



**ENVIRONMENT
PARK** Parco Scientifico
Tecnologico per l'Ambiente

HITEC – Hebron Innovation Technopark

Project activity progress



CITTA' DI TORINO

بلدية الخليل



PMSP | PALESTINIAN
MUNICIPALITIES
SUPPORT
PROGRAM



CONSULATE
GENERAL
OF ITALY
JERUSALEM

Hebron Municipality
16th October 2014

Context analysis

Palestine innovation policies and initiatives:

- Higher Council for Innovation and Excellence
- Palestine Information and Communication Technology Incubator (PICTI)
- Palestine for a New Beginning
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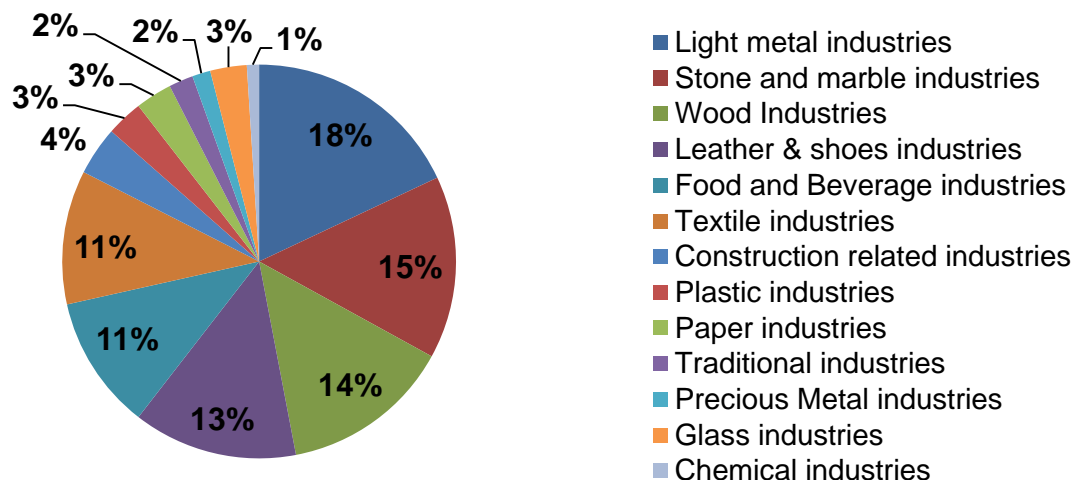
Hebron economy context :

Industry in Hebron covers

several key sectors:

Metallurgical, construction, plastic, wood, food, chemicals, leather, traditional, textile, paper and cardboard, stone and marble, precious metals, glass and decor industries.

Industrial sector in the Hebron Governorate



Context analysis

Outcomes from the context analysis

- Lack of coordinated policies related to innovation in Palestine economy - Several initiatives are in place but they are not really defining a proper eco-system for innovative ideas and initiatives
- Several important industry sectors in Hebron don't allow to identify a specific topic for HITEC activities
- Emergence of transversal demands, as for instance:
 - Energy efficiency and production from renewable sources,
 - Qualification of production chains through certification schemes,
 - Training and qualification of the workforce
 - More efficient dialogue between Universities and industry
- ***HITEC WILL NOT FOCUS IN PRINCIPLE ON ONE SPECIFIC SECTOR BUT WILL ADDRESS STRATEGIC AND HORIZONTAL TOPICS***
- ***HITEC WILL BE ABLE TO PROMOTE AND IMPLEMENT PROGRAMS ON SPECIFIC SECTORS ON TH BASIS OF THE NEEDS***

The concept

Main feasibility condition: **the creation of an Hebron's Innovation System**

The condition for a successful exploitation of HITEC mission is the creation of an Innovation System, meaning a local network of innovation players (industries, academies and institution) that collaborate sharing skills and resources to accelerate the growth of local economy context.

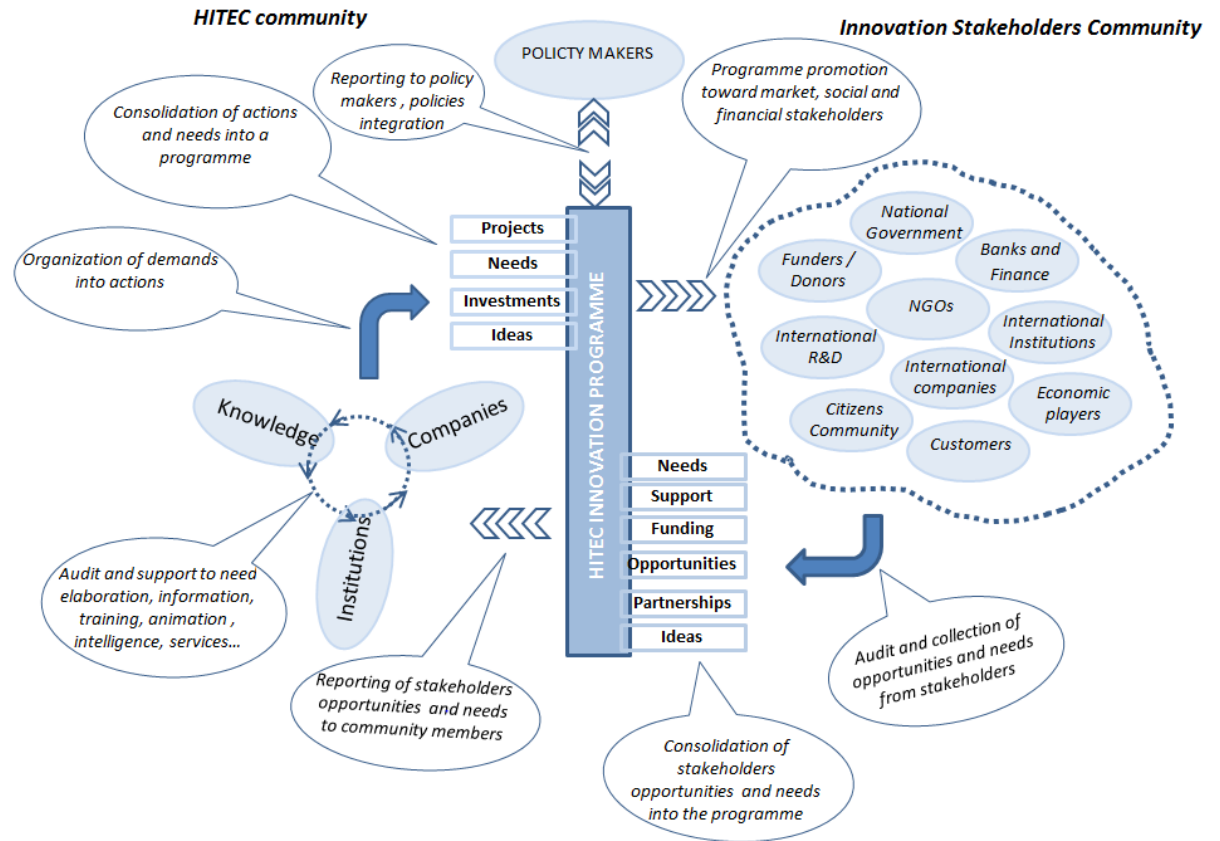
The three assets of innovation systems are:

1. **An Innovation Community** (cluster), made of innovation actors structured in an associative form
2. **A Coordinator**, collecting needs and ideas from the community
3. **An Innovation programme**, organizing needs and opportunities collected in the Innovation Community into specific programs and projects, structured into a periodical Action Plan (i.e. yearly)

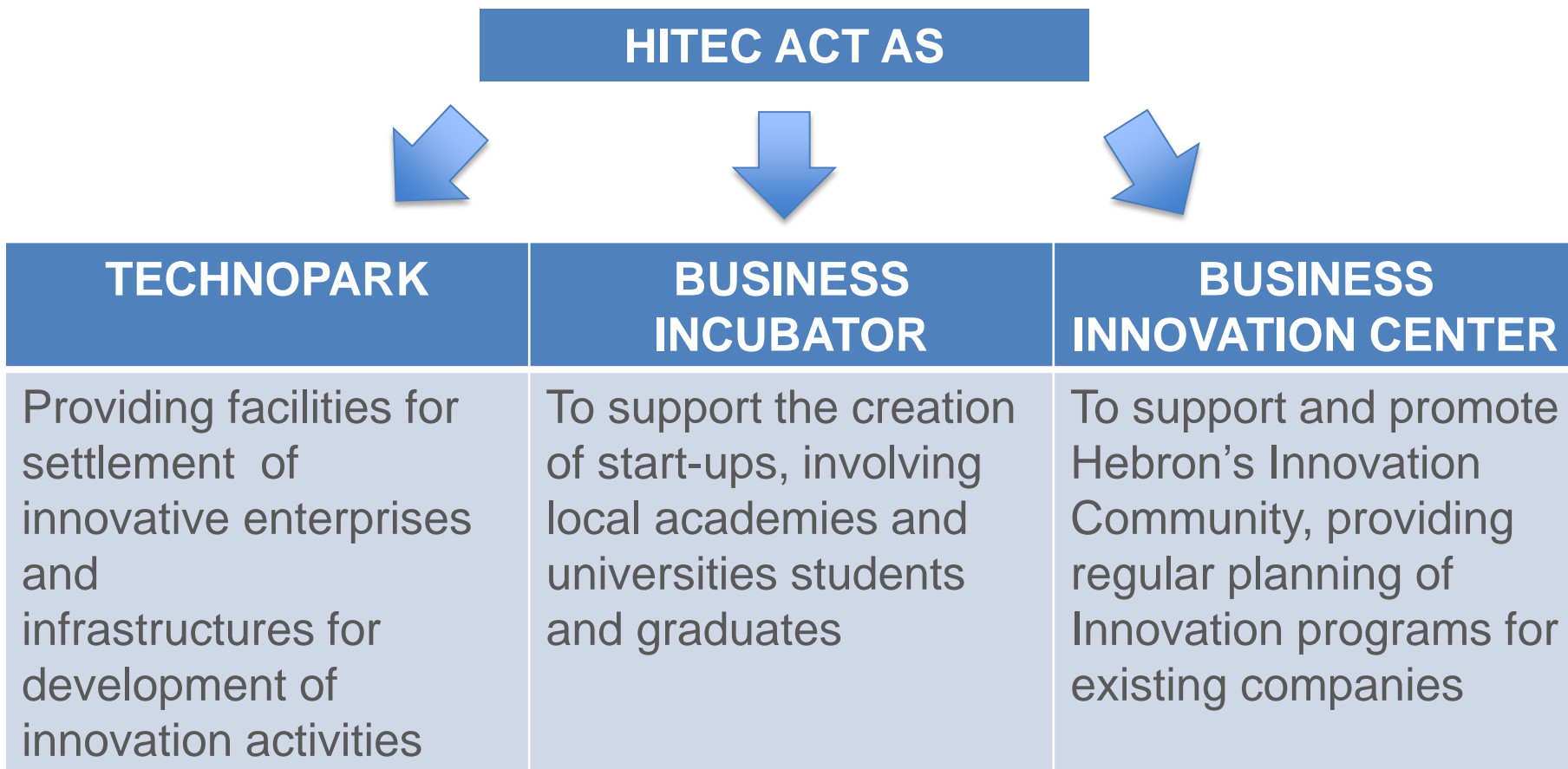
HITEC can play the role of coordinator, can be the initiator of the local Innovation community and manager of Innovation Programme.

