



Towards a new set of tools in
Conservation and Urban Renewal

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As Deputy City Engineer and Director of the City Planning Division at the Tel Aviv-Yafo Municipality, I was privileged to head a group of architects and city planners who took part in a tour initiated and funded by the German Foreign Ministry and the Heinrich Boll Foundation. The tour included inspirational sites that illustrate the development of urbanism in Berlin. It dealt with urban development and preservation strategies and, in particular, at sites that have turned into public spaces using different models. The tour touched on issues that also cross our desks daily.

In recent years we have been actively engaged in planning and developing the public space, a large part of which contains historic compounds earmarked for preservation. The search for the right model that can be used to develop them as spaces that contribute to the social-cultural fabric of the city, alongside the financial challenge of maintaining those sites, brings us into contact with different approaches and various tools, some of which we were exposed to during the tour.

While in Berlin, it was possible to sense the contribution made by different cultural endeavors, and in particular those of an independent nature, to the special character of the city. The Tel Aviv-Yafo Municipality recognizes the importance of the city's cultural life, which gives it identity and singularity, in addition to being a vehicle for economic and social development. The city's cultural life is also an important tool that can be used to strengthen more disadvantaged areas and bridge gaps. That recognition is articulated in daily planning, and especially in areas where fringe culture activity and a creative class exist. The Municipality is attempting to facilitate and encourage those kinds of activities by arranging and incorporating them in urban processes and statutory proceedings. The tour in Berlin only deepened our awareness of the contribution made by cultural and artistic endeavors to urban renewal in terms of presence and visibility in the space, fostering the character of the community, and boosting the local economy.

In the course of the tour, we sensed the differences that have a significant impact on urban planning in Tel Aviv-Yafo, and in particular civil society's involvement in setting the agenda of the national and local government. Nevertheless, the similarities stemming from the economic-social challenges were also plain to see, coupled with the cultural and creative atmosphere that both cities offer anyone who spends time in them.

The mix of the group, which brought together "institutional" professionals and those who are active in the community domain, can inspire and motivate the tour participants to implement the subject matter in processes we are engaged in on a daily basis.

I would like to thank the Heinrich Boll Foundation and the German Foreign Ministry for organizing and funding this tour, and the Municipality's Preservation Department for initiating and promoting it and making the necessary arrangements.

Orly Erel

Preface

Sharon Golan

This booklet summarizes a tour held in Berlin at the end of May 2014. The purpose of the tour was to introduce the urban renewal methods currently being promoted in Berlin to a group of decision-makers from the Tel Aviv-Yafo Municipality, experts in urban planning and representatives of social ventures. This initiative was conceived at the Greening the White City conference held in May 2013 in Tel Aviv, where social issues of urban renewal, in general, and of building preservation, in particular, were raised.

In the following chapters we will describe innovative policies and practices in Berlin, and ask how, and if, they can serve as a source of knowledge for the city of Tel Aviv-Yafo, as well as other local authorities in Israel. In so doing, we will keep in mind that the context of policy and policymaking in the city of Berlin is different. Nevertheless, parallels can be drawn because it is evident that urban problems and challenges of a similar nature exist in both Berlin and Tel Aviv-Yafo.

The history of Berlin was always replete with upheavals, and its urban development has consistently been innovative and radical. Berlin can therefore serve as a fruitful platform for planning-related ideas. The start of accelerated development that turned Berlin into a highly regarded metropolis is a relatively new phenomenon compared to other cities in Europe. For the most part, the rapid development began after World War I when a need arose for large-scale housing solutions due to the industrial revolution that brought masses of migrants from the surrounding villages to the city.



Bernauer Park where the border between East and West Berlin once stood

After World War II and until 1990, the city was divided into two parts, east and west, with the western part actually constituting an enclave of West Germany. The fall of the wall in 1989 created numerous development opportunities because the administration buildings that belonged to the two former cities were reduced in half, leaving large buildings unoccupied. Furthermore, substantial land reserves along the route of the wall became available, which were literally located in the center of the city. Those opportunities produced favorable conditions for creative urban development that sought to promote the creative class and foster innovativeness.

Following its unification, Berlin had to tackle heavy debts and multiple economic hardships. Nevertheless, the then Mayor, Klaus Wowereit, claimed: “Berlin is poor, but sexy” – and apparently, he was right. Its population grew by nearly 50,000 residents every year and its economic performance by 17 percent since 2005. The latter can be attributed to Internet media companies and startup companies, as well as international social organizations that chose to make Berlin their headquarters - not to mention the huge number of tourists who visit the city, some of whom even choose to remain there.

About the same time the tour was held in Berlin, a social protest erupted in Israel - called the “Milky (Chocolate Pudding) Protest” - a nickname coined by an Israeli who decided to move to Berlin due to the differences in the cost of living between Israel and Berlin. However, the core of the protest involved a much deeper issue: how to enable not only the very wealthy to live in the city, but also a more diversified socioeconomic mix. According to the Berlin model, not only does the physical space encourage urban development and prosperity, but also the population and the creative class it ushers in with it. As Jane Jacobs, a 20th century contemporary urban planning critic and author of *The Death and Life of Great American Cities*, put it: when “a place becomes boring, even the rich people leave.”

To acquire an in-depth understanding of the preservation and urban development processes in their political context, it is necessary to examine the urban development



Sections of the wall that were preserved as a space to create street art



Hitler's bunker in Berlin

trend that was prevalent in Berlin's Kreuzberg district in the 1980's, which was considered revolutionary at the time. During that period, a policy of “cautious renewal processes” was formulated (for more about the subject, see Chapter 3). The preservation of buildings and neighborhoods in a city derives, first and foremost, from the community's need and recognition of their value. In Berlin, the preservation theory is founded on ‘bottom up’ processes, which essentially seek not only to preserve buildings and their structures, but also the social facet and fabric

associated with those urban structures. “Cautious renewal processes” (as called in the professional jargon in German), or “sustainable urban development” in our language, still have a clear impact on urban renewal processes today, both on the part of the regulatory authorities as well as grassroots social entrepreneurs.

To examine the examples presented to us in Berlin, and in an attempt to determine some of their implications for planning processes in Israel, we must first acknowledge that many disparities exist. They stem from the different planning approaches, some of which are directly affected by planning politics in Israel, on the one hand, and by real estate pressure applied on the city, on the other. The case studies described below and the various planning practices implemented in Berlin should be understood against the backdrop of many cultural differences (at least compared to Israel) that affect the residents' behavior, local initiatives, and the response of the establishment (the Municipality and its officials) to those initiatives. Despite the contextual differences, Berlin and Tel Aviv face similar issues that are essentially related to their rapid urban development. Current socioeconomic processes, both in Berlin and in Tel Aviv, affect the real estate market, produce dramatic rent increases, and cause local residents to be pushed out. All that has a direct impact on the social and class division in the city and poses a fundamental question: how can we facilitate physical urban renewal that is also economically feasible, while taking the residents' needs into account?

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This booklet, supported by the Heinrich Boll Foundation, seeks to inspire city planners, preservationists and local social organizations. By taking a look at the urban planning scene in Berlin, they will be able to acquire alternative tools for use in local planning. The report presented below focuses on different neighborhoods and districts in Berlin. Part of the report refers to historic compounds earmarked for preservation, and part of it to new compounds. However, the report also deals with the issue of their social backdrop. The examples touch on the following topics: how the city of Berlin treats vacant spaces and how it decides what use will be made of them, the existing types of land ownership, examples of grassroots social ventures,

and existing types of alternative cooperatives. And, lastly, an example of temporary uses of unoccupied buildings will be presented as a potential urban renewal tool. I sincerely hope that these topics will enrich the local planning discourse from one that deals with sustainable urban development, to a discourse about cautious urban renewal, as is it known in the Berlin jargon.

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Art and street decorations blur the boundary between the public and the private space

Use of Unoccupied Buildings as a Development and Preservation Tool

Ms. Shira Levy Benyemini

Temporary use of unoccupied or empty buildings and compounds for social and cultural purposes has become a planning tool, formally and informally. The issue of temporary use enable experimental activities, for which a place or expression that met their needs were not always found in formal planning processes

In many European cities, the authorized temporary use of unoccupied buildings and compounds for social and cultural purposes has become a planning tool, formally or informally. Such a step contributes to development that is consistent with the needs of the locale and its surroundings. These temporary uses include, for example, artists who occupy makeshift exhibition spaces, or diverse social activities such as a local arts & crafts fair.

