

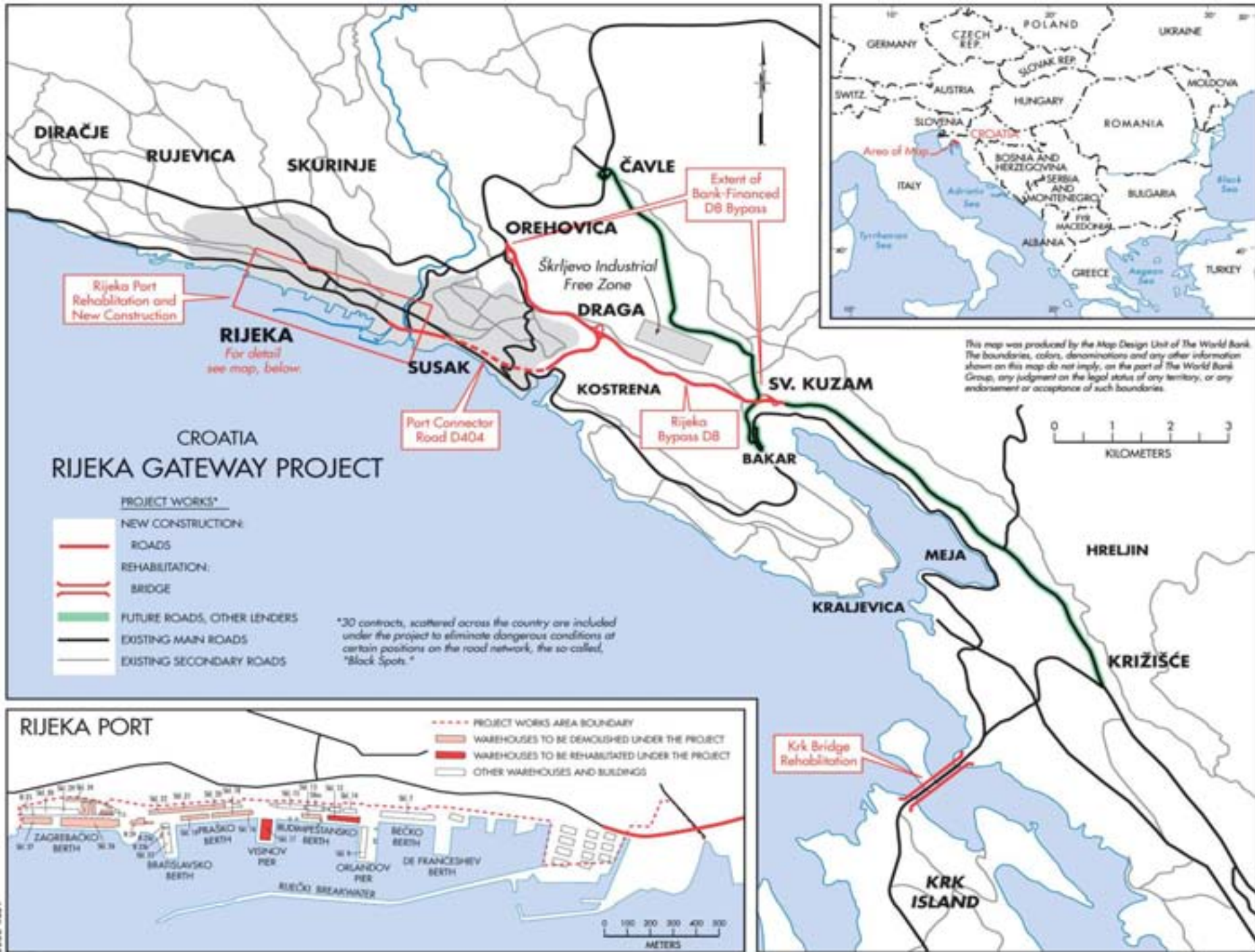


RIJEKA GATEWAY PROGRAM

Balancing Port-City and City-Port Development

2004 - 2014

by Gerald Ollivier










Main Interests from the City

- Improve city life quality
 - Create new identity
 - Increase waterfront access for citizens
 - Increase public space/parking space
 - Add new civic amenities at no costs
 - Preserve historical sites
 - Reduce truck traffic through city streets
 - Increase city revenues
- 


