



**INVESTMENT
POTENTIAL
OF SZCZECIN**

IN THE NEW
ECONOMIC
REALITY

PUBLISHER

 RZECZPOSPOLITA

 Życie Regionów

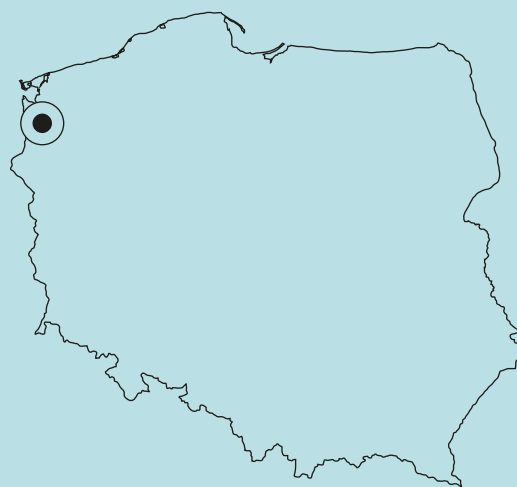
PARTNER





Port
Dworzec PKP
Dworzec PKS
Pomorzany

600 Zielona Góra
660 Świdwój
680 Głogów
700 Bydgoszcz
720 Choszcz



SZCZECIN

Voivodeship	Zachodniopomorskie
Mayor	Piotr Krzystek
Area	301 square kilometres
Population: city of Szczecin (Szczecin Metropolitan Area – 686,000)	401,000
Working age population	234,415
Enterprises by REGON	69,163
Average gross salary	5,408.91
Unemployment rate	3.9%

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INVESTMENT DRIVER

We were facing a difficult choice. Either we renovate everything we can, using EU grants, or we risk losing hundreds of millions of PLN from the EU. We decided to invest. Today I can say that it worked.



**Piotr Krzystek,
Mayor of Szczecin**

What is the economic showcase of Szczecin today?

By taking advantage of its location, Szczecin is developing as a centre of product and service transfer. Undoubtedly, the sector that is dynamically developing both in our city and its surroundings is logistics. Of course, Szczecin historically has been home to small and medium-sized enterprises. They are the drivers of our economy. Smaller businesses are able to adapt faster and more flexibly to the changing reality. I believe this is our strength. Other industries present in the city are BPO, SSC, ICT, marine industry and RES, as well as biotechnology and health technology.

The first things that used to come to mind when you thought of Szczecin were the shipyard, the port and shipping. Have these sectors lost their dominant position?

Indeed, the shipyard no longer exists. However, we still have many private companies operating in this sector and they are valued on the market. Szczecin is still an important place for such businesses, which is proved by the opening of the Baltic Design Institute a few days ago. Modern motor boats and yachts will be designed at Łasztownia. One of the top companies in this field has decided to run its operations in our city, which makes us very happy. And our port is constantly developing. The key issue was the project aimed at deepening the waterway from Świnoujście, which is now being implemented.

Szczecin has a relatively small but thriving office sector, which in the difficult pandemic times can boast of the lowest vacancy rate in Poland. What is its strength?

I think it is the diversity that I have mentioned earlier. We have a lot of industries, a lot of different businesses, and these companies are able to adapt fairly quickly to the changing reality. For many of them, the pandemic was a test. In my view, that test has gone well. Companies were able to flexibly change their approach to their work, quickly make important business decisions and continue to provide their services. However, this industry will be

facing certain challenges as well. Employers are wondering whether they really need such large office spaces.

What should be the target level for Szczecin in this respect? Should it focus on the development of this sector, like Wrocław or the Tricity?

I think the pandemic put the brakes on that kind of activity. We are now in a test period. Time will tell which way the whole industry will go.

Perhaps it is better to bet on the logistics, if only due to the fact that Szczecin is located in the vicinity of several countries?

This is exactly what is happening. The advantages of our location have long been recognised by investors. The logistics sector is very strong in Szczecin and new facilities are being built as we speak.

What kind of investors are you looking for?

We focus on modern technologies. It is the key to our future and growth. I can see how such companies thrive, how visionary they are. They often undertake initiatives an average citizen does not even know about. It is not a well-known fact that solutions created in Szczecin are used by drivers of the most popular car brands in the world or pilots of rescue helicopters. Our city is also the home to a company developing e.g. modern tank simulators and various defence systems.

Driving through the city, one can get the impression that it is a huge construction site. Reconstruction of railway tracks and key road junctions is in progress. This year alone, capital expenditure amounts to PLN 1.18 billion. Is this the largest accumulation of such projects in several decades?

