'Crazy ideas in the spinning mill'
<b>Beneficiary</b>	City of Leipzig
<b>Duration of project</b>	Project 1: 08/2009 – 03/2010 (8 months) Project 2: 02/2010 – 06/2010 (5 months) N.B. The actual implementation of the two projects only covered about half of the indicated time as the 'official' duration also includes time for project preparation and accounting (e.g. for project 2 no longer than two and a half months).
<b>Member State</b>	Germany, Saxony (Sachsen), Leipzig
<b>Geographic size</b>	522 883 inhabitants (31/12/2010) Functional urban area (agglomeration Leipzig-Halle): 1 021 250 inhabitants.
<b>Funding</b>	Project 1: total costs: 302 828 €, thereof 225 000 € ERDF and 77 828 € city funding Project 2: total costs: 70 666 €, thereof 53 000 € ERDF and 17 666 € city funding
<b>Operational Programme</b>	Regional ERDF Operational Programme of the Free State of Saxony for the Convergence objective 2007-2013 (,Operationelles Programm des Freistaats Sachsen für den Europäischen Fonds für regionale Entwicklung (ERDF) im Ziel ‚Konvergenz‘ in der Förderperiode 2007-2013‘ CCI no : 2007DE161PO004 Last decision : K/2011/2887
<b>Managing Authority</b>	Saxonian State Ministry for the Economy, Labour and Mobility (Sächsisches Staatsministerium für Wirtschaft, Arbeit und Verkehr), Postfach 10 03 29, D-01073 Dresden  The Managing Authority is part of the regional government (Free State of Saxony). Urban development actions fall within the competence of the Saxonian State Ministry of the Interior which acts as an intermediate body within the ROP. The two projects were carried out in co-operation between the intermediate body and the city of Leipzig.
<b>Cohesion Policy Obj.</b>	Convergence (the Leipzig region falls under 'phasing-out' provisions)
<b>Main reason for Highlighting this case</b>	The Halle 14 project is part of a large brownfield regeneration project, namely the reconversion of Europe's (once) largest cotton mill complex in Leipzig. It is an excellent example of how brownfield development and creative industries can be used as impetus in a wider urban regeneration context. The approach of using derelict land and widely abandoned buildings for new, sustainable growth ties this project to the Europe 2020 flagship initiative for a resource-efficient Europe which identifies the recycling of land as one of the pathways for greater resource efficiency.
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<b>Keywords/Tags</b>	Urban renewal, culture

**1. PROJECT DESCRIPTION**

<p><b>Overall objective / goals</b></p>	<p>Main objective of the city and the project promoter was to regenerate the historical (and listed) Halle 14 building as an impetus for the wider Baumwollspinnerei re-development project. The latter is an important part of the city's efforts for more sustainable economic growth.</p> <p>The centrally located Halle 14 building was in a precarious state (water leaks, no heating, crumbling façade and damaged windows). In order to support the (existing) efforts made by the owner and by non-profit organisations in the Halle 14 building, the city of Leipzig – supported by the European Regional Development Fund – helped in renovating the building's façade and windows as well as creating a 'training room' for cultural/artistic purposes. This includes various activities for local communities, particularly for children and young people.</p> <p>The five-storey industrial building with a total of 20 000 m<sup>2</sup> is located at the site of the former 'Leipzig Cotton Mill' (Leipziger Baumwollspinnerei). Since the beginning of the 1990s, artists and others involved in the creative sector have built a productive and lively community at this location. It is renowned for being the home of the 'Neue Leipziger Schule' (new school of Leipzig) of German painter Neo Rauch. As an independent art centre, Halle 14 should contrast with the now successful galleries and commercial creative companies by serving as a centre for non-profit organisations and young artists. Regular exhibitions, an art library, the art education programme 'Kreative Spinner', the scholarship programme Studio14 and the Lounge14 discussion series form elements of the wider Halle 14 project.</p> <p>The building is owned by the private 'Spinnerei' company (Leipziger Baumwollspinnerei Verwaltungsgesellschaft mbH) which received all local and ERDF investment from the city on condition that it maintained a non-profit use for at least 15 years (agreement in the land registry). In addition to delegating grants to the owner, the city of Leipzig also included the 'Halle 14 e.V.' (NGO) for running the projects.</p> <p>The cotton mill site has a total size of around 100 000 m<sup>2</sup> and is home to approx. 600 jobs, mostly in the creative sector. The site was the location of a cotton mill company established in the second half of the 19<sup>th</sup> century and which used the raw material supplied from the former 'German East Africa' (until 1914). Under the communist regime (GDR), mostly cord material for tires was produced on-site. In 1989, there were still around 4.000 workers. Throughout its decline in the 1990's, the entire complex was in industrial use. In 2000, it was purchased by an investor (the predecessor of the current owner) and has slowly transformed into an 'art district' ever since. Apart from a few smaller (and mostly more recent) buildings, the 'ensemble' of buildings stayed intact.</p>
<p><b>Description of activities</b></p>	<p>The ERDF co-financed two construction projects, both serving the purpose of rehabilitating the run-down Halle 14 building.</p> <ul style="list-style-type: none"> <li>• For project 1, the renovation of the building's façade and windows: physical regeneration of the façade and of windows which partially needed to be replaced by new ones. Given the historical character of the building and its listed status, it was the project promoter's intention to not to add any new (or modern) elements but to restore the original elements (esp. windows).</li> <li>• For project 2, the creation of a two-storey training room comprising the transformation of the former women's bath into a modern space, partial demolition of ceilings and walls, installation of electricity wires and heating pipes, furniture.</li> <li>• Activities carried out in both projects were targeted to recreate the energy performance of the building by closing any unnecessary openings to the outside, by constructing an intact façade and by</li> </ul>