Main Interests - Port Operator/ Port Authority

- Run a business based on market-demand
 - Maximize port use in competitive market
 - Answer to strong demand in container traffic
 - Maintain synergies between cargo types
 - Improve hinterland connection and truck access to port area
 - Widen open space for port use
 - Receive proper compensation for land use
- As citizens, improved city life quality

Lessons from redevelopment in other Port Cities

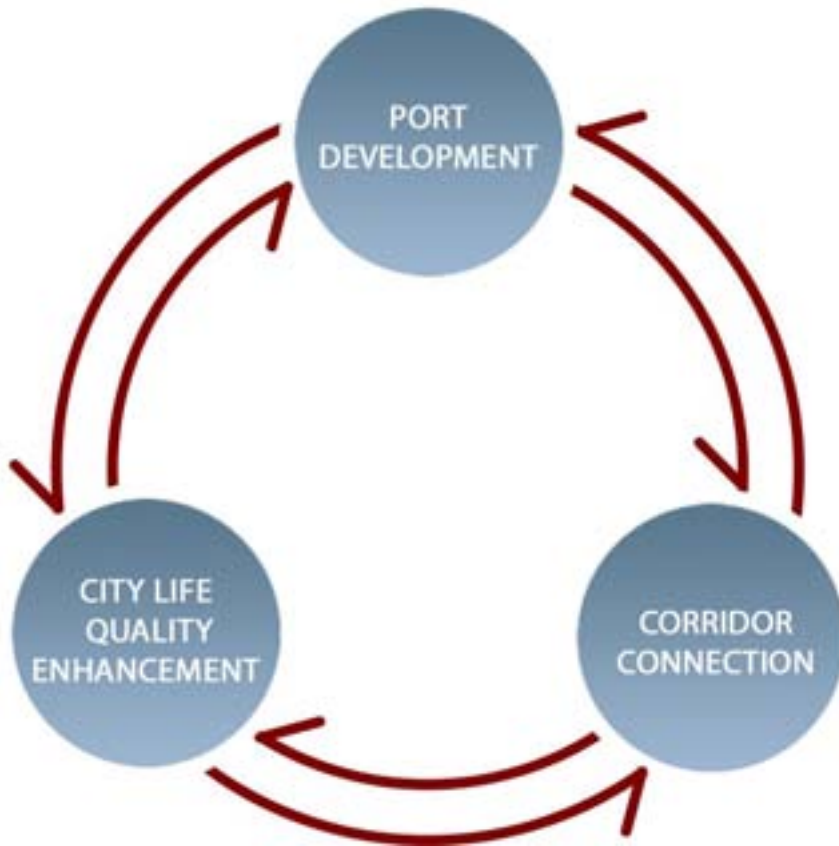
- Potentially a major element in Urban Revival:
 - Quality of life
 - Port development
 - New urban identity
 - Magnet for people, finance, goods, companies
 - Innovation and global knowledge
 - Intensified international integration
- But some lessons learned
 - Time intense process until **all interests are aligned**
 - All directions strategies not strategies

The RIJEKA GATEWAY PROGRAM AIMS AT:

- Developing Rijeka into a major regional Container Port, with a flexible capacity of 575,000+TEU (Containers), able to recover its costs, and generating over €17 million of annual revenue by 2014
 - Generating annually over €90 million of revenues for the various transport participants in Croatia and over €20 million annually in VAT by 2014
 - Enhancing city life in Rijeka by improving sea access to citizen and enabling the transformation of the Delta area, the Port of Baross with a first phase of 7 ha by 2014
 - Attracting over €100 million of private investments
 - Generating over 1000 jobs in Rijeka and its surroundings in first phase of Delta redevelopment
- 

RIJEKA GATEWAY PROGRAM: an Integrated Approach

THREE COMPONENTS, US\$325 million through 5 Loans



US\$ m eq.	WB	Client	Private (tentative)
I. Port Development	220	37	84
II. Corridor Connection	99	99	
III. Port City Interface	6	6	100
Total	325	142	184

UPDATE ON RIJEKA GATEWAY I

Rijeka Port

Results to Date

- Sharp growth in traffic (container+1000% between 2002-08)
- Solid improvement of Port of Rijeka Authority financial situation (Government support for operations only 3 percent of revenues)
- Increased cargo handling by private sector to 28 percent (ongoing steps for further structural increases)

