

## Partner Program of Futó street

The Partner Program of Futó street is a project (henceforth: the project) which came into existence to socially, economically and environmentally renew the vicinity of Futó street. It strives to encompass all segments of the district-development both through its aims, and in its resource systems to ensure long-term development.

### 1. Summary of the Project

#### 1.1. The aim of the project, planned results

The direct goal of the project is the social-economical-environmental renewal of the blocks defined by Vajdahunyad street - Kistáció street - Futó street - Práter street, within the Rehabilitation Action site of Central-Józsefváros, and the increase the economical-social role of Futó street, because this street organizes the life of these four blocks.

#### 1.2. The planned result of the project

Some steps have already been taken - which can be considered as a prelude of the project -, and lead to already implemented results. The expected results of the project are that the residents shall have a deeper bonding to the area, forming of condominium communities, and the growth in the number of applications, the increase in the numbers of public organizations, the increase in the numbers of retails and small ventures in the business-premises on the ground floor, the further increase in the numbers of real-estate and building-trade investments, as a result of all of this, the improvement in the local employment status, the coming into effect of the high-standard public places and green surfaces, and through renewal and construction.

#### 1.3. The most important activities of the project

To attract local small ventures into the business-premises on the ground-floor, and in order to increase their numbers, the following main actions will be carried out: the full reconstruction of a section of Futó Street, the renewal of another section, the build-up of a 350 square meter sized green area, and the development of the background infrastructure. The vivification of the local small ventures, with the help of already started programs, and the building of social relations, by involving the old and the recently moved in dwellers.

## **2. Aims of the project**

### **2.1. Long-term aims of the project**

The long-term goal of the project is to contribute to the development of such districts in Budapest, which are in the worst state, and are hanging behind the average of the capital in social-economical aspects.

The extensive aim is to stop the slumming, which can be experienced in the Central-Józsefváros area, to ease poverty, and to stop the negative social spiral.

The project contributes to the implementation of the long-term aims, set in the rehabilitation program of the district, and in the district development conception - the stabilization of the district's market position, the changing of the negative stereotypes in connection with the district, and the improvement of the district's status compared to the present position where it is among the other districts' of the capital.

### **2.2. The social goals of the project**

The concrete social aims defined in the project's integrated goal-system: to keep up the level of the area's population preserving power, to strengthen the social cohesion, through community development and social-involving steps.

The aim is to ensure the living circumstances for the dwellers of the area, to increase the commitment for the area, and thus - in the long run - to strengthen the life strategy of those who want to live here.

### **2.3. The economical aims of the project**

The economical aim of the project is to improve the earning capacity of the area, with such steps that vivificate the small ventures and inspire investments. In order to reconstruct the self-sustaining capacity of the district, it is important to increase the economical attractiveness of the area: by realluring the small ventures and the retailers, the emphasized goal is to increase the economical activity, and the employment. As part of the complex development, the to be implemented housing investments of the investors involved in the procedure will contribute to the increasing in the employment.

The revived buildings, the to be built new condominiums, and the attractive environment will all contribute to that effort that aims to make the ground-floor business-premises, to the site of small ventures and retailers again.

## **2.4. The economical aims of the project**

The environmental aim of the project is to create an attractive, modern, sustainable living environment by renewing the public places, by increasing the ratio of green areas and by reviving the valuable buildings.

The concrete goal of the project is the complex reconstruction of Futó Street: the reconstruction of the existing public places, increasing the ratio of public places and green surfaces - building a new city square, the reconstruction of public utilities. The reconstruction of the public utilities - as part of a complex, comprehensive development process - can be the heart and soul of the revival of the whole area, and it might be essential to reach the set goals.

## **3. The environment of the project**

### **3.1. The prelude of the project**

The municipality trusted the implementation of the project to Rév8 Inc., which is a professional rehabilitation company, and has skilled in the art team. Rév8 Inc. - assigned by the municipality - organizes the rehabilitation of the district since 1998, and the rehabilitation of Central-Józsefváros since 2000.

Before the shaping of present project, Rév8 Inc. - in the neighborhood of the area - worked-out another rehabilitation program based on strong investor participation. Rév8 Inc. - based on, and further developing the principals of the 1998 Rehabilitation Strategy - worked out the most significant downtown rehabilitation program of Budapest, entitled the Corvin-Szigony project. The Corvin-Szigony Project means the reconstruction program of a 20-hectare area bordered by József circuit, Práter Street, Szigony Street, Üllői Street - which also comprises a section of Futó Street - from Corvin Multiplex to the green surfaces of Semmelweis University's clinics, with the aid of complex city-rehabilitation instruments, and by involving investors. The submitted project of the present application - both from the aspect of localization of the area, and considering its effects - it fits organically into the Corvin-Szigony Project, which plays a key-role in the district's reconstruction.

### **3.2. The social-economical status of the project's environment**

The district of Józsefváros - and especially Central-Józsefváros - is in the worst state in Budapest, it suffers from serious economical and social problems, and it is hanging behind the average of the capital in the aspect of social-economical development.

