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THE EUROPEAN EXPERIENCE

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Abandoned barracks are a case of un-utilized government property which can be adapted and put back into use in the form of Business Incubators and Business Support Centers and thus serve SMEs in their efforts to grow and create new wealth. The task of transforming former military sites into new engines of entrepreneurial growth is a complex endeavor which mandates that civic leaders practice the common sense disciplines of collaboration.

Keywords: Entrepreneurship, Business, Incubators.

1. INTRODUCTION

In the last years a large number of military brown-fields has been dismantled because of change in the security and defense policies. Most part of these sites are easily accessible, often located in the city-centre and well connected through modern infrastructure to locations which have become new centers of gravity in European Union. Therefore the rehabilitation of military brown-fields in proximity of densely populated areas is an important issue for local authorities and an opportunity for private investors. By recovering military brown-fields, green-fields are preserved and new forms of sustainable urban, economic and social development are found – thus benefiting both SMEs and public administrations/owners.

In Europe impressive military infrastructures had been built during the 20th century which now are abandoned. Redundant army, naval and air force sites offer a range of opportunities to entrepreneurs and to local communities to reconvert old barracks and military sites into Business Incubators and Business Support Centers. Conversion of the physical buildings can bring new life to neglect parts of towns and regions, but the buildings will become “hot spots” only if integrated strategies and actions will be put in place.

Former military assets, which had been “hidden” by their very nature, are seldom recognized by governmental institutions and civil society in terms of what their full potential may be. Obstacles include: lack of understanding of market and development opportunities, distance and separation between administrations and entrepreneurs, contingent institutional and political obstacles, administrative processes. Cultural patterns as well as the predominance of imported development models are also among factors that contribute to the under-estimation of a region’s own patrimony of valuable resources.

2. THE RECONVERSION PROCESS

Successful reconversion processes are based upon action and policy measures to promote entrepreneurship, to attract foreign direct investments, to implement efficient Business Incubators and Business Support Centers and to manage effectively the property transfer of military brown-fields from the central to the local authorities (figure 1).

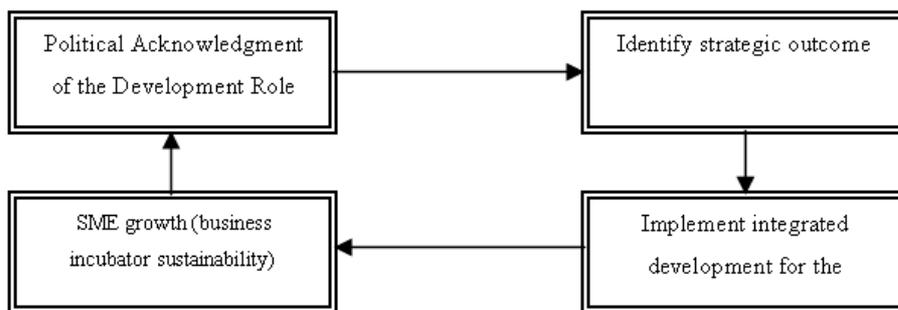


FIGURE 1 – THE ROADMAP OF RECONVERSION PROCESS

- Political acknowledgment of the development role of assets – the very first development step that ought to be undertaken at the level of the region is not technical in nature, but consist of the political acknowledgement of the role former military assets can play to strengthen the region’s specificity of resources and development potentials. No single institution has all the answers and broad participation and strong leadership are needed. This task is a political commitment to support new collaborative processes and represents the condition for the technical analyses and political assessments that comprise the subsequent development tasks. The main common output of this first step has been the definition of a common methodology for the assessment of development potential, as well as for the analysis of the transfer process.
- Identify strategic outcome – the second development step is a complex one, entailing the activation of regional resources through a combination of technical and political means that

bring about the transformation of regional resources into regional assets. This strategically important development task is, therefore, about the definition of a political and technical vision for the region, to align entrepreneurial talent, brainpower and to mobilize necessary financial resources, pursue the attraction of germane external resources, and make possible the expansion of the region's economy from within. The vision/ strategic outcome must be shared and supported by the entrepreneurs and SMEs in the first place.