It is true. Some of the works have already been completed and there are more to come. We were facing a difficult choice. Either we renovate everything we can, using EU grants, or we risk losing hundreds of millions of PLN from the EU. We decided to invest. Especially since the timing of these projects fell during the Covid pandemic and the resulting crisis. We





decided that investments can be a driver of the city's economy. Today I can say that it worked.

Is this why other large construction projects – the new stadium, or the Fabryka Wody water park – are in progress?

These projects form part of our strategy focusing on the quality of life. Szczecin is a metropolis that is modern, but not overwhelming. The city is well-known for its green areas, waterfront location and space.

Aren't you afraid that they may become a burden? Not unlike in the cities which are struggling to finance new stadiums after the end of Euro 2012 championship.

The facilities built for the UEFA European Football Championship are simply too large. This is why they are such a problem today. Compared to them, our stadium will be small. This issue was the subject of a long discussion. However, as a result we will have a facility tailored to the needs of Szczecin. As for the water park, this is the facility that has been in the greatest demand in Szczecin for many years. It has been demonstrated by all surveys and polls. However, we approached the matter responsibly and it will not be an ordinary swimming pool. The name Fabryka Wody – Water Factory originates from the fact that an educational centre will form an important part of the water park. The idea is to let young people and adults combine fun with education – there is no other such place in Poland today.

The pandemic has hit the economy hard, including local governments. How large was the scale of reductions or reallocations you had to make in last year's budget?

We made all possible efforts to maintain a budget surplus. This allowed us to invest in the city's development. Securing the operation of municipal services was also a priority. The city was operating all the time, so I think that our citizens did not see any major difference in this respect. All those activities allowed us to implement an ambitious investment programme. We have spent over PLN 882 million, or 26% of the budget.

Analyses of other cities' budget reports show that we are at the forefront in terms of this kind of expenditure.

And how has 2021 been so far?

Coronavirus-related losses were lower than originally expected. However, this does not mean that we can already consider it a success. The spectre of the so-called „Polish Order” has emerged for local governments. If all the tax changes enter into force, Szczecin may lose PLN 175 million per year. That means drastic cuts in current expenditure and, of course, a slowdown in the city's development. We will no longer be able to invest as much as we do today.

Does this mean that for you, the government's regulatory changes could be more damaging to the budgets than the pandemic?

Local governments are most afraid of the governmental changes to the regulations. For several years now, the government has been fulfilling its promises out of the pockets of local governments instead of its own. We are burdened with more tasks, we are not provided with full financing, the educational subsidy does not cover the costs and the tax changes affect us. We are not treated as partners, but as supplicants. I have always pointed out that this is a mistake. The local government is capable of dealing with almost any matter. However, patronising us, not consulting us and cutting funds for our operation does not help.

What then would be the optimum solution, both for the government and for local governments?

The local government will be stronger, and thus better able to fulfil its duties towards its citizens, if it has proper access to public funds. And public funds should be shared in a clear and predictable manner. Their distribution should be based on the agreed rules and not on the whim of any government representative.

One example is tax relief. Although the decision to grant it was right and we supported it, it did not take into account in any way the fact that the reduction of PIT, in which the local governments have their share, would affect their income. Nobody even thought or wanted to think about compensating for this loss in municipality budgets. Instead, in line with the philosophy of centralisation, government subsidies were introduced, to be distributed as the government sees fit. As local governments, we have specific proposals for public finance – the question is whether anyone will want to even look at them.

What kind of proposals?

Firstly, the introduction of the rule of annual indexation of PIT revenues by the wage growth index. This would guarantee the predictability and stability of local finance. On the other hand, the state, while granting tax reliefs, would take responsibility for covering losses in local governments' income from other sources, e.g. VAT. The starting point should be the realisation of PIT income in 2021.

Secondly, we have an obvious and logical demand boiling down to simple fairness. What we want is for the government to allocate an appropriate level of financing for tasks that local governments perform in place of the state. We want to end this fiction and stop bending the rules by financing a significant part of the tasks commissioned by the state from the income of our citizens. As local government officials, we claim these amounts in courts – but this is not the kind of governance we should seek.

The third issue is the reform of the education financing system – the largest and the most important task performed by local governments. Similarly to the often mentioned need to introduce fixed level of expenditure on defence at 2% of GDP, or fixed level of expenditure on health care at 7% of GDP, we propose a fixed level of expenditure on the educational subsidy for local governments at 3% of GDP. As of today, this indicator is one of those that are decreasing instead of increasing – in 2004 it was 2.7% of GDP, while now it has dropped to 2.2%.