The concept

HITEC as Coordinator of the Hebron Innovation System



The concept - HITEC functions



The concept - HITEC functions

1. Companies settlement = Technopark

- Physical concentration of technology based business in an **appropriate “environment”**.
- Availability of **qualified infrastructures**, attractive **services**, competitive prices
- **Gradual development** of buildings and infrastructures
- Revenues from rental fees and services supply
- Continuous commercial and management actions - dedicated team

Services:

- Business spaces rental, eventually equipped with furniture,
- Communication networks or customized equipment
- Infrastructures or equipment rental
- Services offer (Cafeteria, Security, Cleaning, Meeting rooms)

The concept - HITEC functions

2. Business Incubation

Incubator is not a new concept in the area and several experiences are already in place in charge of Municipality and PPU. HITEC will address to:

- Foster business creation in sectors **besides ICT already covered**
- Exploit the skills and the potential ideas coming from the research institutions and private individuals offering the exit from pre-incubation activities

HITEC will offer small office spaces, co-working spaces, shared services and a management structure to follow the changing needs of start-ups and to make businesses grow

- Services related to business creation support: business ideas evaluation, business planning, market analysis, knowledge-based asset, management, legal support, ...
- Get in touch with financial resources

Management structure will be integrated with existing ones operating in Hebron (Municipality, PPU)

Resources and revenues arising from:

1. **Rental contracts** for spaces (lower fees for start ups);
2. **Public resources**, at least in the start-up phase. This role might be reduced if virtuous mechanisms of seed capital investments will be put in action providing resources for the management of the incubator itself.

The concept - HITEC functions

3. Innovation Community creation = Innovation Cluster

- Propose services and opportunities to **existing companies not physically settled in the Park**
- Collecting need and opportunities from companies and research institutions to be transformed in service demands and projects
- Define and implement support **measures to innovation through** programs including services and projects to be funded
- A **permanent scouting and advising** action is needed
- HITEC organization must establish a **trustful relationship with donors** and potential funders



Revenues will arise from services supply (success fee on projects proposals, shared benefits with qualified service suppliers) as well as from participation to initiatives as a partner (EU funded projects).

Besides R&D projects, as an example a list of services that might be supported: IPR management, market studies, design services, specialized technical consultancy, technical regulations related services...

