



**PROJECT PROPOSAL
SUSTAINABLE REGENERATION
OF ILICA STREET IN ZAGREB**

**“DESIGN, ART AND CRAFT IN ILICA STREET:
THE URBAN LABORATORY”**

Location: Zagreb, Republic of Croatia

Interdisciplinary project team:

Jaka Ćosić, mag. geogr.

Ana Grgurač, mag. ing. arh.

Matea Savić, mag. ing. prosp. arh.

Tea Šaravanja, mag. ing. aedif.

Daniel Šarić, mag. pol., mag. soc. et soc. anthrop.

Petra Šlošel, mag. art. hist., mag. philol. angl.

Mateja Štokan, mag. ing. prosp. arh.

Mentor:

Petra Andrić, DOOR

Zagreb, March 2017



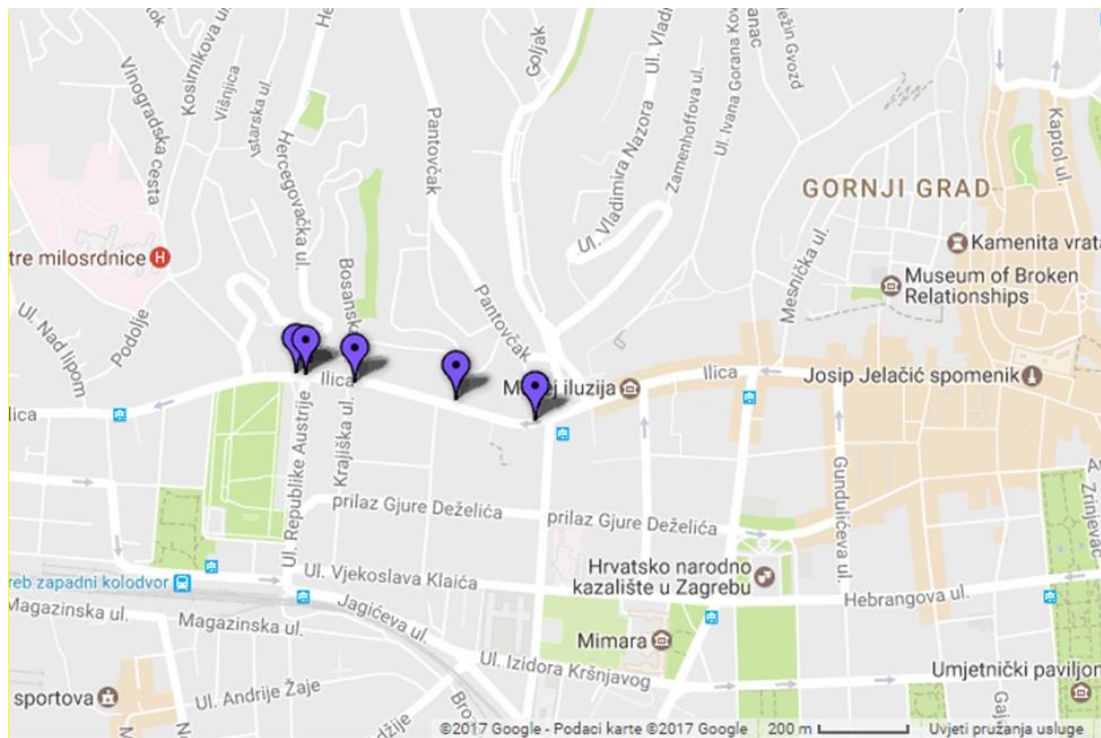
Erasmus+

Co-funded by the Erasmus+ Programme of the European Union.

This publication reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

0 GENERAL INFORMATION ABOUT THE LOCATION

Name:	Ilica Street (600-odd m long section of the Ilica Street between two city squares Britanac Square and Dr Franjo Tuđman Square)
Address:	Ilica 90 – 150, Zagreb
Country:	Republic of Croatia
Current status (abandoned, misused...):	Abandoned, misused
Former use:	Small business establishments of versatile use
Ownership (public, private, mixed)	Mixed - under the process of property restitution from state to private ownership
Area covered (gross square meters):	600 m



CONTENT

1 CONTEXT ANALYSIS OF THE LOCATION	5
1.1 Spatial, social and economic analysis.....	5
1.2 The analysis of cultural markers.....	6
2 PRESENTING THE CONCEPT	7
2.1 Spatial identity and its potential	7
2.2 The main idea.....	7
2.3 Approach and aims	7
2.4 Locations and facilities	8
2.5 Implementation Stages	9
2.6 Visual identity.....	12
2.7 Usage Scenarios.....	12
3 PARTICIPATIVE PROJECT'S PROPOSAL DEVELOPMENT	14
4 TECHNICAL DESCRIPTION OF THE REGENERATION PROJECT	15
4.1 Description of the existing situation of Illica Street from British Square to Dr Franjo Tuđman Square.....	15
4.2 Technical description of micro-locations.....	15
4.3 The planned technical operations for the project of renewal	17
4.5 Proposals for achieving energy efficiency	18
5 ENVIRONMENTAL, SOCIAL AND CULTURAL PURPOSES OF THE REGENERATION PROJECT.....	19
5.1 Effects of the proposed measures.....	19
5.2 Space use and its users.....	19
5.3 Comparative examples of good practice	21
6 RISKS AND EXTERNALITIES.....	22
7 BUSINESS PLAN	23
7.1 Defining the Business Model	23
8 FUNDING AND MARKETING STRATEGY	24
8.1 Proposals for financing models	24
8.2 Strategy and Marketing Implementation.....	25

ABSTRACT

The urban location assigned for the regeneration project proposal is the 600 -odd m long section of the Ilica Street defined as the stretch between two city squares, Britanac Square and Dr Franjo Tuđman Square. Stretching from the main city square (Ban Josip Jelačić Square) to the western boundaries of Zagreb, the Ilica Street used to be the longest street in Zagreb and certainly remains its most well-known street today. The analysis of the spatial, economic, residential and cultural context of the assigned area led to identifying its two characteristics that we find vital to its identity and consider to be solid basis for the further development of the regeneration project. Firstly, the Ilica Street may be viewed as the connecting area where the densely built city blocks meet the foothills and greenery of Medvednica, a mountain and nature park just north of Zagreb. Secondly, the Ilica Street may be further viewed as the space where the traditional artisan production rooted in its historical economic background blends with the young professionals of the cultural and creative industries, the latter having been based on its current economic and cultural traits and potential.