What are the prospects for local governments in the coming years?

I am under the impression that today, unfortunately, independence and decentralisation are in contradiction with the direction set by the current Polish government, who is more in favour of a central state. Meanwhile, more than 30 years of experience show that the local government reform was one of the best reforms in Poland.

The current government does not want to see it that way. Solutions are developed which are then offered to the citizens without involving the local government and local communities. As a result, the government creates laws detached from reality and orders local governments to implement them.

This leads to the red tape well-known from the communist era involving countless government institutions, agencies, offices, which are becoming more numerous every day, as the central government relies not on the energy of the citizens, but rather on the power of its apparatus. If we fail to stop this tendency, local government will be reduced to the role of the executor of government tasks. It will become an object, not a subject.

And what does it mean for Szczecin specifically?

Szczecin is in exactly the same position as other local governments. The current practice of state governance boils down to the mistaken idea that those in the government offices in Warsaw know better what the citizens of Poznań, Tarnów, Siedlce, Zielona Góra, or Szczecin need. This is why I believe that we must defend our subjectivity and strengthen the local government, which is good because it is close to its citizens.



AT THE CROSSROADS OF THREE CULTURES

Szczecin is on the one hand an important economic centre, and on the other hand one of the greenest metropolises in Poland. In the city proper there are 3 forests, 16 parks, 93 green areas and a large part of the city is covered by water, including the vast floodplain of the Oder River and one of the largest lakes in Poland – Dąbie Lake. This green and blue city, implementing the concept of “Szczecin Floating Garden 2050”, is located at the crossroads of Poland, Germany and Scandinavia. It is thus a Polish metropolis that has the strongest connection to and is the most integrated with Western Europe.

The city’s largest transport hub is the port, situated only 67 km from the sea coast, which forms a single complex with Świnoujście. Ships arrive in Szczecin via a special waterway, which now allows the movement of vessels with a draught of up to about 9.5 m and soon, after its reconstruction, vessels of up to 11 m.

The Szczecin has a very good road network. You can get to the nearby Berlin in 90 minutes by the A6 and A11, and to the southern border of Poland in just a few hours by the North-South S3 road

You can also travel south by the navigable Oder River; what is more, you can even travel from Szczecin to Berlin by water using the Havel Canal.

Szczecin Goleniów Airport is located 40 km from the city center. It can be accessed by the above-mentioned S3 road or by a dedicated railway connection. The airport offers 13 regular flights, mainly to Warsaw, but also to Dublin, Copenhagen and London. However, the proximity of Berlin means that Szczecin residents also tend to use the Berlin Branderburg airport. You can reach those airports not only by train but also by regular bus connections. The airport in Goleniów also handles air freight traffic thanks to a modern cargo terminal built in 2019.

Szczecin agglomeration is also a railway hub. Construction of the Szczecin Metropolitan Railway is in progress. There will be 40 stops along 120 km route. With 28 transfer nodes, the Szczecin Metropolitan Railway will be integrated e.g. with buses, trams, car parks and the West Pomeranian Cycling Trail.

Large Ships, Larger Warehouses

Szczecin’s excellent location is conducive to the dynamic development of the logistics industry. Consequently, logistic parks have been created both in the city and in the neighbouring municipalities of Kołbaskowo, Goleniów,



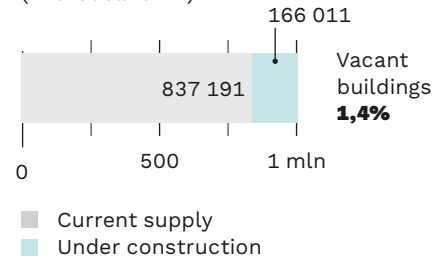
Stargard and Gryfino. According to a report by the international consultancy firm Colliers, only in 2020 49,800 square metres of new warehouse space was put into use – subsequent stages of Panattoni Park Szczecin I and Exeter Park Szczecin II and 7R Park Szczecin were completed. These parks are truly gigantic. Panattoni Park Szczecin I located in Szczecin – Załom covers 180,000 square metres, with the target area of 226,000 square metres. A slightly smaller Panattoni BTS Amazon Szczecin is located in Kołbaskowo. It houses Amazon’s logistics centre. Zalando has its centre in the nearby Gryfino, in buildings with an area of 130,000 square metres.

