



Raiffeisen Case Study

Municipality financing

In addition to lease financing, Raiffeisen-Leasing also offers an extensive range of services for local municipalities. Experts see the future of municipal investments in these holistic projects that go from planning, through implementation and control, on to the financing and establishment of spin-off companies. Together with the municipalities, Raiffeisen-Leasing then takes over operational management of these companies, offering its vast know-how and expertise to ensure their successful operation.

The primary goal is to create and sustain infrastructure, such as educational facilities, and other essential services of general interest such as residential and nursing homes for senior citizens. This increases the attractiveness of the location and creates employment. These concepts place great emphasis not only on regional added value, but also on sustainable technologies and materials.

Energy-Efficient Construction and Renovation (EECR)

The life span of a building can be broken down into various phases: it begins with the planning, followed by the establishment, and finally the actual use. Each of these phases involves costs. Up to now, the main focus of clients was generally on those costs that are incurred up to the beginning of the "use" phase - i.e. specifically the planning, construction and financing costs. However, if one considers the building over its entire lifetime, it becomes apparent that the majority of the costs are actually incurred during the "use" phase.

Given the ecological change and the increasing strain on the municipal finances, Raiffeisen-Leasing has developed a new product called "Energy-Efficient Construction and Renovation (EECR)", a financing model that takes into account the distribution of costs throughout the life cycle of the property. Through this holistic approach, both the establishing costs and the running costs over the lifetime of the building can be optimized.

The benefits to municipalities:

- Guaranteed investment amount, with fixed costs warranty;
- Guarantee for the expected energy demand;
- Implementation measures with regional businesses;
- Fewer interfaces and reduced own-contributions, ensured by a competent contact person; and
- Reduced strain on municipal budgets thanks to cost savings and Maastricht-compliant solutions.

Life cycle model

The basic idea of this model is the full or partial transfer of municipal tasks and risks to a private service provider, at a quality level determined by the municipality, over an agreed period of service. The service of the private partner includes the holistic management of a building, from the initial planning, through the construction phase, right up to the operation, including maintenance and management. As a competent partner for municipalities, Raiffeisen-Leasing provides these services within the scope of specific life-cycle models with comprehensive building services (facility management).

The benefits to municipalities:

- Clear division of responsibility, and professional maintenance and management by Raiffeisen-Leasing and technical partners;
- Risk transfer from the public to the private sector;
- Sustainable indexation and value retention;
- Outsourcing of financing from the capital budget to the operating budget; and

- Contribution to the improvement of the environmental situation (CO₂ reduction, contribution to the Kyoto target).

KommReal (spin-off companies)

Municipalities are constantly faced with increasing demands, especially concerning real estate and property management, leisure facilities etc. These services require an ever-greater degree of financial and human resources that could be better used elsewhere, e.g., in the social sector. Now more than ever, the task of assisting local authorities in meeting these challenges demands new and innovative products and services. These requirements are realized through the outsourcing of individual tasks in a defined KommReal Society.

The benefits to municipalities:

- Professional property management while maintaining full transparency for the community;
- The local authority is the main shareholder, thereby retaining 100% influence;
- Creation of budget-effective revenue, relieving the strain on the municipal budget account; and
- Financing occurs off-budget; no increase in municipal debt.

References

As a result of its innovative financing and service concepts, Raiffeisen-Leasing boasts an array of successful reference projects in the municipal sector. Some of these projects are described in detail in below.

Reference project: Irnfritz-Messern - Energy Efficient Construction and Renovation

Client: Municipality Irnfritz-Messern, 3753 Messern, Hauptstraße 19

Location: Irnfritz / Lower Austria

Date of completion: 2010

New, energy-efficient community centre for Irnfritz-Messern

Raiffeisen-Leasing acted as general contractor and lessor for the new community center in the municipality of Irnfritz-Messern (Lower Austria / Horn district). Together with a partner company, Raiffeisen-Leasing successfully managed to allocate 88 percent of the added value regionally. The new community center was therefore quickly established, within a year, and the two-story center comprises some 650 square meters floor space.

The building was built barrier-free, and great care was taken to maximize energy efficiency: the energy savings average about 60% when compared to the previous municipal office, as the building is connected to the environmentally friendly local district heating system.

Photo credit: WRS energie- & unternehmenslösungen gmbh



Reference project: Central School Marchegg- Energy Efficient Construction and Renovation

Client: Municipality Marchegg, 2293 Marchegg, Hauptplatz 30
Location: Marchegg / Lower Austria
Date of Handover: 2011

Sustainable construction in Marchfeld - Energy-efficient renovation and additions to the Central School Marchegg

The Central School in Marchegg, Lower Austria, was recently subject to some energy-efficient reconstruction and expansion. The latest addition to the school was built to the newest standards. Raiffeisen-Leasing, together with a technical partner, guaranteed not only the total cost but also the energy consumption. Students from the first to the eighth grade can now therefore take full advantage of this modern, homelike school building. The municipality has the assurance that the investment costs were not exceeded, and the current energy consumption is precisely defined.

