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# PSG / Project and Location Association, pilot area Great Walser Valley, Vorarlberg

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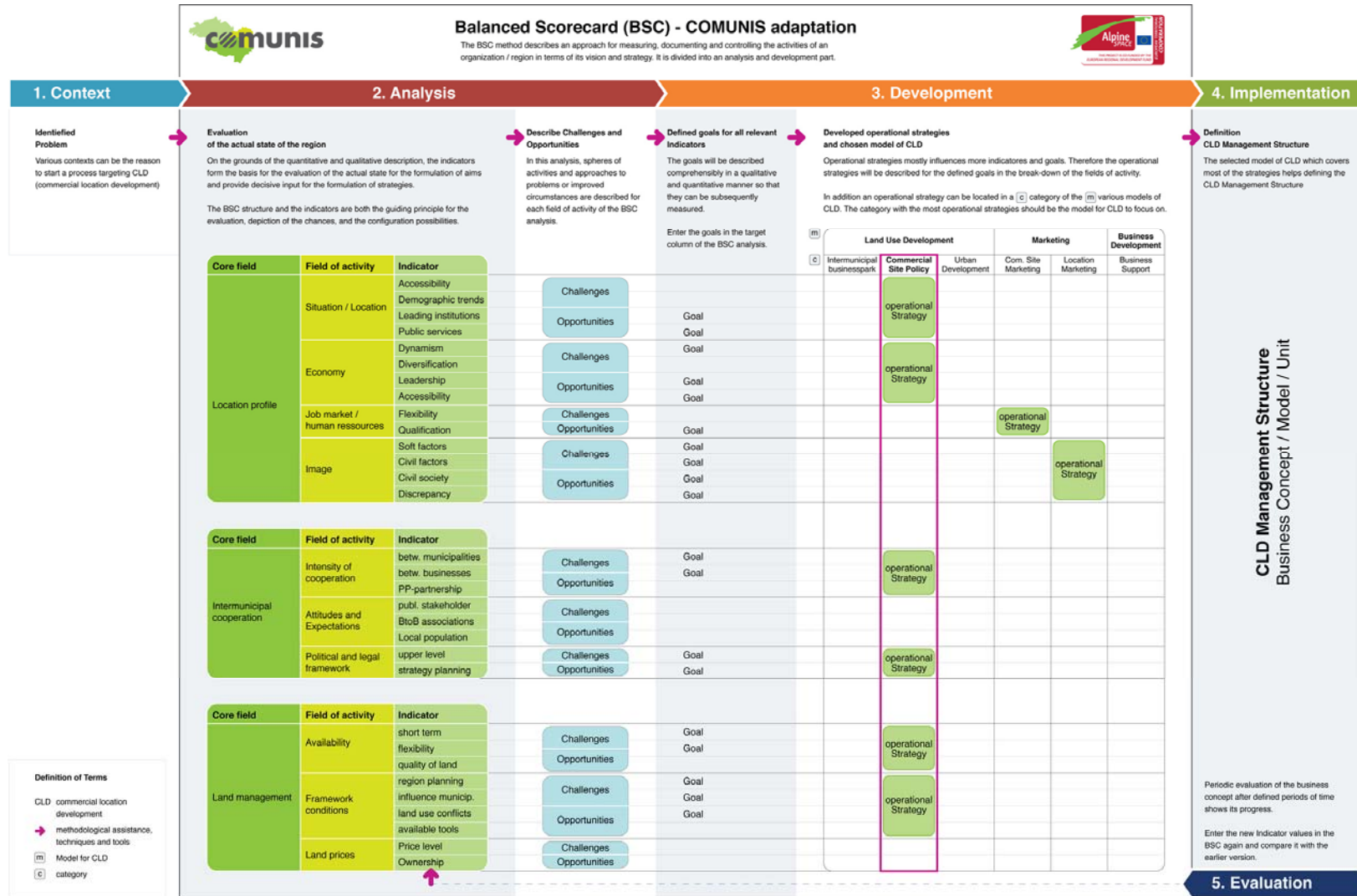
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Inter-municipal cooperation for Strategic Steering of  
SME-oriented Location Development in the Alpine Space  
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# Overview to the presentation

- Pilot Area Great Walser Valley
- BSC Analysis
- PSG
  - Other models
  - PSG Management Structure
  - PSG Usage
  - PSG Advantages
  - PSG Contractual basis



5. Evaluation



1. Context

2. Analysis

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## Description of the pilot area, project related local conditions

- Structural Data of the area
  - Inhabitants: 3.405; Area: 19.235 hectares (agricultural 2.111 ha; Alpine area 7.240 ha, Forests 6.622 ha)
  - Biosphere Park area: 1.270 hectares
- Economy, braches
  - Employment: 1.534 total: Commercial 677 / agricultural: 381 full time, 476 part time / Tourism 181 / Handcraft 150 / Rest in public services, health financial educated
- Human capital (strengthen, education, employment)
  - Characterized by agriculture, hand-crafts, tourism
  - High educated people find jobs outside the region (work-migration)
  - Human capital above average
- Government structure:
  - 5 independent communities agreed in 2.000 on common strategies within the frame of the Biosphere Park concept (UNESCO). – association of the communities
- Governance structure:
  - Biosphere Park Great Walser Valley, important interface to initiatives
  - Many people in the region belong to one or more social associations