In the majority of the cases, the use stemmed from spontaneous activity that took place at the site, which subsequently was often formalized by the authorities, or simply helped to establish the future use of the site. Places such as Hackney Wick in East London, the Pfefferberg complex in Berlin, the wharf in Amsterdam North and the BIGZ factory building in Belgrade turned the creative temporary uses that existed there into popular cultural hubs that provide an urban alternative to the established cultural centers in the city.

For the most part, the issue of temporary use enabled experimental activities – activities that were not confined to a single planning definition and facilitated the existence of different kinds of marginal groups and excluded communities, for which a place or expression that met their needs were not always found in formal planning processes. This type of use has become popular, witnessed by growing demand for spaces where people can create in the downtowns and outskirts of the city, coupled with the ability of those engaged in the creative activities to adjust to the abandoned properties.



A former gas station now used by the community



A raised bed urban garden planted above polluted land

A large share of the sites that turned into cultural and creative hubs are historic compounds, or those which are earmarked for preservation. This derives from a variety of circumstances associated with the uncertainty regarding the future development of the compounds and the community's need to restore the link with the site, which in the past was connected to its surroundings (whether a factory that supplied employment to workers living in the area or a public institution). On occasion, the temporary use made by that community exposed the physical and social value of the industrial buildings and compounds that previously had been 'transparent' to the public or to the planning institutions.

At those sites intended for public purposes and are scheduled to undergo planning or development, their temporary use for creative needs can be of great assistance in developing the connection and in forming a renewed local identity, while helping to define the suitable for the site.

Examples of temporary uses from the tour in Berlin

ExRotaprint

ExRotaprint is a former industrial facility in Berlin where small printers had been manufactured. Following the reunification of Germany, it became the property of the Berlin Municipality. During that same period, Berlin was tackling an ever-growing municipal debt, and one of the main ways to reduce it was by selling city properties, and in particular ones located in the city center. That policy led to the near wholesale transfer of public land to real estate developers. The ExRotaprint case is a unique example of how a temporary activity that established itself at a site led to determining what future public use would be made of it.

After the public tender for the sale of the land was announced, the existing tenants of the office space at the facility wanted to purchase it in order to preserve and convert the site for communal uses in the neighborhood. Because the area was populated by emigrants from Turkey, there was a desire to create a place for that community.



ExRotaprint

There was also concern that the neighborhood would lose its character and that the same gentrification process found in other city centers would continue.

The group of tenants got together, and with help from some local council members, managed to buy the facility through a Swiss foundation that took out a long-term lease. Even though the purchase was made in a competitive market, the public land was not sold to a speculative buyer, but rather to members of the community, who make use of the site and have developed it for their needs. That sale served the purpose of allocating office space at reasonable prices, and it protected the site from unsuitable development.

Following the above case and the public pressure it generated, the policy governing the sale of municipal properties was revised from one based on 'the highest bidder' to one based on 'the best project.'

The temporary use made of the site after being vacated by its original occupants (a factory that manufactured printers) is essentially what led to determining its permanent use, and to the decision-makers' recognition that, from a planning perspective, the use was good and suited the area. In the absence of the temporary use, it is likely that it would have become just another property that is sold to a developer for building a large residential project in the neighborhood.

The Mauerpark Project

The future of the area situated along the wall that formerly divided the city was unclear. At the beginning of the 1990's, there was a desire to preserve the area as a park. On the other hand, due to the city's growing deficit, most of the land was sold to private owners who promoted land development projects for building homes and hotels. The spontaneous and temporary uses that emerged at the site, including a flea market, street artists, performances and musicians, made it clear to the public and the Municipality that it was highly important to allocate the site for that kind of activity.



Spontaneous creative activities that became organized uses in Mauerpark

Holzmarkt

A timber industry facility on the banks of the Spree River. Until a decade ago, it was not considered a prime location and appealed to social activists and fringe artists, who established a kind of urban commune that relied on the work of the people living there.

The activities were spontaneous and lacked any organized infrastructures, but attracted young people who held special techno parties there, making the local bar one of the leading techno scenes in the world.

Once the area began to attract income-producing real estate developers, the Municipality put the place up for sale under the 'the highest bidder' policy. It also took steps to change the planning designation to an employment and commercial center. The local activists organized quickly and formed a cooperative which hundreds of other activists joined, each purchasing a share according to their ability. To improve their competitive position, they approached an outside foundation to help them raise the remaining required funding, while signing an agreement that allowed the activities at the site to continue for another 100 years. At the same time, they undertook to install the infrastructures on their own, which considerably cut the labor costs in the business plan. Public pressure was also exerted to change the planning designation to culture and in light of that activity, the Municipality bought back some of the land and actually restricted the areas earmarked for real estate development to the outskirts of the park. That step made it possible to continue the cultural activities and the flea market at Mauerpark.

commerce, similar to what had existed until then, while allocating a certain amount of marketable land in order to fund the activity at the site.



Holzmarkt on the river

In the small photo: The temporary facility in Holzmarkt used as a restaurant and a meeting place

At present, the establishment of the cooperative village at the complex is in its execution stage, which essentially will enable artists and groups to rent spaces for a nominal fee that they will set up in temporary buildings as they see fit, while making a contribution to the activity taking place at the site. There is also a vegetarian restaurant in the complex,

run by the members of the cooperative, in addition to a hotel that reflects the spirit of the venue.

Thus, the temporary use that was made of the site for many years, overlooked by the authorities, helped determine the best permanent use for the area, aimed at establishing a unique cultural venue that provides a certain solution to the creative community and the

general public.

From Berlin to Tel Aviv

Based on the three cases presented above, one can see that temporary use of a facility can serve as an excellent strategy for examining the suitable future use of the site.

In Israel, as well, the authorities recognize the contribution temporary use makes to the city and encourage it through the existing regulatory means. Use of public air raid shelters for art-related purposes, or allocating spaces at City Hall for social or cultural uses, are examples of temporary use that is made of facilities owned by the Municipality. Temporary use of properties that are not owned by the Municipality, which are in the interim planning stages of demolition, redesign or construction, can also be feasible if the Municipality encourages it by publicizing the inventory of the sites in question, its involvement in allocating the sites to artists, and granting exemptions or discounts on municipal taxes during the period of temporary use. Thus, if a property owner does not wish to invest in the site due to its physical future, artists or groups of creators just getting started, who have not yet found a permanent place to work, can join forces under the auspices of a municipal authority that makes it possible to maintain fairness and content that contributes to the creative culture in the city.

The "Gabirol" initiative at the Antokolsky-Ibn Gvirol site, whose opening about a year ago was encouraged by the Arts Department at the Tel Aviv-Yafo Municipality, is a model of a privately owned facility which, through cooperation with the local authority, enables groups engaged in art and culture to make use of it for free. That model can be copied and adapted to other privately owned sites that no longer have a permanent use and are scheduled to start planning and construction processes. There are also models of temporary use without the Municipality's intervention, but in order to encourage them, it is advisable to create permanent mechanisms that regulate the activity (in terms of business licensing, reduced municipal taxes, general insurance for events, etc.). Furthermore, to facilitate continued creative fringe activity in the city, it is worth taking the matter one significant step further by establishing a dynamic database of empty industrial and workshop spaces in the city, which the Municipality will enable access to through its website. There are different models for developing information and scheduling databases that encourage similar activity with backing from the local government, such as Meanwhile Space in London and Invisible Zagreb in Croatia.

The Holzmarkt Project

Developing a community complex for culture, employment, art, and crafts

The origin of the name Holzmarkt comes from the timber market formerly located there, from which the idea underlying the project arose: unifying the past – the timber market – with progress, innovative technology and creativity for the benefit of the community.

Where the scar of the wall that divided East and West Berlin is still visible, there are plans to establish a neighborhood that links the city's major and most sought after districts: Kreuzberg, Mitte and Friedrichshain. Holzmarkt is actually an association of residents who aim to unite nature, economics, and culture, producing a place for creative activity in a sustainable and cooperative residential and work environment.

In recent years, the area of the former wall, along the Spree River, has become highly coveted from a real estate perspective. Multi-story construction of office buildings, hotels and upscale housing suddenly sprung up there. At the same time, the area became a hub of conflict between the public interest and that of the developers. In 2008, the conflict reached a peak when a social protest group managed to get 87% of the votes needed to stop strictly for profit construction, under the slogan: "The bank of the Spree River are for everyone."

The ownership of the land was public (owned by the municipal sewerage corporation) and was put up for sale by public tender. The Katerholzig club that occupied the complex temporarily before the public tender for sale of the land was announced, jointly created a model of a cooperative that entailed the purchase of shares by private individuals and bodies, enabling them to take an active part in the decisions affecting the initiative. The group won the tender due to the concept it represented, on the one hand, and for raising the capital from a Swiss foundation, on the other. The initiative was designed to serve the community and create ethical development, but also one that leads to economic renewal. The idea is to attract the creative community in Berlin and create a space where they can gather and develop new ideas, while organizing collectively and pooling resources.

