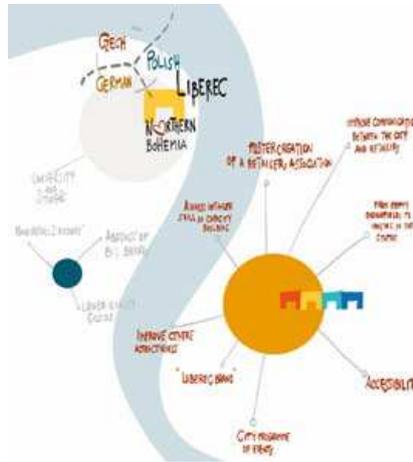


RETAILINK. SUPPORT OF THE INNOVATE RETAIL STRATEGY IN THE CITY OF LIBEREC



1 - THE PROJECT

THE VISION

The city of Liberec is the heart of Northern Bohemia, in the middle of unique mountain nature in the Czech-German-Polish tri-border area. Its unique identity is derived from a rich history and the city's importance in the region increases its potential, creates a healthy environment for business and a place for quality life for its residents; it is, as one can imagine, attractive to visitors as a popular destination.

The vision of Liberec for the city centre is a prosperous, lively centre with competitive and stable retail. An attractive public space with low traffic and interesting cultural programmes, where the residents want to spend free time and come for shopping and entertainment. It is also expected that the city centre becomes a popular residential area.

The Liberec City Council interacts and communicates with other institutions, entrepreneurs and residents to seek a solution to the current and future challenges for the city centre development and prosperity.



RETAIL IN LIBEREC

The Liberec city centre is split into two areas, upper and lower. Residents perceive the upper centre around the Liberec town hall as the historical neighbourhood. Here, you can find Liberec Castle, the neo-Renaissance town hall, or the F. X. Šalda Theatre, among others. They showcase the rich history of Liberec. The lower centre is the area between Soukenné Square and the Nisa River. Especially important for business and transport, it includes the urban public transport bus and train terminal in Fürgnerova, Rybníček and part of Perštýn. This area is known for its radical spatial transformations, changing the disposition of the city, the latest being the development of the Forum Liberec shopping centre. The following map shows these inner city commercial areas and streets:

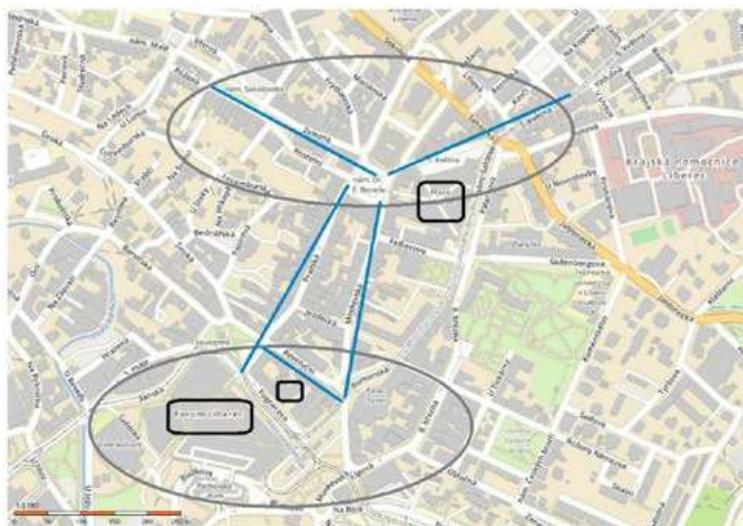


Fig. no.1: Map of the City centre showing the upper and lower centre.
Source: The Statutory City of Liberec

RETAIL CHALLENGES IN THE CITY CENTRE

The biggest challenge that city centre retail faces today are the large shopping centres that were built in the last ten years, which came about as a result of the lack of Council outlet setting regulation. The malls that were built in the very same city centre now overshadow retail units already under pressure because of the suburban shopping centres. In the lower city centre, this competition is especially hard due to the Forum and Delta shopping centres, while the Plaza Mall dominates the upper city centre.



