

Riga, Latvia

0. BACKGROUND INFORMATION	
PROJECT TITLE	Maskavas, Krasta and Turgēneva Street block revitalisation of derelict areas
Duration of project	October 2010 to December 2013. Duration: 39 months. Initially the project was planned to end in April 2013, but the duration was prolonged by eight months.
Member State	Latvia, Riga
Funding	Total budget: €7 033 425 ERDF contribution: €3 628 323 City budget: €3 357 977
Cohesion Policy Objective	Convergence
Main reason for Highlighting this case	<p>The case presents the project in relation to the overall development of a derelict area in the very centre of Riga – the so called Spīķeri¹ block that is located between Maskavas, Krasta and Turgēneva Streets with one part of the block bordering the heavily-trafficked road that runs on the bank of the river Daugava.</p> <p>The project demonstrates integrated urban development through: (1) revitalisation of the territory including improvement of infrastructure and socio-economic development; (2) interweaving of environmental, economic, social and cultural aspects; and (3) effective public-private partnership.</p> <p>The project aims directly at developing infrastructure thus providing the basis for the sustainable and integrated urban development of the derelict area, in line with the integrated development strategies of the City of Riga and the Development Strategy of Spīķeri Block developed by private stakeholders.</p> <p>Reconstruction of the block includes substantial adjustments of the urban environment – making the land and riverbank accessible and safe, and developing a port which can be further used as part of the public water-transport system in the city. By renting out space the block hosts more than 20 organisations – private enterprises and non-governmental organisations (NGOs) – operating in the fields of culture, design, entertainment, food and services. In future the block aims to become a centre of creative industries of the Baltic Sea Region.</p> <p>The public partners involved in its development are Riga City Council and the ministries of the Republic of Latvia, while the private partners are mainly owners of the buildings in the block and their tenants – enterprises and NGOs. Both public and private partners have been actively involved in the development of the project idea and Spīķeri Block as such.</p>
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¹ *Spīķeri* means ‘warehouses’. The area has consisted largely of warehouses since the 14th century. The 13 warehouses in the area, now on the UNESCO World Heritage list, were built in the 19th century.

1. PROJECT DESCRIPTION

Overall objective / goals:

The project aims to revitalise the derelict area between Maskavas, Krasta and Turgēneva streets in the Maskavas suburb of the city of Riga and the adjoining bank of the river Daugava, by making it into a public area of culture, education and entertainment for inhabitants and guests of the city.

During the soviet era it served as a military base for the Soviet Army; it was however not actively used for this purpose and became rather derelict. After Latvia gained its independence in 1991, it became state property and part of it was and still is used by the City of Riga as a night market. At the same time most of the warehouse buildings were privatised and have now been renovated by their private owners.

This project focuses on restoring the public part of the infrastructure of the Spīķeri Block. The two specific objectives of the project are to (1) develop the technical design for the area's improvement and (2) reconstruct the block by demolishing temporary buildings and fences and reconstructing the block – all to contribute to its upgrading into a safe and attractive place. In addition, the project also foresees the reconstruction of the adjacent bank of the river Daugava, improving its accessibility.

The project is based on the Development Strategy of the City of Riga up to 2025 in general and the Development Programme of the City of Riga 2010-2013 in particular, contributing to the overall aim of the latter: 'Riga – City of Opportunities'. The planning documents of the City of Riga mention the project area as being one of the most derelict and at the same time one with the most development potential.

Besides the city development plans, the private partners of the Spīķeri Block have elaborated the strategy for further development of the block until 2030, outlining the following objectives:

- promote international recognition of the Spīķeri Block as a centre of culture and creative industries;
- develop high-quality public space within the Spīķeri Block and on the bank of the River Daugava;
- develop a high-quality environment for work, socialising, culture and sport activities, leisure time for children and youth, and recreation;
- develop tourism activities in the Spīķeri Block.

With these overall and specific objectives, the project contributes equally to the successful implementation of both the Development Strategy of the City of Riga up to 2025 and the Development Strategy of the Spīķeri Block up to 2030.