Building on the specific nature of the assigned area which includes several smaller locations along the Ilica Street, we propose the project of sustainable conversion to establish an urban laboratory, which encompasses one central location and its affiliated satellite locations. The central location of the urban laboratory brings together experts from the fields of architecture and landscape architecture, urbanism, spatial planning, civil engineering, sociology, art history and other professions/fields dealing with the transformation of the urban space. Its main goal is the continuous exploration and analysis of the spatial, social and cultural elements and of the needs of the local community in order to define, create and initiate new content introduced in the converted spaces of satellite locations. The latter aim to introduce cultural and commercial content by including as associates on this project young professionals of the cultural and creative industries and local artisans.

In order to carry out the proposed project of urban regeneration, we defined the seven stages of its implementation, structured to establish the urban laboratory and all resources necessary for its further functioning, to adapt and put in use the satellite

locations with newly introduced content, but also anticipated steps that enable the further implementation and expansion of the proposed concept. In the chapter on participation, we presented the research methods that included gathering input from local citizens and individuals working towards the revitalization of the area themselves, while also presenting specific possibilities for a community inclusive development of the regeneration project.

In the chapter on the project of adaptation, we identified the assigned area as part of protected heritage and suggested the appropriate approach accordingly. We further outlined a detailed description of the current state of the assigned locations within the area and suggested the plan for their adaptation based on a single unit. In keeping with the main goals of the entire project, we examined and proposed the possibilities for the energy-efficient renovation of the area while taking into account the nature of the assigned locations and the restrictions thereby implied.

In the following chapters, we looked closely into all the aspects of our proposal in order to identify all its positive effects on the environment, society and culture and compare it to some other examples of urban regeneration, but also to present a detailed analysis of all considerable internal and external risks, as well as possible responses to those risks. Seeing as the assigned area of the Ilica Street is a very well-frequented part of Zagreb located near its very centre and the old town core, while at the same time deeply laden with rich cultural history and an identity recognizable and relatable to the citizens of Zagreb, the benefits of regenerating this area truly prevail over the possible risks. In the final chapters, we defined and proposed the business model of our urban laboratory as an association, outlined the initial expenses for the first stages of the implementation of the project and considered possible financing and marketing strategies.

1 CONTEXT ANALYSIS OF THE LOCATION

1.1 Spatial, social and economic analysis

Ilica Street used to be the longest and remains to the present day the most well-known street in the city of Zagreb. It contributes to Zagreb's rich and diverse history with its high number of small, street front shops and craftsmen workshops. However, over the last two decades, it has witnessed an economic decline, resulting in many of the business establishments closing and becoming vacant as well as their sites deteriorating, which has further led to the overall image of the street as grey, vacant and run-down. For the purposes of the sustainable regeneration project proposal, this team has focused on the 600-odd m long stretch of Ilica Street between its two most well-known squares, British Square and Dr Franjo Tuđman Square.

To grasp the scale of the mentioned decline in economic activities and overall infrastructure, we conducted an survey of all the business establishments along the defined stretch that are still running, dividing them into categories according to their content, as well as those that are now vacant. The results are displayed on Fig. 1 as follows: (a) black square = abandoned establishments, (b) green circle = finance, (c) blue circle = retail, (d) purple circle = crafts, (e) red circle = personal services, (f) orange circle = professional services, (g) baby blue circle = tourism and catering services. Out of 90 establishments still in business, professional services (predominantly lawyers' offices) and retail (predominantly second hand shops) make up the majority of the content along the previously defined stretch of Ilica Street. At the time of the survey conducted in December 2016, the number of abandoned sites was 34, making up above one quarter of the overall number of establishment sites surveyed along the Ilica Street stretch between the two squares.

As suggested in earlier studies, there are two main reasons for this process of economic decline. Firstly, the city of Zagreb has witnessed the opening of numerous shopping malls on its outskirts, resulting in a discernible decentralization of trade and associated services.¹ Secondly, a high number of business establishments in Zagreb are in the process of property restitution into private ownership, as a means of compensating the

¹ M. Jakovčić, Business Functions and Problems of Closure of Commercial Premises in Ilica Street in Zagreb, *Hrvatski geografski Glasnik* 68/1,27-50, 2006.

perceived damage brought on during the process of nationalization during the communist government in Yugoslavia.²