Fig. no. 2 Forum shopping centre (lower city centre) and Plaza shopping centre (upper city centre)
Source: www.bilbo-smak.cz/obsah/liberec-oc-forum/68/0/
www.plazaliberec.cz/cz/novinky/ocneni-ng-liberec-plaza

A direct consequence of the unmanaged construction of shopping centres is that Liberec has one of the highest rates of retail sqm. per resident, an almost record-breaking 1.400 sqm of retail space per 1.000 residents, rating first in the Czech Republic until recently, and competing with many European shopping metropolises.

This context, together with the new retail and consumer trends, has led the city to experience a high fluctuation of retail units. The number of retail units in 2017 amounted to 105 in the city centre, a 55% decrease compared to 2006.

A typical concern among the local retailers is the price of rentals of business premises in traditional retail streets. Affected by long-term rentals, the prices were quite stable till recently. However, property owners today are forced to gradually reduce the prices of retail units currently not being used, and further reduction can be expected in the following years. Despite the drop in prices, retailers still consider the rents in the city centre to be too high.

Even though Liberec has comparatively high purchasing power, there is an absence of big brands in the city. Customers commute 100km to the Czech capital of Prague for shopping in the big brands stores. Initially, big brands had opened outlets in the shopping centres when they were built: however, they closed their branches after some time. They were replaced by a new type of retail: stores selling lower quality goods, second hand stores, shops of electronics and especially empty and unused stores. In November 2017 the share of empty retail premises was 7,55%.



Fig. no. 3 Selected empty and unused premises in the city centre
Source: Photo Statutory City of Liberec

Casinos and gaming rooms are also one of today's businesses in Liberec centre. According to current data, 1/3 of the city centre comprises financial institutions, gaming rooms, bars and stores with lower-quality goods.



Fig. no. 4 Casinos and gaming rooms in the Liberec city centre
Source: photo Statutory City of Liberec

In 2017, the Liberec Technical University undertook a problem analysis of retail in the city centre. One of the monitored indicators is the city centre's vitality and viability index according to PPG6¹, which in 2017 corresponded to 2,91 (in a scale 1 to 5 being 1= very bad and 5= very good). This result corresponds with the description: average function of the city centre or even insufficient modern conditions. The city centre demonstrates, in particular, issues with quality.



2 - THE ACTION PLAN

Retail is the driving force of a city centre and a clear indicator of its vitality. Because retail is such an important aspect, it should be respected and emphasized in the city's strategies and reflected in the effort to revitalise the city centre and to ensure its long-term growth and development.

The first step towards a prosperous city centre is an Integrated Action Plan (IAP). In Liberec, it is conceived in correspondence with the higher-level Updated Strategy of Development of the Statutory City of Liberec 2014-2020 and its goal is to offer a solution of the city centre in a broader context. This means that the objectives and proposed activities to address retail challenges should embrace many different areas, ranging from urban development and public space through to supporting retailers in the upgrading of their business to building a local brand and positive reputation of the city. Key objectives to be addressed in the Retail Integrated Action Plan in Liberec are described below:

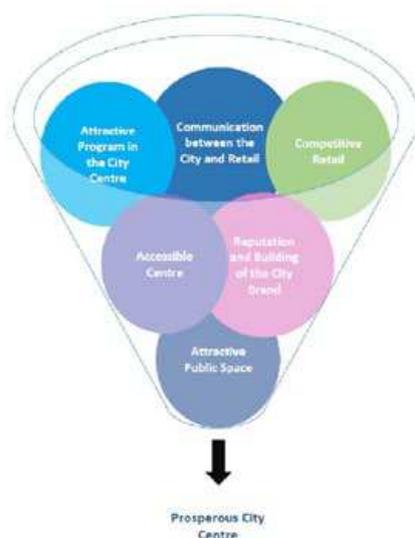


Fig. no. 5 Areas of specific goals of the RetailLink Liberec integrated action plan

Source: Statutory City of Liberec

¹PPG 6 "Planning Guidance Policy" was used in Great Britain as an indicator of the regulation of the retail network, the maintenance and improvement of vitality and viability of city centres.

