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SUPPORT FOR BROWNFIELD REGENERATION

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Types of support

- **Financial grants (support programmes)**
- **Selection and promotion of BFs to developers**
- **Promotion of regenerated BFs to end-users**



Reasons to support brownfields

- Large number of BFs in the CR
- Lack of business properties available to manufacturing companies and developers
- Elimination of structural disparities
- Market failure – cost gap in the case of BF regeneration



Why financial grants?

Cost Gap
(Costs are higher than market price)

↓

Unprofitable projects

↓

Public financing and support needed

↓

Programmes of support



Sources of Financing



EU STRUCTURAL FUNDS

Operational Programme Industry and Enterprise

Period: 2004 – 2006

Program: “Real Estate” – “REALITY”

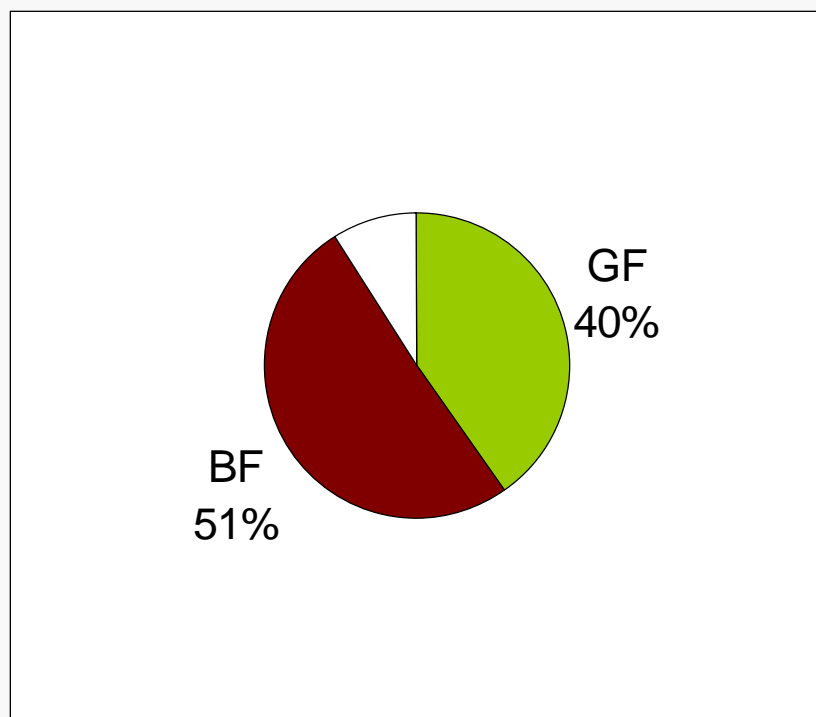
Fin. allocation: EUR 70 mil. in total

For BFs: EUR 26 mil.

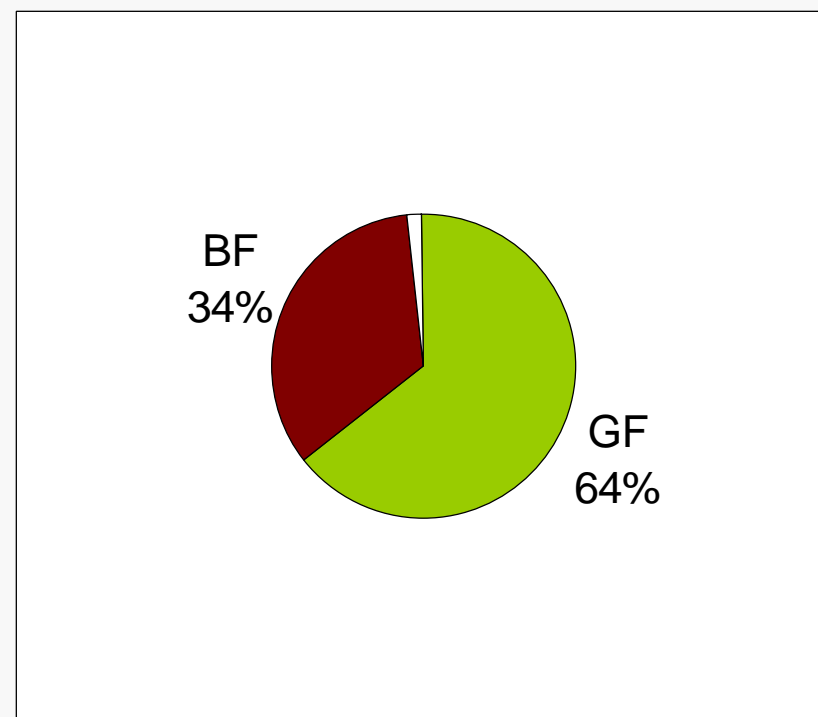


Sources of Financing

Number of supported projects



Amount of aid



Sources of Financing



The Real Estate Program (2004-2006)		municipality		enterprises		TOTAL	
		number of projects	amount of aid (mil. EUR)	number of projects	amount of aid (mil. EUR)	number of projects	amount of aid (mil. EUR)
Business Park	GF	21	10,0	5	3,1	26	13,1
	BF	3	2,5	7	2,5	10	4,9
Business Facility	GF	1	1,0	19	34,2	20	35,2
	BF	1	0,4	47	20,3	48	20,7
Project documentation		5	0,6	5	0,7	10	1,3
TOTAL		31	14,5	83	60,7	114	75,3

Sources of Financing



Totals for Real Estate Program (2004-2006)	Amount of aid (mil. EUR)	Extent of Business Parks (sq.m.)	Extent of Developing Area (sq.m.)
Business Park GF	13,1	5 371 541	4 389 313
Business Park BF	4,9	533 838	506 044
	Amount of aid (mil. EUR)	Building Volume (m3)	Build-up Area (sq.m.)
Business Facility GF	35,2	1 076 837	120 029
Business Facility BF	20,7	1 169 155	169 834
	Amount of aid (mil. EUR)		
Project documentation	1,3		

Sources of Financing



Operational Programme Business and Innovation

Period: 2007 – 2013

Program: “Real Estate” – “NEMOVITOSTI”

**Fin. allocation: more than EUR 500 mil. in total
for BFs: EUR 250 mil.**

**In process of negotiation between Czech Republic and
European Commission**

Starting in June 2007, but support for regeneration later



Recipients of support



- **Municipalities, Regions**
- **Private companies**



Objectives of support



- **Project preparation**
- **Site construction and development**
- **Construction of production facilities for lease**
- **Renovation of production facilities (BF)**
- **Site regeneration (BF)**



General conditions

- **At least 50% of the regenerated area will be reserved for industry**
- **Minimum size: 2 ha or 500 m² of built-up area**
- **Property owned by aid recipient**
- **Master plan (zoning for industry)**
- **Building is not being used effectively or is neglected**
- **Recipient did not cause bad condition of the building/site**
- **Recipient is not responsible for the condition requiring regeneration**

Eligible costs



- **Purchase price of property**
- **Project preparation and documentation**
- **Land preparation** (levelling, demolition, removal of environmental damage, etc.)
- **Technical and transport infrastructure** (utilities, roads, etc.)
- **Renovation of buildings**

Amount of support



Commercial projects

Subsidy = COST GAP

- up to 100% of eligible costs for removal of environmental damage and unusable structures in zone-regeneration projects (under negotiation with EC, notification provided)
- 40-60% in the case of other types of projects and eligible costs

Noncommercial projects

- Subsidy = 40-60 % of eligible costs

Examples ...



TMT Chrudim



Škoda - Plzeň



Zambelli - České Budějovice



Beneš a Lát - Semily

Thank you for your attention

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