

Urban Maestro

New governance strategies
for Urban Design

Concept Tendering Procedures

Konzeptvergabe (DE)

Robert Temel
architecture and
urban planning researcher
and consultant

www.temel.at



BOUWMEESTERMAITREARCHITECTE



This project has received funding from the European Union's Horizon 2020 research
and innovation programme under grant agreement n° 831704



TABLE OF CONTENTS

1. CONTEXT AND ADMINISTRATION	3
2. OBJECTIVES.....	4
3. THE TOOL / INITIATIVE: DETAILED DESCRIPTION	5
3.1. The model.....	5
3.2. Qualities and criteria.....	6
3.3. Evaluation.....	6
3.4. Quality assurance.....	7
3.5. Bauträgerwettbewerb	8
3.6. Experiences.....	8
4. RELATIONSHIP WITH FORMAL (REGULATORY) TOOLS	10
5. ALLIED FINANCIAL MECHANISMS.....	11
5.1. Decision on land price.....	11
5.2. Non-fixed prices	12
5.3. Differences between fixed and non-fixed price procedures	13
5.4. Ground lease.....	13
5.5. Tübingen model.....	13
5.6. Lessons learnt involving private land	14
6. CHALLENGES AND EQUALITY ISSUES.....	15
7. KEY INNOVATIONS, SUCCESSES AND IMPACTS	15
8. EXAMPLES	16
8.1. Berlin, Blumengroßmarkt (wholesale flower market).....	16
8.2. Heilbronn, Neckarbogen.....	20
8.3. Tübingen, Alte Weberei (old weaving mill).....	24
9. KEY LESSONS AND TRANSFERABILITY.....	28
KEY ONLINE RESOURCES	28

1. CONTEXT AND ADMINISTRATION

The concept tendering procedure model is a further development of the traditional procedure for selling land in cities.¹ The traditional method typically used is the highest bidder procedure, i.e. a plot of land is offered on the open market without any conditions (except for those provided for by law, e.g. a development plan) and can be purchased by whichever buyer/bidder offers the highest price. The problem for the cities is firstly that they have no influence on the quality of the project that will be built on this land; and secondly that a high purchase price excludes a number of desired uses from the outset, e.g. affordable housing. This new tool termed the concept tendering procedure was first developed by innovative municipalities in the 1990s and had gradually been improved over the years by testing the conditions in procedures. The concept tendering procedures are almost always carried out by the city administrations themselves or by city-owned companies, with the departments tasked with carrying out these procedures usually being the departments of city planning, property management or housing administration. Financing of the procedures is provided within the budgets of the aforementioned, respective departments, which means in principle that the costs are passed on to the buyers. The costs may vary greatly, depending on whether a very simple procedure or intensive monitoring of the projects is carried out. However, since the concept tendering procedure does not result in the highest bids as the purchase price is usually fixed, the "losses" are of course relevant for the selling city. These lower revenues can be argued to be mitigated by the fact that, firstly, the quality of the newly emerging urban districts or individual projects is much higher as a result of these procedures and, secondly, affordable housing and other low-cost offers of use would be possible. Affordable housing, for example, would otherwise have to be supported by expensive subsidies.

¹ Cf. Robert Temel (2020): Baukultur für das Quartier. Prozesskultur durch Konzeptvergabe, BBSR: Bonn, www.bbsr.bund.de/BBSR/DE/FP/ReFo/Staedtebau/2017/baukultur-quartier/01-start.html?nn=438822

2. OBJECTIVES

This is why the model of the concept tendering procedure was developed in the 1990s in connection with the sale of land to building associations (cooperative housing projects). The origins of the concept tendering procedures lay in the planning and implementation processes associated with urban renewal, as such process and practices were widespread in small and large German cities in the 1980s—the focus at that time was not primarily on a technocratic process of design, but rather on aspects of citizen participation, self-building, high-quality design of public space, preservation of existing buildings, social mixing, and mixed use. The starting point for the new model was that building associations (cooperative housing projects) to which a city wanted to sell land should not have to compete directly with commercial developers. Therefore, the price was fixed and only building associations were admitted to the procedure—the only criterion left to decide which applicant could ultimately purchase the land was the quality of the bid. This model was later applied by numerous cities for sales other than those to building associations and was also generally applied by certain cities to all of their land sales. The aim being, on the one hand, to increase the quality of the projects built on such plots of land, architecturally speaking, and in terms of use, socially and ecologically; also at the same time, to influence the nature of these projects; and, on the other hand, to make less expensive projects possible, such as affordable housing. The processes applied here are a mixture between architectural competitions and procedures for selling land to building associations, wherein the demands concerning the concepts to be submitted are much lower; i.e. for example, no architectural designs are required, but only concepts of use or programs. A critically important effect of these procedures is that they may activate innovative actors of general interest and enable them to develop, test and implement projects that might not otherwise see the light of day. This activation is achieved by tailoring the framework conditions of the procedures to these actors and by limiting the costs of the plots of land through the specific approach of the concept tendering procedure. This immediately makes it possible for such innovative yet perhaps not otherwise particularly professional actors to compete with highly efficient commercial developers.