The implementation of this major construction project, which was approximately 4 million euro, began during the school year. The construction management team of Raiffeisen-Leasing took over the site supervision and it was completed at the beginning of the school year 2011/12. As a result of the sustainable design and new ecological heating system, the municipality can enjoy energy savings of approximately 775,000 kWh per year. This corresponds to energy cost savings of about 85 percent for the same period.

This comprehensive energy-saving renovation comprised, among other things, replacing the oil heating with a modern, environmentally friendly and fully automatic wood chip boiler; new windows; new roof; the installation of full thermal insulation; extensive renovation work in the area of heat dissipation; new electrical installations, and general overhaul of the interior. In addition, because of the acute need for space, a new gym hall was built, as were several classes, a physics lab, a multipurpose room, sanitary facilities with changing rooms, and the outdoor areas.

Photo credit: EQ Energie & Bau GmbH



Reference project: University of Applied Sciences St. Pölten - Life cycle model

Client: City of St. Pölten
Location: St. Pölten / Lower Austria
Date of completion: 2007

St. Pölten University of Applied Sciences as a European "best practice example" of innovative financing models

When invitations were sent out for the project to establish a college in the Lower Austrian capital, the City of St. Pölten selected an entirely new and innovative approach: the call for tenders was not only with respect to the establishment of a building, designed and constructed by a contractor, but also for the leasing financing as well as the operation and maintenance of the finished building - a so-called life-cycle model. In terms of financing and construction, this construction project was implemented in cooperation with partners.

The offer comprised a comprehensive package, which not only saw the optimal implementation of the investment at the time, but also already included services such as cleaning and snow removal operations for a period of up to 25 years after the handover. It was therefore more than just the unique financing and implementation that were of interest, but also the optimization of operational management over the entire period. It was also ensured that the new building would serve as a rolemodel from an ecological perspective.

This novel "life-cycle model" offered by Raiffeisen-Leasing was awarded the "Best Practice Certificate" in Maastricht. A total of 40 million euro was invested.

Today, the St. Pölten University of Applied Sciences offers places for around 1,700 students in a total of nine courses, such as Media Management, Media and Communications Consulting, Media Technology, Industrial Simulation, IT Security, Railway Infrastructure Technology, Dietetics, Physiotherapy and Social Work. In addition, there are three academic courses for addiction counseling and prevention.

"This new building is more than just an architectural showpiece. The education district in St. Pölten is one of the most important projects of urban development and is essential for the city as an educational and economic hub. It's a good feeling to have invested in a promising future for young people", said Mayor Matthias Stadler.

Photo credit: University of Applied Sciences St. Pölten, Kraus photo



Reference project: Therme Amadé - KommReal (spin-off Model)

Client: Municipalities of Altenmarkt im Pongau, Flachau, Eben and Radstadt

Location: Altenmarkt im Pongau

Date of completion: 2010

Modern sports and leisure activities for Salzburg's residents and visitors

The Amadé Spa in Altenmarkt has become a leading company for the Ennspongau region, with its attractive and versatile sports and leisure facilities for the local population, for schools, clubs and tourists. A project company was specially founded for the realisation of the project. Raiffeisen-Leasing is one of the partners in this company, as are the municipalities of Altenmarkt, Flachau, Radstadt and Eben. Together with the market town of Altenmarkt, Raiffeisen-Leasing has operations in management and contributes extensive know-how to the ongoing supervision and management.

The total cost of the project was 21 million euro and was supported by the state of Salzburg. The unique thermal bath in the heart of the Salzburg sports world offers guests over 30,000 square meters of all possible experiences. A unique attraction is the looping slide, with its rocket start and eight-meter free fall. The bath has a water surface of 1,354 m², with eleven different pools - seven at the spa, four in the wellness area.

An attractive sauna area with six different saunas provides ample possibilities for relaxation. If the saunas are too hot, the 48-degree warm steam bath will make an ideal alternative. The exclusive Sölker marble was processed in "Hamam" and harmoniously enriches the diverse range of saunas. The outdoor pools are open all year round, with 34-degree warm salt water. The centrally located spa restaurant pampers guests with culinary delights. Therme Amadé was inaugurated in October 2010, after one and a half years of construction. This project has enriched the high-quality tourism for the overall region.

Photo credit: Municipality Altenmarkt im Pongau