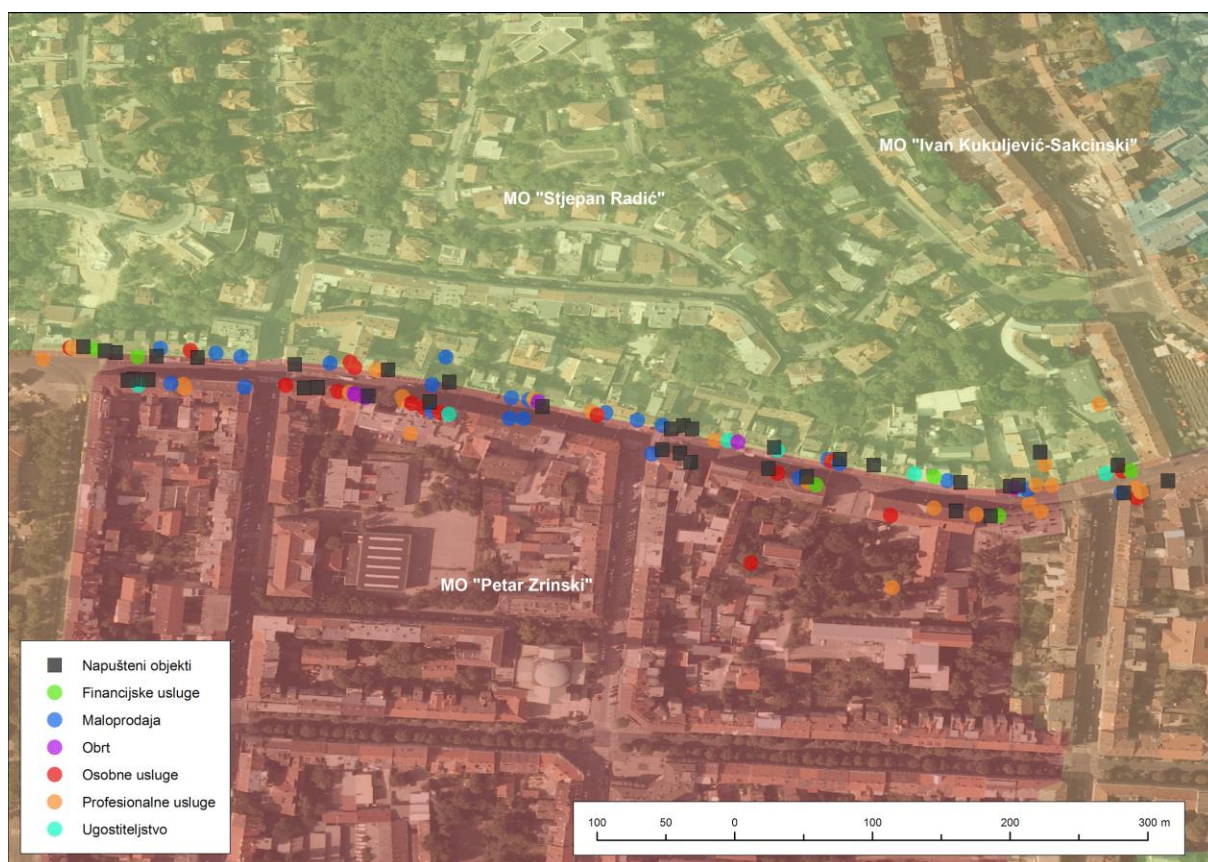


Fig. 1: The results of mapping the business establishments along the stretch of Ilica Street between two city squares, survey conducted in December 2016

1.2 The analysis of cultural markers

For the purposes of determining the overall character of the previously defined area, we focused our analysis to discerning the major cultural and academic markers present. Both British Square and Dr Franjo Tuđman Square hold important places in Zagreb's rich and manifold history, the former having assumed an organic, unplanned layout and holding the site of a famous antiquity market, and the latter holding the site of Austrian - Hungarian century military barracks dating from the 19th century, currently under cultural heritage protection. Located in the middle of the said stretch is the Academy of Fine Arts in Zagreb, and the area is further marked with educational and academic content through the vicinity of the Faculty of Architecture, the School of Design, and the Faculty of Textile Technology. Located along the stretch of Ilica Street between the two

² B. Mucko, *Ispražnjeno u povratu prilog etnografiji praznine*, Heinrich Böll Stiftung i Udruga za interdisciplinarna i interkulturalna istraživanja, Zagreb, 2012

city squares, further cultural institutions include the Greta Gallery, a contemporary art gallery, *Histrionski dom*, the headquarters and theatre hall of Zagreb's well-known actors' association *Histrioni*, and the recently opened Museum of Illusions. The listed sites and institutions all contribute to a high concentration of inhabitants and visitors circulating within the observed area on a daily basis, its deteriorating state notwithstanding.

2 PRESENTING THE CONCEPT

2.1 Spatial identity and its potential

The part of Ilica Street between British Square and Dr Franjo Tuđman Square has been defined for years by a lack of identity, the disappearing of traditional crafts, and the short lifetime of newly opened content. However, based on the context analysis, some interesting features and aspects of the space have been recognized that further served as a base for the development of the idea and the proposal for regeneration.

The interdisciplinary approach to the analysis of spatial, social and cultural aspects has helped to identify the main issues of the area (a large number of unused and decaying locations, the lack of social content for both residents and visitors), but also its advantages and potentials (extremely accessible location, rich craft tradition, high concentration of nearby cultural facilities, interesting geographical position).

2.2 The main idea

The main idea is based on providing a new identity for this part of Ilica Street on two levels:

- 1 Ilica as the meeting point of dense urban fabric with the slopes and greenery of Nature Park Medvednica - Visual Identity
- 2 Ilica as the meeting point of traditional craft production and fresh ideas from cultural and creative industries - Content Identity

2.3 Approach and aims

The "satellite" approach

The urban laboratory consists of a central location (urban laboratory office) and smaller affiliated micro-locations, or "satellite" locations, launched along the street, introducing new content and activities suiting local needs as well as attracting new visitors.

The bottom up approach

The starting points of this project originate from the current condition of the location as well as the needs of its residents. Its aim is to create a platform that would connect different actors and provide a space for creating new ideas and policies that would contribute to the development of the whole area in the long run. Involving city administration in these activities is also planned, so that they could directly hear the voice of their citizens.

Aims:

- 1 Revitalizing the area while emphasizing its tradition;
- 2 Connecting actors from cultural and creative industries, educational and academic institutions, small entrepreneurs, civil society organizations, and residents;
- 3 Converting micro-locations into places of encounter and exchange of products, ideas, knowledge, skills, and experience.

2.4 Locations and facilities

Micro-location I – Urban Laboratory (Ilica St. 150):

The Urban Laboratory connects an interdisciplinary team of experts from the fields of architecture, landscape architecture, civil engineering, spatial planning, art history, sociology, etc. whose basic objectives are:

- (0) Implementation of the initial project;
- (1) Continuous research and documentation of the requirements and needs of the given location and its residents and users;
- (2) Defining and developing solutions and projects that improve the location in terms of sustainability and socially useful content;
- (3) Monitoring, maintaining, and adjusting the implementation of planned program.

Satellite micro-locations II - IV:

- (1) Smaller satellite locations (Ilica St. 96/2, Ilica St. 115, Ilica St. 116): ateliers of various young artists/designers/etc., providing them with a space to work, exhibit, and sell their products and designs, as well as plan any suitable activities in order to participate in the reactivation of the area.
- (2) Larger multifunctional venue (Ilica St. 152): public presentations, exhibitions, workshops, education, fairs, market, collaboration with craftsmen.

2.5 Implementation Stages

1st stage – the establishing and financing of the Urban Laboratory:

- Legal establishment of the Urban Laboratory;
- Defining strategy / goals / management;
- Providing financial resources



Fig. 2: 1st stage of implementation

2nd stage – the launch the Urban Laboratory office:

- Adaptation, design and equipment of the Urban Laboratory office at Ilica St. 150;
- Selecting participants (associations, cooperatives, artists...) and defining the terms and conditions for the use of satellite micro-locations.



Fig. 3: 2nd stage of implementation

3rd stage – the establishing of smaller satellite micro-locations:

- Adaptation, design and equipment of the satellite micro-locations at the addresses: Ilica St. 96/2, Ilica St. 115 (2 sites) i Ilica St. 116;
- Common visual identity;
- Defining individual and joint programs.