	<p>replacing damaged windows.</p> <p>In addition to the two ERDF projects, the following activities were carried out:</p> <ul style="list-style-type: none"> <li>• Renovation of the roof (investment of approx. 1 mio. €)</li> <li>• Adaption of the interior to modern standards (fire security, heating) (investment of approx. 1.5 mio. €).</li> </ul> <p>Both actions were financed from national, regional and local funding and private investment and helped achieving modern energy efficiency standards for the building</p>
<b>Recipients</b>	Local artists and cultural sector workers, the owner, local communities (esp. for activities in the training room – project 2), the wider population (as potential visitors of the Halle 14).
<b>Mainstreaming of gender equality and non-discrimination</b>	Gender equality and non-discrimination issues have been taken into account in the design and planning of the project. The projects, especially the training room (project 2), are open to local communities and used for trainings and community activities for up to 40 persons. Children and young people are explicitly mentioned as potential users in the project application. However, no explicit focus was put on gender mainstreaming or the targeted activation of migrant groups. The latter are of minor importance in Leipzig's demographic situation (4.9% in 2010).
<b>Intended outputs and results</b>	<p>The two ERDF projects located at Halle 14 had the following intended results:</p> <ul style="list-style-type: none"> <li>• Renovation of the building's façade and windows: physical regeneration of the façade and windows; partial replacement of windows</li> <li>• Creation of a two-storey training room for community use: construction of a 280m<sup>2</sup> space in the Halle 14 building</li> </ul> <p>In doing so, the project promoters hoped to set important impulses for the necessary renovation and future functioning of the Halle 14 building. Both projects were intended to re-create a favourable energy performance of the building and to significantly improve energy efficiency parameters. Due to the construction method used for the building no additional insulation techniques needed to be used. (for the background see section 3.1 – consideration of energy efficiency)</p>
<b>2. POLITICAL AND STRATEGIC CONTEXT</b>	
<b>National and regional framework for implementing ERDF funded urban development projects</b>	<p>The German National Strategic Reference Framework (NSRF 2007-2013) forms the national framework for ERDF funded urban investment and defines that EU funding will be invested in four strategic objectives:</p> <ol style="list-style-type: none"> <li>1. Innovation and development of the knowledge-based society as well as strengthening the competitiveness of the economy.</li> <li>2. Increasing the attractiveness of regions for investors and citizens through sustainable regional development.</li> <li>3. More and better jobs.</li> <li>4. Developing regions to promote opportunities and reduce differences (Territorial priority/objective).</li> </ol> <p>In addition to these four 'vertical' objectives, the German NSRF also identifies three 'horizontal' objectives which should be respected in all four vertical priorities. Sustainable urban development is defined as one of these three horizontal objectives (in addition to equal opportunities and the environment).</p> <p>The Regional Operational Programme for Saxony (2007-2013) falls under the "convergence" objective, including areas qualifying for transitional</p>

