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# FROM ARMY TO ENTREPRENEURSHIP: SPATIAL PLANNING IMPLICATIONS

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## 1. Introduction

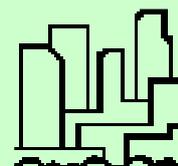
In spite of a common heritage of strong ties to 'middle' Europe that had been in place for centuries, historical events during the 20th century had de-coupled the SEE region into two sides and disconnected the economies by orientating them along two separate paths. Furthermore, impressive military infrastructures had been built on both sides, which now lie abandoned.

The thesis of the FATE Project is that redundant army, naval and air force sites offer a range of opportunities to entrepreneurs and thus to planners, developers, architects and local communities to spur new wealth and economic and social growth. This can be achieved by redeveloping large areas, and bringing new life to often neglected parts of towns and regions, and at the same time by improving new integration and competitiveness among SMEs in SEE countries, strengthening and diversifying urban and regional economies through

appropriate strategies and operational plans.

Most part of these sites is easily accessible, often located in the city - centre and well connected through modern infrastructure to locations which have become new centers of gravity of the European Union. Therefore the rehabilitation of military brownfields in proximity of densely populated areas is an important issue for local authorities and an opportunity for private investors. By recovering military brownfields, greenfield are preserved and new forms of sustainable urban, economic and social development - thus benefiting both SMEs and public administrations/ owners.

Abandoned barracks are a case of un-utilized government property, which - at a time of particularly scarce public funds - can be adapted and put back into use in the form of Business Incubators (BI) and Business Support



Centers (BSC) and thus serve SMEs in their efforts to grow and create new wealth. However, transforming former military sites into new engines of entrepreneurial growth is a complex endeavor which mandates strong institutional mobilization, a key factor in sparking development.

The FATE project has tackled all of the steps of the reconversion process helping the Project Partners develop a new Vision for their unused assets and get into action implementing “integrated approaches”. To be successful, in fact, BI/BSC must provide new entrepreneurs and SMEs not just with ready-to-use premises but also with an array of advanced services and supports which are essential for SMEs. By sharing good practices and putting them to work in actual practice (the FATE Pilot cases), FATE has allowed to outline in detail a comprehensive roadmap for local administrations and stakeholders interested in entrepreneurial and economic development. Of particular importance are techniques to support entrepreneurial and SME-based cluster development. These have been applied to create new visions and to activate new forms of collaborative entrepreneurship to overcome strained economic development models of the past.

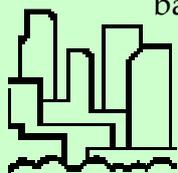
Another important merit of the FATE Project, at this crucial time of profound change and economic crisis - when the role of governments and of the European Union is changing from being a provider of funding and subsidies into that of a “smart catalyst” - has been to allow the Partners to equip their respective territories with state of the art and proven concepts and methodologies, improving their readiness for EU collaboration. SME-based strategies have been formulated

for the BI/BSCs that are based on endogenous entrepreneurial potential, territorial specificities as well as on the availability of the former military sites to be reconverted.

The practical work carried out by the Partners has allowed to discover complementary strengths that, if appropriately built upon, can create added value for the region’s endowment of resources. This is the territorial cooperation logic that can bring about and share new ‘multi-facet’, advanced cluster models at the cross-border SEE level. Within this vision, the reconverted former military sites are a key infrastructural asset and also a focal point for further future concerted actions taking place among the Partners. FATE is specifically intended to provide local Administrations, Regional Agencies and the Small Business Supporting Organizations with a skill-enabling development roadmap to make best use of the former military assets and to increase their competencies and capacity through concrete project work.

In this sense, the SEE Program has provided the ideal framework for joint action, allowing each FATE Project Partner to address a broad range of stimulants to SME and economic progress in its own territory, but at the same time to learn in depth about entrepreneurial features and opportunities in other Partners’ territories - setting the basis for further cooperation.

Therefore, we believe that the final impact of the military reconversion investments will not only be felt in the Pilot Actions areas of the FATE Project, but much more broadly, since the methods developed and the spirit of



cooperation created within the Project will hopefully serve as examples for further territorial growth in South Eastern Europe and beyond.