1. Improve communication between the City Council and the retailers

This goal aims at cooperative work between retailers and the Council and mutual trust building. Some actions include:

- Review the current regulation, a competence of the Statutory City of Liberec. The current regulation shows certain obstacles for retail development, especially in case of public space occupation. The city of Liberec would like to support the outside seating and motivate retailers to use the space in front of their shop windows for products or service presentation.
- Appoint a City Centre Manager in a newly established position, who will coordinate activities between the city and the retailers and will implement and monitor the integrated action plan for retail development in the city centre. The City Centre Manager will also collect suggestions for the area and propose further measures for future development of the city centre.
- And, as more concrete actions, create an intuitive web signpost for retailers and entrepreneurs to make it easier for them to be guided through Council activities and better coordinate their agendas. Develop a visual brochure to inform on the most important contacts and information sources (relevant events, new policies and opportunities).

The above-mentioned activities will be led by the City Council and funded through the public sources or from the opportunities arising from grant programs from national or European funding lines.

2. Foster the creation of a retailers association

Based on the local group developed thanks to the RetailLink project, the city of Liberec started cooperating with the Regional Chamber of Commerce. The entity is open to help retailers to create their own association and become their official representative to support in their needs and initiatives.

A few retailers are already associated but without any given purpose or clear vision on how to develop retail-related matters. Retailers will contribute an affordable fee –even for smaller retailers. The Regional Chamber of Commerce will provide for training for retailers and legal support, among other activities.

The association will be self-sustained and it is not expected to receive municipal funds. Their members will identify and formulate sector needs and will delegate, present and promote these during negotiations with the City and its partners.

3. Address retailers' skills and capacity building

To improve the retail experience in the city centre, the sector needs to address key issues concerning lack of retailers' skills, low appeal of physical stores or poor customer service. A set of measure are planned to help make improvements in this area:

- The County Chamber of Commerce, in collaboration with the Council and the association of retailers in the city centre, will organise and deliver a set of seminars and trainings for retailers. The focus will be: a) identifying and developing a USP (=unique selling proposition); b) re-assessing the business strategy, i.e. identification of the target customer; c) digitisation, including social networks and ICT; d) using suitable promotion and marketing tools in communication; e) customer service and current trends in retail; f) store and window design.
- In cooperation with the Technical University, students in Marketing and Commerce and Corporate Economy and Management Departments will participate in designing marketing strategies for retail in the city centre. This work will be part of their bachelor's papers and theses, so the studies, consulting and analysis will be useful for the city as well as the retailers. One of the suggested topics of analysis is titled "Why are students invisible in the city centre?" Retailers will be able to participate in the preparatory work and will receive feedback to help rethink their own business strategy.

- Also, with the support of the Technical University, a supply and demand analysis of retail in the city centre will provide a more detailed overview of what people want to find in terms of retail and entertainment and what influences their decisions. The information will be one of the building blocks of the future city centre retail plan.

4. Improve city centre attractiveness for residents and visitors

A key goal of the action plan and the reason why the position of city architect is proposed. The municipal architect will be responsible for developing the urban vision and City guidelines to for the design of public areas. This will contribute to create and anchor urban development processes and to ensure the organisation of the future urban concept of the city's development. His responsibility in the design of the city centre, zoning and the connection of functional zones is emphasised. Ensuring sufficient support and respect for this position on the political and process level will be critical².

The role of the city architect is tightly linked to city centre delimitation and visual identity. City greenery, street furniture (benches, waste bins) and theme decoration will be work areas in cooperation with the Departments of Tourism, Culture and Sport, so as retailers benefit from a cosy, pleasant and lively public space.