In the wider neighborhood of the area, the ratio of those flats, which have no comfort at all, is over 20%, which is twice as much as the capital average. 34% of the flats in the area are owned by the municipality, which is almost 10% higher than the district average, and it is four times as much as the capital average. The

exceptionally density of buildings is the result of the development in the turn of the century, most of the buildings were raised between the end of the 19th and the middle of the 20th century. The number of empty building plots and underused sites is also very high.

The level of qualification among those who live in this area is also below the capital's ratios: the ratio of those who have a degree (12.7%) is below the district average, and the capital's average is some 150% higher than this. Meanwhile the ratio of unskilled human resource is twice as high as the capital average. The rate of unemployment (8.8%) is also above the average of Budapest. The people who live here don't have faith in the near future, and they don't have a life strategy.

Those people, who were committed participants in the upkeep, have mostly left the area. The technical state of the area is broken-down to such measure that not even the most resolved local-patriots believe that they could change this on their own, and that is why everybody considers moving strategies. Therefore, only those people live on this area, who couldn't move yet, or this is the only place where they can afford to pay the costs of the flat's upkeep. The value and quality of the flats is decreasing. The above-described process is a self-amplifying spiral that rushes the dwellers of the district and the capital into more and more dangerous situations. The ratio of Romany inhabitants is significantly high. The area is one of the poorest parts of Budapest, which is characterized by serious public safety problems too.

### **3.3. How the project fits into the goals of the European Union**

According to the goals of the „Promotion of integrated local development actions” entitled PHARE Program, the concrete aim of the project is to „ create an attractive economic and social environment” within a district, which faces serious problems.

The expected outcome of the project is in accordance with the set expectations of the PHARE Program of the European Union: as a result of the project „the road infrastructure will improve in the backward areas of the city” (reconstruction of Futó Street) and „jobs will be created, new economical opportunities appear, and a reviving” quarter will come to life (realluring small ventures, attracting investments).

The project fits exactly into the group of supportable activities, since the project aims the „integrated development in the downtown” and the „rehabilitation and extension of the functions of derelict parts of settlements with unexploited economic potential”. Although Budapest is among the dynamically developing small regions, the objective area of the project considering its social-economic development is far behind the capital average, it is probably the typical example of the impoverished inner city districts in Hungary.

In accordance with the supportable activities of the project, and as a direct result of the project „on the impoverishing settlement areas, a new quarter of settlement will be created, which is attractive both for the inhabitants and for the enterprises too.”

The main economic aim of the project is to improve the earning capacity of the area, which they want to achieve through „promoting the small scale commercial business activities mainly” and through attracting other „job creating economical opportunities” - the reconstruction of Futó Street is the precondition of the vivification of venture activity and the creating of such a living area that „fulfills modern needs”

### **3.4. How the project fits into the region’s development conception**

The project successfully fits into the district’s rehabilitation steps, which were started methodically in 1998, and it aids the long-, and medium-term goals of Józsefváros. Within its wider environment, the project is in accordance with the set development aims of Budapest and the Central-Hungarian Region, and its effects will have positive effects beyond the renewal of the direct environment.

The Central-Hungarian Region, which contains Budapest too, is a peculiar area, with defined differences in its territories: in the middle, there is the capital, with all its development indexes far above the Hungarian average - though it has numerous internal problems. Directly around the capital, there are the towns of the agglomeration, and within a wider circle, there are many peripheral settlements, which are behind the capital in the level of development.

Although it is not clearly defined what the region’s, county’ or settlement’s role is in the development tasks, town-rehabilitation is basically a settlement level task, just like the building of residential-buildings, and the reconstruction of public places. In accordance to all of this, the Strategic plan of the Central-Hungarian Region does not deal with the rehabilitation tasks of the capital in a central place, but is clear that the effect of the project is in accordance with the set goals of the region.

The strategic plan of the region proposes to set tasks and actions in five, so called „intervention” areas - which are in connection with the economy, society, and the environment - to reach the goals: business development, human resources development, infrastructure development, improvement of the environmental state, rural development, and the shaping of an E-region.

In connection with the forming of a competitive region, among the specific and operative aims, the „improvement of the small-, and medium-venture’s earning capacity”, „the quality renewal of the built environment”, „the construction of a green surface system” and „the supporting of the self development of the public society” was conceived too.

Among the comprehensive program elements, concurrent with the moderation of suburbanization, the dynamization of the inner city territories and the city rehabilitation of the inner-zone gets emphasized. The plan proposes to set two comprehensive aims: on one hand, improvement of the region's competitiveness, on the other hand, the shaping of a livable region.

It is indispensable in a „livable” region to ensure a high-standard environment, but the business development is another essential instrument of the region's development. According to this, the strategy places the rehabilitation of the impoverished districts, and the development of green surface systems among the supportable activities.

### **3.5. How the project fits into the development concept of Budapest**

The shaping of livability and the renewal of the inner districts gets a significant role in the urban development conception of Budapest, with the aid of the complex city-rehabilitation instrument. From the seven functional long-term strategic aims defined by the conception, three is in absolute accordance with the goals of the project:

- a.) „Improvement of the quality of the built environment: acceleration of the city-rehabilitation, development of public places, improvement of the housing status... in order to improve the population retaining capacity of the city.”
- b.) „development of the communal infrastructure and green area system”
- c.) prevention of territorial segregation and slumming by retarding the disengagement of the most endangered districts.