## 2. Importance

In the last years a large number of military brownfields has been dismantled because of changes in the security and defense policies. Most of these sites are easily accessible, are logistically well located and well connected through modern infrastructure. Therefore the rehabilitation of military brownfields in proximity of densely populated areas is an important issue for local authorities and an opportunity for private investors. In fact, by recovering military brownfields, greenfields are preserved, the sustainable urban, economic and social development is supported and public owners can profit from the rehabilitation.

In fact, FATE aims at solving the above crucial problems by transforming such abandoned infrastructures into Business Incubators (BI) or Business Support Centers (BSCs), that is key assets to support local entrepreneurial development. The ultimate aim is to create and develop innovative SMEs, by offering a wide range of business support services within a professional cost-effective structure. FATE gives opportunity to show concrete action.

The goal of FATE is to set up / strengthen BIs or BSCs by:

- Utilizing the sites of the former military barracks for both the public interest and private sector.
- Activating local human, physical and financial resources in order to strengthen the business sector.

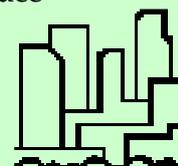
BI / BSCs contribute to the creation of new small and medium-sized enterprises and the development of existing ones, which are sources of innovation and economic advancement. Stimulation of local entrepreneurial potential is carried out by employing a dynamic system of detection/selection/monitoring/management of entrepreneurs and projects. This is especially important in the current economic crisis.

FATE is allowing to shape efficient response by helping Partners devise conversion initiatives in accordance to the strategic development targets of the communities, through the design of feasibility and operational plans.

By sharing best practices and methods with more advanced regions, FATE is also opening the door to using the strengths of each Partner to best effect. Simply put, FATE allows to work together harnessing Member States' and Community action, adding up to a powerful lever for entrepreneurial growth and local change.

### 2.1. Which is the main result of the project?

By providing a systematic and structured opportunity to share advanced methodologies and tools, by fostering the exchange of ideas and best practices through effective project management and intensive participation to the project meetings, FATE has allowed to *create a shared vision among partners of what can be done. Several local and international dissemination events are taking place to promote and to identify actionable flagship projects that facilitate the conversion process and put in place*



new forms of high-level entrepreneurial development.

FATE has helped Partners' stakeholders understand the exceptional value of unutilized military barracks. FATE is proving crucial in devising and sharing professional approaches and templates to identify development opportunities, to structure and accelerate the transfer process from National to local authorities, to activate public and private financing in order to support the creation of new enterprises, to launch new clustering projects and attract investment from outside the regions. FATE has gained excellent visibility with the regional and local stakeholders as well as with entrepreneurs because of the excellent concrete results that have been achieved at several Partners' regions. Through intensive communications initiatives carried out at local, national and cross-border levels, FATE has gained a significant high-level local consensus.

In this respect FATE has helped to fulfill innovative local development strategies to generate new growth, new entrepreneurs, new products, become a reference project on the complex issue of transforming unused assets into engines for regional development. In several concrete cases, FATE has been determinant to leverage and to make available significant financial resources that have accelerated the reconversion process: in the municipality of Latisana in Friuli Venezia Giulia, FATE has contributed to start the transformation of the former Redaelli barracks in to an entrepreneurial service support Centre for the local marine and yachting cluster (one of the largest in the Adriatic Sea). FATE has organized a high visibility event (present the president of the region Mr. Renzo Tondo), to celebrate the start

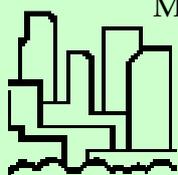
of the demolition of the old construction. E new building has been designed which will provide a covered area of over 3000 square meters. In parallel, a consortium among 30 small companies providing yacht servicing activities has been constituted in order to build a new marina infrastructure and to offer better quality services to customers.

The new building will host companies such as doing web marketing, organizing boat repair services, brokering sales for second-hand yachts, offering insurance and financing and so on. The reconversion project is attracting significant investment from private stakeholders. It is estimated that approximately 100 SMEs employing over 600 will benefit from the advanced services provided by the companies hosted in the new centre.

FATE is helping benchmark the partners' progress, and write case studies of the transformation achievements in order to disseminate results through over 90 high visibility public events, a FATE website as well as through traditional and social media.

### *2.2. Which is the main challenge of the project?*

When the Strategy goes from the planning to the implementation phase, financial resources are needed to keep the momentum. The main challenge of the project is therefore to ensure strong political support to the conversion strategies and projects for the former military sites. The technical assistance and exchange of best practice provided through FATE are very useful to help convince Decision-makers about the importance of the macro-regional approach, thus ensuring follow-up financing and smooth and effective



implementation. Each Flagship project needs to find its own management structure. A common systematic approach is not possible because of the diversity and specificities of cooperation areas.