- Implement integrated development for the business incubator – operationally, the third development step is the most critical of all because it is the one that entails the implementation of the technical means and political decisions that render the development vision for the region a concrete accomplishment. It is very important that Business incubators and Business support centers follow “good practice” in developing their management and technological standards to support entrepreneurship.
- SME growth (business incubator sustainability) – public resources are key to prime the reconversion process and start the business incubator activity. Thus, in a world marked by ever scarcer and decreasing public resources it is mandatory to build a strongly market oriented strategy to ensure long term sustainability and growth. The main sources of revenue for a business incubator include following: SME consulting and fees on sales and investment activation; cluster membership fees; EU projects; projects carried out on behalf of local and Regional Authorities; rents and services related to incubation premises.

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

- the environmental state: the presence of brown-field 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 centers, 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.

The most common services offered by Business Incubators are : office services; business/strategic planning; external debt financing; government grant/loan assistance; training/educational programs; financial management; sales/marketing; external equity financing; employment assistance; equipment access; government procurement; R&D product development; international trade; tax assistance.

3. CASE STUDIES

3.1. Umbria – Casarmete Army Camp

Casarmete Army Camp is an area on the top of Colfiorito hill. In the past it was an area used for military drills and as a shooting range and includes six army buildings, covering 1200 sqm.

This area was acquired by the Municipality of Foligno in 2008, but the Municipality has invested in it before, i.e. since 1997, in order to relocate several local businesses that were damaged by the earthquake. Five building in the area are now occupied by local companies.

The reconversion of the former Casarmete barracks has the following objectives :

- to ensure an unitary vision for the complex, characterized by flexibility in use, construction and management of the buildings;
- to respect the architecture of the complex, while protecting the green areas surrounding the former barracks;
- to protect and enhance the historical and cultural dimension of the complex;

- to create conditions for renewed economic and employment development and growth, not only for SME's within the barracks, but also for the enterprises in the nearby cities.

The Casarmette Business Support Centre will be strategically connected with the business incubator in Foligno and will offer services such as assistance at business planning, marketing and promotion, market search, partner searches.

3.2. Latisana - Reconversion of the Radaelli barracks into the leading nautics services incubator i-Conver

Latisana – building global innovation and competitiveness in the Nautical Services Sector Latisana, in the entrepreneurially dynamic the North Eastern Italy, is the main urban center of an area with a population of over 45.000, close to important beach resorts in northern Adriatic. Nearly 4 million visitors a year from Italy and abroad visit the nearby seaside resorts of Lignano and Marano.

The surroundings of the centre are rather marginal to the city centre, suffering from anonymity and lack of social activities. A new urban plan has been conceived taking into account the i-Conver presence and related infrastructure in order to revitalise this important part of the town.

The transfer process from the Ministry of defence to the municipality of Latisana has started in 2002 and has been completed in 2003. The i-Conver project is supported by a consortium of entrepreneurs and SMEs that has been formed with the mission of building a large dry marina of 60,000 m² of covered space which will be built at Aprilia Marittima. The consortium is also among the leading sponsors of the i-Conver project.

A notable crafts activity is related to boat maintenance and servicing in the nearby marinas. In fact, the locations of Aprilia Marittima and Lignano Sabbiadoro, taken together constitute one of the largest marina complex in the Mediterranean, with over 5000 boat places.

Most of the entrepreneurs are convinced that it is necessary to organise and coordinate their offerings in order to increase sales, reduce costs and attract new financial resources for investments in new infrastructure and innovation. It is necessary to evolve from the currently highly fragmented offering into a more integrated and highly collaborative system meeting customers' requirements for quality, delivery times and price. The i-Conver centre of Latisana will become the heart of the innovation system for the nautical services sector.

A group of leading entrepreneurs is promoting this initiative through their strong commitment to invest entrepreneurial energies and resources. Their efforts are supported by a large number of institutional

stakeholders: first of all the municipality on the Latisana, entrepreneurs and crafts associations, trade unions, and so on.

The facilities of the former Radaelli barracks are ideally suited to located the i-Conver centre. The available area has a total sources of 30,000 m², and is located on the main the access road to Latisana. The first lot consists in a building of 4000 m² of total surface, which 3000 m² will be net rentable space for the incubator and the service centre. The building will be provided with a parking lot for 200 cars and all the necessary infrastructure.