The complex rehabilitation of the inner districts - as significant areas - is a comprehensive aim among the to be implemented configuration goals in certain districts, and the development of public places is also a specific goal beside the rehabilitation. „The conception sets the quality improvement of the built environment as a strategic goal”, and especially „the rehabilitation of inner areas”, which aims the renewal of the inner districts.

„The renewal and development of the public places (and aiding the retailers) in the whole area of the city can be conceived as a separate goal, which could indirectly inspire - through its radiative effect - other people to participate in the city-rehabilitation.”

According to the conception, „The public place development goals get a more and more important role in the process of city rehabilitation. The renewal of the public places is one of the most effective instruments for improving the quality of the city environment's livability, which can cause general revaluation, and the commencing

of development. To this end, the renewal of public places has to acquire a significant role within the city rehabilitation action program, where it could contribute to loosen the building of living places, to the shaping of green surfaces, and to the forming of new community areas (agora).”

### **3.6. How the project fits into the development conception of Józsefváros**

The implementation of the project is the next, consequent step in the rehabilitation program, which was started in 1998 in order to renew the district. The Municipality of Józsefváros decided about the rehabilitation of those areas of Central-Józsefváros, which are situated south of Baross Street in 1998, the Rehabilitation Strategy of Józsefváros was accepted that year. The basic aim of the program is to stop slumming and to parcel out and gradually renew the large, already impoverished areas.

According to the program, one of the most important strategic tasks in the renewal of Józsefváros is rehabilitation, and the commencing of the rehabilitation of Central-Józsefváros is essential. Most important other goals of the project: stabilization of the district’s market position, the renewal of the district’s social structure, preventing the shaping of a negative development spiral, the changing of the negative stereotypes in connection with the district, the renewal and exchanging of the residential buildings in the district, and to involve partners, who are interested in the renewal.

The Housing conception of Józsefváros was accepted in 2000. The aim of the housing conception is that by 2025, the living circumstances of Józsefváros should give the opportunity for everyone to choose such a flat, which is healthy, sustainable, accessible (payable) and suitable for their capacity. The program serves the aims of the housing conception consequently with its other activities (reconstruction of municipality buildings, supporting the renewal of condominiums, newly constructed buildings)

The most important goal of the ten year long District Development Conception of Józsefváros, which was accepted in 2001, is to improve the district’s status compared to the present position where it is among the other districts’ of the capital, to strengthen the traditional values of the urban living space through the effectuation of a new, city-based quality of life.

Concerning its social goals, the conception aims to form the most balanced social composition, and to reverse the segregation tendencies, which can be experienced at present. One of the most important instruments in the implementation of the district development strategy is to renew the impoverished residential buildings in the area. According to the conception, the urbanized function-composition is an important element of the living space’s quality, which sees the move towards the perceivable service sector, as a tendency that should be further amplified.

### **3.7. How the project fits into the complex city-development action plan**

The complex rehabilitation action plan of the area is part of the conception work, started in 1998. In 1998, Rév8 Inc. and the district accomplish the Rehabilitation Strategy of Józsefváros, in 2000 they accomplish the housing conception, and in 2001 they accomplish the District Development Conception. The project was part of all three conceptions, and since 2000, it has an independent line in the Municipality's budget enactment. During the preparing of the project, we take these attachments as principals, and we want to preserve them by all means.

### **3.8. The necessity of development**

From the point of view of the project's outcome - stopping the impairment of Central-Józsefváros - it is essential to change the environmental look of the area, and to create new jobs. From the different places of Central-Józsefváros, with all of their different images and level of development, a colorful, self-complementary, and supportive district will emerge due to the effects of the standardized conception. Hence, the district needs such renewed areas, in which the effects amplify each other. Our project will be a part of the already started rehabilitation programs, in which all elements play an important role.

## **4. Effectuation of the Project**

### **4.1. Activities of the project**

a.) Preparation for the institutionalization of the economy's vivification - commencing the cooperation with public-, and economic organizations. Get ahold of the representatives of the local public organizations and economic organizations, foreshowing the small venture vivification program and building the remarks into the program.

b.) Institutionalization of the small venture vivification program, involving the necessary partners, and to sign a cooperation contract with them.

c.) Cooperation with investor partners in blocks 111-114. The realizator of the worked out real-estate development project - the winner of the realization competition - detaches a 603 m<sup>2</sup> sized „city square”, from the building site of OTP Real-estate Inc. on the corner of Nap Street and Futó Street (topographical number: 35568/2). The investor partner accepted in the application that - on the basis of the conciliated implementation plans - they are going to foot the bill for the reconstruction of the pavement, and for the sculpture elements of the „city square's” plasterwork.

d.) Giving the realization to a venture through a public procurement procedure, and during the preparing of the public procurement procedure, the compilation of



the Tender appeal and the tender documentation for the implementation works of the infrastructure development as scheduled in the application. After the announcement of the public procurement procedure, the liquidation of the public procurement procedure, involving the Contracting Authority, in accordance with the current laws public procurement, and with the regulations of the Phare program. After the successful procedure signing a contract with the favored bidder.

e.) Supporting the unified marketing plan for the existing and the to be implemented ground-floor premises, and the leasing thereof as a unified service.