Description of activities:

The project mainly foresees activities improving the infrastructure of the block. They are divided into two interconnected blocks, i.e. (1) development of the technical aspects required for improvement of the infrastructure; and (2) reconstruction works of the block area. The project has started the first block of work, the development and approval of the technical aspect of the reconstruction work. Based on this, the second block of work will be implemented by demolishing the temporary buildings and fences, and reconstructing the bank of the river Daugava by improving footpaths and cycle paths to give easier and safer access.

The selected project activities have been developed on the basis of research and

	<p>studies carried out previously by public and private stakeholders of the Spīķeri Block. They provide the infrastructural basis for its further socio-economic development in accordance with the planning documents of the City of Riga and the Development Strategy of the Spīķeri Block.</p> <p>The project's activities supplement other 'hard' investments in the improvement of the buildings in the block, mainly carried out by their private owners. These measures are accompanied by 'soft' activities which breathe life into the block. These include various one-off and ongoing activities in the field of culture, education, entertainment and services, organised by the existing tenants. They include two museums, three bistros/restaurants, five organisations related to music – concert hall, choir, orchestra, recording studio and info centre, one theatre, etc.</p>
Beneficiaries:	<p>The direct beneficiaries of the project are organisations registered and operating in the Spīķeri Block including 60 enterprises with a total of 300 employees as well as NGOs.</p> <p>Indirect beneficiaries of the project are inhabitants of and visitors to the city of Riga. Although the project is not aimed at specific target groups of the population, it considers different specific needs. For example, it will make the Spīķeri Block and the bank of the River Daugava physically accessible for disabled and elderly people, as well as families with small children. The block also hosts the Ghetto and Latvian Holocaust Museum and offers various activities ranging from innovative food to classical music. 'Tolerance is what we have learnt by our rich history. The strategic approach of the project is only to provide the possibilities.'²</p> <p>The same target groups will also benefit from other development activities carried out in the block. This will especially concern enterprises operating in the field of creative industries since the Spīķeri Block aims to become its centre.</p>
Main results:	<p>At the moment of writing this case study, the project has only partly been implemented, achieving the first of its goals: the development of the technical analysis of the Spīķeri Block's reconstruction. During the development process the architects involved suggested additional possibilities for improvement of the block. This required additional financing for the reconstruction works and this was provided by Riga City Council from its own budget.</p> <p>The reconstruction part of the project – being the main tangible result of this project – intends to produce the following results:</p> <ul style="list-style-type: none"> • 2 908 m³ of temporary buildings and c. 200 m of fencing demolished; • The reconstruction of the bank of the River Daugava including an underground tunnel, stairs, wall of 800 m² along the road with heavy traffic; • 7 000 m² of improved footpaths and cycle paths; • The greening of the redeveloped area.
Expected impact:	<p>It is expected that the project will revitalise the former derelict area of the Spīķeri Block into a modern public space for culture, education and entertainment. In particular, the project will have the following impact:</p> <ul style="list-style-type: none"> • increase the proportion of good quality infrastructure in the block from 30%

² From the interview with the representative of the company 'Spīķeri' company, which owns most of the warehouses (two buildings are owned by the municipality) and of NGO 'Rīgas Spīķeri' held in Riga, Maskavas street 4, 9 March 2012

	<p>to 90%, and investments from €165 628 before the project to € 25.6 million after its implementation;</p> <ul style="list-style-type: none"> • raise the attractiveness and competitiveness of the block, increasing the number of enterprises registered and operating in it from 40 before the project to 60 after it. The number of employees in the block will rise from 50 to 300; • increase the proportion of adequate and good quality pedestrian and cycle paths in the block and adjacent area from 40% to 90%, which will additionally intensify its flow of visitors; • reconstruction of the underground tunnel will increase safety on the heavily-trafficked road between the River Daugava and the Spīķeri Block, reducing the number of road accidents and violations of the traffic rules in the block and adjacent area from 1 263 to 1 200; • indirect beneficiaries of the project – Riga’s inhabitants and visitors – will gain access to the bank of the River Daugava and to historical architectural monuments (UNESCO World Heritage listed) and various activities in the field of culture, education and entertainment provided by the Spīķeri Block.
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2. POLITICAL AND STRATEGIC CONTEXT