The proposed complex, as outlined in the winning bid, includes a residential village, a local commercial market, an experimental cultural venue open to the public, a restaurant, a hotel, a park with a community garden, a nightclub, and a facility for technology R&D.

Similar to the innovative community development done at the site, the architecture is also designed to reflect its spirit. The architecture is supposed to develop organically and enable a wide range of architectural expressions not planned in advance. All the elements of the project are flexible and reversible. Spaces, buildings and configurations will change constantly and adapt themselves to the community's needs.

New Models of Ownership as a Means to Encourage Fair Housing: The Syndicates in Germany

Dr. Nir Mualam

The syndicates are self-organized groups of residents that facilitate urban renewal and provide reduced rent housing to tenants. The idea is similar to a joint acquisition group that receives financing from a bank and whose members are entitled to earnings on their investment as shareholders in the company.

Self-organized groups of this nature enable their members to live as tenants in the purchased apartments for long periods and at an affordable rent, without the threat of eviction hanging over their head.

Berlin is an excellent example of bottom-up initiatives by residents who self-organized in groups in order to purchase land and buildings, while establishing cooperative communities on and in them. It is a financial, but also a social, undertaking by a group of people who want to live together or enable others to live together in the community, while paying affordable rent. It is called a syndicate (namely, a corporation or Mietshauser Syndikat) - a kind of acquisition group that currently receives generous funding from the financial-banking sector, as well as logistical, professional and legal support from similar self-organized groups throughout Germany. It is important to stress that these self-organized groups are founded on detailed financial calculations which enable the acquisition group to repay the loan they took out from the bank.

There are a large number of syndicates, each of which operates as an autonomous economic-corporate entity. However, many such projects are connected through a social network which includes mutual assistance: thus, a group of residents who purchased a property in the past helps a new group of residents who are joining together to acquire one by providing information and professional assistance. The syndicates located throughout Germany are all incorporated under a kind of umbrella organization of syndicates, which manages a financial aid fund that autonomous syndicates can transfer money to as a donation. Veteran syndicates serve as 'mentors' to the new groups, offer them advice, and even serve as their guarantors when taking out a bank loan. A new self-organized group of residents, which is supported by the syndicates' umbrella organization in Germany, will be given a loan and be regarded by the bank as a 'legitimate' borrower that has economic backing.

The tour in Berlin included a visit to the Mietshauser Syndikat located in the Prenzlauer Berg neighborhood. The syndicate is an example of a self-organized group of residents, through which it is possible to expedite urban renewal processes by withdrawing 'group' investments in order to buy and renovate existing buildings. The group members have no underlying intention of maximizing their capital gains or making a speculative investment, but rather they wish to facilitate fair priced housing

and the receipt of a loan at reasonable terms.

The syndicate makes it possible to 'remove' housing units from the speculative market run by investors and leave them in the hands of 'citizens.' The idea may sound subversive, radical and even counterintuitive, but in practice it operates in a formal manner in Germany, where roughly 100 projects of this kind exist. The syndicate serves as a 'trustee' that provides the legal and organizational infrastructure to the acquisition group.

This is how it worked in the Prenzlauer Berg neighborhood that we visited: a group of residents bought an entire apartment building on 85 Kastanienalle Street, consisting of dozens of apartments. The group was comprised of residents who joined together to encourage 'non-private ownership' that resembles joint ownership of the building by the entire group. By purchasing the building, the group sought to prevent future speculative deals involving the apartments and their repeated resale by investors. By doing so, the purchase leaves the housing units in the possession of the group.

The group was incorporated as a limited liability company. Its articles of association defined its goals as purchasing properties and leaving them in the possession of the group, while restricting their sale and 'flipping' to real estate developers or other speculators. In this manner, the company buys the building with a bank loan, rents out the apartments, and the rents are used to cover the costs of taking out the loan, its repayment, and the ongoing maintenance of the building. It is clear that a deal of this nature cannot be implemented in every location and depends on convenient financing and an uninterrupted cash flow from the rents, which enable the repayment of debts. To achieve that, all the syndicate members made detailed calculations prior to the purchase, aimed at ensuring the project's economic feasibility. The syndicate members themselves, some of whom are architects and financial experts, are the ones who volunteered to examine the deal and were active in executing it while cutting costs.

The legal structure of the limited liability company is designed in such way that 50% of the company's shares are owned by the residents who got together to make the purchase, and the other 50% are registered under the name of the umbrella organization of the syndicates in Germany¹. The only way that the building or some of its apartments can be sold in the future is by obtaining the consent of the umbrella organization of the other syndicates. Thus, dividing the ownerships between the group members and the umbrella organization of the syndicates in Germany guarantees that if any sale of housing units is made in the future, it will not be to a speculative entity that seeks to maximize its capital gains. In such a manner, a social, cooperative, and some may even say, anti-capitalist, ideology is anchored. The purchased apartments remain a social asset as opposed to a capital asset that the highest bidder can acquire.

This type of arrangement enables the acquisition group to live in the property and pay reduced rent, or lease the apartment to others. If a member wishes to leave the group, he receives the amount he invested for financing the initial purchase, but does not receive any capital gain. In practice, the ownership remains in the hands of the limited liability company, and every group member receives shares in the company that is a proxy for ownership ("rights registered in the Land Registry Office"). In exchange for his investment, a group member is entitled to an annual

return at an interest rate that is higher than the going market rate, thus making his investment worthwhile. The rents collected from renting the apartments are used to repay the loan that was taken out to make the purchase and for ongoing building maintenance. According to this model, the rents also ensure that the group member receives the guaranteed return on his initial investment. The purchase of the building is therefore similar to buying a share in a company.

In the case of the Prenzlauer Berg syndicate, 20% of the financing came from the group members who received shares in the company. 80% of the amount needed to purchase the building came from a bank loan. After the purchase is made, the rents pay for the loan. Once the loan is fully repaid, the rents are used for building upkeep, renovation and upgrades. If any money is left over, the group members can decide to transfer some of the rents to the 'solidarity fund' managed by the umbrella organization of the other syndicates in Germany, which is used to assist other self-organized groups of residents.

In the case of the Prenzlauer Berg syndicate, the group members invested around €800 per square meter and the renters currently pay about €3.5 per square meter of living space, which is considerably lower than the average rents in that area, which are €10 per square meter. However, in the initial stage of the project, the renters paid higher amounts in order to repay the debts.

Based on the above, it seems that the group members need a clear and sustainable business plan. They have to incorporate legally and be assisted by many professionals. They have to make comprehensive calculations to guarantee that the deal produces a profitable organization, thereby enabling them to remain in the apartments through 'joint ownership' over the long term, without selling them to the highest bidder. This type of self-organization dilutes the ownership by splitting it. No single individual or even the entire group can decide to sell the apartments and they are dependent on another entity – the syndicates' umbrella organization. Furthermore, their very incorporation as a limited liability company requires the parties to clearly and precisely



Mietshauser Syndikat

formulate the 'rules of the game' according to which the limited liability company operates. Thus, for example, they must establish rules regarding the lowering of rents (e.g. after repaying the bank loan) and rules regarding social conduct (under what circumstances can a member be expelled or be prevented from living in the building he helped purchase). It should be noted that residents who are members of the syndicate community manage themselves and vote democratically on different matters such as accepting a new member to the group.

Self-organized groups of this nature enable their members to live in an apartment for long periods, at a reasonable rent, and without the threat of eviction hanging over their head. To a great degree, they are the owners of the apartment and cannot be evicted easily, unless due to a violent incident or nonpayment of the rent. Additionally, a self-organized group 'blocks' the likelihood that the building will be torn down and sold to outside investors or developers that will turn it into offices or more expensive housing units. Thus, the existing pool of apartments remains in the hands of the residents, who create a novel arrangement for providing affordable housing.

It should be noted that projects of this kind can exist only if they have a certain degree of economic feasibility. If the interest rate on the loan is high, the feasibility is low. The German experience does in fact indicate that, in practice, 75% of the rents in the first years are used to repay the bank loan, which leaves little room for financial leeway.

On the face of it, it appears that the Israeli legal system is capable of creating similar legal structures and incorporating residents in a limited liability company, while dividing 'profits' in the form of guaranteeing the shareholders a certain return. Nevertheless, it is important to recall that the Israeli context is different because the rules governing mortgages are unlike those in Germany, and a loan to cover 80% of the property value is not routinely extended by the banks. Furthermore, one should also remember that projects of this nature are feasible only if the interest rate on the mortgage is not particularly high, if the initial capital enables purchase an entire building or lease of an entire building, or a significant part of it, and only if the return obtained from renting out the apartments enables repayment of the bank loan.