Main Components

- Completed rehabilitation of Becko berth
- Provision of handling equipment
- Implementation of staff retrenchment program
- Upgrade in port information system
- Construction of two terminals expected to be contracted shortly

Corridor Connection

Results to Date

- Opening of the following section of Rijeka Bypass (D8) Orehovica-Sveti Kuzam
- Opening of part of the Eastern Connecting Road D404 (upon completion will provide direct road access to Brajdica container terminal)
- Small arch of Krk Bridge rehabilitated - large arch of Krk Bridge started in 2007

Port City Interface

Results to Date

- New Passenger Terminal close to completion

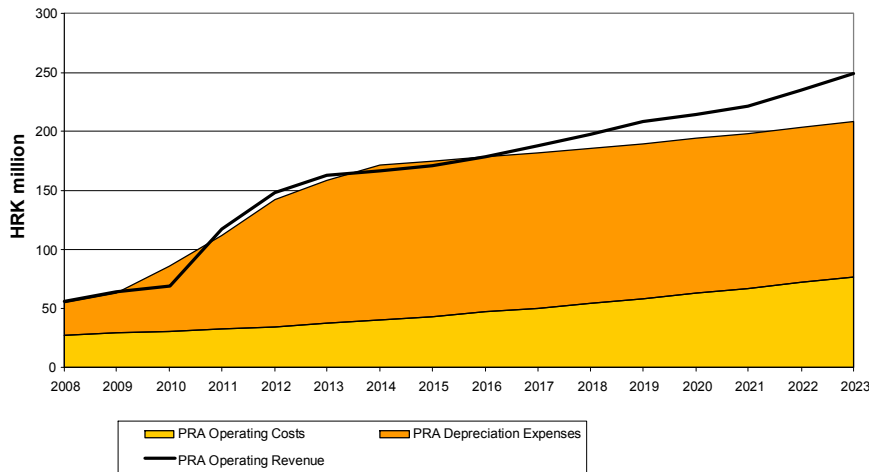
Process launched to redevelop: **Delta and Port of Baross areas**

- Obsolete warehouses demolished freeing up space
- Detailed Design Guidelines close to approval by City/Port
- Tender documents for a private developer being prepared

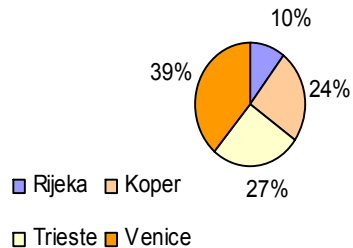
COMPONENT I: Port Development

DEVELOP RIJEKA INTO A MAJOR SELF-SUSTAINED CONTAINER PORT

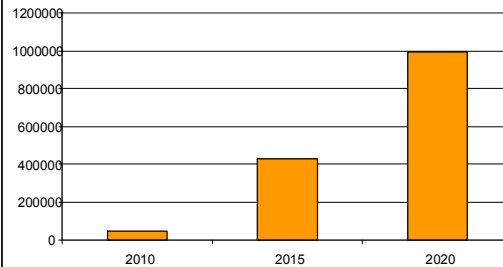
PRA Investment Recovery



North Adriatic Container Traffic (2005)



Envisaged Capacity Shortfall of Adriatic Ports (Demand minus Existing Capacity (TEU))



- Increase container traffic and market share to Central Europe through Rijeka
- Bring container capacity of Rijeka to the level of Koper and Trieste (500,000 TEU by 2014) by freeing up space as traffic materializes
- Container related revenues of €17 m for port by 2014
- Use flexible mechanisms to offer additional capacity (up to 800,000 TEU) as market evolves
- Attract investments in superstructure and equipment by private sector to develop Brajdica II, Zagreb I (equipment) and Zagreb II (equipment, infra/ superstructure)
- Create necessary space to handle cargo to compensate for areas where historic warehouses have been preserved

PORT DEVELOPMENT-RESPONDING PROACTIVELY TO MARKET NEEDS

Phase I - Container Capacity (2011): 300,000 TEU



- ① Zagreb II (RG II/Private, Equipment Private, Construction, Container)
- ② Zagreb I (RG I and Equipment Private, Construction, Container)
- ③ Prague (RG II/Private, Design, General Cargo)
- ④ Delta (RG I, Ready for Redevelopment, real estate)
- Brajdica II (RG II/Private, Equipment Private, Ready, Container)