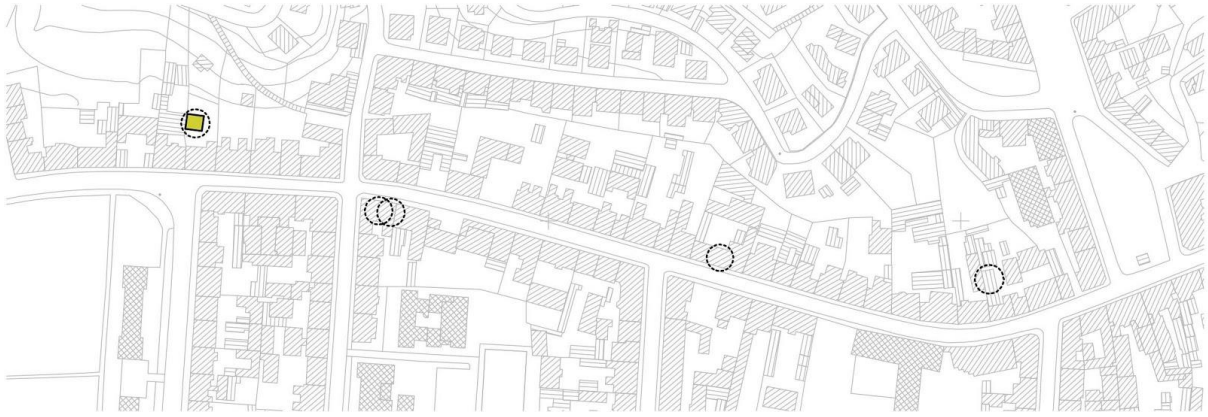


Fig. 4: 3rd stage of implementation

4th stage – the launching of smaller satellite micro-locations:

- Implementing the program and launching the micro-locations;
- The beginning of smaller public events at the micro-locations, as well as joint major events organized by the Urban Laboratory;
- Researching the need for a large joint exhibition and sales space.

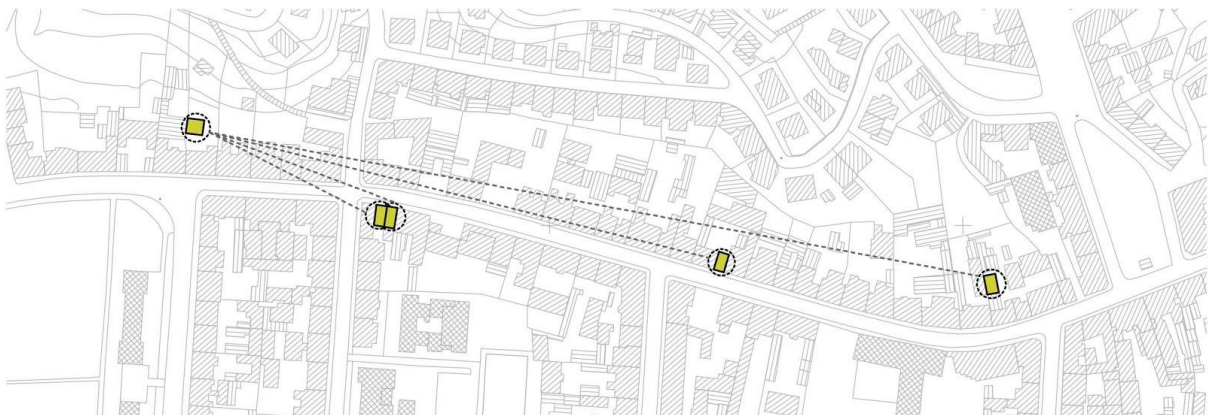


Fig. 5: 4th stage of implementation

5th stage – the establishing of the multifunctional venue:

- Exploring possibilities and locations for the multifunctional venue (property resolution, condition of the building, etc.);
- Consideration of external associates / participants for planned occasional events.

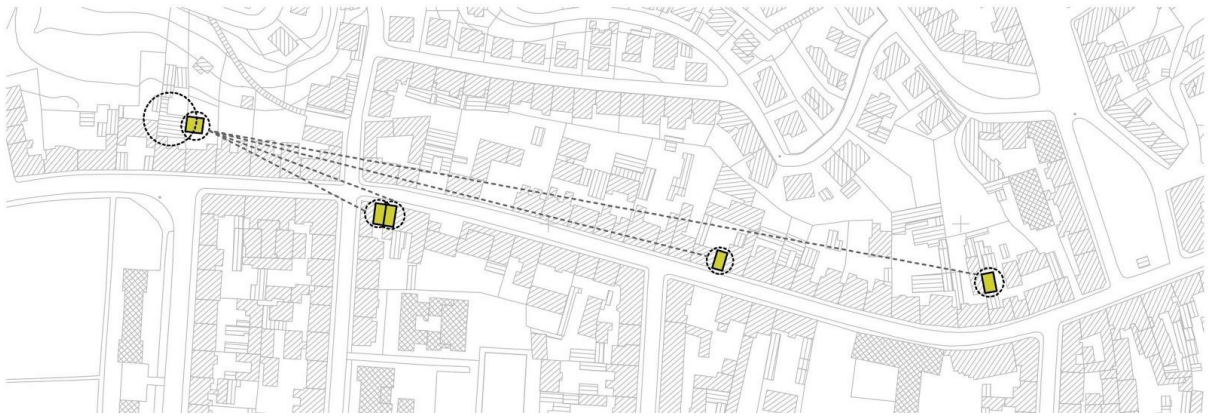


Fig.6: 5th stage of implementation

6th stage – the launching of the multifunctional venue:

- Creating an annual program of events involving the collaboration of Urban Laboratory, users of other micro-locations, external associates and craftsmen;
- Public presentations, exhibitions, workshops, education, trade fairs, market, cooperation with craftsmen etc.