f.) Preparing the implementation, completing the necessary plans and acquiring the permission of the authorities. Subsequently - in reconciliation with the contractor -, the accomplishment of the temporal and spatial schedule, the accomplishment of the relating traffic technological plans, and acquiring the necessary permission of the authorities for the occupation of the area. Acquiring the necessary permissions of the authorities to commence the implementation, after signing the contract with the contractor.

g.) **Building the water pipes.** On the basis of the statement of Fővárosi Vízművek Rt. (Budapest City Waterworks Inc.) - as public utility provider - joining into the earlier reconstructed part of Futó Street - the pipelines of Kistáció Street, Vajdahunyad Street and Nap Street (DN 150 göv) will be reconstructed as well as the pipelines of Horváth Mihály Square, Hoch János Street, Nap Street and Nagytemplom Street (DN 200 göv) (the necessary piping establishment right permission is attached). The newly built water pipes will be responsible to serve the surplus demand caused by the real-estate developments, and it prepares the public place rehabilitation, which will be realized later on.

h.) **Road-building.** After the water pipes and the sewage system were reconstructed in 2001 and 2002, the real-estate development of Futó Street has been commenced. A relating pedestrian priority road section of Futó Street, between Horváth Mihály Square and Nap Street, will be built with decorative paving (necessary building permit is attached), while the ashlar pavement on the section between Nap Street and Práter Street will be blacktopped (not subject to licensing, municipal decision is enough for the renewal). Along the road building, a new surface drainage system and a new street-lighting system will be established too. The good atmosphere of the planned square on the corner of Nap Street will be established by green surfaces and street furniture.

j.) Take over procedures. The accomplished water pipes and the new street-lighting system will be taken over for operation by the Fővárosi Vízművek Rt. (Budapest City Waterworks Inc.) and by the Budapesti Dísz- és Közvilágítás Kft. (Budapest City Gala-, and Public Lighting Ltd.). The owner, the Municipality of Józsefváros, will take over the reconstructed street from the contractor.

k.) Commencing of retail activities. After letting the business premises of the new buildings, which are overlooking the renewed public place, such retail activities will appear on that area, which are suitable for the vivified demand.

l.) Monitoring, analysis of the process, its results, and the analysis of real effects within the frame of the financial accounting, evaluation of the fiscal, legal, social and economical results. Closing the process, financial accounting of the contract.

#### **4.2. Methods of realization**

The construction works of Futó Streets' public places will be realized in several steps, and it will always join the current, parallel rehabilitation actions. The preparing of the planning started in 2000. Back then, infrastructural works were prepared.

Parallel to these works, the renewal of two buildings was completed. Thereafter, the district decided to start the integrated rehabilitation. Besides the announcing and selling of the real-estate investments by the street, the planning proceeded, the regulation plan that founded the public place reconstruction was accomplished in 2002, the detailed planning was accomplished after that.

Thus, the procedure became suitable to involve the investment. In 2003, the district came to the decision that besides the large-scale rehabilitation project of the neighboring area, they will continue the rehabilitation of this area with the already introduced aims. By this time, they accepted the action plan in behalf of this goal, and started to get in contact with the non-governmental organizations of the area (Nap Klub), with the Chamber of Economics (VIII. district organization of BKIK), and with the Romany municipality. The first agreement with the local organization of BKIK was signed in the preparation phase.

During the realization period of the project, Rév8 Inc., which was founded by the municipality, will carry on with the social, economical and technical operations, with the adequate professional background, parallel to the other projects. During the scheduling of the process, the elements were put next to each other in such a manner that their effects should enhance each other, and thus, they could achieve better results.

The social openness is a very important element of the project, which will deepen the inhabitants' attachment towards the project. Rév8 Inc. will measure the fruition of the goals, and will analyze their effects in order to see, whether the project is still going into the right direction, and if this direction met the expectations of the municipality and the population (satisfaction index, monitoring).

#### **4.3. Organizations, partaking in the realization**

The municipality of Józsefváros established the Józsefváros Rehabilitation and City Development Incorporated (Rév8 Inc.), to prepare, organize, and effectuate the integrated city rehabilitation and city development works. On the rehabilitation action site, the full-scale realization of the tasks in the district will be done through Rév8 Inc.

Accordingly, Rév8 Inc. will provide the necessary human resources for the preparation of studies, for the programming, for the project development, and for the project management. The company has experience in the realization of such projects too, which were bigger and more complex than the present one, they have skilled professionals in every relating specialty (architect, city-planner, sociologist, economist, area and settlement developing geographer, building engineer, building control officer, etc.).

In order to achieve the social-economic goals of the project, they got in connection with the non-governmental organizations of the area (Nap Klub), with the Chamber of Economics (VIII. district organization of BKIK), and with the Romany municipality, in the preparation phase.

Rév8 Rt. created integrated action plans and rehabilitation programs for certain parts of the district. During the shaping of the programs, the specialists of the municipality and Rév8 Inc. went to field trips, to learn the principals of regeneration in Birmingham, and the changes in city-rehabilitation ideas in Berlin. It became clear to the district that they have to tailor integrated goal systems to solve their problems. The social-economical-environmental aims were divided into smaller areas of the district.