Phase II - Container Capacity (2013): 520,000 TEU



- ① Zagreb II (RG II/Private, Equipment Private, Construction, Container)
- ② Zagreb I (RG I and Equipment Private, Ready, Container)
- ③ Prague (RG II/Private, Design, General Cargo)
- ④ Delta (RG II/Private, Real Estate 30%)
- Brajdica II (RG II/Private, & Equipment Private, Ready, Container)

Phase III - Container Capacity (2015): up to 780,000 TEU



- ① Zagreb II (RG II/Private, Equipment Private, Ready, Container)
- ② Zagreb I (RG I and Equipment Private, Ready, Container)
- ③ Prague (RG II/Private, Design, General Cargo)
- ④ Delta (RG II/Private, Real Estate 100%)
- Brajdica II (RG II/Private, & Equipment Private, Ready, Container)

LEGEND ● CONSTRUCTION ● 50% CONSTRUCTION ● READY ○ DESIGN □ NOT SHOWN

RIJEKA GATEWAY PROGRAM: PORT COMPONENT

- Financing through RG and RG II Projects:
 - Bradjica II Container Terminal Extension
 - Construction of Zagreb Terminal 400 meters
 - PPP arrangements for Zagreb II Terminal construction
 - Technical Services (PPP/Masterplan/Supervision)
 - Technical studies for coordination with Corridor Development
 - Information Flow integration/secured port access
 - IT system upgrade
 - Vessel Traffic Management System
 - Environmental Protection Plan
- Financing through Private Sector:
 - Brajdica II Equipment
 - Zagreb Terminal and Equipment



Container Terminal Brajdica Today



... and in 2011



- * Privately funded expansion of Brajdica I with 328 meters of additional berth, doubling the capacity of the area