	<p>assistance ('phasing out'). The overall budget of the programme comprises some 4 124 million €, EU assistance from the ERDF amounting to approximately 3 091 million € (roughly 11.74 % of all the EU funding invested in Germany under cohesion policies over the period 2007-2013). Urban actions are mainly carried out under the programme's priority axis 5 ('expansion and improvement of the infrastructure to permit sustainable economic growth'). The quality of infrastructure in Saxony as a location for enterprises is to be enhanced by stimulating sustainable urban development, the revitalisation of former industrial sites and conversion zones (brownfield development), together with investment in environmental protection, in renewable forms of energy and in flood protection.</p> <p>In addition to sectoral action, the programme puts specific emphasis on integrated urban regeneration in a selected number of Saxonian cities. These cities were selected on the basis of a regional competition. In summer 2008 an open call for integrated concepts was launched by the intermediate body with the objective to establish a list of 24 cities. From 35 applications, 23 were finally approved. A total amount of 107 mio. € was approved for these concepts which had to indicate an integrated strategy, fields of action, financing and partnership arrangements. The integrated concepts constitute a financial and thematic framework for action between 2009 and 2012. However, projects still require approval by regional authorities. The city of Leipzig applied for three neighbourhood programmes of which two were approved by the Managing Authority.</p>
The planning context	<p>One of the approved applications was the 'integrated concept for action in the west of Leipzig' (updated version of 13 March 2009) which covers parts of three western city districts (339.4 ha) forms the basis for ERDF interventions in the area. They cover a total amount of 5 mio. €, thereof 3.75 mio. € from the ERDF. It describes:</p> <ul style="list-style-type: none"> <li>• the socio-economic situation of the target area</li> <li>• five areas for action (infrastructure, civil society, leisure activities, economy, public relations) and implementation strategies, including financing</li> <li>• partnership arrangements and involved public and private bodies</li> </ul> <p>Both projects have been developed within this framework.</p> <p>This integrated concept is based on the integrated urban development concept for Leipzig (2008) and the update of the conceptual urban neighbourhood plan for the west of Leipzig (2007). It also builds upon the Operational Programme for URBAN II in Leipzig (2000-2006) which included a similar target area (excluding the cotton mill site however).</p> <p>In the concept, the cotton mill site was identified both as a central location for rehabilitating parts of the target area (quality of urban fabric) and as a nucleus for creative industries in the city. A new 'connection' between the city and its rather isolated (and partly gated) Baumwollspinnerei complex is considered as important impetus to achieve green, creative growth.</p>
<b>3. IMPLEMENTATION</b>	
<b>3.1. PROJECT DESIGN AND PLANNING</b>	<p><b>Project idea</b></p> <p>The idea for refurbishing the Halle 14 building came from the project promoter (NGO Halle 14 e.V.) and the owner of the entire complex (the privately-owned Spinnerei – Leipziger Baumwollspinnerei Verwaltungsgesellschaft mbH.)</p>
	<p><b>Needs assessment and analysis</b></p> <p>A needs assessment was included in the 'integrated concept for action in the west of Leipzig' and identified the project as vital for developing the urban fabric of the target area and creative industries in Leipzig.</p>
	<p><b>Selection by the Managing Authority</b></p>

The ERDF funded projects were part of the 'integrated concept for action in the west of Leipzig' which also constitutes a thematic pre-approval of the projects. The detailed project applications still required approval by the regional 'approval authority' which carried out a financial and thematic check of the applications.

#### **Consideration of risks in the selection process**

A risk assessment was carried out as part of the project application process. As the project was already in a mature state (the works on the roof had already been in progress), no potential risks for implementing the foreseen project activities were identified.

The risk that the owner of the building could stop the envisaged non-profit use of the building in the near future (by e.g. transforming it into a commercial art gallery) was tackled by introducing a legal agreement between the city of Leipzig and the owner. This agreement which is part of the land registry states that the non-profit use of the Halle 14 building needs to be maintained for at least 15 years after start of the project (2009). Breaching the agreement would result in a repayment of the grants for both projects (ERDF and city funding)

#### **Consideration of sustainability, results exploitation and transferability**

The sustainability of the investment (in a non-profit use) was ensured by a legal agreement (see above).

The exploitation and transfer of results was not (originally) foreseen in the project design phase. However, the responsible funding providers recognised the importance of the project for other, similar actions.

#### **Consideration of energy efficiency**

Despite being over a hundred years old, all buildings of the Cotton mill site show a remarkably good energy performance (according to conducted evaluations). This is linked to the original construction method. One-meter-thick, solid brick walls and double glazed windows should keep the temperature in the production halls at a constant temperature of around 23 degrees throughout the year. These high temperatures were necessary to optimally produce cords and fabrics from cotton. In addition, the price of cotton could be determined only at specific levels of humidity – and therefore temperature. Still today, cotton trade uses standard temperatures to assure the maximum water content – wet or humid cotton would weigh more than dry cotton and could be sold for higher prices. The main task to maintain/achieve a good energy performance of The Halle 14 building was therefore to ensure that all openings (esp. windows) and the façade were intact (the roof was renovated in a separate project).