<p>The planning context</p>	<p>Development of the Spīķeri Block, currently one of the most derelict areas in the centre of Riga, is set out as a priority in (1) the Development Programme of Riga 2010-2013 and (2) the Territorial Plan of Riga 2006-2018. Both documents contribute to the achievement of the long-term Development Strategy of Riga till 2025. Thus the project is clearly aligned with the planning documents of the city of Riga.</p> <p>It should also be mentioned that Riga has been nominated as a European Capital of Culture for 2014 and the project, through its investments, is also contributing to preparing the city for this role. Back in 13 November 2008 the Ministry of Culture of the Republic of Latvia signed the protocol of intent with Riga City Council regarding Riga 2014 as the culture and innovation centre of the Baltic Sea Region. Among other things this protocol foresees investments in developing the Spīķeri Block as one of the key elements for improving the city’s ambience.</p> <p>Besides the public planning documents, the Development Strategy of the Spīķeri Block developed by its private stakeholders sets out the vision, priorities, measures and positioning of the block in the future landscape of Riga, Latvia and Europe.</p>
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3. IMPLEMENTATION

<p>3.1. PROJECT DESIGN AND PLANNING</p>	<p>The project idea was developed by Riga City Council following the overall development process of the Spīķeri Block.</p> <p>Discussions between private and public partners on developing the Spīķeri Block started in 2005. At that time the area between the central market and the bank of the River Daugava, located near the main traffic junctions, was derelict, while the buildings in the area as such were (and still are) brick-built art nouveau architectural monuments that are UNESCO listed as part of old Riga. The land is owned by the City of Riga, but most of the buildings are owned by the private company ‘Spīķeri’. Over the time ‘Spīķeri’ together with the other tenants of the block – enterprises and NGOs – have established an NGO ‘Rīgas Spīķeri’ that represents the interests of the private partners in relation to various development</p>
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activities in the block.

In 2006 'Rīgas Spīķeri' organised an international workshop-competition for architects to find out the best urban construction solution for the Spīķeri Block. The idea developed by the Norwegian company Snøhetta – 'Preserve Everything! Demolish Nothing!' – was selected as the winning proposal among the seven others by the evaluation committee composed of representatives of the private partners, the departments of transport and city development, the head architect of the Riga City Council and the State Inspection for Heritage Protection of the Republic of Latvia. Besides, a public opinion poll was carried out revealing that 92% of the surveyed inhabitants of Riga supported the idea of developing a more active social life on the bank of the River Daugava along the Spīķeri Block. Most of the respondents preferred various cultural and entertainment activities as opposed to a shopping area (only 2% of the respondents).

In 2007 Riga City Council included the idea in its internal project management system.

In 2008 'Rīgas Spīķeri' and Riga City Council organised an international seminar with the participation of 11 experienced architects and urban planning specialists – three from Germany, one from Belgium, one from Norway and six from Latvia – to discuss and develop the concept of revitalisation of the Spīķeri Block. The concept included the composition of public space, united functional planning of the bank of the River Daugava and infrastructure for pedestrian and bike paths.

In 2009 Riga City Council supported the idea of this project for implementation and included the Spīķeri Block among four derelict areas in the Revitalisation Programme of Derelict Buildings and Areas of Riga City.

In 2010 the project was elaborated by Riga City Council, submitted for ERDF funding and approved by the Ministry of Regional Development and Local Governments of the Republic of Latvia.

In general, the project is in line with the overall development of the area. Specifically, it is based on the outcome of the seminars involving the architects and urban planners carried out in 2006 and 2008 as well as the public poll in 2006.

In addition, in 2010 Riga City Council developed the feasibility study for implementation of this project.

The managing authority selected the project within the restricted call for proposals of the programme 'Infrastructure and Services', priority 3.6. 'Polycentric Development', measure 3.6.1. 'Support for Sustainable Development of Urban Regions', sub-activity 3.6.1.2. 'Sustainable Development of Riga City'. The main criterion behind the selection of the project was to achieve the aim of the sub-activity – to revitalise derelict areas of Riga in line with the integrated development programme of the city, thus enhancing the preconditions for the socio-economic development of the capital of Latvia.

Riga City Council developed a total of four project ideas corresponding to this aim, also included in the Revitalisation Programme of Derelict Buildings and Areas of Riga City. Due to the financial constraints of sub-activity 3.6.1.2, the council had to choose two out of these four ideas to submit for ERDF financing. The two ideas that had the broadest group of beneficiaries benefitting from development of the derelict area – inhabitants, employees, enterprises and visitors – were selected for ERDF co-financing. The non-selected projects had enterprises as their only beneficiaries.