In an effort to improve the attractiveness of the retail units, the city will set up a grant programme for the façades renovation and repair of street fronts of building ground floors where retail activity takes place. Economic sources for 2019 - 2020 addressed to this will be allocated in the city's budget.

On the sensitive topic of gambling in the city centre, which does not support a pleasant and attractive environment for residents and visitors, new regulation will help moving gambling away from the historical city centre. A municipal decree is expected to regulate the location of this activity in the city.

With the same objective of supporting city centre attractiveness and in harmony with the identity and brand that has issued from the participated process, the local retail agents will work on a programme of cultural and leisure events that helps to revive different spaces in its centre apart from the Dr. E. Beneše square in front of the town hall, where these events usually take place.

To this end, the Council will undertake intensive communication with retailers in the new urban areas hosting events to ensure they are aware and are asked to engage in the new programme of activities. The municipal Department of Strategic Development and Grants, responsible for the cultural programme, will coordinate the meetings with retailers. The first one will take the form of a workgroup that will focus on jointly identifying and agenda of events and prepare a cooperation plan.

Today, the city centre is pedestrianized and so it is a calm peaceful area. Nevertheless, it is still a common practice that during the day the streets are full of parked vehicles resupplying the stores. This opens the door for others to merely park there for personal purposes. Cars in the pedestrian zone present a barrier between the customers and the shop windows or stores. The Municipal Police will closely monitor this situation and the municipality expects to regulate traffic, make everybody observe and better manage store deliveries on the main streets.

In addition, the City of Liberec is currently working on a plan of sustainable municipal transport. Specific relevant outputs from the RetailLink project will be transferred into the plan. The goal is to reduce any congestion in the centre and ensure parking places within the area where no parking capacity currently exists. Telematics solutions could help with orientation and navigation while looking for empty parking spaces around the city centre.

²The city of Liberec finds inspiration in the IPR Praha (<http://en.iprpraha.cz/>) and CAMP, with which it established contact during the creation of the RetailLink project.

5. Improvement and awareness of the “Liberec” brand

The participation of the residents in public hearings and civic forums is very low in Liberec. One of the reasons might be the persistent strong negativity, distrust and experience with past city administrations, which did not emphasise public participation in decision-making regards developments of the city. The participative approach is still finding its place in the cities of Czech Republic, Liberec included.

For the first time, the city aims at setting a work group that will engage in defining and formulating the identity of Liberec. The Council will articulate a process that involves the participation of Liberec citizens. An expert will be invited to assist and issue specific recommendations for the city and retailers. Other Czech cities preparing related integrated action plans in the URBACT network will also participate in the final workshop³. The expected result will be a strategy for building the Liberec brand.

6. From empty brownfields to housing in the centre

Finally, one of the projects that the RetailLink action plan will address is the refurbishing of the Papírové Square and turn it into a residential area. The square is in the attractive vicinity of the city centre but currently has the appearance of a very dilapidated brownfield.

There will be a process of debate and redesign to agree on a solution that meets the expectations of both the Municipality and the property developer. A renewed residential area with services will support more visits to the centre and its shops.



3 - VALUABLE RETAILINK EXPERIENCE

The biggest benefit of the participation in the URBACT RetailLink project for the City of Liberec is in particular the two levels of the project implementation. The first one is local, with all key local actors participating in the solutions. Thus, it is not only the City Council, but also a wider group of shareholders that work together to find ways of dealing with and creating solutions to the issues at hand.

Retailers, the non-profit sector, interest associations, residents, City Council departments and other institutions (e.g. the local university) work in a non-conflicted environment, but in a consensual one, bringing about short-term benefits for all parties concerned.

The cities in the Czech Republic in general show a very low level of public participation in decision-making, even though the participation approaches are accepted and promoted positively by many city administrations. This is due to the low trust and motivation of the residents that changes are possible. Citizens view Politics as a closed and hostile system. RetailLink project has provided Liberec with the opportunity to address a pressing issue of the city centre and retail in a shared manner.