#### **Role of EU support**

The two ERDF-funded parts of the Halle 14 project played an important role in rehabilitating the building. The ERDF was an important source of finance which was needed to close a financing gap and to ensure a non-profit use of the building.

#### **Other funds**

For renovating the Halle 14 building and in addition to the two described ERDF projects, a wide range of funding from different sources has been used:

- Renovation of the roof: German programme for urban renewal in former East-German Länder, sourced from national, regional and local public funding as well as private investment (Stadtumbau-Ost) and national employment creation programme (Arbeitsbeschaffungsmaßnahme)
- Adaption of the interior to modern standards (fire security, heating) German programme for urban renewal in former East-German Länder (Stadtumbau Ost)

	<ul style="list-style-type: none"> <li>• Day-to-day management of the building: national ESF programme, pilot-project for adapting workforce, two jobs – duration of three years (Kommunal Kombi-Stelle), acquired by the project promoter (Halle 14 e.V.)</li> <li>• Transnational exchanges: ERDF – European Territorial Co-operation, transnational programme ‘Central Europe’, project ‘Second Chance – from industrial use to creative impulse’, acquired by the project promoter (Halle 14 e.V.)</li> </ul> <p><b>Additional remark</b></p> <p>In 2007, the city of Leipzig and the Free State of Saxony signed an agreement to set up a JESSICA fund for regenerating the Halle 14 building and another building of the Cotton mill complex (Halle 7). The idea was to use the profit from commercially used Halle 7 to regenerate the non-profit Halle 14 and to create a sustainable source of financing for the target area. However, the initiative failed to succeed due to legal issues. The ‘reserved’ budget from the operational programme will now be used for a second ‘JESSICA attempt’ in Leipzig’s harbour area.</p>
<p><b>3.2. MANAGEMENT, MONITORING AND EVALUATION SYSTEM</b></p>	<p><b>Selection of project manager</b></p> <p>The project manager was appointed by the project promoter (Halle 14 e.V.)</p> <p><b>Management structure</b></p> <p>The construction project was led by the later user, the Halle 14 e.V. It operated in close co-operation with the owner of the building. In official terms, the city of Leipzig was leading the project but delegated it to the Halle 14 e.V.</p> <p>Therefore, the city also appears as the final beneficiary (after EU legislation) of the ERDF funding. A clause in the land registry (legal agreement) ensures that the building will be used according to the city’s intentions (non-profit, local community use) for the next 15 years (starting in 2009).</p> <p>Throughout the implementation period of the construction projects, the following number of persons were <b>working full-time</b> on the project:</p> <ul style="list-style-type: none"> <li>• Project 1: Renovation of the building’s façade and windows: 7 persons for 5 months (net duration of construction works)</li> <li>• Project 2: Creation of a two-storey training room: approx. 10 persons for 2.5 months (net duration of construction works)</li> </ul> <p>The running costs of the Halle 14 building are not part of the funding, nor are they financed by the city (Halle 14 e.V. and the owner are responsible) Currently, one person is working full-time for the networking part of the project (centre management)</p> <p><b>Steering groups</b></p> <p>No specific steering groups were set up for the projects, mainly due to the short duration of the projects and the resulting frequent interaction between partners.</p> <p><b>Monitoring</b></p> <p>The work progress of the construction works were closely followed by the responsible city department. Frequent accounting (as a basis for paying out grants to the project promoter) ensured close and effective monitoring.</p> <p><b>Evaluation</b></p> <p>No evaluation of the project and its impact has yet been conducted. The city of Leipzig is planning to conduct an evaluation of the entire integrated concept for the west of Leipzig in the next two years.</p>