3. THE TOOL / INITIATIVE: DETAILED DESCRIPTION

3.1. The model

The model for the concept tendering procedure is used very differently in various cities. There are some basic, traditional forms, but most cities adapt them to their specific conditions. One model utilised for a number of procedures is that of the city of Tübingen, since it has been successfully applied and utilised for decades. The special feature of the Tübingen approach is that, on the one hand, the procedure has a very low-threshold to participation and is open, so that as many actors as possible are encouraged to participate, and, on the other hand, it uses highly intensive quality assurance processes. Despite the diversity between them, there are certain similarities in the approaches used. For example, in some cities, the procedure is regulated by politically decided programmes and concepts, while in others it is adapted to each individual case without such a formal basis or is repeatedly applied as a standard model. The subject of the procedure is either the sale of land or the granting of a ground lease. As already described, the procedure is usually organised by departments of the city administration, and sometimes the procedures are linked to methods of public participation. In the procedure, occasionally only a single plot of land is sold, but often it involves several or even very many plots of land in an area of urban expansion. The concept tendering procedure is usually divided into two stages: the sales procedure itself and the subsequent quality assurance phase. Additionally, the sales procedure is also sometimes divided into two stages, and there is often a selection process regarding participants selection at the beginning, where a decision is made regarding who can submit a concept before the actual concept tendering procedure begins. A great number of the procedures begin with an information event, and on occasion a kind of market survey as well, in which demand is examined. As with any architectural competition, there is an opportunity to ask questions about the procedure and the site itself, which are answered by the jury. At the end of the sales process, the participants must submit a concept, which is usually pre-checked, and then evaluated by a jury.

3.2. Qualities and criteria

The required submissions usually include use concepts, social and ecological concepts, and often architectural concepts as well. In addition to the quality criteria, there is sometimes also a limited price criterion (i.e. a price offer is also evaluated) but the price is not the predominant criterion but rather is part of a secondary decision criterion. In fact, in many procedures the price is fixed and therefore not a criterion at all. Additionally, when defining the criteria, it has to be decided whether the procedure should be set up with a very low entry threshold, or whether higher demands such as those involving architectural designs should be made. The former has the advantage of being able to attract unusual, innovative and perhaps less highly professional actors to the procedure; while the latter has the advantage that the submitted concepts are more well-known and can therefore be better evaluated. As such, a balance must be struck between these two poles. However, it is clear from experience to date that the activation of innovative actors in particular is a key advantage of such procedures. For this reason, it can often make sense to dispense with particularly high demands on architectural designs in the sales procedure and instead use procedural methods of ensuring architectural quality in the quality assurance phase afterwards. The central means of evaluation in the procedure are of course the quality criteria which are applied to the submitted concepts and which must be defined on the basis of the objectives of the procedure. On the basis of these criteria, a decision must be made as to what requirements must be met by the submitted concepts, and corresponding competencies must also be anchored in the evaluating jury in order to be able to evaluate the submitted concepts according to the specified criteria.

3.3. Evaluation

There are two different methods for evaluating the concepts. Firstly, many cities evaluate the concepts quantitatively, i.e. there is a maximum number of points for each criterion, with the projects evaluated according to how well they meet each respective criterion, with the best project then being selected based on these points. From the perspective of quality assurance, a qualitative evaluation is more meaningful and which works like the judging of an architectural competition, albeit this qualitative method is used less often. Here, the projects are discussed by an interdisciplinary jury and put in a sequential order based on the overall consideration of all criteria. The decision is ultimately documented by means of a textual description of the qualities of the best projects, and not through quantification.

3.4. Quality assurance

Following the jury's decision, political confirmation of this decision is sometimes required. Subsequently, a so-called Anhandgabe (exclusive option period) is made, often formally or informally—i.e. the land is reserved for the winning project for a certain period of time. During this period, the project must be further developed, meaning above all, financing and planning must be pursued to the point where the project is ready for implementation. In many cases, the actual sale only takes place when the expected qualities are perceptible on the basis of this further development—for example, only after a building application has been submitted. Tracking the desired qualities in this second phase—the quality assurance phase—is crucial to the success of the concept tendering procedure. In fact, some cities invest a great deal of effort into this phase. One critical aspect of the concept tendering procedure is the question of how the qualities promised during the procedure can be guaranteed until implementation and eventually long-term use, along with the openness required to allow for the necessary changes that may arise in the years between a decision being made during the concept tendering procedure and its eventual implementation. This requires either correspondingly consistent, ongoing monitoring, or an examination at certain milestones, such as when the building application is submitted. The monitoring or examination must on one hand be based on the criteria of the concept tendering procedure, and on the important characteristics promised by the projects on the other. Quality assurance methods include contractual regulations (purchase, ground lease, and/or urban development contracts), with penalties if necessary, subsequent payment obligations and re-conveyance clauses, safeguarding in the land register, application phases with a final review or commentary, design guidelines, management advisory boards and other accompanying bodies, coordination meetings in which the qualities of the projects are regularly discussed, etc. One essential instrument of quality assurance can be a ground lease contract in which the qualities and uses are defined.

3.5. Bauträgerwettbewerb

A special application of the concept tendering procedure is Vienna's "Bauträgerwettbewerb" (developer competition), which has been regularly applied since 1995. The City of Vienna owns a land fund for housing construction, which sells its plots of land exclusively through developer competition. The special feature here is that not only are plots of land sold at a favourable fixed price, but at the same time decisions are made on the awarding of housing subsidies. This means that the developers must submit detailed projects, which are then evaluated based on architecture, ecological and social sustainability, and rental prices. The best projects are able to not only buy the land, but also receive housing subsidies for their project, whereby strict checks are made in order to ensure that the promises made are kept. The buyers are usually, although not exclusively, limited-profit developers. In any case, they build exclusively subsidised housing on the land.