Due to the results of the realized works on the area, the Geographical Institution of the Hungarian Academy of Sciences (MTA) involved Rév8 Inc. - as a cooperative partner - into the research of tailoring new flat models, which was announced in the EU. 5. framework program (NEHOM).

## **5. Planned results, tenability**

### **5.1 The planned effect of the project, onto the economic and social environment of the region**

The Central-Hungarian Region, and especially Budapest, is a special status. Central-Józsefváros is lagging in every index. Central-Józsefváros is behind even all the other downtown areas, which are in the position (VII, IX district). That is why we will show the effect of the project in this unique region, and within the district.

The effect of the project extends beyond the boundaries of the direct area. The most important planned effect is that the impairment stops in the neighboring areas, and the area of the slum breaks up. The effect of the project is a transition between

the Corvin Szigony project - which is the most important downtown rehabilitation project of the capital - and between the related parts of the district. Another social and environment shaped step will be built into the fabric of Józsefváros, between Inner-, and Outer-Józsefváros. The district will get closer to the balanced development of its whole area.

The effect of the project to the social environment of the wider area: The employment rate indicators of Central-Józsefváros will improve, the unemployment rate (9.7%) will be 0.5% closer to the district average (8.83%). The ratio of economically active population will shift upwards, and it will approach the value of Józsefváros. The ratio of those who have a degree will grow with 0.5% on the wider area, it will grow from the actual Central-Józsefváros value (12.7%) to 13.2%, which is only 0.5% less than the district average.

The expected effect of the project to the economic environment: the number of unused business premises in the area of the project (6.7 per 1000 inhabitants) is nearly three times higher than the district average (2.3 per 1000 inhabitants). As a result of the project, the capacitation will improve, which will cause the positive shifting of the Central-Józsefváros value (2.6 per 1000 inhabitants). Local retail ventures will appear in the rented business premises, which will improve the ratio of ventures per inhabitants value of Central-Józsefváros: the number of retail ventures per 1000 inhabitants will shift from the present (24.1) value to the district average (28.3). 2002 and 2003 were those years in Central-Józsefváros, when the number of flat buildings has grown significantly. In the future, the further increasing of the number of newly built flats and the stableness of the growing process is expected.

Therefore, the investments that arrive into the district, and their constancy is assured, and measurable. According to the expectations, the dynamics of these data's changes will follow the growth of Budapest.

The main environment effects of the project: the increasing number, and constancy of the sent in condominium applications show the commitment of the local population, which will cause that the condominiums of the area will be renewed. The renewal of municipality buildings, and the changing number and area of the reconstructed public places, and built green surfaces will have a measurable result.

Another expectation on this area is that the indicator values should keep up with the growth of Budapest. These environmental effects are the ones that will directly and measurably contribute to the shaping of a modern livable district, and through this, the image of district will change in the long run too. The changing of the negative stereotypes about Józsefváros will contribute to the commencement of further positive processes.

The summary of the result of the regional effects is that the preserving power and the economic attractiveness of the district and Central-Józsefváros will improve. This

social progress will have a good effect on the migration processes of Budapest too, because this is not a gentrification type action on the area, but rather a preserving one.

Due to the consecutive steps, the district regeneration along Baross Street meets on the one hand, the strivings of the Municipality of Kőbánya, on the other hand, the rehabilitation of Ferencváros through the connection of Futó Street and the Corvin-Szigony Project. The mutual placement built up from the same elements of these areas within Budapest, and their results achieved in the rehabilitation allows a „small region” type cooperation too.

## **5.2 The planned direct results of the project**

The expected direct result of the project in the social sector is that 50 new jobs should come into existence, and 800 economically active inhabitants move into the 400 new flats upon its effect. Besides those, who stay in the renewed buildings, those new inhabitants, who move into the new flats, mean more people with college, or university degree.

The expected direct results of the project in the economic sector: at present, 3 business premises out of 7 are unused. The expected direct result is that all of the 7 business premises should be rented. Due to the investments on the area, 400 new flats will be built. In the new buildings, 5 new premises will be created, which will be used by the retail ventures that appear in the area. The real-estate position of the area will rise, so it is a realistic and measurable expectation that the increasing price of the second-hand and new flats shall keep up with the average price increases in Budapest.

As a direct environmental effect of the project, there will be 3300m<sup>2</sup> reconstructed public places, and the green surface will be 350 m<sup>2</sup> bigger than before. The two condominiums of the area will be renewed.

## **5.3 Tenability**

The analysis of the fiscal tenability in case of our project is a difficult process. This work is done in order to make the city - Budapest - and certain parts of it - Central-Józsefváros self-sustaining, in case of maximum efficiency. This goal cannot be achieved at present in case of the bigger cities. That is why the modern cities - just like Budapest - draw up like, the balanced development of their districts, the ability to finance their activities from their incomes, and to be able to accomplish their social goals.

The results of our project have two levels: on one level, the implemented public places with excisely calculable return, and on the other level the income from the realized jobs analyzing from the point of view of public incomes.

In case of the implemented public places, the return can only be defined within a narrow framework, only the tenability and maintenance difference between the old and the new investments can be calculated. Nevertheless, we don't renew the public places for this cause, but because it has a significant role in creating jobs, and in stopping the social impairment.