This project was supported by Riga City Council also because of the following advantages:

- the legal status and the property rights of the buildings and the land are clear;
- the future development of the block is supported by the active involvement of private stakeholders.

The project itself does not involve any major risks. The minor potential risks foreseen during the design of the project included changes in the legislation on public procurement and an increase in construction costs.

To allow for the project to carry out all construction work in accordance with the innovative architectural design and technical specifications, its duration has been prolonged by eight months.

Since the project mainly includes activities related to the improvement of the block's infrastructure, following the ERDF requirements it takes into account factors related to environmental sustainability. The project's results will be exploited and transferred in a way that will provide a sound infrastructural basis for the development of various types of 'soft' activities in the block.

The overall development of the Spīķeri Block demonstrates an innovative approach in fostering the urban development of the area, turning it into oasis of creative industries through joint public-private actions. Even though this approach has not been specifically designed as a model transferable for wider application, it has potential to contribute to urban planning as a local role model.

On one hand, both public and private partners admit that the project would not be implemented without EU support, since reconstruction of the area's infrastructure is essential for further development of the block. At the same time, it is likely that the private buildings would have been renovated and the block developed somewhat even without the project. However, in this case development of the block 'would be like walking on one leg or flying with one wing'.³ In other words, it would result in having renovated buildings surrounded by dereliction.

On the other hand, Riga City Council was financially able to reallocate extra funding for the project during its implementation amounting to more than €2.7 million or 75% of the ERDF funds granted. Therefore, in principle it would have been possible to reconstruct the block without the support of ERDF or with a lower cofinancing ratio, but this would have prevented the achievement of both financial and time frame results.

This project is financed only by ERDF and Riga City Council's budget. At the same time the overall development of the Spīķeri Block involves a number of different funding sources attracted by the city (project CO₂OL Bricks funded by the Baltic Sea Region Programme 2007-2013), private owners of the buildings (Programme for Support of Private Owners of Cultural Heritage Objectives financed by ERDF) and by the tenants of the block – enterprises and NGOs – through various small scale 'soft' projects funded by the EEA-Norway Financial Instrument, the Ministry of Culture of the Republic of Latvia, the State Culture Capital Foundation, Riga City Council and private commercial banks.

³ dittoRīgas

	<p>All these projects are supplementing each other following the development strategy of the Spīķeri Block and do not overlap, owing to the clear division of ownership, interests and functions of different stakeholders within the block. They also contribute to the development of the Spīķeri Block and Riga as the European Capital of Culture in 2014.</p>
<p>3.2. MANAGEMENT, MONITORING AND EVALUATION SYSTEM</p>	<p>The project manager and his deputy are employees of Riga City Council. As this is a large-scale project, the most experienced staff members were chosen to develop and implement the project. During the project period, the project manager was replaced by his deputy and a new deputy was recruited in accordance with the staffing policy of Riga City Council.</p> <p>The overall development of the Spīķeri Block does not involve any contracted staff for management of the process. Both public and private stakeholders collaborate in developing and implementing particular activities. However, the chairman of the NGO 'Rīgas Spīķeri' and the private company 'Spīķeri', who is also the owner of most of the buildings in the block, is the most active manager of the development process.</p> <p>The management structure of the project consists of the project manager and his deputy. Both of them participate in the project activities and, if needed, one can replace the other.</p> <p>The development team of the Spīķeri Block consists of two main actors: the city and private stakeholders. Tasks are divided among different departments of the city according to their function, whereas the tasks of the private partners are in practice performed according to the specific interests of each partner. There is no clear management structure or described responsibilities of the parties involved. At the same time constant cooperation and the flow of information among the involved parties ensure a well-coordinated and integrated approach.</p> <p>Management of the project is assured within the work load of the staff of Riga City Council without any specific calculation of person-months.</p> <p>A similar approach is also applied for the overall development of the Spīķeri Block – representatives of the NGO and private companies develop and implement their ideas within their existing workload without any specific calculation of time put in or defined responsibilities.</p> <p>Private stakeholders have a necessity to hire people to deal specifically with the integrated development of the block, which is impossible at the moment owing to lack of financial resources. These people could work on developing various 'soft' projects contributing to the achievement of the strategic goals more effectively.</p> <p>The project's steering group is composed of three representatives of different units of Riga City Council – the City Development Department (responsible for implementation of the project), the Executive Board of East Riga (owner of the project results after its completion) and the City Development Committee (assuring a link with the city's political level). The project manager reports to the steering group once every six months.</p> <p>Integrated development of the Spīķeri Block is assured by ongoing communication among the public and private stakeholders. The NGO 'Rīgas Spīķeri' organises meetings once every six months where the private partners get an update on the status of the development.</p> <p>At the programme level, the project is monitored by the managing authority – the</p>