3.6. Experiences

While in the 1990s, when the first concept tendering procedures were used, the framework conditions were usually quite simple, now certain prerequisites for the procedures have emerged which are important to regulate.² These include, for example, a good definition of the objectives of the procedure, the requirements and quality criteria, and a sensible approach to quality assurance. The procedures should be as open as possible and as formalised as absolutely necessary. Whereas in the 1990s the aim of urban development quality assurance was the main focus when concept tendering procedures were used, in the last ten years or so the aspect of promoting affordable housing has gained in importance. As such, the requirements and criteria have changed accordingly. During this period, many cities have made their first attempts at using concept tendering procedures, and in some cases, the model has developed into a standardised procedure. Acceptance of the concept tendering procedure has increased significantly in recent years because political pressure on the topic of living costs has risen sharply and the concept tendering procedure is seen as a method for making affordable housing easier to achieve

² E.g. Architektenkammer Rheinland-Pfalz et al. (2019): Mehr Konzept. Orientierungshilfe zur Vergabe öffentlicher Grundstücke nach Konzeptqualität. Mainz; Hessisches Ministerium für Umwelt, Klimaschutz, Landwirtschaft und Verbraucherschutz (2017): Grundstücksvergabe nach der Qualität von Konzepten. Verfahren und Praxisbeispiele. Wiesbaden; Stadt Köln (2016): Leitfaden zur Konzeptvergabe städtischer Grundstücke. Köln.

again.³ This development means that, under the slogan of affordable housing, urban development quality criteria can be increasingly used instead of leaving urban development to the free market alone. Of course, it can be difficult to carry out such procedures at the appropriate level, especially for those municipal administrations that have reduced competences in urban planning over the past decades.

Additionally, the emphasis in such procedures may vary of course, depending on whether a department for property management, urban planning and development or housing is in charge. However, the procedures have above all a correspondingly long-term and strong effect when they are not used only sporadically, but regularly and as a standard, meaning the actors can thus rely on such approaches and their regular occurrence. Only in this way can a correspondingly innovative and public-interest oriented actor landscape be maintained over longer periods of time.

³ Montag Stiftung Urbane Räume gAG (2016): Immobilien. Gemeinwohl gemeinsam gestalten. Forderungen und Projekte, Bonn.

4. RELATIONSHIP WITH FORMAL (REGULATORY) TOOLS

There are no formal procedures that are replaced by the concept tendering procedure, because land sales by cities are not part of their competencies. Fortunately, many cities still own land that they can make available for housing and other important uses. In the long term, this is best achieved if they do not sell the land (or only sell it to actors that would guarantee that the common good is assured in the long term), but grant it as a ground lease. There are, however, regulatory tools, which are related to the concept tendering procedure in practice, yet not formally. These are mainly found in public procurement law, urban planning and construction law. Additionally, formal planning processes almost always take place before the concept tendering procedure. Ideally, the approval of a project under construction law is closely linked to the concept tendering procedure, because at this stage, the quality of the project can be well assessed, and thus the conclusion of the sale should be made dependent on this step. Some cities link this formal tool closely to the concept tendering procedures, while others do not establish any direct links.

The traditional formal tools cannot achieve the level of quality control necessary to ensure high quality in urban design. One alternative could be for cities to develop and build the projects themselves, which is of course more expensive and does not benefit from the creativity of innovative actors. Furthermore, urban development contracts could be used, but these are initially a constraint imposed on the owner and therefore not the best basis for a development process determined by creativity. In contrast, for a long time direct awards have been the predominant method, however in times of increasingly high demands on public procurement law, this is hardly possible anymore. Ultimately, one could simply sell the land at the highest price and hope for the magical power of the free market, but in practice, the free market has often proven not to be a magical solution. Therefore, the concept tendering procedure was developed.

5. ALLIED FINANCIAL MECHANISMS

The financial incentive of the concept tendering procedure is the purchase price for land, which is below full market value, hence allowing for higher quality of the development, architecture, use, etc. The price can be fixed by the procedure, or be open to bids, although the city typically receives less money for its plot of land than would be the case in an open market bidding procedure.

5.1. Decision on land price

The standard procedure that leads to the land price determination is the so-called "Verkehrswertgutachten" (valuation report) which has to be done by an independent, authorized expert. The "Verkehrswert" is the open market value. The valuation report can be made using three different methods:

- **Vergleichswertverfahren** (comparative value method) – based on a collection of purchasing prices in a region that is made by the committee of valuation experts (Gutachterausschuss);
- **Ertragswertverfahren** (income capitalisation method) – based on land price and building income value (derived from rent income and operating costs);
- **Sachwertverfahren** (property value method) – based on land price and construction costs, depreciated according to building age.

For land without any pre-existing construction, the Vergleichswertverfahren is the standard method. If the price is fixed, this price is usually the "Verkehrswert". Typically, municipalities in Germany have to sell land for this open market value "as a rule," but since market prices are usually very high in many cities, they often try to go below that value, and do so by pricing in benefits of the projects to be developed, e.g. a share of social housing, special architectural quality, uses that do not bring market rents, etc. There is no standard procedure for how to do this, and as such, the reductions differ from city to city.

Munich uses a so-called residual procedure to decide on the price, starting with an "ortsübliche Miete" (local custom rent) and then calculating how high the land price can be so that this local, custom rental price can be achieved. Since they have different types of housing with different target rents (social housing, reduced rent housing for middle class etc.), they can have different land prices in the same development area for the concept tendering procedures.

Vienna has a maximum land price that can be paid if subsidized housing is to be built on the land, with that price having been fixed, politically, for many years now; in fact, since 2018 it has been fixed by law, too. However, this fixed price was a problem for the last few years since no one wanted to sell land for subsidized housing anymore apart from the biggest landowners (e.g. the federal railways). Since last year, Vienna introduced a new category of land use designation, which is called "subsidized housing." Every new development plan including housing has to allocate at least 50% of it to subsidized housing, and for that, the fixed land price is mandatory.

The typical discount differs widely, as in the case of Munich, which had been looked into during the 2012-2014 period, the cheapest land price for social housing was €280 per m² floor area for social housing, then there were other subsidized housing types with prices between €375 and €675, and the market value for privately financed housing in that area was between €1,400 and €1,900. This was, of course, many years ago, prices in Munich are much higher now.