Therefore, in the calculation of the fiscal return, the expenses of renewal and new jobs have to be matched with the different expected growth in revenues. Although in this case, we can count on not only the increasing income of just the direct environment of the road, but with the growth of revenues of the commencing developments in the neighboring areas. We cannot count on a positive account in this case either. Therefore, the return for the district will be positive only if they take into consideration that there won't be further impairment, and they won't have to pay for the expenses and effect of a plausible social crisis.

Considering the size, the prelude of the project, and the planned works, the investment will cost approximately 1.3 million HUF. Above the income of the real-estate development actions of the municipality - considering the support of present application too - the further cost will be 200 million HUF for the financing of the whole action, which is 15% of the whole of expenses. The state of the area within the district is in scale with the 15% expenditure, thus it can be assured that the Municipality will not withdraw sources from the area, and that there will be enough sources for the further actions and tasks.

The municipality will solve the preserving of the retail-venture vivification programs by involving the non-governmental organizations. The financing of these will be assured by the cooperating partners, with the support of the municipality, even in the long run. The European experiences show that such institutions are needed for the operation, which support the economic and social processes.

The institutionalization of the road building and preserving is settled in the district. The municipality will solve the institutionalization of the involving of economic and social processes within the framework of the project, by involving non-governmental organizations. The municipality undertakes the preserving of the roads and public places, and the long-term, adequate usage thereof. The contractors mutually undertake to sponsor the operation of the institutions.

## 6. Economy vivification program

The instruments for the implementation of the program can be divided into four, interdependent main parts: creating a non-governmental organization (association), marketing program, supporting the leasing of the premises as a unified service, Futó Street Days.

### **6.1. The aims of the economy vivification program**

The vivification program is a determinant element of the Futó Street Partnership integrated development program, with the following most important goals:

- a.) The further strengthening of the economic effects of the implemented environmental renewal (building flats, public place rehabilitation), the strengthening of the economic attractiveness of the area.
- b.) The restitution of the district's self-sustaining capacity, and the improvement of the economic activity by attracting the retailers and the small ventures to the area.
- c.) Assisting for the successful operation of the area's small ventures and retailers.
- d.) Supporting the leasing of the premises as a unified service.

### **6.2. The planned results of the economy vivification program**

The Futó Street Partnership is an integrated local development action, during which, economic-social-environmental programs connect to each other, and they amplify each other's effects. According to the project, the recovery of the district is only possible through the mutual development of the three areas (economic-social-environmental)

According to this, the expected results related to the economy vivification can only be conceived precisely through the whole of the Partnership program. The expected effect of the program to the economic environment can be comprised as follows:

The population preserving capacity and the economic attractiveness of the area is improving. The real-estate position of the area is rising, it is a realistic and measurable expectation that the increasing price of the second-hand and new flats shall keep up with the average price increases in Budapest. The utilization of the ground floor business premises is growing significantly, local small ventures and retailers will rent them. Due to the effect of the investments, new business premises will be built in the new residential buildings, which will further increase the number of the small ventures in the area.

### **6.3. Non-governmental organization**

Relating to the first element of the program, by the involving of the local small ventures and the inhabitants, in the beginning of 2005, the Futó Street Neighborhood Association was formed. The most important element of the economy vivification program is to operate the Futó Street Neighborhood Association, since the main

elements of the implementation - as it will be introduced later - can be realized through the Association or by involving the Association.

**The goals of the Association.** The vivification of the small venture activity, the support of the handicraft and artistic activities, and the enhancement of the economic activity in the vicinity is the economy vivification related aim of the operation of the non-governmental organization.

The Association - besides the economic vivification and in accordance with the aims of the Futó Street Partnership Program - has some other social goals too: building community relations in Futó Street and in its vicinity, the strengthening of the social cohesion, the strengthening of the commitment towards the area, and the supporting of the tenability of the living circumstances.

**Tasks of the Association.** The Futó Street Association defined its tasks in its statutes. These are the following: the organization of such programs, which aim the vivification of the local small venture and retailer activities, and the participation on thereof; the localization and preservation of handicraft and art traditions, assisting the local patriotism; to step up for the shaping of a unified image of the neighborhood; to participate on applications, supporting condominium applications; to represent the interests of the neighborhood, and to step up uniformly on the district level, or capital level decision-maker forums; initiation of the civil supervision of the investments on the area of the neighborhood.

**Operation of the Association:** From the point of view of the Association's operation, it has an exceptionally important role, to get the information to the small ventures and to the inhabitants as fast as possible. The means and methods of forwarding the information are mostly newsletters, circulars and the website of the Association.

The **Newsletter** is a regularly appearing (monthly or quarterly) publication, which informs the local ventures and inhabitants about the events, novelties, most important news or opportunities related to the operation of the Association. The newsletter is made mainly for the inhabitants and ventures of the Futó Street Neighborhood.

**Other publications** are related to the Marketing program element too. These publications give information about the Association and about the local ventures, which means an opportunity for the ventures and for the Association to introduce themselves. These publications are also made mainly for the inhabitants and ventures of the Futó Street Neighborhood. However, the publications introducing the ventures could be spread in a wider area (on district level).