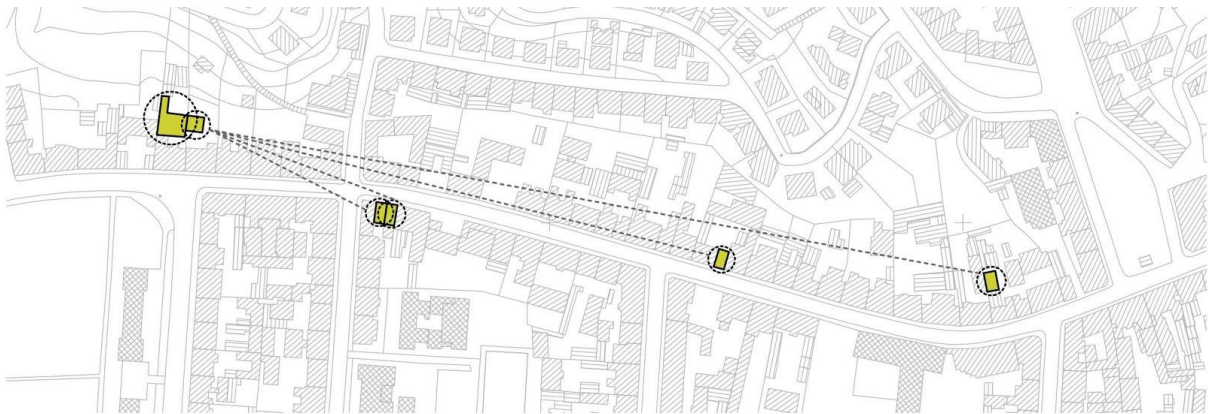


Fig. 7: 6th stage of implementation

7th stage – the expansion of the established model

- The expansion of the established model to further available micro-locations in the area.

8th stage – Expanding the model to other parts of the city:

- If this experiment proves to be successful in Ilica Street, the Urban Laboratory could in the long run expand its activity and start looking for the potential of applying the concept to the other suitable parts of the city.

2.6 Visual identity

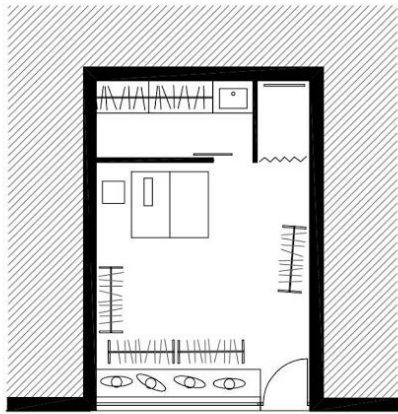
The common visual identity of the entire project would contribute to the change in perception about this part of Ilica Street, which would be achieved by unifying the facades of any available micro-location included in the project. The visual identity originates from the geographic specificity of the area (the meeting point of dense urban fabric with the slopes and greenery of Nature Park Medvednica) and would be reflected in the street shops decorated with green elements. Thus, with the gradual increasing in the number of micro-locations involved in the project, Ilica Street would also become greener, making its geographic specificity visible and prominent to the visitors.



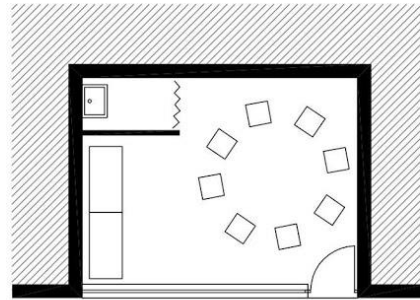
Fig. 8: The meeting point of dense urban fabric with the slopes and greenery of Nature Park Medvednica

2.7 Usage Scenarios

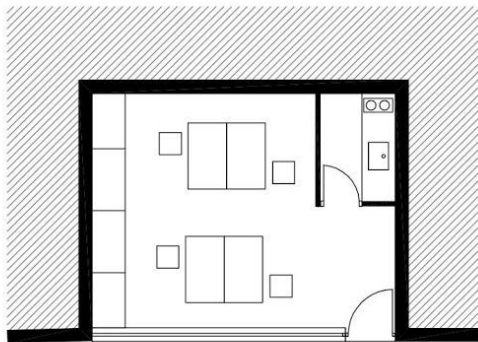
Smaller satellite micro-locations would be designed to host various content, including retail, workshop rooms, workspaces, presentation halls, artist studios and exhibition space. The multifunctional facility at Ilica St. 152 could host fashion shows, market, exhibitions, presentations, workshops and screenings.



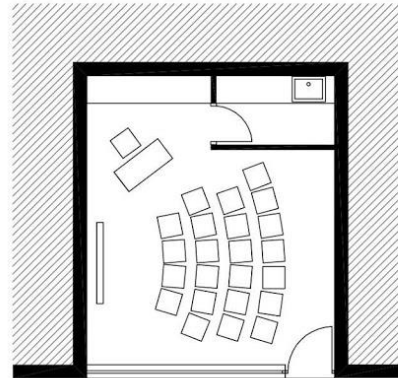
prodaja



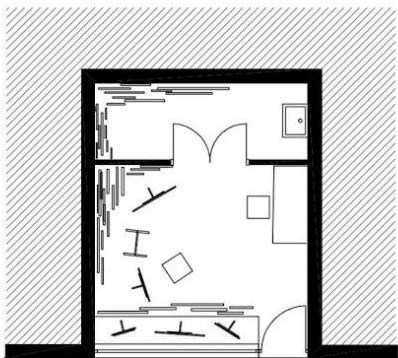
radionice



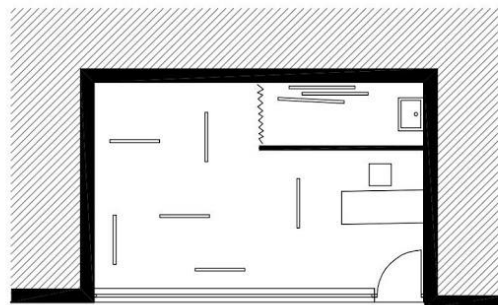
radni prostor



prezentacije



atelier



izložba

Fig.9: The usage scenarios for smaller satellite micro-locations:
retail, workshop, workspace, presentation, atelier, exhibition

3 PARTICIPATIVE PROJECT'S PROPOSAL DEVELOPMENT

Due to the short time available for the preparation of the project proposal and the uncertainty that was arising for the status of the micro-locations set for the process of restitution, the participation of stakeholders was also limited. In spite of the mentioned constraints, communication with some of the stakeholders was established, and a number of them were also interviewed. For the interviews, two protocols were made, one for the residents and the other one for potential associates and user of the Urban Laboratory. These were conducted in the form of semi-structured interviews or through sending the protocol via e-mail. Some of the interviewees were gathered using the snowball method which entails that persons that were interviewed first have pointed to those interviewees.

The group visited the stretch proposed for conversion and the micro-locations on four occasions. During those visits, interviews and conversations were conducted with stakeholders – the representatives from city offices, small local entrepreneurs and residents. There was also correspondence with the City office for Strategic Planning and Development of the City and the City Office for and City Office for Legal-Property Relations and the City's assets. At DOOR, a conversation with a resident from the area was also conducted.