At the international level, it was useful to receive the expertise and methodology mentoring from the chief expert Mireia Sanabria⁴; the chief partner, the City of Igualada project team, and other partners

who have many years of experience in a participatory approaches as well as those who are just beginning their efforts, as is the case for Liberec.

The URBACT methodological guidance through the URBACT Summer University in Rotterdam 2016 proved to be a great contribution. It helped Liberec’s team to gain theoretical as well as practical experience and effective tools and methods of building a long-term sustainable urban development. The experience and knowledge gained are relevant for all future projects the city will take forward.

Thanks to participation in the project and the expert guidance, the project team was able to find an integrated solution, which is not limited solely to the narrow profile of one perspective. The project provided space and time for a thorough analysis of the issue, the integration of all suggestions and aspects affecting retail, and to seek integrated solutions within the strategic planning of the city.



Fig. no. 6: Inspiring ideas for IAP RetailLink Liberec
Source: Statutory City of Liberec



4 - CONTACT INFORMATION

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5 - ROADMAP

Specific Objective	Action	Action Leader	Resource	Timescale	Output Indicator
SO1: Improvement of the flexibility of processes and retail support by the city					
A1: Review of the city guidelines & the removal of barriers for the development of retail	Council/City Centre Manager	CZK 0.00		Q. III and IV. 2018	Number of revised guidelines of the City of Liberec on retail: 1
A2: Introduction of signposts for retail on City website	Council/City Centre Manager	CZK 100,000.00 Municipal budget		Q III. 2018 - Q I. 2019	Orientation signpost for retailers at www.liberec.cz: 1
A3: Preparation of brochure for retailers with basic binding information for retail.	Council/City Centre Manager	CZK 30,000.00 Municipal budget /Regional Chamber of Commerce		Q. III and IV. 2018	300 paper brochures distributed Addresses for distribution of e-flyer and newsletter: 60 items
A4: Establishment of the "City Centre Manager" position	Secretary's Office Department, personnel department	CZK 520,000.00 Pre-financing from municipal sources and co-financing from: 1) OPZ (see Invitation No. 58) 2) Labour Office - active employment policy		Q III. and IV. 2018	Number of established "City Centre Manager" jobs: 1 person.
A5: Founding association of retailers in the city centre	Retailers, members of ULG	CZK 0.00		Q III. and IV. 2018	1 Association created
SO2: Improvement of competitiveness, infrastructure and knowledge and experience in retail in the city centre					
B1: Set of seminars and training for retailers in the city centre	Regional Chamber of Commerce, Liberec	CZK 200,000.00 Grants or budget (Regional Chamber of Commerce)		Autumn 9/2018 Spring 2019	30 retailers trained 30 retailers experience higher competitiveness in their business
B2: Participation of TUL students in the preparation of marketing strategies for retailers in the city centre	Technical University Liberec: Marketing and Commerce Dpt.	CZK 0.00		Autumn term 2018 Spring term 2019	5 students per year participating in activities for the revitalisation of retail in the city centre
B3: Establishment of a grant programme for retail business façade reconstruction and repairs	Department of Strategic Development and Grants, MPZ agenda	CZK 200,000.00/year Municipal budget		Q I. - Q II. 2019 Q I. - Q II. 2020	1 established grant programme
SO3: Improvement of the city centre's appeal for the residents of and visitors to Liberec					
C1: Establishment of the City Architect position	Liberec City Council secretary - personnel department	CZK 1,200,000.00/year Municipal budget		Q II. and Q III. 2018	Staffed position
C2: Determination of the city centre territory	Chief Architect of the Statutory City of Liberec	CZK 0.00 Provided by TUL in cooperation with Palacký University in Olomouc (MA21)		2016 - 2018	1 Emotional map - Liberec city centre
C3: Preparation and implementation of a city centre visual identity manual	Chief Architect of the Statutory City of Liberec	CZK 0.00		Q IV. 2018 - Q IV. 2019	1 City centre visual identity manual
C4: Support of revitalisation of municipal greenery and public space in the city centre	Department of environment protection and public space.	Planned activities from the budget of the Department of Environmental Protection and Public Space.		Q II. 2018 - Q III. 2019	Number of revitalised park areas in the city centre: 3
C5: Removal of gambling from the centre of Liberec - Decree No. 2/2017 municipal generally binding decree of Liberec	Local government	CZK 0.00		Q II. - Q IV. 2018	1 decree regulating gambling in the city centre
C6: Procurement of decorations (or suspended decorations - umbrellas, coloured banners, lighting, Christmas trees) for the city centre	Department of Tourism, Culture and Sport	CZK 70,000.00/Liberec at Christmas Municipal budget /Department of Tourism, Culture and Sport		Q IV. 2017 Q IV. 2018 Q IV. 2019	110 retailers approached during the pilot event "Liberec at Christmas" 25 retailers decorated windows and Christmas trees
SO4: Improved reputation and building of the Liberec city brand					
D1: Invitation to Liberec and consultation with an expert on branding and positioning of cities - Roger Pride (Great Britain)	Department of Strategic Development and Grants	Will be specified in the Municipal budget and RetailLink/URBACT III project		Q I. - Q II. 2018	1 Consultation
D2: Establishment of a work group, which will define and formulate the identity of Liberec in response to the internal and external reputation of the city. Participation of the public is necessary	Department of Strategic Development and Grants	CZK 0.00		Q II. - Q IV. 2018	Preparation of strategy, action plan to improve the internal and external reputation of Liberec: 1