Additionally, in Israel there is no umbrella organization of syndicates that has the needed experience and expertise. That also makes it difficult to 'split' or 'dilute' ownership as is done in Germany. Other solutions for registering the ownership in this case can of course be suggested (such as joint ownership between the group members and the institution providing the financing, or with a charitable foundation that could finance some of the purchase).

The "acquisition group" model in Israel is the closest to the syndicate model in Germany. However, in acquisition groups, the members are necessarily members of the company, and at the end of the process they are supposed to receive and own an apartment which they can resell. Furthermore, the primary purpose of Israeli acquisition groups is to buy new buildings and save brokerage costs, whereas syndicate groups in Germany seek for the most part to buy existing buildings (although not exclusively) and offer tenants residential stability, not necessarily as owners. Additionally, whereas acquisition groups usually rely on 'sharing agreements' between the buyers that define the relationships between them, the relationships between the members of a syndicate group are defined in the articles of association

of the limited liability company (which do not rule out the existence of a contract between the parties to determine, for example, which apartment an investor in the project will live in after its purchase).

Whereas lending banks in Israel are now used to extending financing to acquisition groups, it does not appear that a new legal structure entailing syndicate type ownership, like the one that exists in Germany, is likely to gain wide-ranging support. The members of the group will have to convince the lending bank of the project's economic feasibility, specify the identity of the buyers and their experience in this field, and specify the legal aspects of the deal. Purchase by a limited liability company will require an examination of its financial soundness and authorizations of its proper management.

If we wish to adopt the syndicate model in Israel, it is likely that the purchase will be made by the limited liability company and the ownership will be registered in the company's name (and not in the names of its investors). That being the case, the bank credit that is extended (if at all extended) may be considered commercial credit to a real estate company. That could mean a higher interest rate for the buyers due to the capital adequacy requirements imposed on the banks.

The German syndicate model is also somewhat reminiscent of the 'block-parcel' companies that were prevalent in Israel in the 1950's and 1960's. 'Block-parcel' companies were often registered as owners in the Land Registry Office, which allocated shares and not ownership rights to the different apartment owners. The latter received shares instead of a land registry right, and some of them only had a lease right registered in their favor. That legal structure is somewhat similar to the syndicates in Germany because proxy ownership grants a right to shares. However, whereas the motivation for doing that in Israel in the past was to evade paying certain taxes, in Germany it is to 'dilute the ownership' and not grant a permanent



Mietshauser Syndikat

right to the investors. Furthermore, it should be noted that the 'block-parcel' companies created many problems, witnessed by the fact that some of them are no longer active. Problems also arose when transferring the rights in the apartments registered under the 'block-parcel' companies due to the absence of the original deeds or the dissolution of the company and its management. This must be taken into consideration should a syndicate model like the one existing in Germany be adopted.

It is recommended to:

1. Examine the possible future development of a syndicate ownership model in Israel, including: an examination of the legal and tax issues arising from that type of organization (e.g. Is the tax system suited to granting tax breaks for this type of purchase? Does a syndicate offer tax advantages, such as saving the VAT component when buying previously owned apartments or purchase tax? Does the tax imposed on apartment rent incomes in Israel facilitate or hinder this type of purchase by a limited liability company?).
2. Examine how the Encouragement of Capital Investments Law and other laws can be applied if a limited liability company makes a purchase, when the purpose of the purchase is to create housing for long-term rental by syndicate-type organizations.
3. Examine the existence of bank financing channels that are conducive to projects of this nature and the feasibility of bank financing.
4. Examine how adopting the German model could in the future affect the transfer of apartment ownership in view of the problems that 'block-parcel' companies created.
5. Raise civic awareness regarding the existence of these kinds of self-organized groups of residents.

Mietshauer Syndikat is a voluntary self-organized group of residents. Based on a common goal, a syndicate of this kind was incorporated for the purpose of buying an apartment building in the Prenzlauer Berg district in Berlin. The syndicate members bought an apartment building using their own capital and a bank loan. The purchased building was renovated and the syndicate members and their families rent apartments there. The apartments are offered at fair rents, at less than the going market rate. Decisions regarding new tenants and the rental terms are made jointly by the syndicate members as shareholders. The self-organized group is founded on a business-economic model and the ability to repay the loan it took out. But no less important, it reflects the desire of the investors to live together communally. The visit at the purchased apartment building did indeed suggest that collaborations exist between the families living there (such as child care and maintaining an intimate lifestyle reminiscent of one big family).

Cautious Urban Renewal as a Means to Rehabilitate Cities: The Case of Berlin and Lessons for Israel

Dr. Nir Mualam

12 basic principles of cautious urban renewal are implemented in Berlin and throughout Germany, whose purpose is to facilitate physical rehabilitation coupled with participation of the local population in the process.

Cautious renewal is partially funded by the government, primarily for rehabilitating the physical infrastructure surrounding the restored buildings.

In Israel, there is a lot of talk about 'Demolition/Reconstruction,' urban renewal and neighborhood renewal (in Hebrew it is called: "Pinuy-Binuy", or "Evict and Build" policy). When talking about different urban renewal methods, the intention is to sensible urban renewal – namely, one that does not necessarily involve relocating residents or destroying the existing neighborhood fabric. Some claim that demolition / reconstruction projects 'harshly jeopardize the existing social and physical fabric by completely demolishing the existing buildings and erecting apartment towers in their place. Of late, there have been gleams of recognition in the Israeli planning system and among decision-makers that more prudent and 'more gentle' demolition/reconstruction is needed, which combines demolition with the rehabilitation and renovation of what already exists.

The example of Berlin clearly illustrates how urban renewal can change the face of a city without doing it 'harshly' and destructively from a physical and social perspective.

Berliners adopted a number of key urban renewal principles that can also be a source of inspiration for decision-makers in Israel.

Theodor Winters, the Managing Director of the German corporation S.T.E.R.N., explains the principles underlying that policy. S.T.E.R.N. advocates 'cautious' urban renewal. S.T.E.R.N., and similar companies in the German construction industry, operate in old building complexes. S.T.E.R.N., which started out working in East Berlin, has won prizes for urban renewal projects that cater to children and families. The corporation's operations are funded in part by the government through subsidies.

Until the 1970's, the policy in Germany was a 'bulldozer' policy – namely, complete demolition of the buildings and the construction of new ones in place of them. That approach changed starting in the 1980's, when there were attempts to rethink urban renewal strategy and base it on restoration, renovation and upgrades as opposed to demolition/ reconstruction that involved razing buildings to the ground.

The strategy of 'cautious urban renewal' was first tested in Berlin's Charlottenburg neighborhood rehabilitation plan. It included the controlled demolition of buildings

in order to create squares and urban courtyards, coupled with the restoration and renovation of existing buildings. That strategy incorporated additional principles, such as public participation and shared thinking about development and renewal alternatives.

The work done by S.T.E.R.N. and similar urban renewal companies is founded on the 12 Principles for Cautious Urban Renewal (Grundsätze der Behutsamen Stadterneuerung). Those 12 principles were adopted by Berlin's Senate and House of Representatives (Berlin is a city-state and has its own legislature). They have become the fundamental guidelines used to manage urban renewal projects in Berlin and throughout Germany.

The following list includes the cautious urban renewal principles:

1. Urban renewal projects should be planned and executed with full participation of the residents and the developers.
2. The planners must reach a consensus with the residents and the developers regarding the objectives of the project. 'Technical' and physical planning should be executed hand in hand with planning that emphasizes the social aspects.
3. The special character of the area should be preserved.
4. There should be plans in place that offer different kind and different-sized apartments.
5. The renovation of the buildings should be carried out gradually after defining the execution phases.
6. The physical state of the buildings should be improved, but with minimum damage to the existing structure. Use should be made of green building principles, and steps should be taken to ensure that the buildings have appealing and decorative facades.
7. The streets, public buildings, squares, and gardens should be renewed at the same time that the apartment buildings in the neighborhood are being rehabilitated. That should be done while giving thought to the needs of the population.
8. The fundamental rights of the residents must be respected, including their right to take part in the planning process.
9. Decisions regarding urban renewal should be made with complete transparency. It is preferable that the decisions be made at the site itself, thereby involving the public in the decision-making process.
10. After forming a trusting relationship with the different players, it is necessary to verify that the project has economic-financial backing. It is necessary to ensure that the funds required for executing the project are available and can be utilized promptly.
11. It is necessary to ascertain that there are agencies which are taking responsibility for the project. The commissioning-responsible agency should be separate from the agency carrying out the renewal works.
12. It is necessary to ensure that the above principles are adhered to throughout the project's lifetime.