	<p><b>Quantified targets, performance indicators</b></p> <p>Quantitative targets for the construction works were defined in the project application (m<sup>2</sup> of refurbished space, regenerated façade and windows). However, they fail to capture the impact on the area or the use of the building.</p> <p><b>Overcoming obstacles</b></p> <ul style="list-style-type: none"> <li>• Ownership/beneficiary of ERDF funding. As the building is owned by a private investor, the city first needed to ensure that the funding would be used for dedicated purposes only – and over a longer period of time. For legal reasons, the (private) owner could not act as a beneficiary under rules of the Saxonian ERDF ROP. This challenge was tackled by a legal agreement (in the land registry) which will guarantee a non-profit use of the Halle 14 building for at least 15 years starting in 2009.</li> <li>• Available budget/standards of refurbishment. This challenge was linked to the size of the building which would ‘eat up’ subsidies and investment if renovated at highest standards. Therefore, the decision was taken to go for a low-key approach which left most of the building’s fabric untouched and only replaced the really necessary parts (e.g. old windows only replaced where absolutely needed).</li> <li>• Time/Delays in the construction process: Due to an unusually cold winter, the works on the façade and the windows needed to be interrupted for several weeks, causing a small delay in the process. The funding duration therefore needed to be extended.</li> </ul> <p><b>Coordination with other EU funds</b></p> <p>As the ESF investment was not related to the physical regeneration of the building and related to a different final beneficiary, no specific coordination was necessary.</p>
<p><b>3.3 GOVERNANCE: PARTNERSHIP, PARTICIPATION AND EMPOWERMENT</b></p>	<p><b>Composition of the partnership</b></p> <p>The two ERDF projects involved the following range of partners, including public authorities as well as NGOs and a private investor:</p> <p>Project promoter:</p> <ul style="list-style-type: none"> <li>• Halle 14 e.V. (NGO)</li> </ul> <p>Public authorities involved</p> <ul style="list-style-type: none"> <li>• City of Leipzig, department for urban renewal and funding for housing</li> <li>• Free State of Saxony, ministry of the interior</li> </ul> <p>Private companies involved</p> <ul style="list-style-type: none"> <li>• Spinnerei company (Leipziger Baumwollspinnerei Verwaltungsgesellschaft mbH)</li> </ul> <p>NGOs – Involved as users</p> <ul style="list-style-type: none"> <li>• Federkiel Foundation: This Berlin-based foundation established in 2000, follows the aim of fostering creative initiatives and supporting contemporary arts projects. It is actively working on the cotton mill site in coordinating exhibitions and public events at Halle 14, including art-oriented educational activities for children and elderly people. Stiftung Federkiel also participates in the management and decision-making process together with the artists’ community.</li> </ul> <p><b>Roles of partners</b></p> <ul style="list-style-type: none"> <li>• Funding provider: Saxonian ERDF Managing Authority (for providing EU co-financing), city of Leipzig (for providing local co-financing)</li> </ul>

- Final beneficiary: city of Leipzig
- Implementation of the projects: Halle 14 e.V. (NGO)
- End-user: Artists, local communities in the area, local communities, the wider public
- Architecture/planning of the renovation works: quartier vier – architect Kim Wortelkamp
- Expertise provider: Halle 14 e.V. and the owner (Spinnerei company)
- Inspirational/creative contribution: Halle 14 e.V., Federkiel Foundation and other NGOs, the owner

#### **Involvement of the public**

The entire 'package' of ERDF funding for the western part of Leipzig has been designed in a participative and open manner. The city authority held regular 'citizens roundtables' in which the ERDF investment strategy was designed. This included the Halle 14 project which then later formed one element in the integrated concept for action.

The two Halle 14 ERDF projects were designed in close co-operation with the later NGO user (Halle 14 e.V.) who is rooted in the neighbourhood and is also tied to other non-profit organisations in the area. These aspects ensured a high degree of public involvement and civic empowerment.

#### **Role of the city administration**

The city administration played a central role in securing financing for the projects. This is complemented by its role as implementing body of urban regeneration activities in the western part of Leipzig. It is also responsible for allocating ERDF funding in the geographical area.

#### **Leadership in the process**

The project was led by Halle 14 e.V. which was responsible for contracting all works. It was strongly supported by the designated architect, Kim Wortelkamp who coordinated the physical works on the construction site.

#### **Political support**

From the 'integrated concept for the west of Leipzig' to the two concrete ERDF projects in the Halle 14 building, efforts to regenerate the target area were supported by the political (city) level.

#### **Innovative elements of the partnership**

- The role of the city as project leader and final beneficiary of ERDF funding was entirely delegated to an NGO (Halle 14 e.V.). The NGO acted on the city's behalf and was entrusted with the project implementation. This can be considered as rather 'unconventional' in the context of German public administration and illustrates a high level of trust and good cooperation between the city and the NGO.
- The non-profit use of the building and the 'guarantee' that the owner would use the building only for defined purposes were settled in a legal agreement (clause in land registry).
- The city pays for no further costs which have to be taken care of by the NGO and the user. Particularly in times of budgetary restrictions, the question of maintenance costs for public investment is highly relevant in Germany. By reaching an agreement with the user of the building, the city could – despite having a semi-public use of the building – avoid further costs.