As much as 109,000 square metres was built in the previous year. Thus, total warehouse space as of the end of 2020 reached 777,200 square metres, giving Szczecin the seventh position in Poland. Moreover, another 102,000 square metres was under construction. Vacancy rate as of the end of 2020 was at the lowest level among all regional markets in Poland at 0.2%.

Despite the 2020 pandemic, the volume of demand on the Szczecin warehouse market saw a 43% increase year-on-year. Out of the 20 transactions, one half involved new leases, while renegotiations and expansions accounted for 28% and 13%. Base rent per square metre in Szczecin ranged from EUR 3.2 to EUR 3.7, while transactional rent was between EUR 2.5 and EUR 3. This year the results have also been good. According to Wakefield & Cushman, the warehouse market in Szczecin agglomeration reached 837,191 square metres in Q2 2021 and the vacancy rate was only 1.4% compared to the national average of 5.8%. Another 166,011 square metres was under construction. Thus the Szczecin agglomeration is gradually approaching the 1 million square metres threshold.

Logistics market of the Szczecin agglomeration

Data for Q2 2021
(in thousand m²)



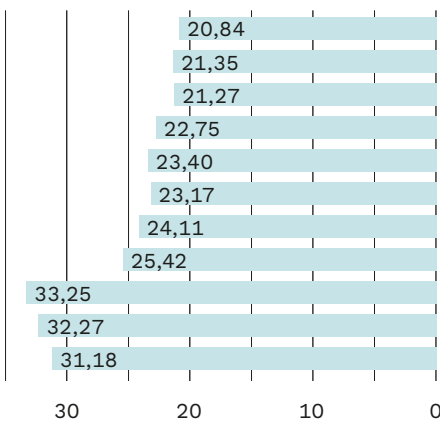
Source: Wakefield&Cushman

Rent

2,5–3€
za square meters

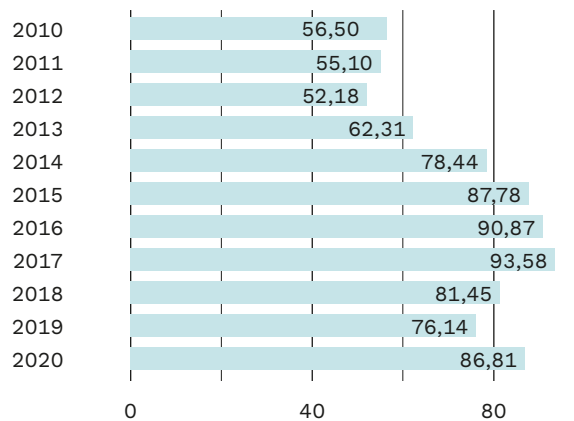
Transshipments in the Szczecin and Świnoujście Port Group

General cargo, bulk, fuel and other
(in thousand tonnes)



TEU containers*

*Twenty Foot Equivalent Unit
(in thousands)



Source: Szczecin and Swinoujscie Seaports Authority SA



Nor did the pandemic affect the Szczecin port, which forms part of the Szczecin and Swinoujscie Seaports Authority SA complex. It handled 31,177,500 tonnes in 2020, which is only 3.4% less than the 32,268,000 tonnes handled in 2019. On the other hand, ZMPSS ended H1 2021 with an 11.5% increase in transshipments compared to 2020.

However, the structure of cargo is changing. In previous years, due to e.g. large quantities of coal and smaller quantities of ore, the ports specialised in bulk cargo. Now they have become universal with a predominance of general cargo. In 2020, the ratio was 54% to 46%.

According to port authorities, the structure may change in the coming years due to e.g. the ongoing infrastructural projects. Three groups of projects are being implemented simultaneously by three entities – the Maritime Office in Szczecin, PKP PLK and ZMPSS. Each of them is worth approximately PLN 1.5 billion.

The main project consists in the deepening of the 67-kilometre long waterway between Szczecin and Świnoujście, which has been maintained by the Maritime Office since 2019. The works, estimated at PLN 1.34 billion, are carried out by a Belgian-Dutch consortium. After the reconstruction, the waterway will be 12.5 metre deep. This will allow for the return of part of the bulk cargo, such as cereals or ore. Projects are also underway regarding access to the port and wharves in Dębicki Canal and Kaszubski Basin. At the same time, works on the expansion of the LNG terminal in Świnoujście are carried out and construction of a new external port is planned.