The small local entrepreneurs that were interviewed are as follows: (a) Leo Vukelić, the author of the initiative *Ilica kulture* (Ilica, the street of culture) aimed at regenerating vacant spaces as artists' studios; (b) HKKKK, Croatian Cluster of Competitiveness of Creative and Cultural Industries, who organized an event in May 2017 aimed at addressing the problem of abandoned spaces along Ilica Street; (c) Vida Meić, academic painter, active in encouraging recent graduates of the Academy of Fine Arts into creating their own business opportunities gathered around independent associations; (d) Fabric8 co-op, the first student cooperative in Croatia, gathering students and young professionals from the fashion industry; (e) Luka Janeš, a PHD candidate at the Faculty of Humanities and Social Sciences, working in the multidisciplinary field of bioethics. Their feedback contributed to identifying specific problems present in the observed area, but more importantly, proved their positive view on the proposed project of regeneration, as they expressed their wish to participate. One of the interviews ultimately led to the project of Urban Laboratory in Ilica Street being included in the

week-long the event “Projekt Ilica / Readymade Ilica” in May 2017, with a presentation open to the public.

4 TECHNICAL DESCRIPTION OF THE REGENERATION PROJECT

4.1 Description of the existing situation of Ilica Street from British Square to Dr Franjo Tuđman Square

Since the location proposed for renewal includes the part of Ilica Street from British Square to Dr Franjo Tuđman Square, special attention was given to the structure and condition of the buildings. Typologically, Ilica Street is a part of Zagreb's lower town, a historic part of the city that is under strict rules of cultural heritage protection. The number of building floors ranges from two to five. All buildings are closely connected, and the passages to the courtyards are realized through doorways. Top view on the street reveals that most of the roofs are gable covered with roof tiles. The buildings date from the end of the 18th century and throughout the 19th century. The older buildings are recognizable by stucco decoration on their facades.

The buildings on this part of Ilica Street are generally in bad condition, damaged, and some parts of buildings are entirely without facade. In addition, on some buildings there are visible traces of moisture, which further indicates internal damage of the building. As opposed to the previously described buildings, there are also buildings on this part of Ilica Street that are recognizable by simple straight lines, without additional interpolation on their facades. Ground floor facades of these buildings consist of facade tiles from stone, while the upper floors were treated with facade plaster. These buildings are in very good condition, with no clear and visible damage on their facades.

This described part of Ilica Street is the main focus of renewal, but it also includes five micro-locations located between British Square and Dr Franjo Tuđman Square. Micro-locations Ilica St. 96/2, 116 and 150 are located on the northern and Ilica St. 115 and 152 on the southern side of the street. According to the Master Plan (GUP) of the City of Zagreb, all micro-locations belong to the area of mixed purpose, predominantly residential or business.

4.2 Technical description of micro-locations

The technical description of each micro-location is based on the existing situation that was observed on November 11th, 2016 at the site of the project location.

MICRO-LOCATION I (Ilica St. 150):

This micro-location used to have a business purpose and was connected with the fifth micro-location at Ilica St. 152. It is located in an inner courtyard on the 1th floor, and the access is secured by an outside staircase. The walls are made of brick; the floor is concrete plate without final layers. Currently, the site is abandoned with prevented access.

MICRO-LOCATION II (Ilica St. 96/2):

This micro-location used to be a car repair workshop. It is located in an inner courtyard on the ground floor. The walls are made of brick, the floor is concrete plate without final layers, and the ceiling is made out of wooden panels. Currently, the site is abandoned.

MICRO-LOCATION III (Ilica St. 115):

The two micro-locations found on this site are located directly at Ilica Street. The two spaces are separated by a partition wall and each has its own entrance from Ilica Street. The spaces used to house a hair salon and an eco-store. The walls are made of brick and the floor is concrete with final layer from ceramic floor tiles. Currently, the site is abandoned.

MICRO LOCATION IV (Ilica St. 116):

This micro-location site used to be a hair salon and it is in a very good condition. It is located directly at Ilica Street, on the ground floor level. The walls are made of brick; the floor is concrete with final layer from ceramic floor tiles. This space has a sloping ceiling made out of plasterboard facing. Currently, the site is abandoned.



Fig. 9: A view on the Ilica St. 116 micro-location from across the street during a visit in November, 2016

MICRO LOCATION V (Ilica St. 152):

This micro-location site is considerably bigger than the previous four, and plan for this space is to use it as a multifunctional area in the final stages of the project. Its previous use was a bindery. It is located in an inner courtyard on the ground floor- and 1st floor levels. The walls are made of brick; the floor is concrete plate without final layers. Currently, it is abandoned and in an extremely bad condition, without any windows and with ceiling in a ruinous state.



Fig. 10: The ruinous state of the Ilica St. 152 micro-location during a visit in November, 2016

4.3 The planned technical operations for the project of renewal

The implementation of the renewal for the part of Ilica Street includes seven stages, with the focus on the first four micro-locations, while the multifunctional space is part of the project's fifth and sixth stages of implementation. In this project, the minimal technical interventions are planned to convert the first four micro-locations into functional state according to the purpose that is to be determined during the project implementation. Likewise, technical interventions are planned to give micro-locations an identical look and identity. The planned technical interventions are a list of necessary measures, which

depending on the need, can be carried out at each location. The micro-locations are similar in their facades, ground plan and area, and the deviations that could arise are considered minimal. Because of that, the list of technical interventions is a preliminary proposal for all potential types of work needed at all micro-locations.

These technical interventions do not include the fifth micro-location, intended for conversion into a multifunctional space, because during this conceptual stage, it is not possible to state with certainty whether the need for the exhibition space will arise. The estimated price of the listed interventions is 10 000 €. For the estimation of unit price costs, we used data issued by official institutions specialized in accumulation of information and costs regarding construction work and data gathered through examining information published by major construction firms in the Republic of Croatia.

4.5 Proposals for achieving energy efficiency

This part of Ilica Street is a complex site for achieving energy efficiency because all micro-locations belong to separate buildings, and in this case, the energy renovation is especially complex because all buildings are under cultural heritage protection. The possible solutions for energy sustainability, but also visual identity can be seen through the idea of the implementation of prefabricated green construction in the interiors of micro-locations. Furthermore, we suggest some measures for energy efficiency that can be effective, while relatively quickly applied.