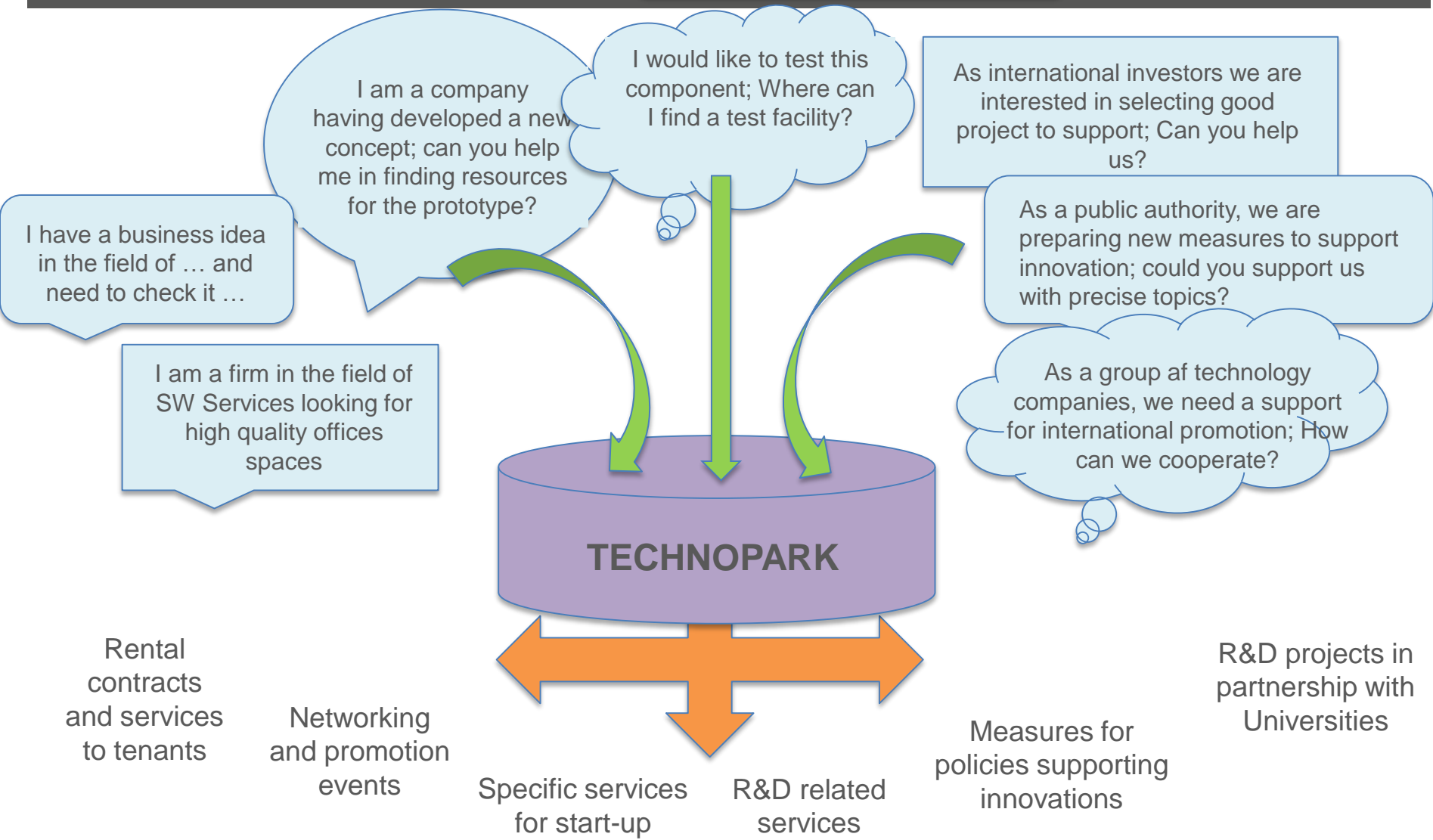
The concept

HITEC: a Hub of International cooperation on Innovation

- **The support of multiannual long lasting Innovation support programs:** HITEC elaborates a program on the basis of needs and opportunities scouted and deals with donors for a long term support allowing the establishment and consolidation of the community in a long collaboration perspective.
- **The support of Innovation transfer cooperation projects:** “special projects” whose targets are commonly set jointly by Donors and HITEC, focusing specific technical or market issues or value chains

In the framework of HITEC feasibility study, 2 ideas are emerging that might represent the pilot case studies in which HITEC could play the role of local coordinator in its start up phase:

1. Agro-food chains and quality certification of agrofood products, idea promoted by the city of Milan
2. Energy efficiency and renewables with the aim of implementing measures in Hebron industries to reduce energy needs and increase renewable energy production.



HITEC governance model

HITEC has to face two main steps in the development stage:

- ✓ The real estate investment that includes the definition of the property;
- ✓ The operations with the definition of the business model, the management team etc.

In the business plan section, the two stages will be quantified and modeled

INVESTMENT

1. A newco is created to make the investment and manage HITEC
2. The investment stage is separated from the operation stage

OPERATION

A no-profit organization is established to take care of operations

HITEC governance model

The investment stage

1. **Real Estate investment by the same new organization that will operate the center:**
 - There is no separation from different kind of business, need to involve potential co-investors into public interest activities
2. **Real Estate investment made by a different entity not involved into operations**
 - A possibility is to raise funds through a PPP scheme and a new entity created to set up the infrastructure. This will be leased to the organization in charge of the operations.
 - **Investment made by the City Administration that will act as a fund raiser toward potential sponsors and will lease the infrastructure to the organization in charge of he operations**

HITEC governance model

The operations stage

- 1) A new no profit entity will be set up including main actors as shareholders
 - **Hebron Municipality:** will provide **the infrastructure and the operational structures** presently running close activities (**i.e. incubator**)
 - **PPU:** will provide **skilled personnel** and an initial **set of innovation initiatives** starting from the **existing competence** sectors - This allow HITEC to be qualified as a **substantial counterpart for stakeholders** (companies, foreign parties, government); budget for this start-up initiative should be transferred from existing activities (**no additional costs**)
 - **Chamber of Commerce:** will provide the **connection with the productive system**. It will be responsible for the launch of a set of special projects (certification, sectorial cluster initiatives, ...) with budget to be raised; it might be a funder for the start up stage of the HITEC management activities (running the infrastructure, ensuring the first settlements)
2. Partnership in the organization **might be kept open** to other entities (public or private) interested in sponsoring the Technopark activities
3. A **lease contract** will be defined, considering a sufficient start up period **to avoid financial difficulties in the very early stage** (following this consideration the role of the City is particularly relevant)
4. After the start up HITEC will reach a **stable financial condition** through its activity

HITEC governance model

Management structure of HITEC organization

HITEC will be operated by a no profit organization taking care of the daily management of the functions of the Centre (technopark, incubator, innovation cluster)

1. Shareholders

- City of Hebron, Chamber of Commerce and PPU with the roles described before
- They will establish a **Governing Board** responsible for the strategy definition and financial control

2. Leadership Committee

- With a **advisory role**, it should be composed by **distinguished persons** selected by the Board as competent representatives of different stakeholder organizations (national government, industry associations,...)

3. Operational structure

- Operation Director responsible for the technopark functions (infrastructures, services, ...)
- Program managers dealing with incubator functions as well as cluster management functions
- Project managers in charge of implementing specific projects. They may not be included into the permanent structure and provided temporarily by shareholders

Technopark design

Target : green building technopark

What we will do?

- preliminary architectural project proposal
- RES productions simulation
- Define strategies and technologies for a NZEBuilding
- Green materials for constructions



Technopark design

what documents we will produce?

- Drawing (planimetry, facade etc.)
- Rendering
- Technical report /guideline



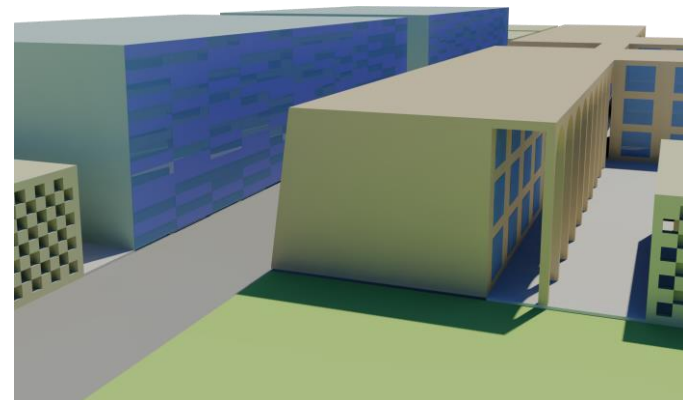
Location

The selected site is close to the fruit and vegetables market and the water department new site.