Typically, in a concept tendering procedure, no price negotiation takes place since the price is either fixed or determined through a bidding process, and qualitative criteria are determinant in the decision. Many examples have illustrated that a fixed price below full market value allows for developments and uses that would not be viable or possible with higher land prices, e.g. affordable housing; moreover, it typically attracts small developers and groups who have the flexibility to offer high-quality projects that can be tailored to the respective tendering, rather than larger developers who have less financial and product flexibility.

5.2. Non-fixed prices

If the price is not fixed in a tendering procedure, then the bidders are free to make whatever offer they want, but sometimes there is a fixed minimum price. In the concept tendering procedure, the price is of course never the only criterion, and therefore the offered prices are translated into points based on the relation between them (starting from the highest bid and giving fewer points to lower bids). These points are then added to the points received based on the quality criteria according to a certain criterion share. Usually, prices have a weight of 30 to 40% in the overall criteria.

5.3. Differences between fixed and non-fixed price procedures

In the examples examined, the price was fixed in Hamburg (for cooperative housing groups), Munich, Frankfurt, Stuttgart (for building associations), Hanover, Heilbronn, Tübingen and Landau (for building associations); and the price was not fixed in Berlin, Hamburg (for developers), Stuttgart (for developers), Münster and Landau (for developers). Sometimes, in the same area, some parcels are sold through a conventional bidding procedure, while other parcels with special requirements for social housing, and/or mixed use or other uses, through a concept tendering procedure with a fixed price. Likewise, sometimes some parcels in an area are sold at very strongly reduced, fixed prices, e.g. for subsidised social housing, and others for privately financed housing at correspondingly higher, yet also fixed prices. It also happens that the price is only fixed for certain typologies (cooperative housing groups), whereas it is used as a partial criterion for developers. There is no generally applied model, but there are many different methods.

5.4. Ground lease

The ground lease is usually set by a political decision, e.g. 2.5% in Frankfurt or 4% in Münster, but of course these are based on valuation reports, too. Ground leases have been an important topic in the public discourse for several years, since ground leases can contribute to affordable housing. At the time of my survey, not many cities had granted ground leases in concept tendering procedures, as in my selection there is only one example (Frankfurt am Main). However, this has changed in the last few years, since there are now some cities that are increasingly granting ground leases, alongside other cities that generally no longer sell land, but rely on ground leases alone. These cities do so in order to retain the land and thus have the long-term power to decide on land use. In addition, long-term specifications for the use of the land can be made in the ground lease contract, which is only possible for about 15 years in the case of purchase contracts.

5.5. Tübingen model

Tübingen has conducted numerous concept tendering procedures over the last 25 years, with one of them in particular dealing with private land owned by Aurelis, the land development company of the German federal railway company (Deutsche Bahn) and which behaves like a free market actor. Tübingen typically utilises a highly

sophisticated model for price definition that does not rely on a single expert but rather on an expert committee consisting of architects, developers, the administration, inhabitants, etc., who define a highly differentiated price model for each area based on its location, the area that can be built on in a plot, the type of housing, the obligation to include business spaces, etc. The prices in the Aurelis procedure ("Alter Güterbahnhof") in 2015 were between €180 and €450 per gross floor area. Of course, in this case, the parcels sold in the concept tendering procedure represented only a small share of the overall area, perhaps 25%. The rest was sold directly by Aurelis with its standard bidding procedure.

5.6. Lessons learnt involving private land

Until now, such procedures have been seldom used on private land, but these may become more important in the future. We have witnessed some of the experiences in Vienna, and I know of two examples in Germany (Tübingen and Hamburg). Of course, the central question is if it is possible to force a private owner to engage in such practices, which may reduce revenue(s). The majority of such procedures take place in areas where the owner requires new development plans from the city, and that is the very situation wherein the private owner might be willing to offer something that is interesting/enticing for the city, e.g. concept tendering procedures for a share of their land. In some cases, concept tendering procedures were carried out on brownfield sites that initially did not belong to the city, but were acquired by the city through a "städtebauliche Entwicklungsmaßnahme" (urban development measure), developed, and then sold again through concept tendering procedures. An urban development measure, according to the federal building code (Baugesetzbuch), allows the city to acquire land at a low price under certain conditions and with a defined process, in order to then create building rights there and thus finance the infrastructural and developmental costs through the price difference. If no agreement can be reached with the owners, then expropriation is also possible for such urban development measures.

6. CHALLENGES AND EQUALITY ISSUES

Important challenges for the use of concept tendering procedures are political support in the city government as well as acceptance in the city administration (urban planning vs. property management), legal difficulties (state aid law, municipal law, public procurement law⁴) and planning issues (quality assurance, possibilities for cooperation). Equality aspects tend to be better answered through the use of concept tendering procedures than through conventional procedures—after all, it is a firm goal of the procedures to significantly increase the circle of potential buyers of a parcel of land compared to conventional procedures. Additionally, concept tendering procedures not only involve commercial developers or municipal housing companies, but also cooperative housing projects, particularly innovative developers, social agencies, etc., which tend to propose projects and uses in which the aspect of equality plays a role.

7. KEY INNOVATIONS, SUCCESSES AND IMPACTS

Concept tendering procedures have been highly successful at achieving higher quality in urban development and better uses of individual plots of land, including in new urban districts, and in making affordable housing possible. These achievements have been these procedures main selling points and why increasingly more cities have begun using this tool. Since the procedures not only demand architectural, social and ecological qualities, but also are usually centrally concerned with concepts for use, these procedures represent an excellent means for achieving mixed use in new urban districts. At the same time, they also contribute to a broader urban discussion on urban planning, often integrating participatory formats and activating new actors who are particularly innovative. However, they also require new, informal methods of quality assurance. In the future, concept tendering procedures will be increasingly used for the awarding of ground leases, and a new challenge will be to carry out such concept tendering procedures not only on municipal land but also on private land, since potential municipal land plots that can be offered for urban development projects are becoming increasingly more limited.