Existing challenges in 'cautious urban renewal'

Like in Israel, the government announces which areas are earmarked for urban renewal and rehabilitation. Once the announcement is made, the property owners receive a variety of tax breaks. Thus, for example, if there are rent-controlled housing units in the complex, following the renewal the property owners are no longer bound by that price control. The renewal is funded by the state (Land), the federal government (Bund), and the local authority. Based on estimates, around 85% of the apartments in every urban renewal complex undergo renovation and upgrading of different magnitudes. 25% of the apartments in every complex receive some kind of public assistance to fund the renewal.

However, the government funding is insufficient to cover all the costs of the renovation and upgrades of the apartments in the urban renewal complexes. For that reason, renewal companies like S.T.E.R.N. are needed to conduct negotiations with the property owners in order to execute the projects. Nevertheless, once the projects get underway, the government does take part in funding other components of the rehabilitation plan, including the renewal and upgrade of public infrastructures such as streets and public gardens.

Other challenges in implementing the urban renewal projects are related to public participation. According to the Berlin model, the local authority quite often commissions the services of an urban renewal company like S.T.E.R.N., which is responsible for holding consultations with the residents, after which it runs the planning process and is in charge of executing the project. Thus, planners on behalf of the urban renewal company, and not necessarily the city's own planners, are the ones who manage the project, facilitated by municipal personnel. Before preparing the plan, an in-depth process comprised of workshops and roundtables is conducted, in the course of which the residents make their suggestions. Following that, the urban renewal company prepares a detailed plan and arranges for its execution. The presence of a renewal company, whose operations are funded by the Municipality, is not a trivial matter and raises tough questions about 'privatized planning.' However, as long as the company in question is an expert corporation or a nonprofit association, it appears that those fears are unfounded.

The German model raises a number of thoughts about urban renewal in Israel, both from the national government and the local government perspective.



Blending old and new in an urban fabric

The Urban Renewal Corporation S.T.E.R.N.:

S.T.E.R.N. advocates cautious urban renewal, namely renewal processes that take the social fabric and residents' needs into consideration and engage the public in those processes. As an expert corporation, S.T.E.R.N.'s services were commissioned by the Berlin Municipality to manage the renewal processes in the Prenzlauer Berg district and oversee infrastructure projects conducted there. In cooperation with the local population and the Municipality, S.T.E.R.N. set about to understand the residents' needs in this highly congested area. The company held workshops and other participatory processes for residents in order to formulate a strategy and collaborations. S.T.E.R.N. sought to create new open public spaces for children and families, gave advice to residents and homeowners, provided them with information about building permits, and filed requests for government subsidies to upgrade the local infrastructures. S.T.E.R.N. also organized the meetings of the local urban renewal advisory board, whose existence was required by law in order to conduct social impact reviews.

From Berlin to Tel Aviv:

1. Explore the involvement of nonprofit associations and municipal and government corporations in demolition/reconstruction processes: starting from the planning stage and obtaining the residents' written consent, and up to the execution stage.
2. Rethink the national budgeting of urban renewal (the Ministry of Construction and Housing, the Ministry of Interior) as well as local budgeting in order to expedite the renewal processes and boost the standing of the local authorities in managing and encouraging the process.
3. Adopt the cautious urban renewal principles at the local and national level, and examine how they are consistent with the existing principles currently in place in Israel, including 'gentle' urban renewal principles.



The park in the middle of the Horseshoe Estate

Preserving the Horseshoe Estate (Hufeisensiedlung)

In the period following World War I, Berlin developed into a metropolis characterized by culture, industry and innovativeness. The mass migration of villagers to the city, who came in search of jobs at the new industries, produced substandard living conditions. The typical construction (Mietskaserne) that prevailed at the time was overcrowded, without indoor plumbing and running water in the apartments, and lacked basic conditions such as light and ventilation. Entire families lived in one room, and would even rent out their only bed to strangers during the day. The parceling of the land created blocks of buildings and congested inner courtyards. Those conditions in turn led to the outbreak of disease and infection.

After the end of World War I in 1918 and up to the Nazis' taking power in 1933, some experimental initiatives were developed as part of the social construction reform, which sought to find innovative housing solutions for the overcrowding and the poor hygienic conditions in the growing city.

One of these experimental estates, and one of most successful, was the Großsiedlung Britz neighborhood in Berlin. In 2006, UNESCO declared it and five other estates a World Heritage Site for being an example of socially progressive, modernist and innovative housing.

Großsiedlung Britz is also called the Horseshoe Estate, named after its inner horseshoe shape that was the first of its kind built after World War I. The plan was supposed to cater to a wide range of population groups with different needs. The neighborhood was built as a communal, cooperative living solution that was in contrast to the private ownership model that had characterized urban construction in Berlin until then.

The estate was designed by the renowned architect, Bruno Taut, who wanted to implement the garden city concept, hoping it would improve the quality of life of the city's residents. The first row of houses, 3 stories high and 360 meters long, surrounds a park, in the middle of which there is a lake. The row of houses was 'bent' symmetrically, creating a horseshoe shape. There is a typological order that produces private, public and semi-public spaces, while preserving modernist building principles with their simple morphology, devoid of decorative elements, which enables multiple light and ventilation solutions in addition to balconies and a yard.

Apart from the multi-story construction surrounding the park, there are also other building typologies that are outstretched like rays on narrow streets comprised of single-family and two-family homes. Each street has a distinct character thanks to recesses and protrusions of groups of buildings, causing the street to narrow or widen accordingly. The unique identity of each area is achieved by making use of color effects, despite the uniformity that characterizes the entire neighborhood.

After the fall of the Berlin Wall, the estate was purchased by a group of developers (a shareholder company named Deutsche Wohnen Company A.G.) as well as private citizens who wanted to live in a neighborhood estate. That led to a community-based initiative, organized by the estate's tenants who carefully safeguarded its communal nature and simplified the preservation processes. It

was important to the people behind the communal idea to form a community identity for the estate, reflecting their desire to spearhead preservation efforts that would be accessible and available to the local residents. Those community activities included the construction of a website that contains a neighborhood event calendar as well as a user-friendly and accessible preservation manual. The website also maps out the standard specifications of the buildings, and includes an index of various professionals, house painters, and companies that can be used by the homeowners, thereby encouraging them to preserve their properties.

Tel Aviv's White City was also declared a World Heritage Site of the same type, and it too is founded on garden city principles. The city is currently investing many resources to improve the available information and the professional and financial assistance mechanisms, designed to encourage the preservation efforts. However, in light of the number and geographic spread of the buildings, it is a challenge making the information accessible to all the occupants. Nonetheless, although the White City's size and fabric are different than the modernist estates in Berlin, the creation of an Internet database containing practical information, accessible to all White City residents, could be extremely helpful in expediting and encouraging preservation processes in Tel Aviv as well. Furthermore, the formation of a virtual community associated with the site could bring people closer to the idea of preservation as regards the physical space, in addition to raising awareness about the importance of the Heritage Site for future generations as well.



Using color to make buildings separate and distinct - a façade at the Horseshoe Estate

The Dilemma of Selling Public Properties – To the Highest Bidder or To the Person Proposing the Best Use?

Hila Lubanov

Following a period of widespread sales of Berlin's municipal properties for real estate projects, a public protest arose. It called for an end to the commercialization of public land and a revision of the municipal policy of unchecked sales to private development that does not take other urban needs into account.

That protest produced a change in the municipal policy governing the sale of public land. It also led to the formulation of a list of new criteria for selling the land to projects that propose their optimal use and make the greatest contribution to the city and its residents, and not necessarily to the person offering the highest price for the land.

Creative activity is important to a city's prosperity, and is one of the factors that makes it a place where people like to live, work and enjoy themselves – spirited places that foster creativity and innovativeness. Creative activity also has huge economic potential. Although it may not be a source of direct revenue for the city, it generates economic activity and makes the city an appealing place to young people, business establishments, tourists, and other visitors.

There is, however, a threat that the urban spaces occupied by industries and craftsmen's workshops, the old buildings, and the diverse population living in mixed use areas where creative pursuits tend to develop, could dwindle. Unfortunately, the artists themselves are the harbingers of gentrification because, by virtue of their very presence and artistic endeavors, they contribute to the flourishing of these areas and the public's growing interest in them.