Walking distance to PPU main premises

Surface: 14.000 sqm

Verifications about usage of organic garbage of the market for energy generation



Constraints and preliminary choices

Distance between buildings:

6 m

Maximum height of the buildings:

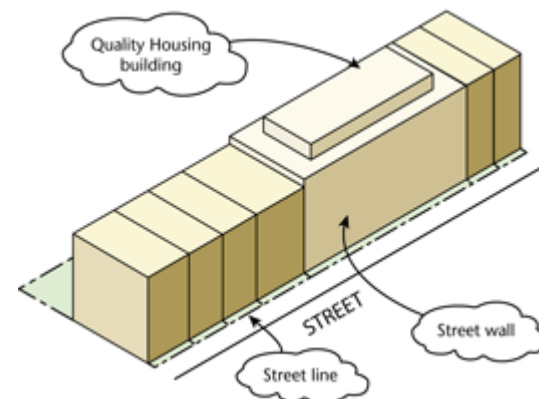
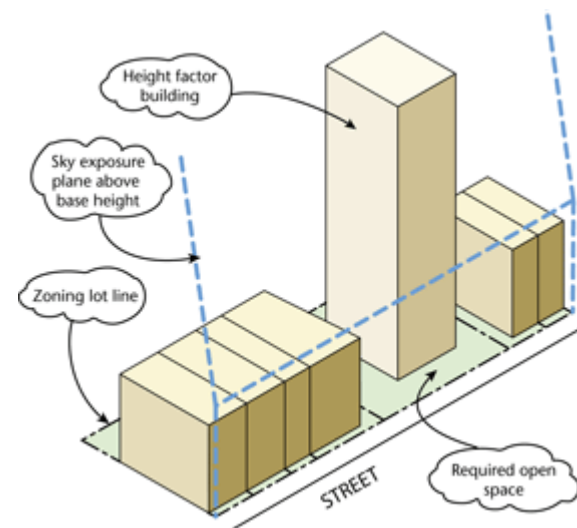
12 m

Parking under street level:

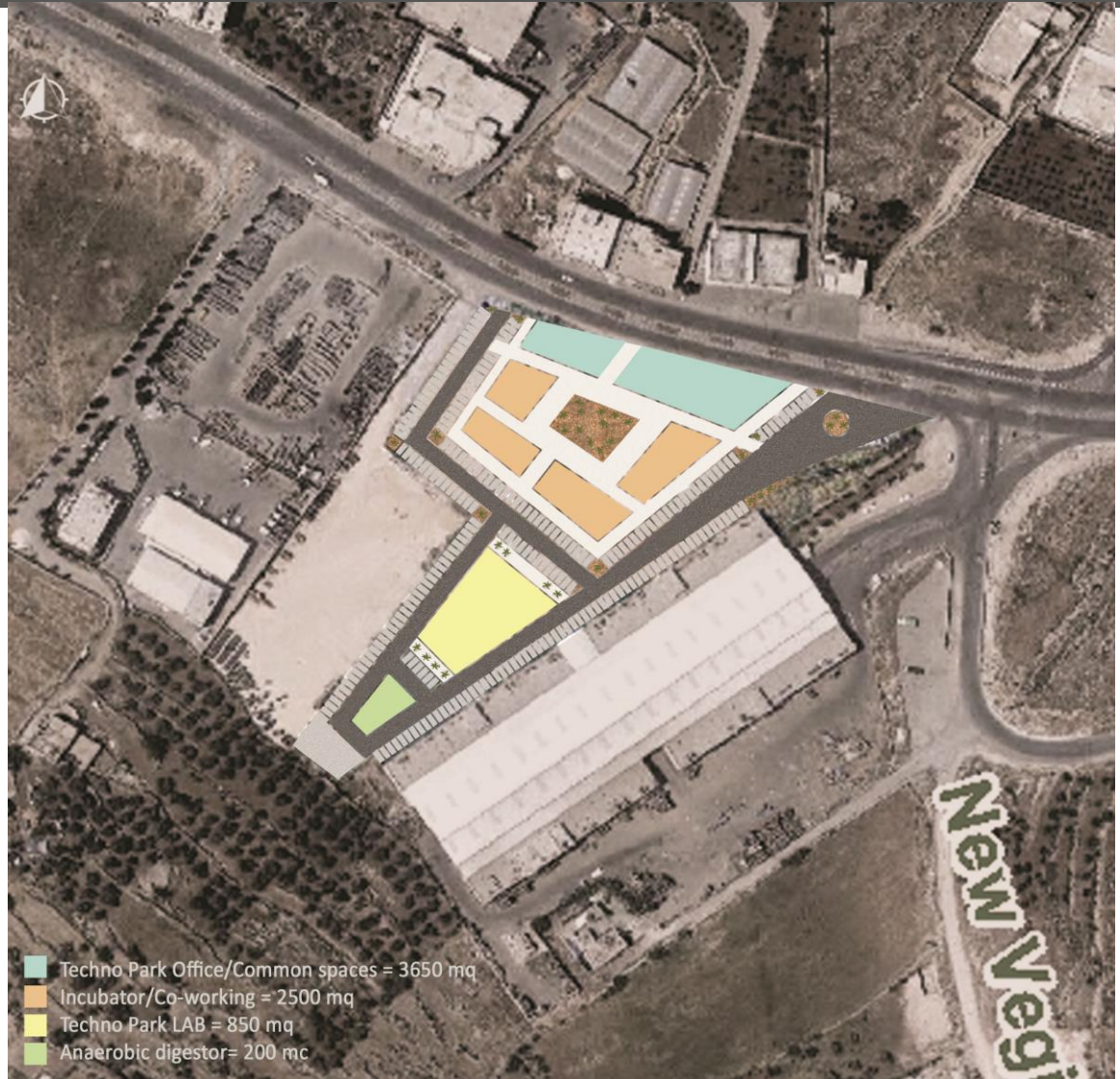
no

Building index of the lot:

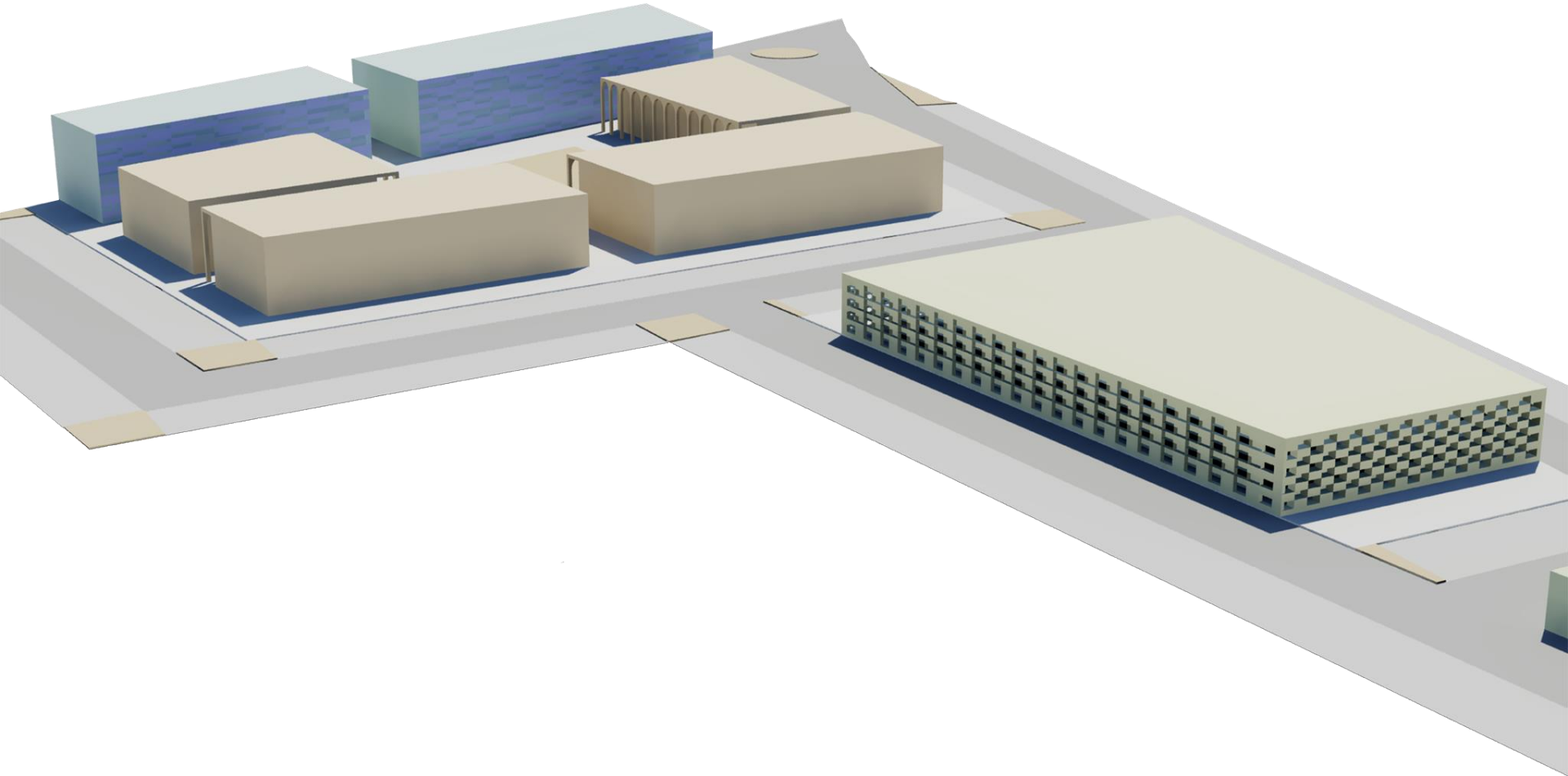
50% (proposed by Envipark)