⁴ Weiß, Holger; Reuße, Bastian (2019): "Rechtliche Rahmenbedingungen der Konzeptvergabe". In: Quartier. Fachmagazin für urbanen Wohnungsbau, 4/2019, pp. 52–57.

8. EXAMPLES

8.1. Berlin, Blumengroßmarkt (wholesale flower market)

Early proceedings, public discourse



Integratives Bauprojekt am ehemaligen Blumengroßmarkt (IBeB), architects: Arge ifau (Institut für angewandte Urbanistik) and HEIDE & VON BECKERATH, photo: Robert Temel

As early as 2007, the Berlin Senate decided that the Liegenschaftsfonds Berlin (later Berliner Immobilienmanagement GmbH (BIM)) should offer plots through a fixed-price tendering procedure with concept criteria in order to improve the quality of life in the inner-city and strengthen cooperative housing projects and cross-generational residential groups. In 2011, the procedure for the Blumengroßmarkt represented a new model of the concept tendering procedure with a minimum price. Not least due to this procedure and the civil society initiative entitled *Stadt Neudenken*, Berlin reoriented itself shortly afterwards in 2012. Under the title “transparent property policy,” the city decided to cluster all city-owned plots of land into categories. Since then, a small portion can be sold by BIM through the concept tendering procedure.

Pilot project in the centre of Berlin

The tendering procedure for the Blumengroßmarkt, the site of which was mainly in possession of the state-owned Berliner Großmarkt GmbH, still took place independently of this new policy. On the one hand, it was an exceptional procedure—the city itself was not the owner, the location and programme were not commonplace, and the procedure was adapted several times during the process—but on the other hand, the result was exemplary. In the centre of the city, between Friedrichstrasse and Lindenstrasse, lies the hall of the Berlin Blumengroßmarkt, which had moved to Moabit in 2010. The area was thus freed up for a new design, with the hall itself purchased by the federal government for the Jewish Museum Academy. Three building plots around it were to be awarded through a concept tendering procedure.

From Markthalle 9 to the Blumengroßmarkt

The managing director of Berliner Großmarkt GmbH had already previously conducted a sale of the small Markthalle 9 in Kreuzberg not based on the best price, but according to usage criteria. This sale served as an example for the new area. In addition, the use of the hall by the Jewish Museum suggested a mixed use with an



Metropolenhaus am Jüdischen Museum, architecture: bfstudio-architekten, photo: Robert Temel



Metropolenhaus am Jüdischen Museum, architecture: bfstudio-architekten, photo: Robert Temel

all-round cultural focus. The procedure thus emerged independently of the cooperative housing tendering procedures that had already existed before.

Concept development in the district

Parallel to the vacancy of the hall, the district administration of Friedrichshain-Kreuzberg commissioned a concept study for an art and creative quarter in 2009. The concept formulated guidelines for further development, which were partially adopted by the projects that were ultimately realized. The concept tendering procedure of Großmarkt GmbH started during the concept development, but the parties involved in the study were finally included in the procedure, with the shortlisted projects presented for public discussion at an exhibition in 2012. Due to the intensive participation of local actors, it was possible to deviate from the traditional route, for example with regard to cultural use and participation.

The tendering procedure as a training ground

In cooperation with the Liegenschaftsfonds Berlin, Berliner Großmarkt GmbH invited tenders for the “Checkpoint Art” tendering procedure for five plots of land around the Blumengroßmarkt in 2011. Initially it was only stipulated that there was a minimum purchase price and that concepts for use with a cultural focus had to be submitted. Central elements were the subordination of the price criterion, the combination of cultural uses with affordable living space, the decision by a committee of politicians and creative industries, the participation of the local population, and the use of the procedure as a “training ground.” After a total of 19 offers had been submitted by the end of 2011, a working group was formed to make a sales recommendation to the supervisory board of Großmarkt GmbH. This working group consisted of representatives of the Berlin Senate’s Departments for Economics, Technology and Research as well as for Urban Development and the Environment, the district, and the creative industries. At the beginning of 2012, the working group formulated evaluation criteria on the basis of which the participants revised their concepts. It was ultimately determined that the financing had to be proven during the procedure and that the buyers had to conduct an architectural competition later.

Long process duration

After two of the five plots of land were sold directly to the daily newspaper *taz* and the Berlin Medical Association, the decision regarding the remaining three plots of land in the concept tendering procedure dragged on until 2014 due to elections. This time

was used for clarification discussions with the bidders in the process, including contract negotiations. Finally, the three best-rated projects per construction site were once again put up for public discussion. Starting from the handful of targets established at the beginning, the procedure thus developed iteratively throughout the process and changed according to exchanges with the projects and the population, which represented a great deal of effort and commitment.

Quality assurance and participation

The architectural competition for all projects was abandoned in favour of a qualifying, cooperative planning procedure with the district, so that the architects of the projects worked together on their designs in order to achieve a harmonious whole. To this end, the architects met four times in a two year-period for all-day workshops with representatives of the district and the Senate, the local population, the redevelopment advisory board and three external architects. This procedure, as well as the ten-year usage requirements, was set out in detail in the purchase contracts. Prior to the concept tendering procedure and in parallel, the local population was intensively involved in the development of the cultural concept and the dialogue procedure based on it. The winning projects financed the “Bauhütte,” a project space in the adjacent Besselpark as a place for public participation and discussion.

Three outstanding projects for the neighbourhood

The three buildings resulting from the process each have a different focus between the cultural/creative industries and affordable housing: Frizz23 is a cooperative project for the cultural industries and integrates an educational institution. IBeB combines a cooperative, residential property and a social carrier as well as creative industries with business. Finally, the Metropolenhaus at the Jewish Museum also combines living spaces with commerce, with income from commercial rent supporting the cultural uses on the ground floor.