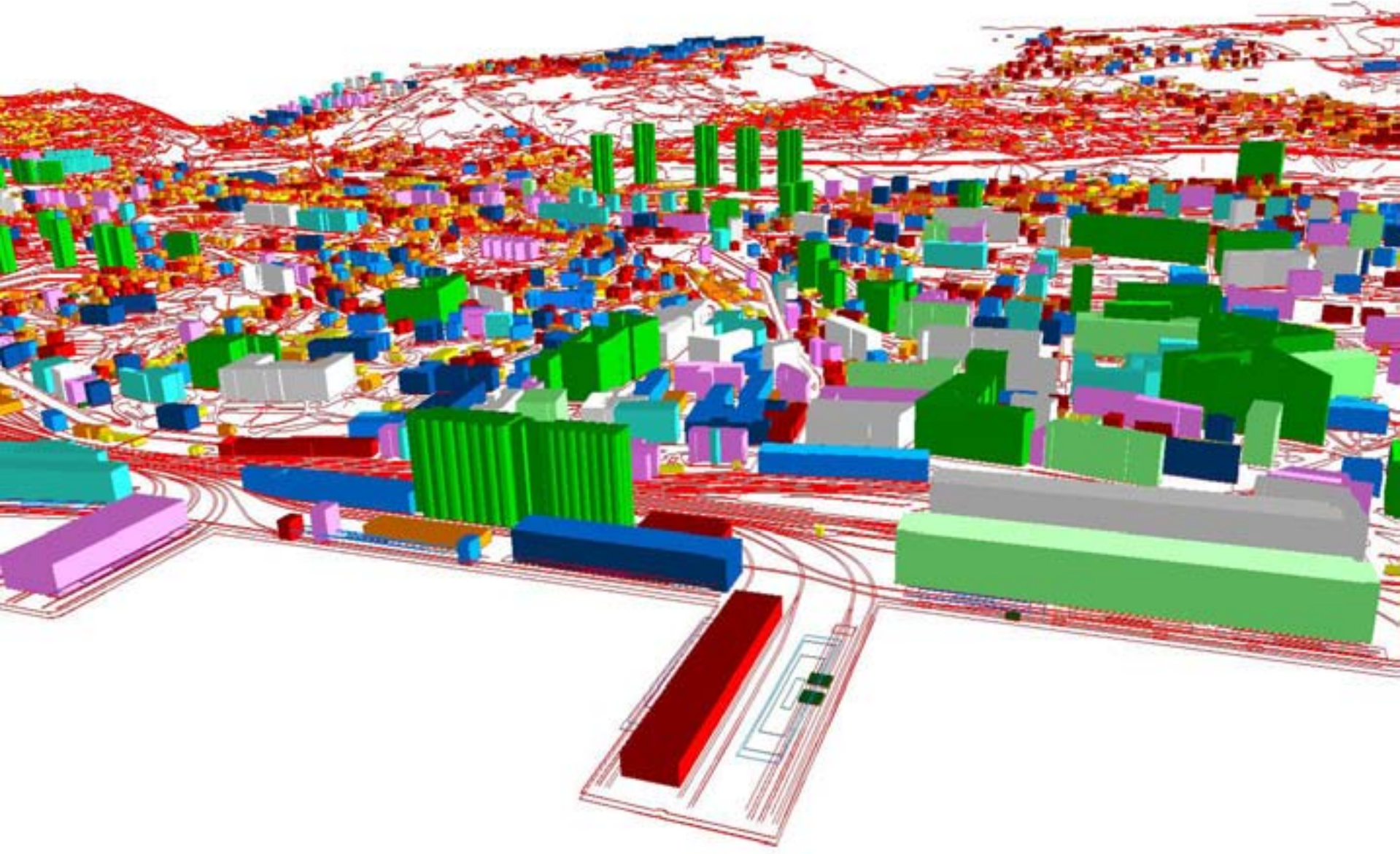


ENVIRONMENTAL MANAGEMENT AND INFORMATION SYSTEM (EMIS)

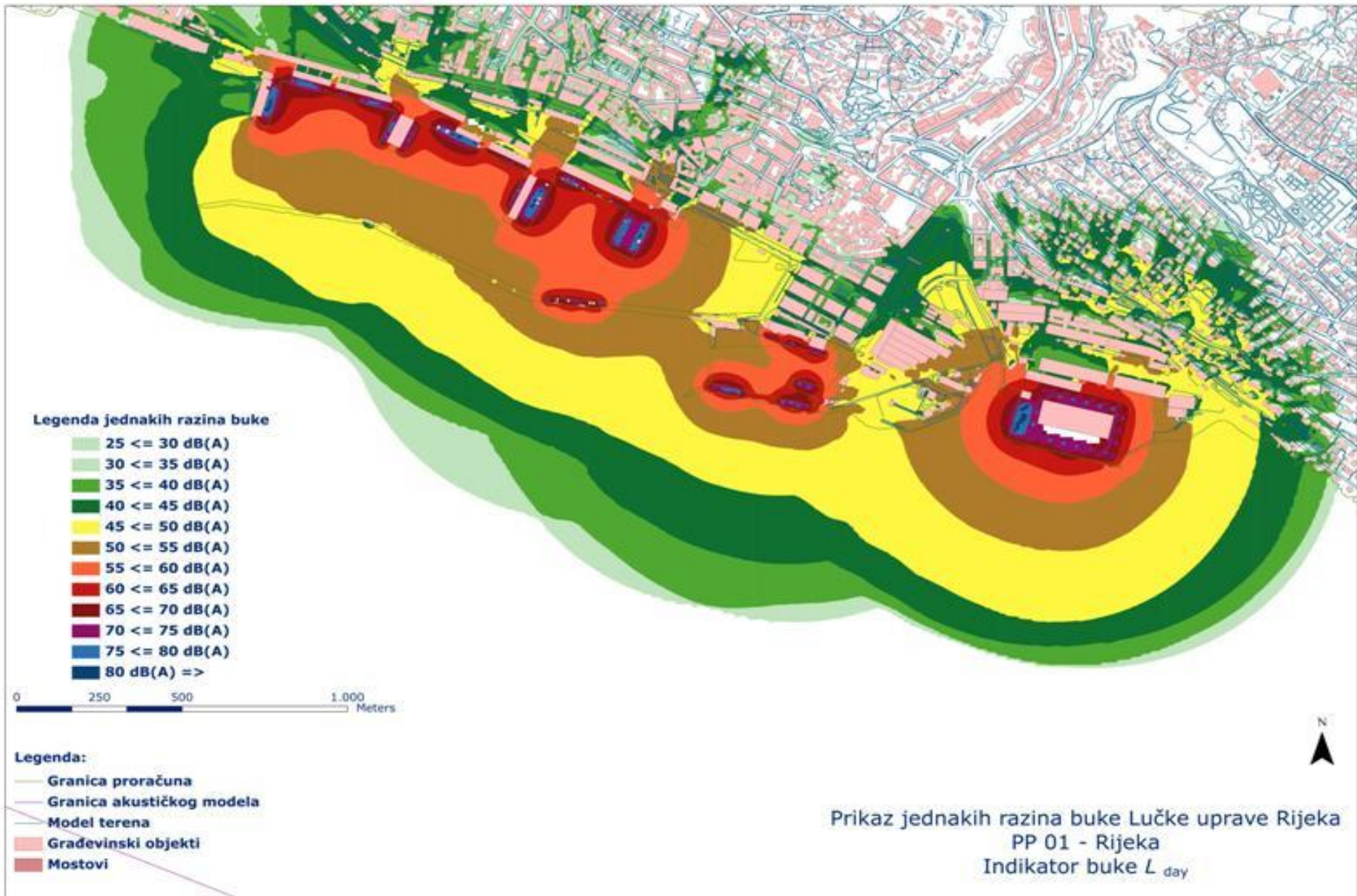
= All ECOPORTS tools integrated into one single tool