General measures:

- Providing education to the inhabitants about energy saving possibilities in smaller areas (getting familiar with rational use of energy, built-in systems and how to use the;
- Using energy-efficient electronic devices at the 1st micro location of the Urban Laboratory (energy class A and higher).

Construction and architectural measures:

- Designing thermal insulation systems is recommended for ceiling and floor;
- Replacing existing wood, aluminum and PVC windows and installing new aluminum windows with built-in double insulating glass.

Electro technical measures:

- Replacing existing lighting with fluorescent tubes or incandescent lamps in all areas with equivalent LED light sources.

5 ENVIRONMENTAL, SOCIAL AND CULTURAL PURPOSES OF THE REGENERATION PROJECT

5.1 Effects of the proposed measures

Environmental effects

As we cannot directly influence the impact of traffic pollution, we suggest other positive effects on the environment: optimized water consumption in all micro-locations, rational heating and electricity consumption (reduced CO₂ emissions), and the use of materials in craftsmanship and ateliers which are less harmful to the environment (encouraged by upcycling and RRR principles). Inserting green elements on walls and windows would ensure a cleaner and healthier air microclimate on the micro-locations (indoor plants that significantly reduce VOCs and carbon dioxide from the air), which results in energy conservation, the beating of noise and positively affects the well-being and productivity of people.

Social effects

The regeneration of this space will improve the quality of life for its citizens and stimulate social justice, intergenerational equality and participation, and the involvement of all stakeholders (inhabitants of Ilica Street, craftsmen, artists, users of micro-locations and local self-government) from bottom to top.

Cultural effects

With regards to the historical and traditional aspect of Ilica Street, connecting and cooperating between students of art and other artists with local craftsmen will result in the preservation and promotion of traditional and culturally important types of crafts and enrich the cultural and tourist offer of the city of Zagreb, which would further influence the revitalization of this street.

Economic effects

Encouraging cooperation between craftsmen on this part of Ilica Street and the users of micro locations II – V would strengthen the position of existing shops and craft works. This would attract new craftsmen and entrepreneurs, strengthen the tourist offer, and if there is any missing or needed activity, it would be worth it to suggest.

5.2 Space use and its users

The revitalization project of this space corresponds to the recognized increase in the need for work and exhibition space among artists (especially those younger at the beginning of their working life) and craftsmen. The Urban laboratory will cooperate

with the participants on the principle of mutual benefit: micro-locations will have their users, while the participants will in return have their working space (micro-location II – IV):

(1) Local citizens inhabited within the area, who actively use it on a daily basis and will profit from the introduction of new content through the improvement of the offered cultural and commercial activities;

(2) Artists, designers, architects, fashion designers, small manufacturers, who are contributing both with the placement of products of their creative work, as well as with additional content such as exhibitions, fairs and workshops educating the interested public;

(3) Other citizens of Zagreb, attracted by the newly introduced content and activities, encouraged to take part in it and visit the said area on a more regular basis;

(4) Tourists visiting Zagreb, who might recognize the said area as a space characterized by a unique set of cultural content and activities, as well as a unique offer of designer and manufactured objects they can purchase as gifts and souvenirs.



Fig. 11: A visualization of Ilica Street after the successful implementation of the regeneration project

5.3 Comparative examples of good practice

Given the character of the concept and the bottom-up approach of our project, we have highlighted several similar examples of good practice in Europe.

- Rouge Artists Studio (Manchester, UK):

Rogue Artists Studio, one of the largest independent group studios, was founded in 1995. Within the revitalized facility 'Crusader Mill', ninety artists are working (from graduates to already established artists with a wide range of work and media) in 9,000 square meters of space.

Touching points: A wide range of artists' actions, the concept of space use, and public participation in the creation of new content.

- (B) SUM STUDIOS (Heeley, Sheffield, UK):

'Sum Studios' brings together art, entrepreneurship and community in one place, and operates in three sustainably restored Victorian school buildings owned by the local community and in the long-term partnership with the Heeley Development Foundation.

Touching points: Initiative with the aim of preserving cultural heritage, connecting with the environment and local residents. It is highlighted as a good example of a bottom up approach.

- (C) Norrby innovation platform (Borås, Sweden):

Norrby is a neighborhood in the area of a former factory characterized by multiculturalism, higher retirement rate, unemployment and poorer school success than the other Borås average. The platform 'Living Lab' includes the public sector, the private market and civil society, with the aim of developing new solutions to social challenges in that part of Borås.

Touching points: Connecting the traditional with an innovative approach to communication with experts and local people.

- (D) Quartier Zukunft -Labor Stadt (Karlsruhe, Germany):

"Quartier Zukunft - Labor Stadt" is a research and development project of the Karlsruhe Technological Institute (KIT), which with the help of a scientific interdisciplinary team through innovative approaches, wants to prepare the entire city district and its residents for the future.

Touching points: An interdisciplinary team that is working on revitalization in one neighborhood in a sustainable way of life as a future.

6 RISKS AND EXTERNALITIES

External risks	Estimated likelihood	Estimated influence	Measures for risk prevention and reduction
Losing sites due to property restitution	high	high	Expanding the concept to other cities, seeking sponsorship and donations to replace the lost sites
A change in political and legal regulations	medium	medium	Monitoring changes in laws and adjusting the program accordingly
Bad response from the targeted audience	low	high	Surveying public opinion, applying the planned marketing strategies
Financial unsustainability	middle	high	Estimating profit and expenses in advance, actively seeking sponsorship and donations during the entire course of the project
Losing support from the City	low	high	Expanding the concept to other cities, as well as regional and national institutions
Bad response from the inhabitants	middle	low	Participative and inclusive content of the program, surveying public opinion
A lack of competitiveness in comparison to similar programs	low	middle	Actively observing and monitoring similar initiatives in the city of Zagreb and wider, studying comparative examples of good practice
Internal risks	Estimated likelihood	Estimated influence	Measures for risk prevention and reduction
Low interest and participation of the participants	low	high	Surveying targeting groups about their interests, informing about joint activities, public calls to participation
Lack of experience of the project team	medium	high	Informal education by studying similar trends and initiatives, participating in seminars and conferences, hiring experts for areas of issue
Unforeseen changes	low	middle	Preventing sudden changes by planning in advance and considering all possible scenarios
Lack of monitoring	low	high	Setting the rules in advance, especially in communication to various participants, surveying and monitoring on a regular basis
Problems technical operations	low	middle	Prepare in advance by examining options for hired construction firms and by studying the expected course of the work

7 BUSINESS PLAN

7.1 Defining the Business Model

For the Urban laboratory to have greater independence, especially in financing, it is necessary that it has juridical personhood. The Urban Laboratory will be established as an association according to the Law on Associations on the basis of free membership and democratic structure. The highest body of the Urban Laboratory will be the Assembly, which will be constituted of all members of the Association. The Assembly of the Urban Laboratory will pass its Statute and appoint one person as the legal representative. Apart for the assembly and its legal representative, the Urban Laboratory is made of its Project coordinator and its Research team who form its basic operative functions. The project coordinator will be a fully employed person who will coordinate projects, and take care of finances, marketing and administration. The research team will conduct research and projects. The research team together with the coordinator proposes the strategic development plan of the Urban Laboratory, as well as the operative plan on an annual basis, both of which are decided upon by the Assembly.