## **4. INNOVATIVE ELEMENTS AND NOVEL APPROACHES**

<b>4.1 INNOVATION</b>	<p><b>Project design, planning and management</b></p> <ul style="list-style-type: none"> <li>• Demand-driven, ‘step-by-step’ approach: the renovation is part of a larger initiative to rehabilitate the cotton mill site. New buildings are only renovated once demand is high enough and a suitable use can be guaranteed. Instead of rehabilitating the site in one ‘big bang’ – and the financial risks connected to this – Halle 14 is one piece in a puzzle which makes its (modest but important) contribution to rehabilitating the site.</li> <li>• Low-cost rehabilitation: Instead of going for up-market, polished renovation, the project promoter went for low-cost rehabilitation – doing only the necessary to get the building up to standard and leaving its rather rough character. This helped to save money but was also intended – in the sense the ‘wild’ image of the site should be retained.</li> <li>• Non-profit use of the building to contrast commercial use: This aspect is considered as vital by all stakeholders, the city, the owner and the user. Profits from other parts of the site help maintaining and developing a specific programme for the Halle 14 building.</li> </ul>
	<p><b>Communication and dissemination</b></p> <ul style="list-style-type: none"> <li>• Maintaining the creative spirit in the artist community by establishing a non-profit platform for arts: The use of the building should support the site’s image as a young and ‘wild’ artistic European hotspot. Avoiding that increasingly successful galleries and artists turn the site into an up-market location is at the core of this consideration.</li> <li>• Communicating artistic ‘values’ to young people: The new training room should ensure that young people from Leipzig receive better training in arts and creative industries. The service provider tries to support young talent and to professionalise the understanding of the artistic sector ‘Being an artist is a profession not a hobby’. It also brings young people closer to artistic values and discusses possible future choices for jobs.</li> </ul>
	<p><b>Exploitation of results</b></p> <ul style="list-style-type: none"> <li>• The on-going communication of results within the region (initial stage, rather informal) and at European level (‘Second change’ co-operation project) might lead to similar projects (see section 6.2 on ‘transferability’).</li> </ul>
	<p><b>Initiator of new approaches – comparison to previous practices</b></p> <p>Initiating innovative approaches:</p> <ul style="list-style-type: none"> <li>• Establishing a creative, non-profit platform for arts to contrast the commercial use on the site: Halle 14 e.V. and the owner. The owner showed profound conviction that such a platform is needed to keep up the young and creative image of the cotton mill site and was therefore also willing to invest in the project.</li> <li>• Outreach to young people: Kreative Spinner e.V., an NGO specialised in arts education and training with the objective to support and professionalise artistic talent</li> <li>• Step-by-step approach in the rehabilitation: owner and city of Leipzig</li> </ul> <p>Comparison to previous practice:</p> <p>In contrast to previous projects, an NGO played a central role in implementing the ERDF projects on the site. Also, demand-driven, ‘step by step’ differs from other projects in the region where too large estates (and too high sums of investment) sometimes lead to difficulties in terms of financial sustainability and usability (too much offer).</p>

<b>4.2 THEMATIC FOCUS</b>	<p><b>EU2020 sustainable growth</b></p> <p>Under the Europe 2020 strategy the flagship initiative for a resource-efficient Europe points the way towards sustainable growth and supports a shift towards a resource-efficient, low-carbon economy. One of the building blocks of this initiative is the Commission’s Roadmap for a resource-efficient Europe (Communication adopted on 20 September 2011, COM (2011) 571 final) which includes brownfield development as one of the pathways to higher levels of resource efficiency.</p> <p>Accordingly, brownfield development is also included in the investment priorities for future cohesion policy (Article 5 of the draft regulation, investment priority (6): protecting the environment and promoting resource efficiency, (e) action to improve the urban environment, including regeneration of brownfield sites and reduction of air pollution).</p> <p>Overall, academic literature identifies the reuse of land within the urban areas as preferable to development at low density on greenfield sites in and beyond the urban fringe. Greenfield sites are often more attractive to developers and carry less commercial risk. There is thus a danger that economic growth will favour loose knitted, decentralised patterns of development that will work against the EU’s 20-20-20 targets and increase rather than contain the ecological footprint of territories (ESPON 2011).</p>
<b>5. FUNDING</b>	
	<p><b>ERDF funding</b>  Total: 278 000 €  For project 1: 225 000 €  For project 2: 53 000 €</p> <p><b>National funding (local: city of Leipzig):</b>  Total: 95 494 €  For project 1: 77 828 €  For project 2: 17 666 €</p> <p><b>Annual allocation of ERDF funding</b>  Project 1:  2009: 170 279 €  2010: 0 €  2011: 54 720 €  Project 2:  2009: 0 €  2010: 51 662 €  2011: 1 337 €</p> <p><b>Revenue-generating projects</b>  N/A</p> <p><b>Private sector leverage</b>  N/A</p>
<b>6. PROJECT ASSESSMENT</b>	
<b>6.1. FINANCIAL SUSTAINABILITY</b>	<p><b>Continuity</b></p> <p>The project did not start in a previous funding phase and will not require investment in the next programming period.</p>