State of affairs

Following the 2016 elections, the coalition agreement defined real estate policy as an instrument of public services. Land would be allocated only by means of ground lease, while areas for residential construction would be allocated primarily to state-owned companies. Certain smaller plots of land would be allocated primarily to cooperatives and public welfare organisations.

Procedure at the Blumengroßmarkt

Verfahrensablauf beim Blumengroßmarkt



8.2. Heilbronn, Neckarbogen

The new centre in the urban development concept

In the Heilbronn Urban Development Concept 2020, the conversion of the former industrial site of “Fruchtschuppenareal,” later named Neckarbogen, was initiated as an inner city development project. In 2004, the city council had decided to apply to host the Federal Garden Show 2019 (Buga), which was to be combined for the first time with a city exhibition. The *Bundesgartenschau Heilbronn 2019 GmbH* was founded for the development of the project, and intensive citizen participation accompanied the planning processes for over ten years.

The masterplan defines the urban mix

Based on the winning project of the 2009 urban planning competition, a masterplan with higher density was developed, which was finally approved by the city council in 2014. The plan provided for two water areas and a rigorous block structure in the middle of urban green spaces. Subsequently, a landscape architecture competition for the Buga followed in 2011, and by 2019, 22 buildings were to be completed on three of a total of twenty future building plots, as well as a youth hostel in the midst of the designed gardens. Following the Buga, the new district was to be completed. The guiding principles for the development were mixed-use, different residential typologies, and a mix of a large number of actors. A strong social and usage mix were to be achieved by means of different housing types, forms of ownership and property developers, as well as small-scale urban development. The city exhibition contained 51% rented apartments, 6% cooperative housing apartments and 43% owner-occupied apartments, with 40% of all apartments being subsidized housing. The defined goals included outstanding architecture and innovative construction technology from new building materials, intelligent living, contemporary mobility, and energy concepts as well as innovative use concepts.

Bringing the river back into the city

The Neckarbogen is located on an island between the Neckar River and the Neckar Canal, on the site of a former freight station with a river port near the main railway station and not far from the city centre. The area covers 40 hectares and is expected to one day accommodate 3,500 inhabitants and 1,000 jobs. The aim is to bring the Neckar River ‘back’ into the city, and free of car traffic wherever possible. In order to achieve this, a heavily trafficked main road along the Neckar Canal had to be



Apartment house, architecture: Finckh Architekten BDA, Stuttgart.



Children's house of the future, architecture: Finckh Architekten BDA, Stuttgart. Both photos: Bundesgartenschau Heilbronn 2019 GmbH – Gaby Höss

abandoned. The new, green district will be directly linked to the city centre by means of footpaths and cycle paths, and here, living and working, with commercial uses on the ground floor and recreational areas be located close together. The three building plots of the first phase are about 1.5 hectares in size each.

From market exploration to the concept tendering procedure

Prior to the start of the investor selection process, the city of Heilbronn conducted an expression of interest procedure as a reality check. With the help of a basic pamphlet and several informational events, information was provided on the essential framework conditions, achieving a result of the registration of 95 interested parties, all of whom were invited to individual meetings to discuss requirements and to field any questions they may have. In doing so, a fundamental, broad interest was demonstrated despite the demanding framework, for example with regard to the small-scale nature of the development. However, certain adaptations were also made: instead of the planned tall, multi-floor garages situated outside the area along the access road in order to achieve a “low-car traffic” district, collective underground garages were ultimately built in the area. Further on, the use of the site, in addition to the eventual architecture, was defined as a criterion for the tendering procedure. At the beginning of 2015, the city council laid down the conditions of the investor selection procedure, which included fixed prices for the plots and a selection process based on architectural quality, technical innovation and use. The purchase prices were ranked according to the location.

High demands on the submissions

The participants had to submit highly detailed architectural plans and a model in addition to their conceptual idea including a confirmation of financing. Their submitted concept should have addressed the types of housing they would offer as well as any special forms of housing (such as community or inclusive living), complementary uses, forms of meeting in the urban district, energy and ecological approaches, and mobility. The participants each named two priorities for specific locations in the area, so that the committee had the opportunity to, for the most part, freely situate the projects on the 22 plots of land. Developers could apply for several plots, but architects could only apply for a maximum of two, which could not be located next to each other in order to increase architectural diversity of the site. The projects were pre-examined and then assessed by the evaluation committee, whereby not only the respective concept, but also the “composition” of the entire development and the social mix were important bases for the decision. Accordingly, the criteria were not weighted, but the projects were evaluated holistically in



View of the Neckar bank and the city exhibition. Photo:
Bundesgartenschau Heilbronn 2019 GmbH



Aerial view of the Buga area on the Neckar island. Photo:
Bundesgartenschau Heilbronn 2019 GmbH

comparison. The evaluation committee consisted of members of the interdisciplinary building commission (six experts from the fields of urban planning and construction law, urban development, architecture and landscape architecture), which have accompanied the development over the long term, as well as representatives of the city council and the mayor.

Comprehensive documentation of procedures and results

After the recommendations of the committee, the city council confirmed the free of charge, exclusive option period for the selected participants. Only following the submission of the building application and after a positive recommendation of the building committee were the purchase contracts concluded. Following the judging process, the 85 submitted projects were presented to the public at a three-day-long exhibition and then published in a printed document. Due to the very tight time frame of three years from the tendering procedure to completion, there was a strong need for coordination, so weekly to fortnightly building coordination meetings began as soon as possible. Furthermore, changes to the projects required approval; in the case of small and medium-scale changes approval from Buga and the building commission was required, or in the case of large-scale changes, by the building commission and the city council. For those projects that could not be implemented, replacements were selected over the course of a coordinated succession procedure; in these cases, too, the city council ultimately made the decision. Such accession was necessary several times, but always led to good results, since the same requirements and criteria were applied as in the tendering procedure.