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## quick SWOT analysis for the valley

- Strengths
  - Attractive place to live in the border of the valley with easy access to the central parts of Vorarlberg (by car)
  - High emotional identification of the local population to the region
  - The Great Walser Valley Biosphere Park has developed into a positive trademark
- Weaknesses
  - Difficult topographic area, less possibilities for land development
  - Small villages are experiencing a decrease in tourism
- Opportunities
  - Entrepreneurial type of people
  - Use of the Bio-sphere Park trademark
  - Increase of founding businesses through better general conditions
- Threats
  - Increased worker migration – Commuters
  - Decreasing business successor perspectives

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## Working Team

- Local Stakeholder
  - Wilhelm Müller (Mayor and political speaker for economy issues)
  - Hermann Manahl (Mayor)
  - Ruth Moser (Management Biosphere Parc)
  - Gottlieb Kaufmann (chairman of the handcraft association GW)
  - Gebhard Burtscher (member of the handcraft association GW)
- Experts:
  - Franz Rüb (Project Management)
  - Gerald Mathis (Developer PSG-model)
  - Thomas Nöckl (representing the Raiffeisen Landesbank)
  - Jürgen Kessler (Managing Director of the Raiffeisen Revisionsverband),

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# Location Profile: Challenges and Opportunities

- Situation/Location in general
  - Challenges: overcome the difficult topographic area, solve the problem of public transportation, to stop the migration of young people
  - Opportunities: Image and willingness to be a model region (Biosphere Park), better conditions for employment and young families
- Economy
  - Challenges: Keep local entrepreneurs
  - Opportunities: Strengthen the solidarity of companies co-operation, e.g.: reinvigorate the trademark Mountain Timber, better conditions for young entrepreneurs
- Job market/human resources
  - Challenges: reduce labour migration
  - Opportunities: strengthen the cooperation between agriculture and tourism and between entrepreneurs with the elementary schools (future apprentices)
- Image
  - Challenge: create an image that is enterprising
  - Opportunity: strengthen the role of Biosphere Park management as network of initiatives, PR includes also the presentation of successful companies from the area (not always tourism and nature protection)



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# Inter-municipal Cooperation: Challenges and Opportunities

- Intensity of cooperation
  - Challenges: to find: proper space for the commercial land use, business models for industrial zones, agreeing and implementing inter municipal concepts, common guiding principle
  - Opportunities: clear legal structures
- Attitudes & Expectations
  - Challenges: to create positive attitude for business settlement and to finance common initiatives and PR work
  - Opportunities: create an institution that is able to run active area management, single decision point
- Political & legal framework
  - Challenges: motivate local public decision makers to a common strategy and a common operating structure
  - Opportunities: Create an inter-municipal cooperation, a cooperation with financial advantages (often decision weaknesses starts from financing problems)

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# Land Management: Challenges and Opportunities

- Availability of space
  - Challenges: to find proper land space, to pre-finance the land, to take the risk of a flop
  - Opportunities: active land policy on a local level, mayors cooperates with experts (spatial planning and financing institutions), short decision making processes
- Framework conditions for spatial planning
  - Challenges: solve conflict agriculture and production plant
  - Opportunities: professional land use management for the whole region
- Land prices
  - Challenges: land dedication, spatial planning, land tradable, more opportunities for municipalities
  - Opportunities: fostering public interest in spatial planning, flexible structures for negotiation by purchasing and selling land, using synergies with private organisation which is able to negotiate for free land in a short time period