People are therefore drawn to a creative city and want to live in one. That leads to a high demand for housing, followed by pressure to increase and realize housing-related uses, whereas the creative uses, whose resources are limited, are pushed out. As part of those processes, the old buildings and the mixed-use areas are likely to give way to homogenous residential neighborhoods.

Indeed, in Berlin of the 1990's, private development fractured the ability of groups engaged in cultural pursuits to exist in the city's post-industrial spaces. The pressure exerted by developers increased and encouraged the city's policy that sought ways to reduce the municipal deficit, which kept on growing. Following a period of widespread sales of municipal properties for real estate projects, a public protest arose. It called for an end to the commercialization of public land and a revision of the municipal policy of unchecked sales to private development that does not take other urban needs into account.

Thus, the policy governing the sale of municipal properties became an issue on the public agenda of social groups and art and culture activists in Berlin. They

demanding a change in the existing policy that would require the local authority to examine other urban criteria that enable valuable activities to exist, and not only the price offered by the developer.

Those pressures led the Berlin Municipality to acknowledge the importance of creative endeavors in the city and their tremendous contribution to its prosperity. Furthermore, municipal officials began to grasp that public land has social and ethical functions that extend beyond being a tool that can rake in quick revenues for the Municipality.

That recognition produced a change in the municipal policy governing the sale of public land. It also led to the formulation of a list of new criteria for selling the land to projects that propose their optimal use and make the greatest contribution to the city and its residents, and not necessarily to the person offering the highest price for the land.

Those criteria were intended to meet a number of key objectives. Primarily, they were meant to channel the use of the public land after its sale to different purposes beneficial to the city, such as: strengthening neighborhood centers, encouraging cultural and creative activity, and achieving other objectives that the city was interested in, like the creation of local places of employment, the creation of work and employment spaces that encourage entrepreneurship, etc.

As regards enhancing creativity in the city, the criteria according to which the Berlin Municipality works were meant, among other things, to foster creativity and cultural activities of diverse groups in the population. The assumption underlying the policy is that one of the factors contributing to a city's appeal is its being a fertile platform for creative endeavors of artists, designers, men of culture and creators from different disciplines. Such activity tends to occur in downtown districts due to the congestion, multiculturalism, energy and diversity that characterize the urban environment.

The decision to amend the municipal policy governing the sale of land stemmed from the understanding that a good city cannot exist without the creative uses that grew out of it. Therefore, it is necessary to intervene where market forces fail in order to preserve those uses and enable them to continue thriving.

A municipal policy was subsequently formulated, according to which city properties are not sold to the highest bidder, but to the person proposing the best project, with the greatest social and economic contribution, even if not in the immediate term.

There are a number of examples of how this municipal policy has determined the nature of the urban space. One involves groups of social activists in Berlin, for the most part members of the creative class (creators, students, artists, designers, architects, etc.), who decided to assume responsibility for their fate and made an offer for the complex of buildings where they worked, which had been put up for sale by the Municipality. They devised an optimal planning concept for the site that incorporated a variety of social, community, creative and design elements, and managed to enlist funders who helped them buy the land and manage it for a long period of time. That was the case at ExRotaprint as well as Holzmarkt.

From Berlin to Tel Aviv

Abandoned urban spaces are ideal for projects of the ExRotaprint variety.

That is true of spaces which the real estate industry has not yet taken an interest in.

During the window of opportunity found between the state of neglect and the real estate arousal, it is possible to make an impact and create new and innovative models.

In Tel Aviv-Yafo, it is difficult to find abandoned sites that lack expectations of future profits. Every property, as neglected as it may be and despite its location in a less desirable part of the city, bears future building rights. Existing craftsmen's workshops and places of employment embody future residential uses and added building rights. For the most part, this situation leads to the demolition of the old buildings and the construction of new and bigger ones in place of them.

Planning processes that result in the vacation of industrial facilities and craftsmen's workshops in favor of new residential projects, drive the creative industries to other locations and produce homogenous residential and commercial complexes.

Examples: "Artport" – a center for young artists, and the artist workshops at "Gabirol" – are both scheduled to leave the temporary sites where they now work because the construction plans for them have begun. The Artists Workshops, which for the last twenty years operated out of the Druyanov School compound, were compelled to leave the site and relocate due to demographic changes that necessitated reverting it to its original designation as a school. The "Mevo'ot Yafo" district, home to industrial and crafts-related uses and many art studios, is undergoing replanning and is expected to turn into a large-scale urban residential project.

Where can an impact still be made?

Public properties (owned by the Municipality or the national government): the sale or lease of these properties should be made according to multidimensional criteria: economic, but also social, communal and creative. This reflects an understanding that financial gain is not the only parameter factored into the decision, and the contribution made to the vitality and diversity of the urban space should also be taken into account. In this context, one can also think about some secondary criteria:

Allocating land/property to initiatives that propose social, communal, and creative uses, or alternatives to homogenous residential complexes (similar to Holzmarkt, see page 14).

Holding on to industrial facilities/compounds and allocating them to creative uses.

Formulating a list of municipal criteria that will be used when selling public properties for projects, including reference to matters such as: the contribution they make to the neighborhood and the community, the creation of local jobs, economic feasibility, enhancing activities in the public space, fostering diverse activities in the complexes after their sale, achieving urban and design quality, sustainability, and ecology.

Private properties – locating places where there is a concentration of industrial facilities or buildings and compounds that are conducive to creative endeavors, and attempting to hold on to them and preserve the spirit of the place as long as possible. That way they can continue serving as an urban environment that encourages creative pursuits.

Tempelhof



ExRotaprint

ExRotaprint is an example of a local industrial facility that was purchased from the Berlin Municipality by a group of social activists. The initiative was led by local architects, creators and community organizers who wanted to continue occupying the facility that served the local community, and provided jobs, work spaces, and a gathering place. The site represents a unique model of ownership and self-organization, where the main motif is preference of the public benefit over personal interest.

In practice, a space was created that is not threatened by future real estate projects. Its future operation under the present model, for uses and activities as defined by its founders, is also guaranteed.

The complex had been earmarked for preservation thanks to its modernist qualities. The fact that it was earmarked for preservation actually defined the framework for its purchase – the local group of activists established a non-profit association which, together with outside investors, obtained the land from the Municipality. The funders (international investment foundations) funded the purchase of the land from the Municipality and agreed to receive a reasonable return on their investment from the activists' association. Since winning the municipal tender, and up to the present time, the group of activists has been responsible for the renovation and maintenance of the buildings at the site. The funding foundations also allow them to work at the site, lease it out and manage it.

In exchange – the association pays the funding foundations a certain amount of money every year (a reasonable return on their investment), and also undertakes to restore and preserve the buildings at the site. On its part, the association can lease out work spaces at the site, thereby generating income.

As part of the activities conducted at the complex, the association supports culture and art uses, while involving and making a contribution to the surrounding community. That is achieved by leasing out a third of the spaces at the site to local businesses, a third to art and culture uses, and a third to non-profit community organizations – such as carpentry shops, workshops for artisans and designers, various offices, a job center for the unemployed, a school for children who have dropped out of other educational frameworks, etc. The rent is affordable and adjusted to the ability of the renters. Furthermore, the association offers spaces for events and seminars as well as temporary work spaces. It also runs two lodging units for people visiting the city.

The site, which in the past housed a printer factory, is situated on a 40 acre lot on the seam between East and West Berlin. It was earmarked for preservation thanks to the collection of modernist buildings that give it its unique and engaging appearance.

The site is located in an area replete with migrants, unemployment and poverty. Despite its proximity to the city center, inexpensive housing and affordable spaces to work can still be found there. In recent years, the real estate industry has taken an interest in the area due to its high potential to generate future profits.

After the printer factory went bankrupt in 1989, the property was transferred to the Berlin Municipality, which leased it out to various temporary uses. The facility was put up for sale by the Municipality to the highest bidder, but those attempts repeatedly failed because the neighborhood was not considered upscale and belonged to a low socioeconomic category.

In 2007 – a group of architects and artists who rented work spaces at the facility decided to buy it. To do that, they founded a non-profit association named ExRotaprint gGmbH, whose purpose was to buy the facility and assume responsibility for all the aspects associated with its development, the rental of the spaces, and the restoration of the historic buildings. That initiative also reflected their desire to “disrupt” the speculative spiral of the real estate market prevailing throughout the city.

They joined forces with local councilmen and ultimately succeeded in persuading the policymakers at the Municipality to adopt a different development policy for the facility. They put in a bid to purchase the land in the public tender and managed to buy it and preserve the existing activity. The purchase was made possible thanks to Swiss foundations that advocate social agendas and seek to buy properties in order to prevent land speculation and increased real estate prices that result from it.