SO5: Improvement of the appeal of programmes and cultural events in the city centre organised by the city				
E1: Utilisation of Sokolovské square for cultural and meeting events held by the city. Support to events organized by other entities	Department of Tourism, Culture and Sport	CZK 0.00	2018 - 2019	Events organised on Soukenné square: Min. 1/year
E2: Participation of retailers in events organised by the city and other partners	Department of Tourism, Culture and Sport	CZK 0.00	2018 - 2019	1 Publication of activities organised by the city and available to the public - retailers
E3: Updates of programmes organised by the city in the centre in the context of the defined identity of Liberec, identification of priorities and city centre strategy	Department of Tourism, Culture and Sport	CZK 0.00	2019 and later	1 publication of the urban strategy of development of Liberec city brand in plans of the Department of Tourism, Culture and Sport
SO6: Improvement of the appeal of the city centre with respect to individual automobile transport				
F1: Transport in the territory of the city centre is exclusively delimited for the forms of sustainable municipal transport	Department of Strategic Development and Grants, Department of Development Concept	CZK 0.00 Investments will be specified according to the solution following from SUMP (City Sustainable Transport Plan)	2018 and later	1 Recommendation delegated for SUMP authors 1 Modification of parking regime, harmonising resupply regime in the centre
F2: Improvement of the availability of transport in quiet - parking and P+R areas around the city centre (library, Plaza, Forum and others)	Department of Strategic Development and Grants, Department of Development Concept	CZK 0.00 Investments will be specified according to the solution from SUMP	2018 and later	1 Recommendation delegated for SUMP authors
F3: Creation of a work group to deal with investor and the developer of residential buildings around Papirové square with the aim to support residential living in the city centre	Department of Strategic Development and Grants	CZK 0.00	2018 - 2019	1 work group created and operational
F4: Reconstruction of Papirové square - preparation of project documentation	Department of public property management	CZK 200,000.00 Municipal budget or grants	2018 - 2020	1 Project documentation for the reconstruction of public areas in the city centre - Papirové square (Reg. No. 5985/1)
F5: Public toilets in the city centre	Department of Strategic Development and Grants	It will be specified Municipal budget or grants	Q III. - Q IV. 2018	2x2 new toilet capacities or support of current capacities