Communication is a key issue. The implementation of the activities of the fact the project has shown significant differences at the technical level among partners, some of which do not yet possess significant entrepreneurial development experience.

But it is exactly here that the FATE project comes into its own, transferring knowledge from the most advanced regions as well as ways to mobilize stakeholders and SME beneficiaries. Through attentive project management, FATE is paying special attention in order to make all Partners feel that they are part of the Strategy and its success depends also on them.

### 2.3. Which is the main value of collaboration?

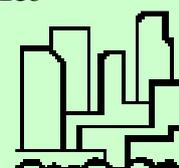
By collaborating we can accomplish more. FATE is bringing together minds, skills and resources and making them eventually available to the small entrepreneurs to help them grow. New radical solutions come when people come together and collaborate. New ways of accelerating the transfer process are found - old cultural and historic hurdles are easily overcome. Through intensive communication, including Skype interviews with high-level experts, FATE is helping generate specific project ideas as well as benchmark the partners' progress.

A keystone of the collaboration process are the Partners meetings and

workshops, which had been carefully designed it in order to facilitate networking, common learning, group dynamics and brainstorming, identification of flagship projects which might attract the interest also from other regions.

Through close collaboration among partners, FATE is supporting the partners to increase their impact to local entrepreneurial growth by:

- access to proper physical infrastructure - in the form of incubators or enterprise zones - where new companies can start at a minimum cost while gaining maximum visibility on the market.
- simplifying the complex task of transferring the sites from central government to local authorities
- sharing knowledge and methodologies to make the creation of new business incubators and/or business support centers more efficient
- setting up ties with relevant supporting agencies (e.g. EBN - European BIC Network, which quality is monitored annually by DG Enterprise) providing management know how and opportunities to network at the EU level.
- connecting participants to one another provide a reliable point of reference that helps participants respond to new and uncertain conditions.
- consistently incorporate technological innovations
- offering opportunities for follow-on collaborative entrepreneurship development projects.
- Clustering projects have been identified in areas such as woodworking and furniture, Eco



innovation, logistics, rural tourism, bio food processing and packaging, etc. SME clustering seeks to improve business performance through facilitating networking and the instilling of collaborative attitudes among firms and with support organizations. The cluster approach thus helps to make entrepreneurs more aware of how, through working together and working with regional agencies, they can improve business performance, and contribute to regional development.

- access to experts skilled in the regional development, incubator design and management
- access to financial resources - including public incentives - that are made available in ways that are as straightforward and as fast as possible. Financial resources must also be integrated to a rigorous planning process which allows to assess the risk of new ventures.

#### *2.4. What has been learned through collaboration?*

The collaboration process is allowing to identify a series of steps which are actionable, and which can be implemented through the personal engagement of the Partners benefiting from the handbooks, tools and technical assistance provided by FATE. Partners are in fact key SME support agencies that can accelerate and greater cross-border entrepreneurial development.

“Flagship Pilot Projects” are “high visibility/high impact” initiatives that demonstrate that high-level cross-border co-operation is feasible and very fruitful. By disseminating the strategies, methodologies and results of Flagship Projects among the partners, FATE is showing that it is possible to inspire

others to undertake other initiatives. This will lead to a self-sustaining, self - amplifying wave of change that will have significant impact.

Toward those ends, the project management is paying special attention to the following collaboration aspects:

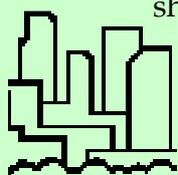
- Apply the technical knowledge about the transfer process and local entrepreneurial development to real world opportunities and problems that are specific with the Partners’ regions.
- Map the findings emerging from local analysis and studies onto graphical representations and visual interfaces that are made available on the website.
- Catalyze interdisciplinary initiatives through technical assistance, handbooks, technical notes and templates, workshops, seminars, and online knowledge communities.
- Educate the perceptions of practitioners in person and online with workshops, conceptual toolkits and simulations.

“Workshops” are where FATE partners meet and work together to identify, prepare and structure practical pilot actions - hence the term “ACTION WORKSHOP”. Workshops also help create a spirit of strong and continuous collaboration among Participants / Partners’ Institutions.