In this case, even though the tender was conducted in the competitive free market, the municipal land was sold to a group who proposed the optimal use of the land, and not to the group who offered the highest price.



The old printer factory at the ExRotaprint site

The model:

The acquisition model did not rely on a bank loan, but rather on funding from two foundations that invested money to purchase the site.

The contract between the activists' association and the funders created the legal foundation for developing the project, which is not based on personal gain arising from private ownership of the property. The contract guarantees the site a permanent, stable and foreseen future.

The foundations invested the money out of an innovative and alternative approach, which supports "redeeming" properties from unbridled market forces. The aim is to prevent the possible sale of the properties to the highest bidder, which means pushing out the existing users. The foundations own the site, but it is leased to the activists' association for 99 years, during which it cannot be sold and the members of the association do not own it. The association has total autonomy when it comes to all the management aspects, while upholding their commitment to a mix of uses founded on three principles – employment, art, and community.

Civil Society as a Partner in Planning and Creating the City

Eyal Feder

How can civil society be involved in the creation of the city? How can a local authority produce that involvement? How can you reach a balanced situation where positive initiatives seeking to create the city emerge?

The idea of civic initiatives does not turn the planner into a passive player – on the contrary. He must act in a meaningful manner in order to facilitate the types of activities the Municipality wants to encourage, whether by allocating budgets, helping out with bureaucratic processes, or providing a stage for such initiatives.

Whereas many cities strive to hold creative renewal processes, only in a few cases do those processes fully meet their goals and are easily embraced by the public. Joint work between the local authority and the city's residents can lead to improved results in such cases.

Involving the city's residents in planning and renewal processes is not a new idea. However, although public participation has established itself as an integral part of the planning cycle, its limitations have also been revealed. One of the major limitations is that involvement on the part of city's residents, even in public participation processes, is confined to receiving their comments about the local authority's plans – in other words, the residents are not partners to the process, but rather respond to existing policy. With regard to specific plans, residents living in the area are asked to react, offer advice or express their opposition.

Due to that reality, a significant limitation has emerged concerning the degree of involvement that civil society has in planning and creating the city. Even though they are the primary beneficiaries of the planning services, the residents' standing in the process is confined to reacting. That limitation could lead to a lack of commitment, opposition and tension between residents and the planner. Additionally, in many cases the needs articulated on the ground do not reach the planning authorities, and creative solutions to urban needs are not taken advantage of.

Are there ways to encourage the residents' involvement and deeper commitment in creating the city? Absolutely – through initiatives that come from the residents themselves.

Activities initiated by civil society

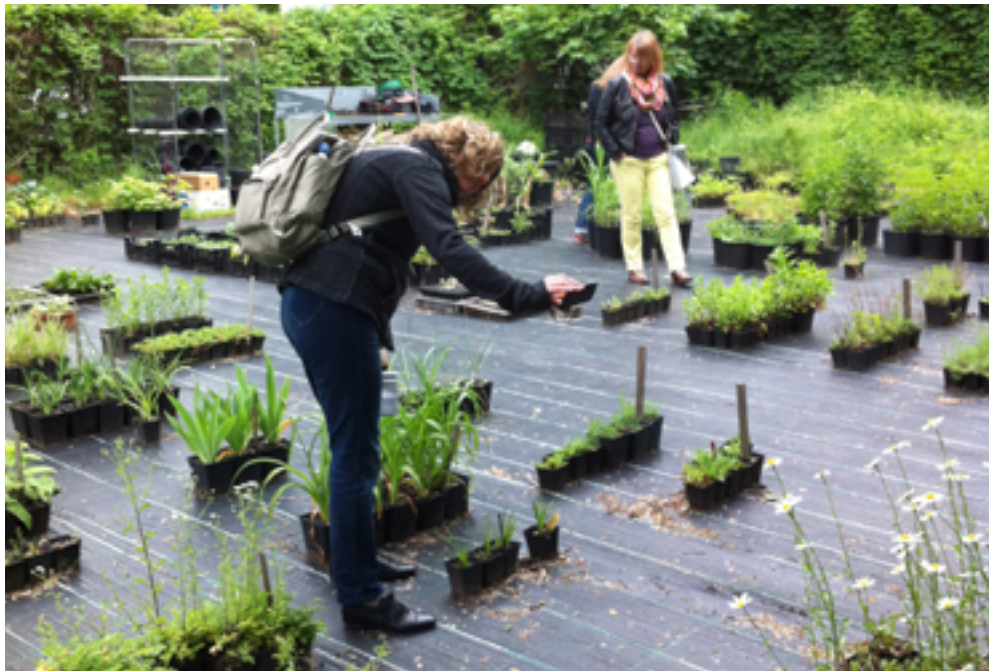
In recent years, planning and design initiatives conceived by citizens have assumed a key role in creative renewal processes. As part of breaking the paradigm of the know-it-all planner, cities around the world are beginning to adopt initiatives that come from the field, with different levels of involvement. One of the most well-known examples is the High Line project in New York. High Line, which is a public park built on an elevated section of a train track in Manhattan, is considered the crowning

achievement of creative urban renewal in the last decade. The project was originally initiated by a couple of residents who lived close to the 'nuisance' and viewed it as an opportunity to meet an urban communal-environmental need.

In Berlin, a city that has become a symbol of creative renewal, civil society occupies an important place in initiating and spearheading renewal processes. Berlin's urban history is replete with civic initiatives that created, shaped and impacted the reality in the city. It began in the 1960's and 1970's when there was a strong squatters movement in the city that dictated a different housing reality, and it still exists today. At present, there are hundreds of local and regional organizations who formulate, initiate and take action to create an urban reality that is consistent with their worldview – and with various civic interests.

In many respects, the activities of those organizations dictate the appealing nature of the city. Those groups initiate plans and temporary uses (Holzmarkt, RAW Tempel), promote renewal and reuse processes (ExRotaprint and other examples) and are involved in many of the projects mentioned in the previous chapters of this booklet.

Initiatives like the ones mentioned above, which emerge from the field, can for a number of reasons serve as an excellent foundation for creative renewal processes. First of all, activity initiated by citizens is usually intimately connected to the desires and needs of the city's residents. Whether it relates to a civic issue such as housing prices (like Mietshauser Syndikat) or promotes a use whose absence is felt in that area, the need that the activity seeks to address is clearly a need that the residents have. Consequently, it is reasonable to assume that cooperation on the part of the residents of the area – in promoting the plan and the planned use of the area – will be widespread.



The Prinzessinnengarten project - a community initiative that cultivates urban agriculture

The city's 'municipal bureaus' are one of the important mechanisms which facilitate that in Berlin. Located primarily in underprivileged neighborhoods, a number of processes take place in those bureaus, which enable the civil society be involved in creating the city. First of all, every such bureau is headed by a neighborhood council, which is elected every two years and serves as a channel that links the local authority to the residents (similar to the Tel Aviv model). But the real strength of the bureau is found in the structure of the budget the council receives for its activities. Each council receives a budget for holding social gatherings, for promoting construction projects that benefit the public, such as community centers or playgrounds, and for social causes such as language studies for emigrants. Additionally, every such bureau has an 'experimentation budget' that amounts to a certain percentage of the general budget and enables the committee to support civic initiatives that seek to impact the existing reality in the neighborhood. Examples of projects that were backed by those budgets include a coffee shop for parents next to the local school, a series of performances in public spaces, etc.

The structure of the budget makes it possible to implement civic initiatives and enables individuals and organizations to have local influence on creating the city.

Involvement in policymaking

The examples cited thus far referred only to pinpointed or area-specific projects. Involvement of the civil society can, however, be articulated in municipal policymaking as well.

One of the most fascinating examples of a policy initiative is Stadt Neudenken (Rethink the City), which brought together architects, planners, community-based organizations and academics in order to address what they viewed as a key problem in Berlin's urban policy – the land allocation policy. The group, which was formed in 2011, demanded that the existing policy be revised, which stipulates that land offered by municipal tender is allocated to the highest bidder – which usually means to private real estate developers who build for profit. That policy was supposed to fill the Municipality's coffers and cover its huge deficit. But, in practice, it provided only a very partial solution to the problem, while significantly depleting the municipal land reserves. Thus, not only was the resulting revenue insufficient, but also land that could have been allocated for social purposes (affordable housing, the development of creative employment, public spaces, etc.), thereby encouraging future economic growth as well, was transferred to private hands and no longer made a contribution to the local authority and its residents.