The Port Authority operates on the basis of a development strategy. The current one provides for activities until 2027. In the coming years, with regard to Szczecin we are considering further development of the western part of Ostrów Grabowski as a continuation of the current project in this area in Dębicki Canal. As for Świnoujście, we are defining the possibilities of modernising the internal port, extending the ferry terminal and expanding port operations into new



**Krzysztof Urbaś,
President of the Szczecin
and Swinoujscie Seaports
Authority SA**

areas. We want to correlate our investment plan primarily with the new EU perspective for 2021–2027, which de facto starts in 2024. We have land that can be successfully used and developed for port purposes, which will increase the transshipment potential of the ports and the volume of goods handled there.”

During the first eight months of this year, Szczecin Goleniów Airport handled 89,000 passengers. Although it is much less than before the pandemic, the airport authorities say that it is slowly making up for the losses.



In July and August 2021, we handled almost 20% more passengers than in the corresponding months of 2020. At present, 10 passenger destinations are offered, two more will be added in November 2021 – Stavanger and Lviv, and in the spring of 2020 we hope to add another two.

An opportunity for the airport is Waimea Cargo Terminal Airport, which opened in 2019. The terminal has a capacity of 10,000 tonnes per year. In the first half of the year, about 10 tonnes were handled; nevertheless, in September, Szczecin Goleniów Airport will become the second airport after Warsaw serving as a phytosanitary border crossing, which will boost the attractiveness of Waimea Cargo Terminal Airport.

In the Baltic Wind Farm Network

Along the traditional sectors of Szczecin’s economy such as the port, shipping or shipyards, the capital of West Pomerania is reaching out to the technologies of the future, which include the energy sector based on Renewable Energy Sources (RES). Thanks to wind farms, the Zachodniopomorskie Voivodeship is already a leader in electricity generation from RES. In 2019, it produced the highest amount of energy from RES in Poland, i.e. 4,400 GWh or 17.4% of the national production. In the same year, RES production reached 72.7% of the energy consumed in the Voivodeship with a national average of 15.3%. Currently, the aim is to use the potential of the region and the city in offshore wind energy generation, which will be developed in the Baltic Sea. Supply and service chains will be created around the giant projects, which will use both international operators and local business and science.

Therefore, in a special programme Zachodniopomorskie_Offshore 2027, Szczecin defined two objectives – to develop enterprises from the offshore and shipbuilding sectors, and to attract investors from the offshore sector.

“These goals indicate that the scope of the programme is slightly broader than just offshore wind energy”, says Andrzej Montwiłł, PhD, President of the West Pomeranian Maritime Cluster. “It focuses on building economic and research potential, which will allow Szczecin-based enterprises, both Polish and foreign, that will invest here, as well as R&D centres to become partners in the offshore wind energy sector. This will be implemented in three stages: construction of the wind power plants as such, i.e. the onshore

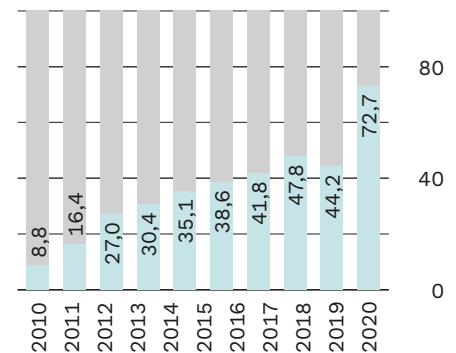


Krzysztof Domagalski, spokesman for the Szczecin Goleniów Airport



Share of renewable energy in total energy production

Zachodniopomorskie Province



Source: Agencja Rozwoju Metropolii Szczecińskiej

stage, construction of the wind farms and operation of the power plants, where a minimum 25-year period of their effective operation is planned.”

Szczecin universities and business environment institutions are also to be part of the programme, which will create an offshore network environment.



It will also allow us to use the existing potential in terms of constructing offshore structures or vessels necessary for the construction and operation of farms, as well as the existing potential in terms of construction and servicing of components and power units of wind power plants.



**Andrzej Montwiłł, PhD,
President of the West
Pomeranian Maritime Cluster**

Star Wars And A Leopard Tank

Modern business services based on the office sector form an important part of the city’s economy. At present, Szczecin has a total office space of 183,400 square metres, with another 8,000 square metres under construction. Interestingly, as in case of warehouse space, the capital of West Pomerania also boasts the lowest vacancy rate in Poland at 7.8%. Monthly rent ranges from EUR 11 to EUR 14.5 per square metre. Total space comprises 39 locations, the largest and the newest of which is Posejdon developed by Calbud and PORTO in the city centre. The modern facility has 18,070 square metres. Pazim, the second largest building in terms of office space (14,700 square metres) with a height of 114 m, and an almost completed high-rise Hanza Tower, built by J.W. Construction, are located nearby. The building, which is 104 m tall and has an area of 54,000 square metres, will offer 8,000 square meters of office space.