EMIS assists EU ports in developing an **organisation** and a **structured approach** for cost-effective environmental management in the port area. EMIS includes the basic EMS guidelines: a handbook leading to a structural approach.

3D model – Port of Rijeka



Noise Map – Footprint of Rijeka Port L_{day}



Component II - Corridor Development

CONNECT TERMINALS AND CITY TO MAIN CORRIDORS

MATCH PLANNED CORRIDOR INVESTMENTS TO UPGRADED PORT CAPACITY

Roads

- Completion of Rijeka Bypass (in part under the project)
- Construction of connecting road between bypass and Brajdica Terminal under the Rijeka Gateway project (D404)
- Construction of connecting road between the Zagreb Terminal and the Rijeka bypass (funding by Government outside the project)
- Construction of the motorway (Zagreb-Rijeka) (funding by Government outside the project)

Rail

- Integrate rail yard in terminal operation (role of the concessionaire) (in part under the project)
- Upgrade rail connection to Hungary (outside the project)
- Consider relocation of Rail Marshalling Yard (outside the project)
- Connecting the alternative space for wood handling by rail (outside the project)

CORRIDOR CONNECTIONS

- East and West Connecting Roads
- Bypass: Expansion to four lanes



^ D403: Proposed Western Connecting Road

D8 and D404-Connecting East of Rijeka to Corridor Vb



Component III - Port City Interface ENHANCING CITY LIFE QUALITY



RIJEKA GATEWAY PROGRAM: PORT CITY INTERFACE COMPONENT

- New passenger terminal and opening of breakwater to the public
- Preparation for redevelopment of part of the old port (Delta/Port of Barros) by private investor
 - Design guidelines
 - Required technical studies
 - Demolition of obsolete warehouses
 - Support in selection of a private developer





DELTA/PORT OF BAROSS: FROM WOOD STORAGE AND WATER TREATMENT PLANT TO A NEW NEIGHBORHOOD



ENHANCING CITY LIFE Through Delta/port Of Baross (2014+)