The Stadt Neudenken initiative proposed an alternative policy, which its members defined as "best concept" rather than "best value." Under that policy, the Municipality, together with the boroughs, decides which properties will be sold by public tender, and the best concept is chosen and not necessarily the highest bidder in money terms. In other words, the local authority can choose a bid that encourages community, cultural or social activity over a bid that brings in more money.

Following several years of deliberations and public action, the Berlin Municipality adopted the above policy proposal in 2014 and began working according to it. Under the policy, for example, land was allocated to the Frizz23 project, which is a collective of creative industries that is establishing a coworking space, and not to real estate developer who offered more money.

The initiative has managed to produce a change in the city's planning and creation not only at the local level, but also in the land allocation policy itself – a change, which in many cases, is likely to tip the scales in favor of creative and social renewal that is attentive to citizens' needs. The change was made possible thanks to a civic initiative – and to the place it was given by the local authority in adopting the decision.

Another interesting example is the action taken by the 100% Tempelhofer Feld group, which illustrates the power that civil society organizations can exert in shaping policy by opposing plans that are detached from the needs on the ground. The Tempelhof airport complex, located in the southern part of Berlin, contains a huge stone building which in the past housed an air terminal, aircraft hangars, offices and shops, as well as an expansive green area (amounting to roughly 100 acres) located near the runways. After being closed to air traffic in the previous decade, the outdoor section of complex became one of the most popular parks in Berlin, where people flocked to on sunny days, whereas the building itself was earmarked for a number of temporary uses, such as conferences, festivals and fairs.

The Berlin Municipality, which owns the land, started designing a new city plan for developing the area, which did not involve the residents of the area or its numerous users. After the plan was announced, a group of citizens teamed up and appealed to the public to oppose the plan, and, actually, all other development plans for the area. Following 100% Tempelhofer Feld's cue, residents began to underscore the problems in the proposed plan and demanded that the entire area remain a park for the residents' benefit. Within a short time, the members of the group had gathered enough signatures to legally require the Municipality to hold a referendum concerning the plan. The group's proposal to leave the park untouched was chosen by an overwhelming majority. So, in practice, the group dictated the municipal policy regarding the development of one of the largest land reserves in the city. That was possible thanks to an initiative that started out as a movement against a plan that was perceived as being detached from the needs and desires on the ground. The referendum tool enabled the group to articulate the public's position on a disputed issue. Although there have been examples in Tel Aviv when public pressure led to changing a decision (e.g. the Kiryat Sefer garden), in most cases the public has resigned itself to the feeling that 'nothing can be done' when it comes to plans such as those and others. The land allocation policy and the referendum mechanism are actually what give civil society the direct power.

Mechanisms that facilitate and encourage civic initiatives

After analyzing the possible contribution that civil society can make to creating the city, the obvious question arises – how can a local authority produce that involvement? How can you reach a balanced situation where positive initiatives seeking to create the city emerge?



The idea of civic initiatives does not turn the planner into a passive player – on the contrary. He must act in a meaningful manner in order to facilitate the types of activities the Municipality wants to encourage, whether by allocating budgets, helping out with bureaucratic processes, or providing a stage for such initiatives. A local authority that wants to give civil society a say can be involved at three different levels:

The first level entails facilitating the activity of the aforementioned type, achieved by not blocking or hampering initiatives that seek to create the city on their own, as long as their vision is consistent with that of the local authority. Such facilitation must include a number of elements. First of all, the Municipality must enable clear and transparent access to all the existing procedures associated with different municipal operations – ranging from holding events, to submitting bids in public tenders, and up to the approval of plans. Secondly, the Municipality should strive to simplify those procedures as much as possible, thereby enabling non-professional entities to initiate activities as well.

The second level of involvement entails collaborating with initiatives of the aforementioned type. In those cases, initiatives that come from the civil society can receive practical and financial support from the local authority, whether by allocating land or buildings, helping out with the needed equipment, or direct financial assistance. In such instances (like High Line in New York), the local authority actually becomes a partner of the civic organizations and works together with them to implement the initiative. Apart from the financial support, there is also an organizational and managerial price required of the Municipality.

The highest level of involvement entails adopting these initiatives. In other words, taking an idea that emerges from the civil society and implementing it at the municipal level. That principle has a strong presence in various political issues, but specific projects can also start out as a civic idea and ultimately be implemented as an organized program that is planned and executed by the local authority.

The three levels of involvement contribute to and impact the city and the local authority's relationship with the civil society in different ways. However, there is room for all of them in a city that is striving to produce creative renewal.

The civil society in Tel Aviv – the example of Neve Sha'an

The different models mentioned above can definitely produce a change in Tel Aviv's reality as well. The most relevant example can be found in the activities taking place in the vicinity of the Central Bus Station. Following years of decline, Neve Sha'an, one of the toughest neighborhoods in the city and in the metropolitan area in general, was equated primarily with crime, prostitution and drugs, and with the migrant workers and asylum seekers who live there. The coarse image of the neighborhood and its low housing prices began drawing communities, groups of activists, artists and planners to Neve Sha'an, who are initiating various urban activities in the area.

Thus, after years of deterioration and neglect, tiny bits of change are emerging in the area. The Levinsky Garden library offers services of a community and art center, in particular to the migrant residents. The community garden that was started by neighborhood activists is a place where the Israelis living in the neighborhood can gather and coalesce into a community. The "Koach LaKehila" organization which works out of "Beit Achoti" is attempting to address the existing neglected

infrastructures and personal safety issues in Neve Sha'anani. Groups of artists are beginning to work in the area, for example at the Miltasha Studio and the ONYA collective, which work out of the Central Bus Station and are trying to visualize how the station can have a different future – one that serves the neighborhood and its needs as an urban agriculture, art and community center.

All of these activities, which are grassroots and originate in civil society, can serve as an initial foundation for positive change in the area that will benefit the residents – but the support of the Municipality and the planners, both in terms of facilitation and cooperation, are critical for turning their specific contribution into a meaningful process of change.

From Berlin to Tel Aviv

Facilitating civic activities:

Simplifying and making procedures accessible – significant simplification of approval procedures that are required for different activities in the municipal space, including holding events, the pool of spaces that are vacant for work and creating, participation in public tenders, acquiring a business license, and making that information accessible to the public.

Collaborating with and supporting civic activities:

Strengthening local grassroots organizations by adopting experimentation budgets for use by the regional boroughs – allocating an experimentation budget that is not earmarked for a particular purpose, similar to the Berlin model, would, for example, enable the southern borough to support different renewal activities in Neve Sha'anani. The allocation of such a budget would entail a limited investment by the Municipality, but could produce a broad scope of civic activity.

Adopting civic activities:

Using the referendum mechanism as regards construction plans – 100% Tempelhofer Feld was successful thanks to the impressive organization of the residents, their solidarity and a public campaign. However, without the referendum law – all that would have lacked actual substance. Creating a similar referendum mechanism, with all the necessary restrictions, would enable the civil society to oppose large-scale plans.



The Stadt Neudenken Initiative (Rethink the City)

This initiative brought together architects, planners, members of community organizations and academics, who sought to address what they viewed as a critical problem in Berlin's urban policy – the land allocation policy. The group, which was formed in 2011, demanded that the existing policy be amended, which stipulated that land offered through municipal tenders be sold to the highest bidder – which usually meant private real estate developers who build for profit. That policy was supposed to fill the Municipality's coffers and cover its huge deficit. But, in practice, it provided only a very partial solution to the problem, while significantly depleting municipal land reserves. Thus, not only was the resulting revenue insufficient, but also land that could have been allocated for social purposes (affordable housing, the development of creative employment, public spaces, etc.), thereby encouraging future economic growth as well, was transferred to private hands.

The Stadt Neudenken initiative proposed an alternative policy, which its members defined as “best concept” rather than “best value.” Under that policy, the Municipality, together with the boroughs, decides which properties will be sold through public tenders, where the best concept, and not necessarily the highest bidder in money terms, is chosen. In other words, the local authority can choose a bid that encourages community, cultural or social activity over a bid that brings in more money. Similarly, the Municipality can choose a development proposal that will lead to creating more jobs in the area, or one that will contribute to meaningful urban renewal (for example, preferring a project that will best impact the neighborhood and the city from a socioeconomic perspective or will contribute to sustainable development).

After some years of deliberations and public action, the Berlin Municipality adopted the above policy scheme in 2014 and has begun working according to it, while developing criteria for its implementation. In short, Berlin is seeking to promote projects that produce the best socioeconomic value for the city, and is no longer looking only at the bottom line. However, it is important to stress that the above course of action does not, obviously, rule out selling properties at a profit. But it also underlines the city's commitment to beneficial, social, and long-term development. The bottom line is, therefore, just one of many criteria that are factored into the decision.