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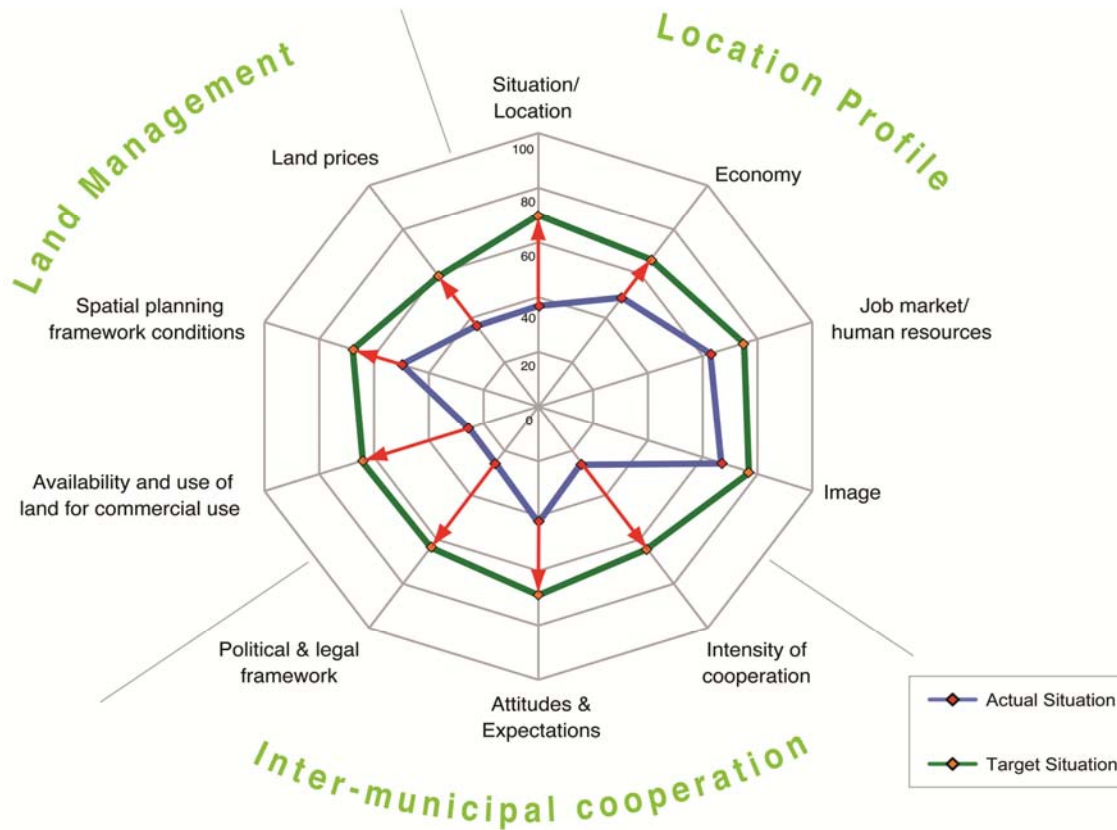
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# Strategies to achieve the goals within the field of activities

- 1. General Strategy on CLD
  - Implementing a permanent management structure for CLD
    - Public Private Partnership – PSG model
- 2. Operational strategies for relevant fields of activities
  - Who will do What and How



# Strategies to achieve the goals within the field of activities



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## Models of activity

- Analysis: Models in comparison
  - Land use Development
    - Inter-municipal Business Parks
    - Commercial Site Policy = **Project and Location Association (PSG)**
    - Urban Development
  - Marketing
  - Business Development
- PSG described at the example of the municipality Sulzberg
  - Operationally practical, adaptable, manageable, results-oriented, cooperative, exploiting synergies, makes public and private interest
  - Chance of inter-municipal implementation - high

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# PSG-Model

## Project and Location Association

- Organizational Structure
  - **PPP structure** – Public Private Partnership
  - Municipalities will found a non-profit PSG with the bank
  - Municipalities have the majority share of 60%, the financing partners invest their share of 40%
  - Municipalities send a speaker and take chairmanship of the PSG
  - Decisions will be made in the PSG with a simple majority after capital and votes (!)



# PSG-Model

## Organizational Structure



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# PSG-Model

## Purpose of the Structure

- The PSG buys and sells land and buildings and keeps land for trade
- The PSG carries out the land development
- The PSG organises the passing on of land according to its implementation target  
(business land, housing land, municipality utilisation)
- Work content of the pilot phase (project duration) and after
  - Set up common structure
  - Harmonize municipalities
  - Develop industrial site



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# PSG-Model

## inter-municipal orientation

- Regional
  - Acquisition and development of land in the interest of the region (commercial use)
    - Benefits and risks are spread across all participating communities
    - Regional marketing campaigns
    - Communities speak with one voice
    - Creation of jobs in the region
- Local (municipality level)
  - Acquisition and development of land in the interests of an individual community (public buildings, housing)
    - Benefits and risks are limited to contracting community
    - PSG acts as a financing tool and as a service provider

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# PSG model

## Advantages

- Supports an active land policy
- Relieves the municipal budget through public and private participation
- More design options for communities to regional concerns about the land development
- Reduced risks and costs by a professional and economical operation
- Prevents to some extent speculation by outsiders
- Uses a functional network for local development
- Is an important module for regional cooperation in the region

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## What does the PSG not do!

- The PSG does not act as developer and operator of real estate (possible conflict of interest, competition GIGs or developers).
- Potential profits from individual business cases are not distributed, but used for the purposes of the charitable objectives.

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## PSG - Contractual Basis

- PSG cooperative statute
  - Describes the tasks of the cooperative and gives legal guidelines to the cooperation of members
- Association of Municipalities statute
  - Regulates the cooperation of the communities and determine the functions of agents and especially of the agent in the PSG
- Shareholder agreement (Syndikatsvertrag)
  - Is an agreement between PSG and all participating municipalities. It regulates the service of the PSG in the case of transactions that only affect individual communities

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## Implementation Status in Vorarlberg

- The PSG concept on the contractual basis is made
- Great Walser Valley
  - 4 of 5 Municipalities decided to take part in the PSG
  - foundation is expected within this year
- Leiblachtal
  - All 5 Municipalities decided to be a member in the PSG
  - the founding procedure is in progress
  - the foundation is expected in June