PotentialBalancer.District
Assessment tool for
Economic effects of Urban District Development

28th of October 2016, Freiburg
LOCAL RENEWABLES CONFERENCE 2016  Plenary 3
Smart Cities: Governance challenge or business model
for local renewables in smart cities
Company profile

- Germany based (Weimar and Leipzig)
- independent and interdisciplinary consulting and research
- ... around reliable and economic infrastructure
- ... focussed on
  - economic
  - strategic
  - economic-technical
  - organisational
  - interdisciplinary
- ...for our main clients
  - public administrations,
  - research institutions and
  - companies providing public services

National and international projects, 98% public-sector clients, More than EUR 11 billion accompanied project volume
Smart City Project Graz: Assessment of economic effects

Smart City Project Graz - Vision and Introduction

National funding by the Climate and Energy Foundation

THE CONSORTIUM

13 national and international partners are taking part in the first Smart City Graz project.

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KEY FEATURES

- Currently the only Smart City flagship project in Austria
- Realizing the first local energy network
- Implementing Grätzel cell technology in building facades
- Meeting Smart City goals through PPP contracts in the energy, mobility, building technology and public space sectors
- Accompanying city district management to involve all actors
Smart City Project Graz: Assessment of economic effects

Smart City Project Graz – District (Waagner-Biro-Straße in Graz West)

- Education
- Science
- Recovery
- Living

Project area West

Project area Mitte

Mobility

Culture

Area of consideration

Energy

Economy

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For reliable and economic infrastructure
Smart City Project Graz: Assessment of economic effects

Main questions

How can the different individual objectives be balanced?

City of GRAZ

Complex target system for urban development consisting of:
- ecological
- social and
- economic objectives.

Land Owner / INVESTOR

Target system consisting of primarily:
- economic objectives with increasing focus on
- environmental, social, ethical objectives

Full use of building land

What economic effects are arising from the planning options?

Which urban land-use planning option
- fulfils best the objectives of the city and at the same time
- enables the investor for an economically sustainable development?

Balance of interests

Model Concept

Analysis of future (long-term) potential
The expenditure and revenue items will be examined for completeness and relevance with the calibration of the model.
Conclusion and discussion

Benefit of the PotentialBalancer.District

- **Planning and decision-making tool**
  - Operationalisation of the complex relations
  - Transparency of the relevant economic effects/impacts
  - Identification of sensitive parameters

- **Management tool for contract negotiation with investors**
  - Support for achieving balanced decisions concerning
    - different cost distribution or burden sharing options
    - variation of cash flows in time and value
    - possibly with the involvement of subsidy instruments to develop unprofitable districts

- **Communication tool**
  - Awareness creation of decision-makers and public departments concerned (Urban Planning Department, Department for Planning and Implementation, Office for the Development of Commerce and Tourism, Department of Green Spaces, Nature and Water, Cultural Office) an other public and private stakeholders
  - Transparency of the decisions for public and private stakeholders