	<p>Ministry of Environmental Protection and Regional Development (the Ministry of Regional Development and Local Governments by 2011). The project reports on its implementation status and the results achieved as against the original project plan and any deviations from it to the ministry each half-year. The annual reports also include information as to the project's contribution to equal opportunities, information society and sustainable development.</p> <p>At the project level, internal monitoring of its implementation is assured by the project manager and the steering group through bi-annual meetings.</p> <p>Monitoring of the integrated development process of the Spīķeri Block involves Riga City Council, the Ministry of Culture of the Republic of Latvia, tenants – enterprises and NGOs – of the Spīķeri Block, opinions of Riga's inhabitants and visitors, specific experts and statistical data.</p> <p>Evaluation of the project will be carried out at the end of the project and up to 2025 following the indicators and self-evaluation system as set out in the feasibility study.</p> <p>Evaluation of development of the City of Riga including the Spīķeri Block is carried out annually according to the Long-Term Development Strategy of Riga up to 2025. These evaluation reports, including a short description of the project, are publicly available (http://sus.lv/files/Parskats_strategija_2010.pdf).</p> <p>No evaluation of the implementation of the Development Strategy of the Spīķeri Block in 2011 has yet been carried out.</p> <p>The results of both the project and the development of the City of Riga are evaluated using a self-evaluation system assessing the actions versus the defined quantified targets and performance indicators as stipulated in the project's feasibility study and Riga's Long-Term Development Strategy up to 2025.</p> <p>Evaluation of the Development Strategy of the Spīķeri Block will be carried out based on the performance indicators.</p> <p>The only unexpected change during implementation of the project was the change of the project manager. It did not cause any obstacles to the smooth implementation of the project, since two people – the manager and his deputy – were equally involved in the project management. Therefore, the manager was easily replaced by his deputy.</p> <p>The project is financed only by the ERDF, whereas the various, mainly 'soft' activities of the Spīķeri Block have attracted funding from various donors including European Territorial Cooperation programmes, EEA grant, and national public and private funds. All projects are designed following the joint development strategy of the block, thus ensuring complementarity and sustainability. They are mostly implemented by various actors of the block whose activities are coordinated during the bi-annual meetings.</p>
<p>3.4. GOVERNANCE: PARTNERSHIP, PARTICIPATION AND EMPOWERMENT</p>	<p>The project is solely developed and implemented by Riga City Council. The steering group of the project involves three different units of Riga City Council: the City Development Department being responsible for implementation of the project, the Executive Board of East Riga being responsible for maintenance of the project results after its completion and the Committee of City Development ensuring the project's link with the political level of the city.</p>

Development of the Spīķeri Block involves a public-private partnership between Riga City Council representing the city and NGO 'Rīgas Spīķeri' representing the private owners of the buildings and the tenants – enterprises and NGOs – of the block.

Since the Spīķeri block will act as one of the cultural spots in the framework of Riga as the European Capital of Culture in 2014, the Ministry of Culture of the Republic of Latvia has also been involved in the public partnership documented by the protocol of intent signed between Riga City Council and the ministry.

In addition, the architects – involved in the development of the Spīķeri block through participation in seminars in 2006 and 2008 – could also be considered as a wider element of the partnership contributing professional analysis and ideas for the urban development of the area.

Public and private partners are equally interested in developing the block. Therefore inspiration and creative contribution to the project can be considered as initiated by both – NGO 'Rīgas Spīķeri' (representing the private partners) and the City of Riga. Taking into account the complex nature of the project area – some of the buildings are UNESCO-listed architectural monuments – the external expertise of architects and urban planners was invited to develop the project idea through the organisation of two international seminars.