Connect the green and the blue qualities



Link to the City



Create a main link along the canal



Create a recreational loop



Place spaces, culture destinations and activities along the loop



Create main public destinations related to park, the city, and the water



Create three districts related to the park, the urban and the maritime

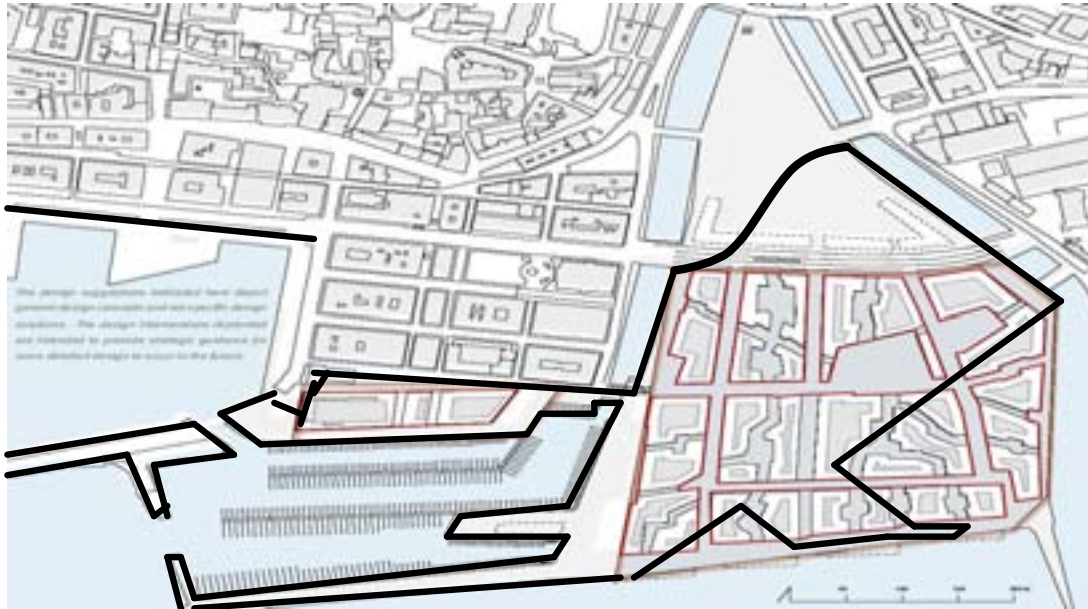


Create a pedestrian network between the destinations

Source: Gehl Architect

... AN AREA RECONNECTED WITH THE CITY

WITH POTENTIAL PRIVATE DEVELOPMENT OF 220,000 M2 OF BUILDING SPACE (2014+)



Approximate Port Urban Area Redevelopment
Source: Gehl Architect



< ^ an architect's view



Centers of Interest in conversion of Delta

Rijeka Port Authority

- A modern approach to port city integration
- Enhanced public perception through open access and job creation
- Improved use of land
- Revenues offsetting loss of land and facilitating further port modernization
- Transfer to modern facilities
- Alignment with new European Ports Policy (10/2007)

City/Citizens

- Strategic regeneration
- Vibrant cultural/urban life
- Magnet for companies
- International role
- Increased overnight stays
- Availability of land for commercial and public purposes (square)
- Additional parking space
- Increased job opportunities
- More open space

Developers

- Good return on investment (commercial space, activities increasing value)
- Reputation enhancer:
 - Opportunity to demonstrate skills and competence in integrated development and multifunctional urban projects
 - Landmark and reference for future assignments

Challenges

- Political dimension
- Legal
 - General Urbanistic plan vs Detailed Urbanistic Plan
 - Concession agreement
 - Tendering process and architectural inputs
 - Maritime domain constraints
- Technical: wastewater treatment plant relocation, provision of roads and utilities, traffic management, environmental aspects
- Institutional

Prior to Mid Term Review: over 30 points of unresolved differences...Today about 5.



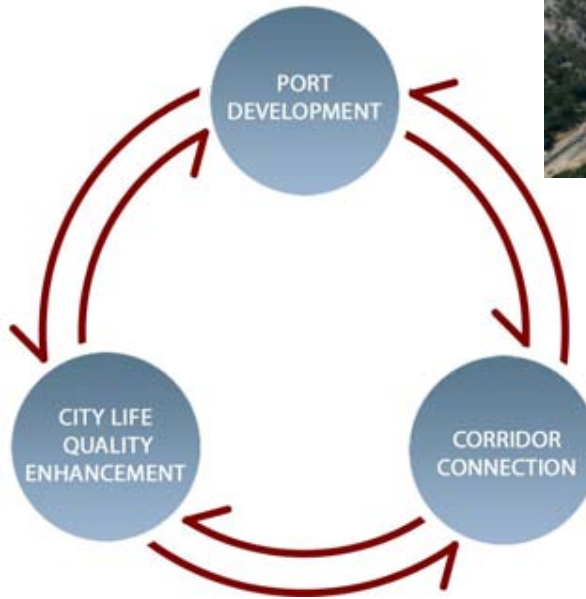
RIJEKA GATEWAY II: an Integrated Approach