### **3. Context and SWOT Analysis. Assessment of military brownfields**

#### *3.1. Methodological approach*

To establish Business Incubators or Business Support Centres to encourage entrepreneurship, SMEs and innovative productions by means of reconstructing of military brownfields and to provide public administrations with programming to manage the



rehabilitations, it has been necessary to start from the detailed analysis of the economic and productive sectors and their opportunities, the regulatory frameworks and the real estate situation of the military brownfields in the regions involved. The aim of the analysis has been to highlight the critical elements in the business support environment and brownfields real estate, the potential offer and the impact of the supporting system to the enterprises in order to provide the project with the necessary “baseline” for the following activities.

As a matter of fact, WP3 has represented the foundation, the compulsory starting point of the specific technical activities of the project. WP3 has mostly consisted in:

- the realization of a context and SWOT analysis on main economic sectors, supporting policies and trends in each region involved;
- the assessment of the military brownfields suitable for starting rehabilitation process in each region involved.

The first step of the action has been the definition of a common methodology for the realization of the project studies in order to adopt in each region the same working methods.

### *3.2. Context and SWOT analysis*

As for the context and SWOT analysis, by following the outlined methodology each region has taken into considerations the economic sectors, the existing Business support centres, systems and policies. Both quantitative and qualitative parameters and aspects have been considered and several interviews to economic and entrepreneurial

associations, policy makers and other key-players have been carried out.

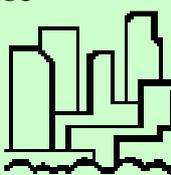
The context analysis carried out by the project partners have high-lightened the profound differences among the involved territories in terms of economic structure, economic development level, institutional framework governing development policies, legal framework, BSO's framework.

Thus, it has been quite difficult to draw some general conclusions that would apply to all the partner territories. One feature that has seemed common is the need for some structural change that has been further deepened by the ongoing international economic crisis and increased business uncertainty.

On one side there are territories that have already reached a high level of development but need some structural adjustment to cope with the growing competitive pressures on the international markets.

In particular, SMEs need to further build up their innovation capacity, develop cooperation models between companies in order to approach global markets, while institutions and BSOs need to coordinate policies and strengthen tech transfer.

On the other side there are territories that are mostly rural and need to foster entrepreneurship as well as territories that after the transition process still have a poor score in SMEs development with a productive base still highly reliant on low value added productions or dependant on few FDIs. Usually these



territories also have to bridge gaps in terms of institutional and BSO's support capacity.

### 3.3. Assessment of military brown-fields

As for the assessment of military brown-fields, each region has identified and assessed some military brownfields on their territory. The assessment has considered different features of the brownfields such as:

- the environmental state: the presence of brownfield existing analysis, the needs of decontamination, the possible environmental decontamination process situation, the ground water level
- the landscape value: the presence of any site's ties (architectonical, monumental, landscape, environmental), any historical building with remarkable elements, military infrastructures (tunnels, bunker, etc.), significant vegetation, rivers, lakes, sea, mountains, hills, biotypes;
- the economic value: the distance from the urban centres, the existing infrastructure connections (highway, railway, airport, waterway, etc), the logistical connections, the destination of the surrounding areas (urban, agriculture, industrial...), the maintenance level (types of interventions and costs of the maintenance) actual estimated economic value;
- the re-using possibilities: the existing ideas of development, the presence of any business plans, master plans, urban planning and/or other rehabilitation plans, any results from previous projects, the proposals on possible recovery, the estimated costs and time for the rehabilitation.

From this analysis almost each region has identified some potential former military

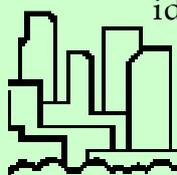
sites suitable for the conversion into business incubator or business support centers and has selected the site where carrying out the pilot action. In particular, in the extraordinary situation of the military disposal in Friuli Venezia Giulia, several of the mapped sites are consistent with the objective of the project FATE and *the Radaelli* barrack in Latisana is probably the best site for the project FATE, due to the coherence of the existing requalification project and to its progress. It could be considered like case study and also as possible best practice for future requalification projects.

### 4. Spatial and urban planning issues

Urban planning refers to applying the process at most to the level of a city (but also to parts of it, up to a particular building), in order to clearly state what functions are allowed and where, what particular restrictions apply to a given item or area etc. For example, if a new building is planned, one must see what is the allowed height, position, and orientation, whether additional facilities (parking lots or green spaces) are needed.