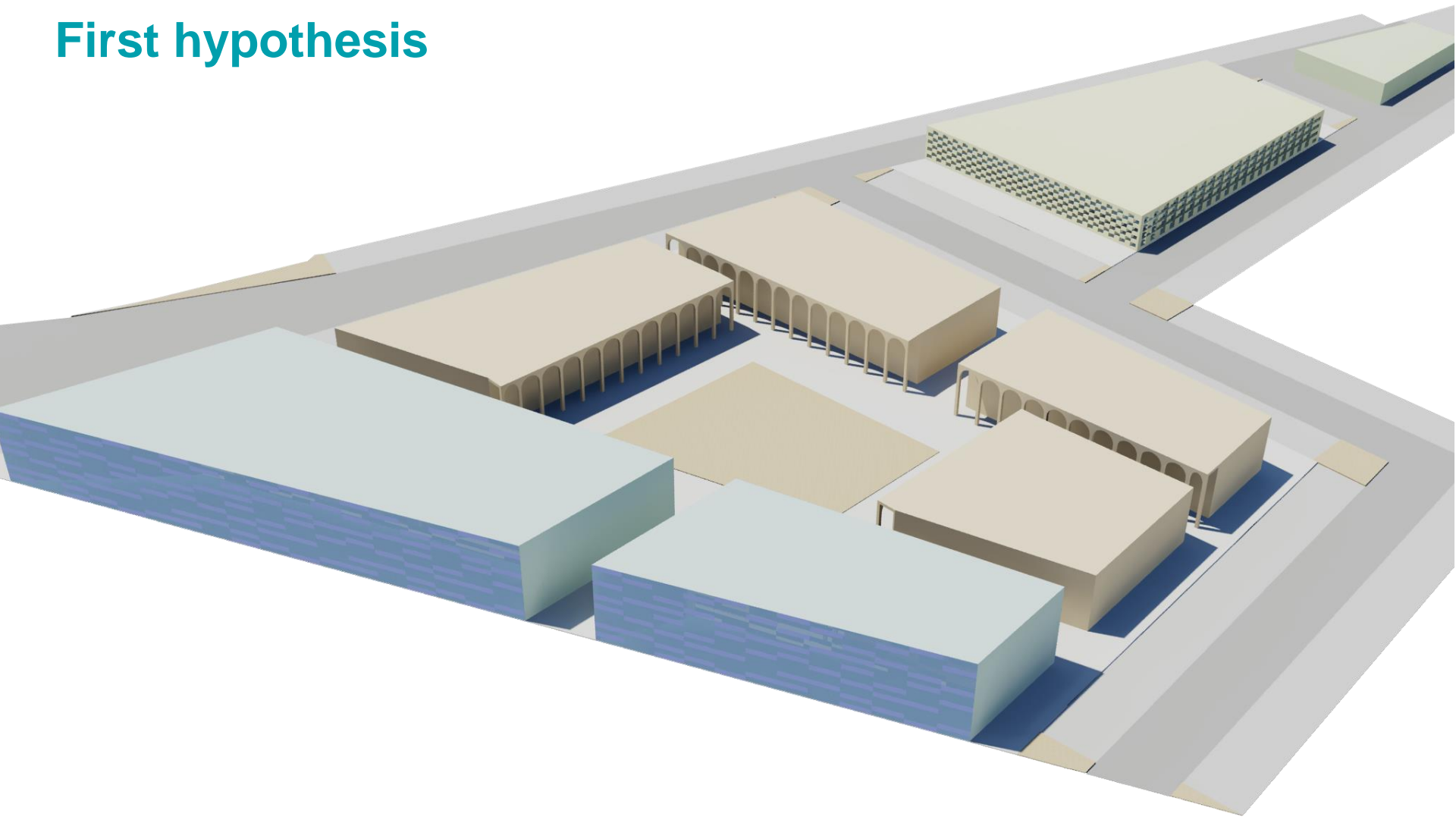
First hypothesis



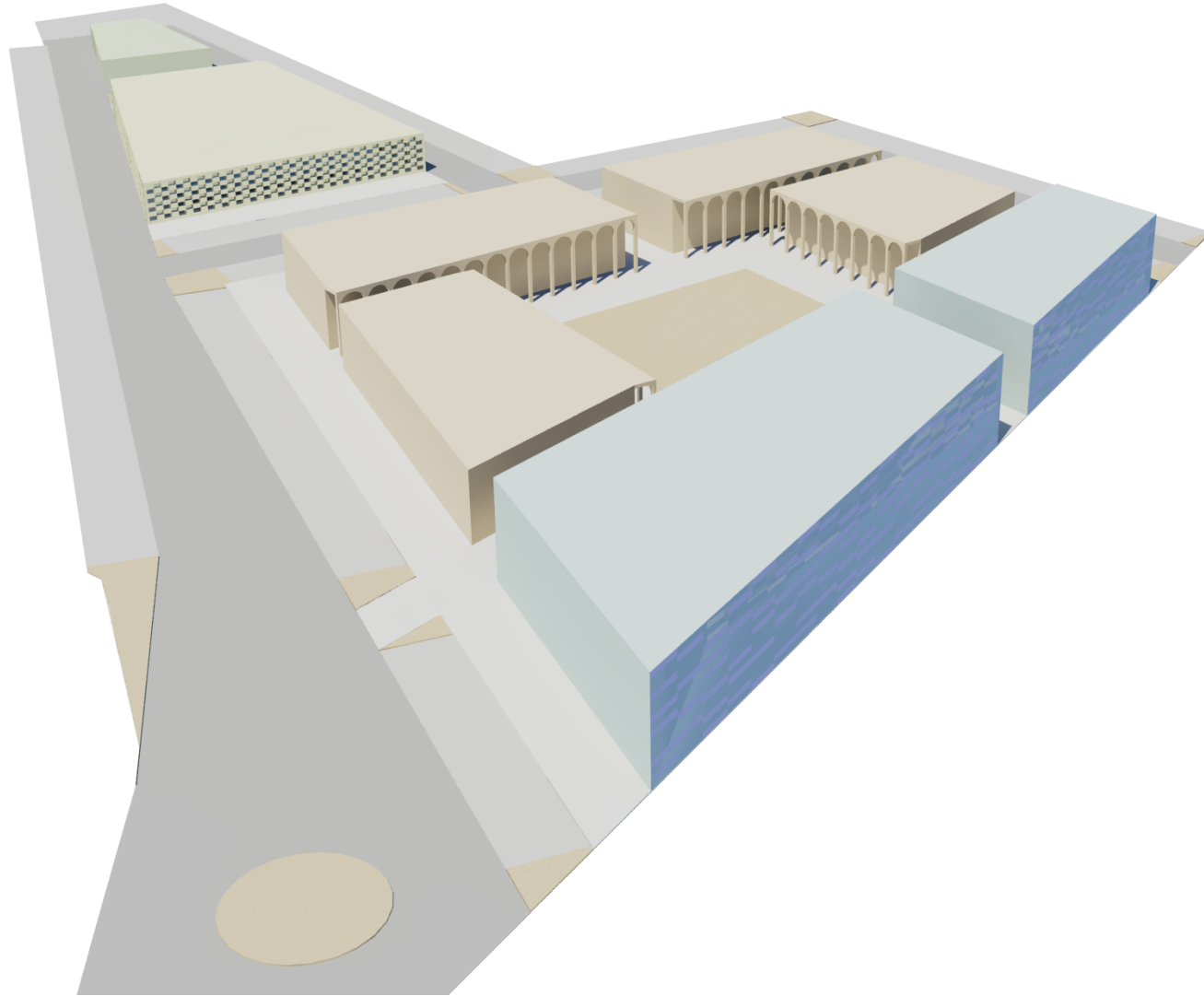
First hypothesis



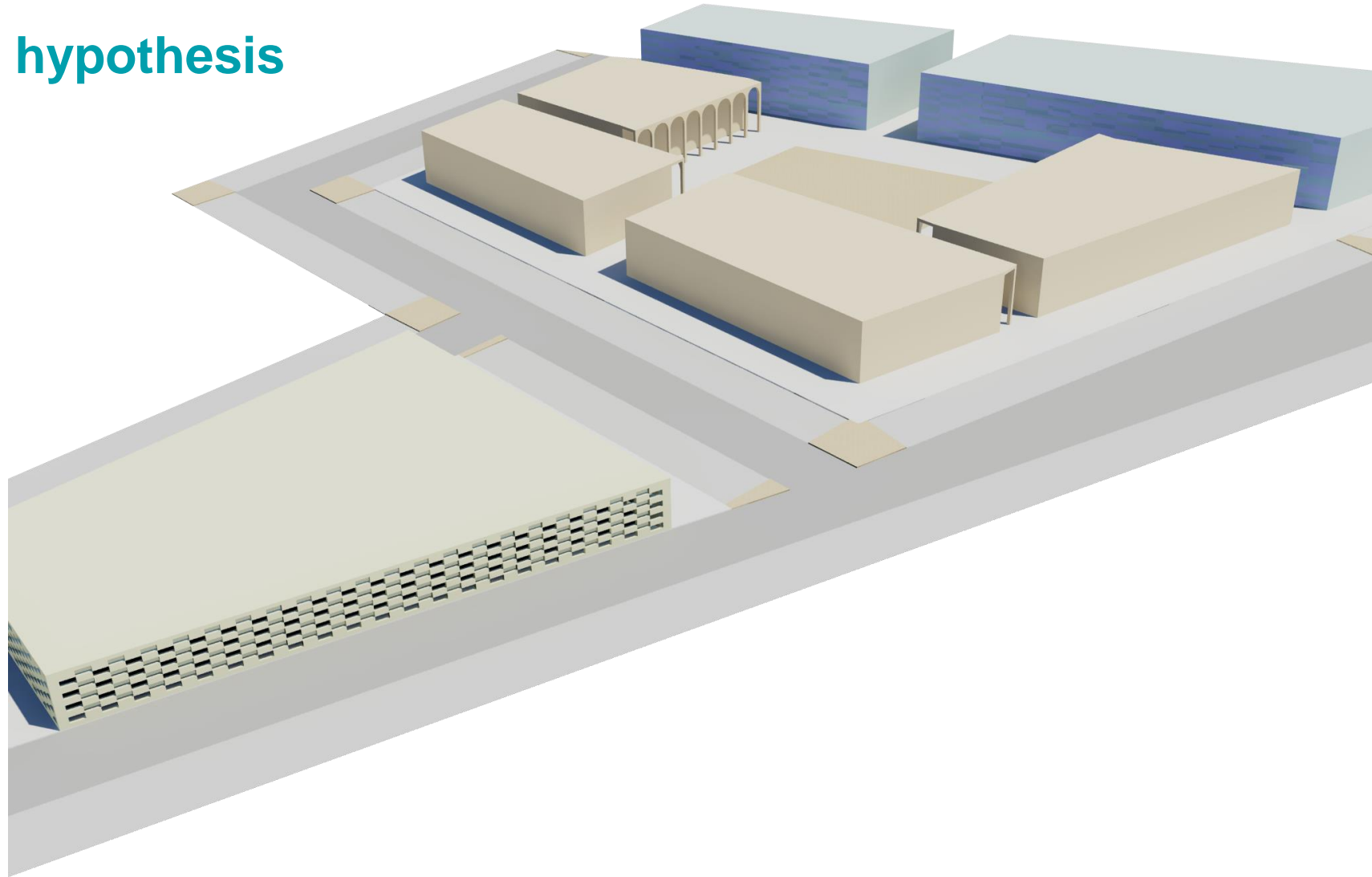
First hypothesis



First hypothesis



First hypothesis



HITEC Business Plan

BP separated in investment stage and operations

Investment stage:

1. Land extension: 14.000 sqm
2. Top limit for built infrastructure considered in the Business plan: 50% of the land - 7.000 sqm
3. Three implementation phases in three years
4. Step 1 is setting the site and building up first built infrastructure (25%)
5. Step 2 doubles the available building (25%)
6. Step 3 completes the building up to the upper limit

HITEC Business Plan

BP separated in investment stage and operations

Operations stage - independent entity:

1. Start up of the implementation - Before infrastructures
2. Regular operations - From completed investment step 1 on
3. Revenues from shareholders and additional grants in the start up step
4. Additional revenues from services and rental fees for the regular operations phase
5. Data are under construction depending upon the start up phase design

INVESTMENT STEPS



YEAR_1

YEAR_2

YEAR_3

STEP_1

1.750 sqm
2,2 MI USD

STEP_2

1.750 sqm
1,9 MI USD

STEP_3

3.500 sqm
3.4 ML USD

LAND PREPARATION

BUILDING 1.750 sqm

GARDEN and external area 5.500 sqm

BUILDING 1.750 sqm

GARDEN and external area 3.600 sqm

BUILDING 3.500 sqm

GARDEN and external area 1.833 sqm

CASH NEED (*)
2,6 ML USD

CASH NEED
5,1 ML USD

CASH NEED
9,4 ML USD



(*) vat included



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