Quality assurance and coordination

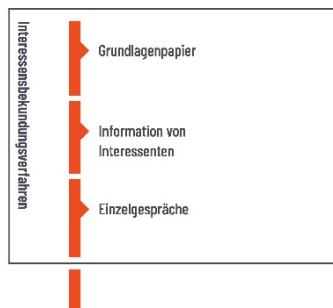
The development was led by Buga GmbH and intensively monitored by the building commission, the municipal offices, and the city council. At the same time, all of the involved property developers had to coordinate with one another, with Buga moderating; for example, they had to coordinate on the joint construction of underground car parks, the planning of outdoor spaces, and the eventual energy supply. The architectural framework was disseminated in the form of a detailed design handbook, which had also been approved by the city council and which set out the specifications for building structures, roofs, building envelopes, ancillary facilities, and open spaces. Specifications regarding the individual submissions, their qualities and the timetable were laid down in the purchase contracts. All involved developers had the obligation to finish construction by the summer of 2018.

Highest quality at the highest speed

The city's exhibition in Neckarbogen set high standards for architecture and usage concepts, which moreover had to be realized in only three years. This was only possible through comprehensive communication, from the procedure regarding expression of interest to the monitoring by the building commission to the building coordination meetings, in which the majority principle applied. Overall, the procedure was a great success, so that a continuation of this procedure following the Buga can presumably be expected.

Procedure

Verfahrensablauf



Expression of interest phase

Basic document

Information for interested parties

One-on-one interviews



Investor selection phase

Registration for the procedure

Call for tenders

Delivery of concepts/designs

Preliminary assessment

Assessment committee

Locating of projects on parcels

Municipal council: decision on exclusive option period

Exhibition

Delivery of building request

Conclusion of purchase contracts

Building coordination meetings

8.3. Tübingen, Alte Weberei (old weaving mill)

Privileged cooperative housing projects

Since the mid-1990s, Tübingen has been regularly applying concept tendering procedures that are essentially open to everyone, even if one of their purposes has been to promote cooperative housing projects. Traditionally, developers only have a chance in cooperative housing project competitions if they act as so-called “anchor users” or offer a great deal of social housing. These tendering procedures are used in the context of large development areas, first as a so-called “Städtebaulicher Entwicklungsbereich” (urban development area) according to Baugesetzbuch (Stuttgarter Straße/Französisches Viertel), and later also via the city-owned urban development company WIT (Wirtschaftsförderungsgesellschaft Tübingen mbH), the latter also in the case of the Alte Weberei. Tübingen generally avoids greenfield developments; instead, converted areas are made usable. In the meantime, this model has also been applied to plots of land that do not belong to the city itself but rather to private owners. This is because, from the outset, Tübingen privileged cooperative housing projects since the city felt that these projects would be better able to implement the city’s urban development goals: mixed-use, high density and urban, high-quality public spaces, innovative mobility and citizen participation. The transition from the traditional highest bidder procedures to the concept tendering procedure took place because the advantages of quality orientation and participation were learned from urban renewal projects with citizen participation; and because the conditions of the Städtebaulicher Entwicklungsbereich as a financial “zero-sum game” for the city allowed for a moderate approach to the prices being charged.

Low-threshold access

Tübingen's many years of experience with the concept tendering procedure is reflected, among other things, in the fact that formalities are kept to a minimum – the “tender documents” consist of several pages that are easy to understand even for laypeople. These documents are comprised of five informational sheets with general information, FAQs, a description of the procedure, the most important building rules/regulations, and the concept for energy. Additionally, there are a few plans with the urban development concept, a parcelling proposal and land prices, and an option form. There are no weighted evaluation criteria, albeit the submissions are decided on the basis of direct comparison. In addition to the option form, a short, written project description must be submitted.

Conversion area on the river

In the Lustnau district east of the city centre, directly at the confluence of the Ammer and Neckar rivers, the new Alte Weberei district with 800 inhabitants was created in two phases of construction up to 2016, on an area of around ten hectares which had previously been used by the textile company Egeria. Following the site's acquisition by WIT in 2008, the city of Tübingen launched a two-stage urban planning competition. With the help of citizen participation and several informational events, the winning project ultimately resulted in the development plan, which was approved in 2011. In addition, problems with soil decontamination and flood protection had to be solved.

Combination of existing and new buildings

The design envisages seven courtyards, consisting of multi-storey residential buildings and townhouses. In the south, towards the Neckar, the courtyards open up and are each closed off by the high point of a city villa. In the north, the courtyards are partly formed by terraced houses, with semi-detached houses situated at the transition to the existing, loose development. In the centre of the area, the former company's main building has been retained, which now houses an Italian restaurant. For the central areas on the square and along the Nürtingerstrasse, commercial use was specified for the ground floor, while a youth club remained on the Neckar side, as it had settled there during the period when the site lay vacant, supplemented by a municipal youth centre. One listed building from the old textile factory which possesses a striking tower has remained in the eastern part of the area and is currently being used for business purposes once again. The development plan also specifies design requirements, for example the shapes of the roofs.