<p><b>6.2. TRANSFERABILITY</b></p>	<p><b>Mainstreaming</b> The project did not start as a pilot action or action plan (e.g. URBAN, EQUAL, URBACT) before being picked up by a mainstream ERDF (or ESF) programme.</p> <p><b>Transferability</b> Regional transferability: The intermediate body for urban actions in the Saxonian ROP recognises the model of the Halle 14 project (and the cotton mill regeneration as such) as good practice in brownfield regeneration. As the region of Saxony has a large number of brownfields (and a specific emphasis in the ROP), it is likely that the demand-based, ‘step-by-step’ approach will be used more in the future. Other examples from the region demonstrate that too large projects usually have more problems in terms of usability (no renters) and financial stability (no rent income, too large investment needs). European transferability: The user of the building currently participates in a transnational ETC project (Central Europe Programme, project ‘Second chance – from industrial use to creative impulse’) where it can be expected that the experience from Leipzig will be transferred to other participating cities.</p>
<p><b>6.3 ISSUES AND PROBLEMS</b></p>	<p>One of the issues which needed to be resolved for the project was the ownership of the building. Centrally located on the cotton mill site, the city had high interest in a renovation of the building. However, as it is owned by a private investor, the city first needed to ensure that the funding would be used for dedicated purposes only. This challenge was tackled by a legal agreement (in the land registry) which will guarantee a non-profit use of the Halle 14 building for at least 15 years starting in 2009.</p> <p>Another challenge was linked to the size of the building which would ‘eat up’ subsidies and investment if renovated at highest standards. Therefore, the decision was taken to go for a low-key approach which left most of the building’s fabric untouched and only replaced the really necessary parts (e.g. old windows only replaced where absolutely needed). This helped both keeping the ‘original’ (rough) impression of an (abandoned) industrial building and reducing costs.</p>
<p><b>6.4 PROJECT OUTPUTS &amp; RESULTS</b></p>	<p>The two ERDF projects both achieved the envisaged results in terms of use and in quantitative terms. They were both completed well within the given project duration.</p> <p>In the wider context of the cotton mill complex, they contributed to the goal of opening the complex for non-profit use. While the Halle 14 building is run by the Halle 14 e.V., the training room is now home to the ‘Kreative Spinner e.V.’ NGO. All floors of the building are used for non-profit purposes: the ground floor for a library and a visitors’ centre, the training room as well as an exhibition space; the other floors for either temporary exhibitions or storage. Interviewees described the work of the associations in the building as enriching and crucial for the future functioning of the site (function as non-commercial creative platform to contrast commercial galleries).</p> <p>The potentially weakest impact is visible in the context of the surrounding urban area where the cotton mill site (and its Halle 14 building) is still rather isolated. However, this (physical) isolation is linked to the site’s former industrial use – and a certain intended exclusivity for artistic use. The most visible upgrading though was achieved through existing cooperation between the NGOs in the Halle 14 building – and those in the neighbouring districts. Also, local schools make frequent use of the offers for additional artistic training in the newly built training room. In a wider sense, interviewees also mentioned that many of the cultural workers on the site would now live in the area around.</p> <p>An assessment of how the ERDF projects impacted on the urban situation in the west of Leipzig is foreseen within the next two years.</p>

## 7. CONCLUSIONS: KEY SUCCESS FACTORS AND LESSONS LEARNED

Overall, the project analysis revealed the following five key success factors from which other cities could learn and profit:

1. A step-by-step approach is sometimes smarter than a big-bang. The former cotton mills complex is, due to its sheer size and need for physical regeneration, a major challenge for every investor. Tackling this aspect with a demand-based, step-by-step approach proved to be a smart solution. Also to go for non-polished and yet performing options could reduce potentially (very) high costs. The Halle 14 is an excellent example for this approach. With this strategy, the financial risks for the investor and supporting public bodies are comparatively limited – both by spreading investment/funding over years (possibly even decades) and by avoiding renovated but empty buildings with high maintenance costs. The impulses for the regeneration of the entire neighbourhood appear to be sustainable – guaranteeing slower, but constant green growth.
2. Integrated urban regeneration requires time, joint efforts and patience:  
A joint vision of private and public bodies for the regeneration of the entire neighbourhood is the foundation of all rehabilitation activities on the cotton mill area. This strongly integrative process is based on mutual trust and support. Also, both sides are aware that sustainability of investment and action is more important than quick profit.
3. The cultural sector can make a difference in urban regeneration: Halle 14 and other buildings on the cotton mill area use the ‘creative power’ of its users – and the cultural sector. It made the area a unique, clearly positioned location for arts (and related professions) which produces numerous, positive socio-economic side-effects in and around the area. Today, around 600 persons work at the site. Effects in the wider neighbourhood are already visible with a growing number of cultural workers living in the area and an increasingly vibrant cultural (and economic) scene.
4. Global-local: A local intervention of importance:  
With its position as one of Europe’s largest (and most renowned) artistic sites, the cotton mill project also helped re-inventing Leipzig’s global image. Around 150 000 (mostly) well-paying tourists come to the galleries’ events every year and contribute to improving the city’s economic performance. Halle 14 as a non-profit art location plays a central role in maintaining the site’s image as a centre for the young and the creative. As a ‘laboratory for new things’, it contrasts and complements commercial galleries. It also opens up the cotton mill for a wider public as ateliers and workshops are usually not publically accessible.
5. Exclusivity and diversity:  
The management of the site is very keen on keeping up the site’s reputation of high quality art production. Ateliers and workspace are rented out to artists who are selected based on their (current and expected) artistic importance – partly by active recruitment via art academies and universities. Assuring this ‘exclusivity’ appears as a key factor in ensuring the site’s long-term artistic success. This is contrasted by the fact that buildings on the fringe of the site are rented out to commercial users without specific, thematic requirements (IT, call-center e.g.). For the private owner these very diverse companies are a steady source of income for the owners which helps them in keeping rents for artists comparatively low and supporting a non-profit building such as Halle 14.

<b>8. FURTHER INFORMATION</b>	
Bibliography	<p><b>Website on the project</b>  <a href="http://www.spinnerei.de/">http://www.spinnerei.de/</a>  <a href="http://www.halle14.org/">http://www.halle14.org/</a>  <a href="http://www.halle14.org/die-halle/sanierung-und-umnutzung.html">http://www.halle14.org/die-halle/sanierung-und-umnutzung.html</a>  <a href="http://www.leipzig.de/de/buerger/newsarchiv/2009/15852.shtml">http://www.leipzig.de/de/buerger/newsarchiv/2009/15852.shtml</a></p> <p><b>Project 'Second Chance'</b>  <a href="http://www.central2013.eu/nc/central-projects/approved-projects/funded-projects/?tx_fundedprojects_pi1[project]=71&amp;PHPSESSID=874e1f0e316e6fb58168e5a849404936">http://www.central2013.eu/nc/central-projects/approved-projects/funded-projects/?tx_fundedprojects_pi1[project]=71&amp;PHPSESSID=874e1f0e316e6fb58168e5a849404936</a>  <a href="http://www.secondchanceproject.eu/static/start.php">http://www.secondchanceproject.eu/static/start.php</a></p> <p><b>Leipzig statistics</b>  <a href="http://www.leipzig.de/imperia/md/content/12_statistik-und-wahlen/lz_fb_migranten.pdf">http://www.leipzig.de/imperia/md/content/12_statistik-und-wahlen/lz_fb_migranten.pdf</a></p> <p><b>Sustainable growth in Europe</b>          ESPON 2011:  <a href="http://www.espon.eu/export/sites/default/Documents/Publications/Synthesis_Report/FirstOctober10/sustainable_europe.pdf">http://www.espon.eu/export/sites/default/Documents/Publications/Synthesis_Report/FirstOctober10/sustainable_europe.pdf</a>  <a href="http://ec.europa.eu/environment/resource_efficiency/index_en.htm">http://ec.europa.eu/environment/resource_efficiency/index_en.htm</a></p> <p><b>Draft regulations 2014-2020</b>  <a href="http://www.interact-eu.net/downloads/4522/Regulation_Proposal___ERDF___6.10.2011.pdf">http://www.interact-eu.net/downloads/4522/Regulation_Proposal___ERDF___6.10.2011.pdf</a></p>
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