According to the Law on Association the Urban Laboratory will be founded as a nonprofit organization, especially in its first year of operation, when it is estimated that more the 50% of its assets will be gained through European and domestic calls and donations. In order to insure its sustainability, it is necessary that the Urban Laboratory can generate revenue. For this purpose it is planned for the Urban Laboratory to also establish a limited liability company when the preconditions for this will be met.

An important reason for establishing the Urban Laboratory as an association is the possibility for legal persons such as associations, cooperatives and public institutions like municipal councils and city districts to become its members. As an association, the Urban Laboratory will make an annual operative program and financial plan according to the clauses of the Public procurement law and will if needed craft annual procurement plans.

Next to this basic business framework determined by legal regulations, the essence of the Urban Laboratory operation is its innovativeness, its great openness to ideas, stakeholders and processes in the City of Zagreb. The concept and business model of the Urban Laboratory are based on contemporary theories on sustainable transition of urban space, but also on the experience of similar examples of good practice throughout Europe and the world. There are more models and methodologies for the development

of urban laboratories, but all contain the key element of application of knowledge and models on the local urban context and the creation of synergy with local stakeholders, knowledge and experiences.

Exactly for this reason, each example of an urban laboratory has its own specificities and development trajectory, although they share the common goal of transition toward a more urban space of greater energy efficiency, greater social cohesion, and greater quality. The urban context of Zagreb and the stretch of Ilica Street with its existing physical and social potential, which is reflected foremost through the development of creative and cultural industries, is positioned at the heart of the development trajectory of our Urban Laboratory as an element of transition toward the sustainable development of Zagreb.

8 FUNDING AND MARKETING STRATEGY

8.1 Proposals for financing models

(A) Application to EU Funds in Cultural / Cultural Heritage Programs:

- 1 European Regional Development Fund (ERDF) for 2014-2020, Interreg Europe monitoring Committee, SME Competitiveness;
- 2 EuSEF Social Entrepreneurship Funds;
- 3 European Social Fund, Operational Program Human Resources Development 2016-2020 "Art and Culture for Youth" – participation in cultural and art events;

(B) Application to various projects and funds available in the Republic of Croatia:

- 4 HAMAG-BICRO, Croatian Agency for Small Business and Investment – Entrepreneurial Impulse – A fund for strengthening the competitiveness and development of entrepreneurship and crafts;
- 5 HBOR, Croatian Bank for Reconstruction and Development – application for bank credits;
- 6 "3F: Friends, Fools and Family" – receiving donations from people and organizations who are familiar with the project and believe in its success;
- 7 Ministry of Culture of the Republic of Croatia, Funding for Art and Culture (funding for innovative art and cultural practices);
- 8 Environmental Protection and Energy Efficiency Fund, Financing of Energy Renovation of Buildings.

(c) Other means of financing:

- 1 Organizing crowd funding and similar campaigns;
- 2 Financing through sponsorship of large companies, banks etc.

EU projects and funds would be expected to cover:

- the rebuilding and adaptation costs;
- the costs of establishing the Urban Laboratory (the cost of renting space from the city, bills);
- the salary of the coordinator of the Urban Laboratory;
- the furnishing of the office (multimedia equipment, furniture, sanitary and office supplies).

Compared to the estimated projection of satellite program revenues and sales during a certain period of time, the expected sales profits will go directly to the participants and will be introduced from the revenue percentage from renting stalls and space. We expect the project to be funded by submitting a request for co-financing, donations and sponsorships offered by various companies, banks and the like. Likewise, if micro-location users, in addition to their individual work, would introduce and sell their work in premises of Urban Laboratory, they would pay a certain percentage of the costs and maintaining the space where they would operate.

The strategy for financing is expected to follow the proposed stages of implementation of the project (chapter 2.5):

- 1 The establishment and launch of an urban laboratory (adaptation, decoration and equipping) would be funded from the EU and the EU, donations etc.
- 2 Stages 1 to 6 would at the beginning be funded primarily from the Croatian and EU funds, donations, sponsorships. Stage 7, in addition to the mentioned financing methods, would be funded by the user of the space (payment of the use of space or stalls).

8.2 Strategy and Marketing Implementation

The most important way of marketing would initially include creating and distributing the neighborhood newspaper, which would inform and encourage the local population, especially the elderly, to get involved in the very beginning of the project of the revitalization of Ilica Street. Distributing newspapers would be oriented to the residents

of all target groups of stakeholders in the future. Other marketing strategies, like social networks, would target a younger population.

The marketing strategy is outlined as follows:

- At the stage of launching the Urban Laboratory, a quarterly newspapers would be published, containing basic information on the launch of the project;
- Parallel to setting up the Urban Laboratory, promotional materials (info leaflets, advertising, posters) would be printed in local newspapers, magazines, etc. to serve the purpose of announcing activities and events;
- The creation and administration of a website (in Croatian and English) is planned parallel to the establishment of the Urban Laboratory, in order to aim for international communication and promote the regeneration area;
- Participation in various shows and fairs by other associations, events organized by the Zagreb Tourist Board and similar associations;
- Contact with the media – radio stations and TV houses – recording of appearances in reports, interviews on TV shows. Advertising on radio stations would attract people from nearby towns and cities, incorporating the project of the Urban Laboratory in the touristic offer of Zagreb;
- Holding presentations about the Urban Laboratories and its projects in educational institutions (middle schools, faculties), social and cultural centers, homes for the elderly;
- Leasing advertising space (e.g. billboards) if financially possible. Advertising space would be leased depending on the significance of events within the Urban Laboratory program (they would advertise bigger events such as festivals, thematic weeks, donor nights, etc.).