Spatial planning looks at larger territories and provides for the general guidelines of development. What are the major communication routes, and which have better accessibility? How could things be improved? What particular cities or sub-areas have a vocation for a particular function? As a consequence of the different planning level, a hierarchy is created automatically. When planning for a given area, one must look at the larger territory, but also at its parts. This is simply an application of the systemic reasoning to planning.

All the statements discussed above did not aim to clarify the concepts, but simply introduce them. For the purpose of the



FATE project, ultimately a former military base is turned into a business facility, be it a BSC or BI. Technically, this means changing the designation of the land, and becomes a problem of planning. For countries with a multilevel hierarchy of plans – such as Serbia or Romania, for example – the application of the systemic principle means that there are many plans to be changed, from the development of the territory belonging to the base to the relationship of the new facilities with the city and broader territory, analyzed not only spatially, but also from social, economic and environmental perspectives.

Therefore, the FATE project accounted for the planning issues designing a questionnaire to be filled in by all partners. The questions looked at planning issues (such as whether a plan is required, how often is it updated, who funds its elaboration, what is the approval process, whether there is a spatial hierarchy, what actors are involved at each step and scale, and what are the relationships between the planning levels), and how is the public involved in the planning process), but also at property issues (what happens when the owner of a facility is different from the land owner) and the relationship between the planning process and the business sector. The questions were discussed during the meetings and workshops, and the answers received throughout revealed differences between the planning system and process among the countries involved.

To illustrate the importance of the planning issues, the chapter will discuss a Romanian example, where several plans produced at different spatial levels were

made available. The example looks at Brăila, a city situated in the southeast of Romania, within Brăila County.

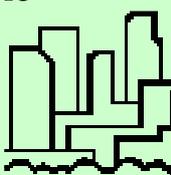
There were several plans produced for the area. Two teams of professors from “Ion Mincu” University of Architecture and Urbanism have recently elaborated two important territorial plans.

One of them looks at the area from a landscape architect’s perspective, identifying the most important types of landscapes, underlying the important ones and attempting to produce a strategy for their protection.

The second one looks at a smaller area, consisting of all cities and communes around Brăila (the city), possibly influencing it or under its influence. In addition to them, the plan of Brăila (the city) was also analyzed. Finally, a specific and detailed plan looks at a part of the city where a former military base will be transformed by a real estate developer.

The study of landscapes analyzed a vast typology of relevant landscapes at several spatial scales – natural, cultural, urban and rural etc. Nevertheless, recent military sites are hard to place in these categories, mostly because they are a self-contained landscape, inserted in other areas. It is important to point out here that a study developed in Italy attempted to find out solutions for valorizing the former military bases by integrating them in different forms of tourism. This study indicates an interest into this particular type of sites.

In Romania, similar studies were carried out for the former soviet-style



industrial sites, but not for the military bases. Consequently, the study of landscapes in Brăila County does not mention the military sites. The second study analyzed the current situation and the possible development of Brăila in relationship to the adjacent territorial units.

The study has underlined the geopolitical importance of Brăila and, consequently, the role of military sites in the evolution of the city during the Independence War (1877), and their decay in the Cold War period. The characteristics of these sites are the proximity to the Danube, position within the city limits and their infrastructure, conditions for an economic valorization. However, such a change of designation is conditioned upon decontamination and other requirements resulting from the needs of the inhabitants (such as green spaces or parking lots) or the proximity of important natural reserves.

The General Urban Plan specifies the exact functions of each sub-zone of the city, as well as other building details. The plan provides for the general guidelines specific for the area of the former military

site, in terms of height, orientation and density of buildings, as well as the required endowments for the area (parking and green spaces, circulation etc.)

Finally, the detailed plan looks at the specific situation of the military site. Only few of the buildings will be kept in place. According to the Chief Architect of the city, the developer plans to demolish the building most representative for the architecture of the military site. Instead, high-rise building will be erected – a situation representative for Romanian cities.

In summary, the Romanian examples indicate that situation of former military sites can be analyzed in a broader territorial context, but apparently there is no particular interest for the topic. At the site scale, the proposed plan is a direct result of the developer's vision. In the particular context of urban Romania – even though many overpopulated places face a similar situation – the land itself is more valuable than the building, as it could be used for high-rise constructions, unless prohibited by the local regulations.

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