The website is a very important instrument from a marketing point of view, and in forwarding **information**. One of the important advantages of the website is that it offers the possibility to spread information expansively. The Association's website



contains the following main elements: exposition and introduction of the Futó Street Neighborhood Association, and the Partnership Program; venture database; news, novelties; community section, forum, contacts.

Besides the introduction of the Association and the Futó Street Partnership Program, the **Website** provides an opportunity for the ventures - mainly for the members of the Association - to introduce themselves.

As a part of the website, a database will be operated too - from the data of the ventures - which introduces the local ventures, contains the significant data like, e.g. the scope of activity, contacts, opening hours, but if it is related to the marketing program, than even the actions of the ventures can be introduced too.

Naturally, news and information of the newsletters and from other publications will be on the website too. Here, it is possible to put out application opportunities related to the Association, and to the ventures.

In the beginning, until the detailed website is under construction, Rév8 Inc. offered to put the informative materials and news of the Association on their website-[www.rev8.hu](http://www.rev8.hu).

The community section will aid the contact, and orientation of the inhabitants, starting with the forums, through the useful addresses, to the current local information, and it will also contain the contact of the Association, and the related links too.

The localization of the handicrafts and arts traditions needs mainly research work, which will be realized by involving the inhabitants, and university students of the area.

#### **6.4. Marketing program**

For the supporting of the leasing of the existing and the to be implemented ground-floor business premises as a unified service, a marketing plan will be worked out.

The aim of the marketing plan besides the rentability of the premises is to aid the successful operation of the existing and the arriving ventures in the area with marketing instruments, and to attract more small ventures into the area.

The marketing program is in close relation to the Futó Street Neighborhood Association, since according to the goals, most of the operating ventures near Futó Street will be members in the Association. Thus, the activities implemented during the marketing program will largely serve the implementation of the Association's goals too.

The marketing program contains the following main activities:

- a.) Creating, and showing the uniform image of „Futó Streetness”, and the communication thereof to the wider environment.
- b.) Creating advertisement material, which introduces the ventures of Futó Street, in accordance with the uniform image.
- c.) The representation of the Partnership Program and the local ventures on different forums, and in the media, as well as the implementation of PR activities.
- d.) Providing an opportunity for the ventures to appear and to introduce themselves on programs related to the Futó Street Partnership, and to the Association.

**Creating the Futó Street „genius loci”.** One of the most important marketing tasks is to create the image of Futó Street, the „Futó Streetness”. During the communication towards the larger and smaller environment, it is important that there should be a uniform image about the Program, with a clear message. An important element of this is to create and use a uniform image and design.

During the working out of the uniform image of Futó Street Partnership, both the internal and the external elements could be defined. The usage of a uniform logo is an important part of the image, just like the uniform appearance, which means the uniform editing and design of the website, the different publications and flyers.

It was mentioned earlier, that the Association has a significant role during the Program. It is an important limitation in the utilization of the logo, that it can only be used by those ventures, which participate in the Partnership Program, and in the Futó Street Neighborhood Association. The logo - as seen on the picture - was created by Rév8 Inc. for the Futó Street Partnership Program. The company gives free run to the Association to use the logo, but if needed it can be changed, or it can be replaced by a completely new logo.

It is important to communicate the aims and the message of the Partnership Program and the Futó Street Neighborhood Association. It is also important that the same message, aims, etc. should appear in the publications, on the website, and during the PR activities.

**Creating publications and advertisement materials.** The advertisement materials in connection to the Partnership Program, and to Futó Street Neighborhood Association are such informative, introductory publications, which can be single publications, flyers, or the earlier mentioned, regularly appearing newsletter.

The introduction and informative publications, which are necessary for the widespread foreshowing of the Program and for the local ventures that want to join the Association - and thus the Program.

Later, there will be an introduction material about those ventures, which joined the Program, this will be done for the inhabitants of the vicinity, and would serve primarily the popularization of the ventures. These could be a one-off, more detailed material, which would contain the short introduction, the contacts, opening-hours and other essential information of the ventures. Aside of these, regular flyers or publications could be created for the inhabitants of the vicinity, which could contain novelties, and actions in connection with the ventures.

The newsletter is related to the Association, and is primarily for the inhabitants and ventures of the vicinity. In the newsletter, there will be novelties and news about the activities of the Association. The newsletters could be combined with the advertisement materials of the ventures, and for example, the current actions of the ventures could be published in the newsletter too.

When the Partnership Program started in 2004, there were two bigger informative public place placards - in connection with the Program and with the public place reconstruction - placed in Futó Street, in Horváth Mihály Square, and in the areas close to Práter Street. Similar informative placards could be placed all around the area after the implementation was finished. Additionally some other placards could be created for special occasions, for example for the Futó Street Days.

**Forming PR relations.** The PR activities during the operation of the Partnership Program have a significant role. The articles, which appear in the different newspapers (e.g. in Józsefváros, in the paper of the VIII. district), related to the Partnership Program will assist that the Futó Street Partnership Program, and the Futó Street Neighborhood Association become a household word - primarily among the inhabitants of the district -, and make it clean-cut that the Partnership Program is existing and operating.