The activity and high motivation of the private stakeholders was the crucial reason this project idea was chosen by Riga City Council for further development and attraction of ERDF cofinancing.

For the overall development of the Spīķeri Block, Riga City Council is particularly responsible for the infrastructure and one building it owns. This building will be developed as a centre providing information on the city's services. The private owners of the buildings of the block invest in renovating them, whereas the tenants fill these buildings with activities, cultural events and services.

The tenants are involved in the project through their membership of the 'umbrella' NGO 'Rīgas Spīķeri'. For the project, Riga City Council organises public consultations with the participation of 'Rīgas Spīķeri' where the opinion of tenants is noted and taken into account during the project implementation. For example, the block's technical aspects were adjusted to the needs of the tenants.

The project has also taken into account the opinion of the project's indirect beneficiaries – the inhabitants of Riga. The block and the adjoining riverbank have been developed as an area for culture, entertainment, education and recreation, following the results of a public poll carried out in 2006.

The City of Riga has, in particular, been the main driving force behind the regeneration of the Spīķeri Block's derelict area and public property. The council initiated the project, attracted ERDF cofinancing and assured its own financing for its entire implementation, resulting in the complete improvement of the block's public infrastructure.

Leadership and steering of the project was ensured through the internal cooperation of different units of Riga City Council.

Leadership and steering of the integrated development of the Spīķeri Block is assured in equal co-leadership between public and private stakeholders.

The project was initiated in 2005 under the leadership of three different political groups within Riga City Council and equally well supported by each of them. The

	<p>project's steering group also involves a member of Riga Development Committee representing the political level of the city.</p> <p>Political support on the national level has changed over the years mainly as a result of heavy state budget cuts during the downturn of the national economy. This has frozen many good development ideas especially in the fields of culture, creative industries and entertainment in Latvia.</p> <p>The innovative aspect of the project is a proactive involvement of private stakeholders ensuring a transparent and easy to implement public-private partnership. The activity of private partners also ensures better sustainability of the project results achieved by the public partner.</p> <p>The Spīķeri Block is developing in parallel with nine other urban regeneration blocks of creative industries in Riga – all having the same approach to public-private partnership. Development of these blocks has become a rather innovative urban development feature in Riga. This case study represents a novelty which at the same time is already becoming a common trend in the urban development of Riga.</p>
4. INNOVATIVE ELEMENTS AND NOVEL APPROACHES	
	<p>In general, the methods and system of implementation of the project use common internal procedures of Riga City Council. At the same time it uses a new approach of active involvement by private partners, allowing them to initiate and define the strategic directions of the project and other development activities. The private owners of the buildings use the same approach towards the activities of their tenants – enterprises and NGOs – by creating opportunities instead of taking measures.</p> <p>Information on the project's implementation and its results are disseminated on the internet and in local newspapers using methods used in project management in Riga City Council.</p> <p>A new approach in disseminating the results of the development is that there is no particular need to take any specific information measures at all since the events organised in the Spīķeri Block 'speak for themselves', i.e., culture and entertainment activities are already attracting more and more visitors, people see the smooth development of the block and support investment to improve the area even further.</p> <p>The project has not yet been completed, but the aim that the block should become a centre of creative industries in the Baltic Sea Region makes it interesting to track and exploit the results in the future.</p> <p>Operational public-private partnership is a new approach for Latvia. According to national legislation, public-private partnership is based on public procurement and is established with the aim of providing public services or construction works. The case of Spīķeri Block brings a new understanding of the term, i.e. it is not legally binding, each partner has its own individual targets and achieving these depends on and is interlinked with the success of other partners.</p>
4.1. KEY IMPLEMENTATION CHALLENGES	<p>At the moment of writing this case study the project has only been partly implemented, i.e. the technical aspects have been developed whereas the reconstruction works will start in the spring of 2012. So far no obvious resistance or obstacles have been encountered. The main challenge was to identify an extra</p>