Anchor users and others



Panoramic view of Alte Weberei, Tübingen. Photo: Dktue, CC BY-SA 4.0

There were two separate tendering procedures for the sale of land in the first phase: firstly, during the three-month-long procedure for the six courtyards, a so-called "anchor user" was selected for each case to build the common underground car park for each courtyard, to plan the common inner courtyard, and to take on other common tasks. The remaining plots were awarded in a subsequent five-month-long procedure. In particular, the Tübingen tendering procedures have always been carried out by the project development department, because WIT deliberately does not have its own personnel resources. Before and during the marketing process, several public events were held to present the area and the procedure. These included a "Stadthausbörse" (town house exchange), where cooperative housing



Aerial view of the Alte Weberei area in Tübingen. Photo:
Dktue, CC BY-SA 4.0

projects could present themselves and look for new members. Then, individual builders, cooperative housing projects and developers applied with location priorities, since at that time of the procedure, there had been no parcelling out of the area. Individual interviews were held with all applicants, resulting in a profile for each project. The awards committee with about 15 members was comprised of representatives from all city council factions as well as the city administration and the city quarter. In a non-public meeting, the plan was decided on the basis of the profiles of all applicants for the area, with the plots of land allocated and options awarded for a period of six months. The projects were thus evaluated not only individually, but also in interaction with the others. The location and interaction of the projects were tested during the judging process on a large-site plan with magnetic maps. This allocation was also the basis for the parcelling.

Great demand

In the Alte Weberei, 80 groups, 40 developers, and 50 individual builders applied for terraced or semi-detached houses, which were finally given options for a total of 48 plots of land. The purchase prices were fixed and determined for each location by an interdisciplinary commission on the basis of situation, usability, area category and type of housing. In the subsequent option phase (up to four months free of charge, then 1%), the cooperative housing projects had to be completed, have developed an architectural design, obtained a building permit, as well as finalised the contracts and financing. Extensions of three to six months were common. During the construction of the projects, the public space was planned with the participation of the future residents.

Participation in the round table

Parallel to the development, planning and sales process, the "Lustnau Round Table" met for public participation over a period of three years. It served as an advisory committee for the urban planning competition and its further development, the development planning and the allocation of land, and solicited suggestions from the public into the discussion. Every two months or so, the local advisory council of Lustnau, the church, the local educational institutions, associations and business people, the district forum and residents had roundtable discussions.



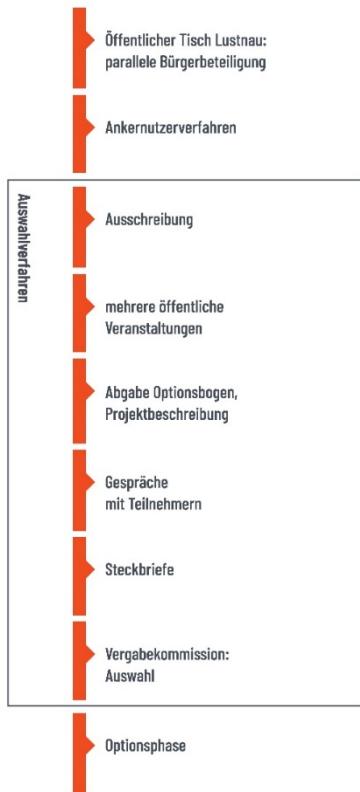
Industrial building of the Egeria company, Alte Weberei, Tübingen. Photo: WikiBilder1, CC BY-NC-SA 2.0

A highly developed procedure

The Tübingen concept tendering procedure has been tried and tested for decades and is being continuously developed further. It is very low-threshold, open and transparent, and takes the interactions between all projects into account when deciding on selections. Over the years, certain requirements have been altered and reduced again, such as the integration of commercial spaces on the ground floors and the original collective garage concept. In the future, the focus will be more on the integration of commercial enterprises and low-cost housing construction. In addition, WIT has so far offered this form of project development as a service for a private owner to enable cooperative housing projects on their land.

Standard procedure in Tübingen

Standardverfahren in Tübingen



Public round table Lustnau: Citizen participation

Anchor user procedure

Selection phase

Call for tenders

Several public events

Delivery of option sheet, project description

Interviews with participants

Profile sheets

Awards committee: selection

Option phase

9. KEY LESSONS AND TRANSFERABILITY

The sale of land at a fixed price according to quality criteria achieves higher urban development and better architectural qualities.

The departure from price as a (central) criterion allows for affordable living and other inexpensive uses.

Competition for use concepts and projects makes a significant contribution to the quality of new urban districts and enables mixed use and diversity.

Concept tendering procedures allow for a broader involvement of the urban population, the architectural scene, and innovative actors in urban development, as well as the integration of participatory formats.

The procedures allow the creativity and innovative power of many participants to be made fruitful and used, allowing for a beneficial competition of ideas.

In my opinion, the approach is essentially transferable to other cities and other countries. However, the prerequisite is that the city in question must either own land itself, which it can sell in this way or otherwise grant ground leases, or the city must be able to convince private owners to carry out such procedures.

KEY ONLINE RESOURCES

www.bbsr.bund.de/BBSR/DE/FP/ReFo/Staedtebau/2017/baukultur-quartier/01-start.html?nn=438822

All rights reserved

United Nations Human Settlements Programme (UN-Habitat)

P.O. Box 30030 00100 Nairobi GPO KENYA
www.unhabitat.org

URBAN MAESTRO

This paper was drafted as an external contribution to the Coordination and Support Action "URBAN DESIGN GOVERNANCE - Exploring formal and informal means of improving spatial quality in cities across Europe and beyond", also known as "Urban Maestro". The Action was funded by European Union's Horizon 2020 research and innovation programme under grant agreement No. 831704 and implemented from 2019 to 2021 by a consortium comprising the University College London, Brussels Bouwmeester Maître Architecte and UN-Habitat.

www.urbanmaestro.org

DISCLAIMER

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the secretariat of the United Nations concerning the legal status of any country, territory, city or area or its authorities, or concerning the delimitation of its frontiers or boundaries regarding its economic system or degree of development. Excerpts may be reproduced without authorization, on condition that the source is indicated. Views expressed in this publication do not necessarily reflect those of the United Nations Human Settlements Programme, the United Nations and its member states.

ACKNOWLEDGEMENTS

Principal authors: Robert Temel, architecture and urban planning researcher and consultant

Design and layout: Kidnap Your Designer, Brussels Bouwmeester Maître Architecte (BMA)