It is important, especially in the beginning that the inhabitants of the district should learn about the Program and the Association extensively. Józsefváros has a special role, since the target group of the newspaper are the inhabitants of Józsefváros, thus these news will get to more people in the vicinity too.

For similar reasons, it is also important to create on the website of Józsefváros - [www.jozsefvaros.hu](http://www.jozsefvaros.hu) - a section about the Futó Street Partnership, and a link to the website of the Association. Besides the website of Józsefváros, the website of Rév8 Inc. - [www.rev8.hu](http://www.rev8.hu) - will have link to the website of the Association.

The building of outside connections could contribute to the success of the Program too. Primarily the connections to non-governmental and other organizations relating to the area are important for the Association, such as the neighborhood organization of Szigony Street (Nap Klub Foundation), and the district division of BKIK. Later on, the Józsefváros alliance between Vienna, Budapest and Temesvár - which was created in March 2005 - can bring great opportunities of the Association.

**Website.** The main expectations in connection with the website were already outlined in the introduction of the Association. In this chapter, we will only talk about the relation to the marketing program. The introduction site of the ventures, retailers, etc. of the Association is the most important part from the ventures' and thus from the economy vivification program's point of view.

The most important data of the ventures can be found in this part, like the short introduction of the venture, outlining the scope of activity, contacts, opening hours, etc. Here - on the website -, there is an opportunity for the ventures to announce novelties and news in relation to their activities, or to advertise their current actions.

The opportunities offered by the website's forum, are very useful for the ventures too, there will be a separate section (topic) in the forum for the questions and remarks relating to the ventures.

Some of the ventures and retailers of the area already have their own website. Irrespectively of this, it is well worth it to advertise their main data and information on the website of the Association too. The links of their own websites will be accessible on the Association's website too.

**Other marketing activities.** By involving the member ventures of the Association, it will be possible to organize several marketing actions within the framework of the Partnership Program too. In connection to the incitement of the selling, if the ventures of the Association contribute, for example a preference package could be introduced, according to which the members of the Futó Street Neighborhood Association could purchase on a discount price, and they could use the goods and services of the Association members' on a discount price too.

The member ventures of the Program can show their membership by putting out the logo of the Association and the Partnership Program in the display window, and during purchasing or using a service, the members could verify their membership with a validated card.

## **6.5. Supporting the leasing of the premises as a unified service**

One of the economy vivification program's goals is to support the utilizing and leasing of the ground floor business premises as a unified service. This aim contains another aim, which is to improve the exploitation of the business premises that is they should not be empty or unused ground floor business premise near the Futó Street Neighborhood. It also contains the aim to create a unified image, a „Futó Streetness” in the municipality leased, and private property business premises.

During the introduction of the unified image, we already referred to the creating of „Futó Streetness”. This means that the ventures should utilize the unified image, which means the utilization of Futó Street Partnership’s, and the Association’s logo, and the unified design and editing of the different publications.

Apart from this, the „Futó Streetness” can be displayed in the portals and display windows of the business premises. On the one hand, this means the maintenance, constant cleaning, and incidentally the renovation of the display windows, portals, businesses worthy of Futó Street, on the other hand the utilization of the logo on the portal and in the display window.

In the implementation of this, the role of the Municipality of Józsefváros can be determinant. The role of the municipality could be important in pursuing the tenants and the owners, and in making the usage of „Futó Streetness” attractive.

In case of the municipal business premises, the Municipality can help in creating the „Futó Streetness” by defining discount rental fees, which would be offered to those ventures, which undertake to fulfill the requirements of „Futó Streetness”, that is they maintain, and clean their businesses, they take over the unified image, and the activity of the business’ profile fits into the aims of the Futó Street Partnership Program.

In case of private property ventures, which fulfill the „Futó Streetness” requirements, the municipality can give preferences in the determination of local taxes.

#### **6.6. „Futó Street Day” program**

The „Futó Street Day” is connected to the Association, but concerning its importance, we will introduce it in a separate chapter. The „Futó Street Day” is an initiation to create a tradition, which would be organized by the Futó Street Neighborhood Association every year on the appointed day, in a public place of Futó Street (on the corner of Futó Street and Nap Street). By the determination of the date, it is worth to consider the possibility to connect the „Futó Street Day” with the „Józsefváros Days”.

The main goal of the program, besides to create a tradition, is to strengthen the social cohesion and develop the community of the Futó Street Neighborhood, and to strengthen the inhabitants’ and ventures’ affection towards the area.

The program would be similar than the opening ceremony of the Partnership Program (which was organized in 2004). The main programs will be the different musical, cultural and handicraft programs, into which the Association could involve those contractors, non-governmental, and other organizations that are in connection with it (e.g. the handicraft class of BKIK for the handicraft programs).

The „Futó Street Day” serves to introduce and popularize the Partnership and the Association, and - relating to the economy vivification - it also creates an opportunity for the members of the Association to introduce themselves through the placards and publications of the program, and through the PR activity of the event.

#### **6.7. Strengthening the social relationships:**

Communication and relation towards the inhabitants and ventures of the vicinity, organizing street programs, presentment of the program. Assisting to the initiation of strengthening the social cohesion, and the commitment towards the area.