AND PROBLEM- SOLVING PRACTICES	€2.5 million for the reconstruction works not foreseen in the original budget, but which appeared during the technical development. In principle, it would have been possible to fully implement the project, achieving the initially desired results, without this additional funding; however, the extra funds would allow the area to be revitalised at an even higher quality level than originally planned.
4.2. THEMATIC FOCUS	<p>Implementation of sustainable integrated urban development operations under Article 8 of the 2007-13 ERDF Regulation</p> <p>The main features of the case study in relation to Article 8 are:</p> <ul style="list-style-type: none"> • integrity of the project with the overall development strategy of the block and the city, as well as contributing to preparatory measures for Riga as a European Capital of Culture in 2014; • integration of different kinds of cultural and socio-economic projects with the reconstruction activities in the block and allowing for them to run in parallel; • hosting of cultural non-profit organisations and businesses in one block thus ensuring diversity, but at the same time keeping the thematic linkage with creative industries; • linking the block to the adjacent area of the bank of the River Daugava in terms of infrastructure; • inventing a new approach and practice of public-private partnership with equal responsibilities and involvement of both parties. <p>Successful implementation of the project and development of the block will demonstrate new possibilities for urban development of the derelict areas of Riga. It will contribute to the development of the Spīķeri Block as the centre of creative industries in the Baltic Sea Region, as well as development of public water-transport system on the River Daugava.</p> <p>The project is only cofinanced by ERDF, which is contributing €3 628 323. Initially this constituted 84% of the total budget of €4.32m. During the course of the project the total costs increased to €7m, decreasing the ERDF contribution to 52%. The increase was made by Riga City Council raising its contribution from €0.64m to €3.36m. It constitutes only 0.5% of the city's total annual budget. Taking into account that the project is implemented over the period of more than 3 years, this percentage of the city's annual budget is even smaller.</p> <p>This project will take investment in the regeneration of the Spīķeri Block up to a total of €25m.</p> <p>The public funding invested did not generate any private sector leverage. At the same the private sector has already invested more than €15m in the regeneration of the Spīķeri Block.</p>
5. FUNDING	
	<p>No forecast for the return of funds is expected at the time of writing.</p> <p>After completion this project will provide the basic public infrastructure for the Spīķeri Block and as such no specific follow-up is foreseen. At the same time two complementary ERDF-financed projects are under way in parallel with this one:</p> <ul style="list-style-type: none"> • Riga City Council is implementing the project 'CO₂OL Bricks – Climate

	<p>Change, Cultural Heritage & Energy Efficient Monuments' funded by the Baltic Sea Region Programme 2007-2013, which is investing in reconstructing the city-owned building as the block's information centre;</p> <ul style="list-style-type: none"> • 'Rīgas Spīķeri' is implementing the project 'Repairs of the Spīķeri Building including front and external walls' funded by the Programme for Support of Private Owners of Cultural Heritage Buildings, which is investing in the renovation of the walls of one building. <p>Certain kinds of follow-up activities will relate to breathing life into the developed infrastructure of the Spīķeri Block. Since this is already actively done by the tenants through attracting external funding for their various activities, there is no need for any additional measures to be taken.</p> <p>The project was financed and will complete all its activities within the programming period 2007-2013.</p>
6. PROJECT ASSESSMENT	
6.1. SUSTAINABILITY	The project started only as an ERDF-financed activity in urban regeneration without the direct involvement of any other funding instruments.
6.2. TRANSFERABILITY	<p>The main feature applicable to urban development of other areas is the model of public-private partnership that is based on equal motivation and involvement of each party instead of applying a rather formal procurement procedure for selection of the private counterpart. This kind of partnership clearly demonstrates itself as being effective and sustainable, as well as providing visible results. It is only applicable in cases where a private partner demonstrates strong interest and commitment.</p> <p>Another feature that can be transferable to any region concerns the strategic approach to the overall development of the derelict area. Namely, the territory has a strategic development plan that sets out a clear framework for various larger and smaller scale activities that are complementary to each other and allow the involvement of many actors. It also stimulates individual initiatives and gives a certain level of freedom for developers of new ideas. Implementation of the set-up development strategy is coordinated and monitored by an NGO representing the tenants – enterprises and NGOs – of the block.</p>
6.3 PROJECT RESULTS	<p>The project will result in developed public infrastructure of the Spīķeri Block including equipped pedestrian and cycle paths, as well as linking the block with the adjacent bank of the river Daugava. This investment amounts to €7m and constitutes only 28% of the total funds invested in the revitalisation of the block by private partners and other funding programmes.</p> <p>At the same time this is the most vital investment for making significant improvements to the area and making it more user-friendly, safe and attractive for visitors, as well as attracting more tenants – enterprises and NGOs working in the field of creative industries. Tenants are extremely important for breathing life into the area by organising various cultural, educational and entertainment activities to attract even more visitors, thus making the whole area a popular recreation artery of the city.</p> <p>The project will also provide a platform for innovative services. For example, the block will have a charging station for electric cars, as well as access to the dock that can be used as a central station for the public water-transport in the city. However the further development of these possibilities will depend on the interest</p>