3.3. KavEC – Kavala Entrepreneurship Centre

Kavala, 150.000 inhabitants with a trend to increase, is an important port of Greece with a long entrepreneurial tradition. In the recent years, the city has lost its entrepreneurial vitality and in the outset of economic crisis it has become clear that Kavala cannot remain a prosperous city without engaging again into productive activities.

Kavala has a primary sector that is considerably developed and linked to the secondary sector: cultivation of intensive crops, such as vegetables, vineyards, tobacco, potatoes, cotton, fruits, as well as cereals. The fishing industry is developed as well.

There is a developed secondary sector in the area : traditional extracting industry, food and beverage production, clothing and textile industry. After the 90's the sector suffered a considerable decline and unfavourable structural changes, which led to the re-location of enterprises.

KavEC, the "Kavala Entrepreneurship Center " has been devised by experts as a part of broader master plan for valorisation of "Asimakopoulou" Camp as a "Metropolitan Recreational and Entrepreneurial Park". KavEC consist of:a Business Incubator; joint permanent exhibition hall and sales point for local businesses; office space for clustered business in critical development areas (such as renewable energy & energy efficiency technologies, information and communication technologies, agro-biotechnology etc.); a multi-purpose hall to serve the needs of the incubator and the clustered business for conferences, meetings, training, demonstrations etc;the Entrepreneurship Support Center of Technological Educational Institute. The operation and maintenance of the Center's facilities will be assigned to a Concessionaire, who will implement the reconversion and development of the former camp. The Center is expected to act as a catalyst for entrepreneurship in Kavala, fostering innovative entrepreneurial activity in sectors in which Kavala seems to have an edge on. As a result, approximately 50 new jobs are expected to be created directly, with a broader impact of additional 100 indirect jobs.

KavEC, the Kavala Entrepreneurship Center aspires to be the forerunner of Kavala's economic revival, taking continuous care for the creation and development of young companies providing advanced services in energy, information and communication technologies, agrobiotechnology and recreation services.

3.4. Zalaegerszeg – Petofi barrack Knowledge Center

Zalaegerszeg is situated in the Western part of Hungary, close to the lake Balaton and to the Slovenian and Austrian borders. The most important sectors are : wood and furniture industry, machine building, construction and tourism. There are approximately 62.000 inhabitants of the city.

The center services will be organized in collaboration with local organizations, like ZMVA, Chamber of Commerce of Zalaegerszeg and National Foreign Trade Agency (former ITD Hungary Zrt.).

The range of services that will be provided directly or through signposting includes: incubation and acceleration for existing SMEs; counseling for tendering; partner search through market research; activating EU cooperation projects; rental of meeting and training rooms to both tenants and external companies; management training for new entrepreneurs.

3.5. Caransebeş – Center for Business Support

Caraş Severin County has identified the conversion of former military sites of Caransebeş as a key action to contribute to the creation and development of sustainable business. The Business Support Center (CBS) aims to stimulate local and regional development. The local council has identified the following points of strength upon which to build its strategy: demand for ready to use premises by SMEs in the region; site location and logistics: national railway, european road, airport; proximity to the border with Serbia and Hungary (high potential for trade and cross-border collaboration); existing infrastructure:

- water supply;
- water sewage, electricity supply;
- access roads, communication;
- size of the site (approximately 26 hectares);
- availability of skilled workforce (Caransebeş and nearby areas);
- low level of pollution;
- attractiveness for tourism.

After a detailed mapping of the site, a technical expertise has grouped the buildings into three categories : building to be demolished; buiding to be rehabilitated and/or modernized; new building to be erected.

It is expected that the CBS project will be supported by a consortium that will be made up of entrepreneurs, SMEs, NGOs and local authorities. The consortium will be formed after the consultation, debate and decision on CBS type and approaches.

4. CONCLUSION

Business Incubators and Business Support Centers are key factors in the creation of new enterprises and the development of existing SMEs, which are the sources of innovation and economic advancement, especially in the current economic crisis. Stimulation of local entrepreneurial potential is carried out by employing a dynamic system of detection/selection/monitoring/management of entrepreneurs and projects. This is important tool for regional development.

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