^Zagreb Terminal^



^Connecting Rijeka East to Corridor Vb v

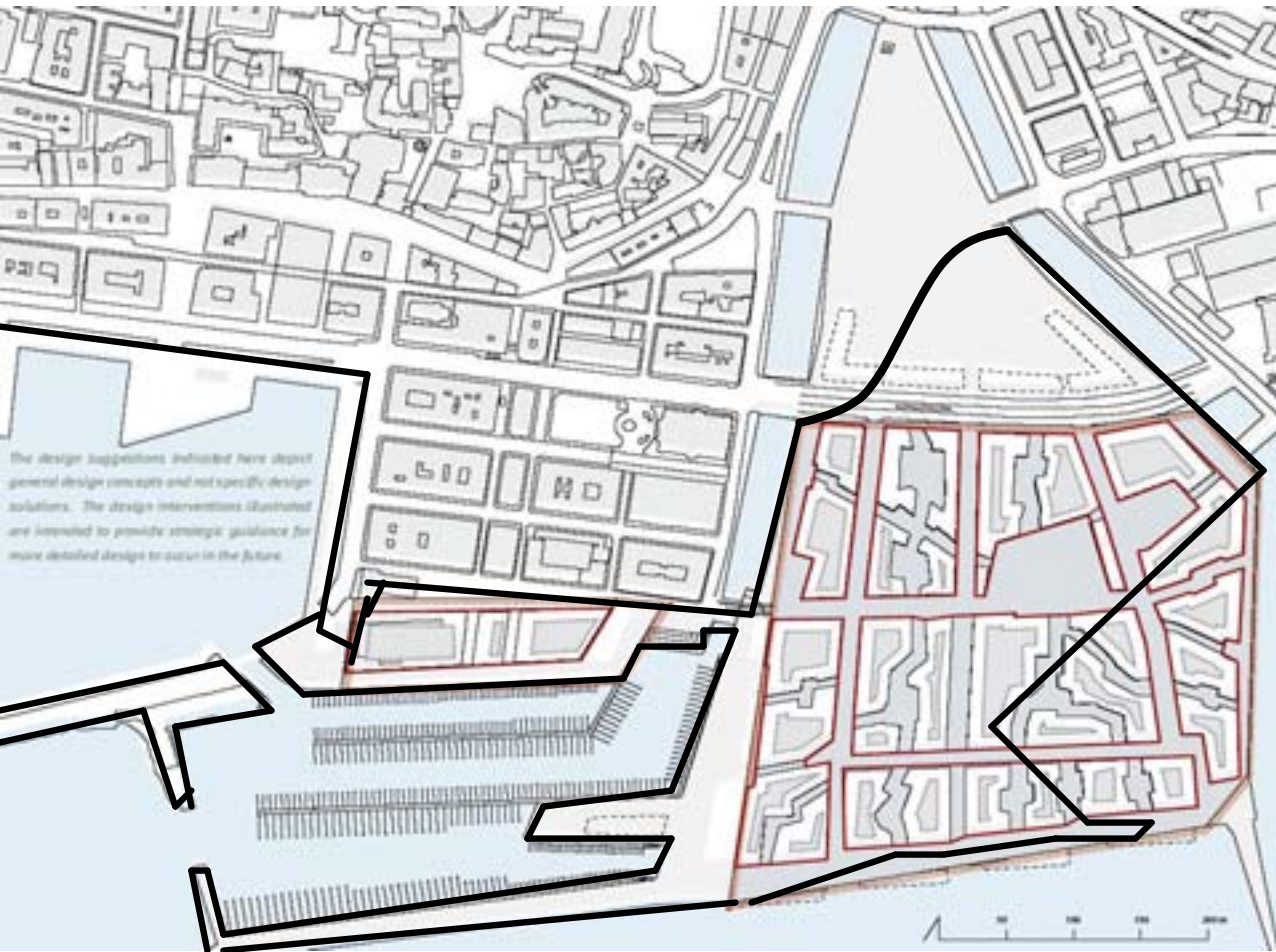


<<New Passenger Terminal



... AN AREA RECONNECTED WITH THE CITY

WITH POTENTIAL PRIVATE DEVELOPMENT OF 220,000 M2 OF BUILDING SPACE (2009-2015)



- Total area:**
 - Area of Southern Delta 135 000 m²
- Area of Free space**
 - Area of public realm, streets, parks, spaces about 62 230 m² (Represented on the plan) +
 - Area of private/semi private free space: about 18 770 m² (To come within the future built structure) =
 - Total area of free space about 81 000 m² (60% of 135 000 m²)
- Area of Structure**
 - Area of plots: about 94 0210 m² -
 - Area of built structure footprint: about 54 000 m² (40% of 135 000 m²) =
 - 26 % area of private/semi private free space

— Approximate Port Urban Area Redevelopment

Source: Gehl Architect