	<p>of the respective players.</p> <p>The project will also result in a new model of public-private partnership that is based on the principle of co-leadership. In other words, each partner works within its specific field of interest and mandate, whereas the overall strategic questions are discussed among all involved parties to ensure the smooth and coordinated development of the block. This is a valuable experience for the Riga City Council which can be used in other urban development projects.</p>
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7. CONCLUSIONS: KEY SUCCESS FACTORS AND LESSONS LEARNED

	<p>The key success factors of the project are:</p> <ul style="list-style-type: none"> • effective public-private partnership due to clear distinction of ownership, responsibilities and interests of each party; • strategic approach to urban development and regeneration of the derelict area that is fixed in both public and private development strategies that are all supported by the parties involved; • involvement of experts – architects and urban development planners – to find the best, most suitable and innovative solution for the development of the area’s infrastructure; • involvement of the wider public through public opinion polls to check people’s preferences for the result of the regeneration of the block and their expectations as to its fields of operation; • a step-by-step approach in development and implementation of the investment project, starting with the sketch design and feasibility study for upgrading the infrastructure, followed by a detailed technical approach for specific improvements to the infrastructure that is afterwards used as a basis for construction work. <p>The following lessons have been learned during the project’s implementation:</p> <ul style="list-style-type: none"> • A clear division of responsibilities and ownership assures effective public-private partnership, transparency and sustainability of the project results. Understanding of the public-private partnership should be changed from a more formal approach of applying the public procurement process into a more practical way of cooperation and equal co-leadership. • Private initiatives can be used more actively in planning and managing the strategic development of the city, including more active involvement of the private sector in elaborating and implementing EU-funded projects. This provides more sustainable results and reduces resistance to changes in the urban environment. • Regeneration of the derelict area, being a large-scale and complex process, should start with setting out a clear development strategy. This will provide a framework for development of various projects that are complementary to each other, as well as welcoming initiatives and new ideas from any interested player. • It is important to work with the wider public from the very first days of planning regeneration of the derelict area, ensuring a two-way communication process where both stakeholders and public can be active and express their opinions. This will create the public opinion and identity of the area, as well as minimise any public resistance to the changes foreseen. If the development process of the area is deliberate and
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	<p>sequential, no expensive communication is required.</p> <ul style="list-style-type: none"> The detailed technical element should preferably be developed before preparing the project proposal to attract funding, since the total project costs could be much larger than the initial estimate.
8. MORE INFORMATION	
	<p>Riga City Council, Department of City Development, Amatu street 4, Riga LV-1050, Latvia, www.rdpad.lv</p> <p>Project manager: Mr Armands Rabovics, Deputy Head of the International Project Section, tel.: +371 67105565, e-mail: armands.rabovics@riga.lv</p> <p>Links:</p> <p>Website of the project: http://rdpad.lv/services/Projekti/spikeru_projekts/</p> <p>Website of the Spīķeri Block: www.Spīķeri.lv</p> <p>Information about the tenants of the block:</p> <p>http://www.shamir.lv/en/item/156-Rīgas_geto_un_latvijas_holokausta_muzejam_apriteja_1_gads.html</p> <p>http://www.kim.lv/sakumlapa</p> <p>http://dirtydeal.lv/</p> <p>http://www.latvijaskoncerti.lv/</p> <p>http://www.gaismasstils.lv</p> <p>www.galantus.lv</p> <p>www.kmk.lv</p> <p>www.wearein.eu</p> <p>www.mediapool.lv</p> <p>More information at: http://Spīķeri.lv/iemiitnieki</p>
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