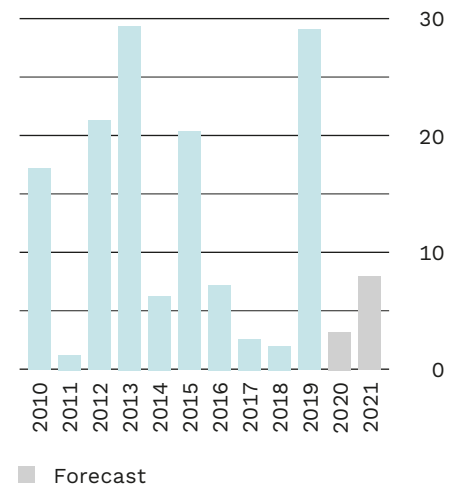
Szczecin has attracted many brands. Companies that opened outsourcing centres in Szczecin include 3shape, Asseco Data Systems, Concetrix, Metro Services, Mobica, TietoEVRY, Unicredit Services, Globallogic, Salling Group and DGS Poland – Demant Group..

According to Colliers outlooks, low rent, availability of human resources, and the proximity to Germany and Scandinavia will contribute to the development of the BPO/SSC sector. According to research conducted by the West Pomeranian ICT Cluster Association, more than 60% of enterprises providing modern services for business declared ICT as their main profile of activity.

Thus, the office sector together with the scientific potential and business support institutions create a good environment for the development of start-ups and such sectors as IT or automotive. The Cluster estimates that over 6,100 sole traders and over 7,500 employees in the IT sector were registered in the whole region. Research also shows that as much as 74% of IT companies declare software house as their primary activity. More than 20 IT events are held every year.

Innovation is proved by the variety and high degree of difficulty of the implemented projects. Most of the Oscar-nominated films are edited with the use of the software produced by Avid in Szczecin, including visual effects in Star Wars or The English Patient. Geolocalised mobile applications for tourism visualisation using VR and AR technology, Microsoft-awarded applications and solutions for managing Sales Forces Automation, or state-

Increase in modern office space in Szczecin
(In thousand square metres)



Source: Colliers International, November 2020

of-the-art 3D printing of a bolus, i.e. a dose for cancer treatment, are developed in Szczecin. Part of the sector is the automotive industry working for automotive concerns. It employs 1,000 people, who create head-up displays, information and entertainment systems and embedded software for the most recognisable German automotive brands. A Leopard tank simulator was built in Szczecin. The sector's potential is complemented by the scientific base: with regard to IT, 9 and 18 technical schools, and with regard to the car assembly process, 20 vocational schools, 4 technical schools and 4 universities.

Water World

Another branch of the city's economy is tourism and with it a growing hotel base led by four-star Radisson Blu hotels or the newly opened Courtyard by Marriott. Smaller hotels located in the green areas of Szczecin or in historic buildings are also popular.

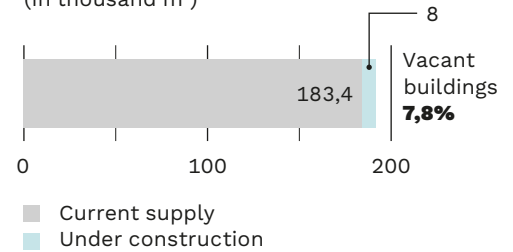
"Szczecin as a tourist destination is usually chosen by people from Germany and Denmark, then Sweden and Norway, as well as Belgium and the Netherlands," says Ireneusz Nowak, President of Żegluga Szczecińska Turystyka Wydarzenia Sp. z o.o.. "The reason for this is nature tourism, water tourism and recently also cultural tourism, due to the latest cultural facilities in the city, such as the Szczecin Philharmonic, the Dialogue Centre Przetomy, the Opera at the Castle and the Museum of Technology."

Szczecin is one of the most popular cities for city breaks, and short visits of tourists from Germany and Scandinavia boost the city's economy."

Szczecin Tourist Information Centres are visited by over 33,000 tourists a year. The largest outdoor events, such as the final of the Tall Ship Races or Sea Days, attract the highest number of visitors. According to the estimates of the city authorities, Sea Days attract about 250,000 people, Sail Szczecin 2021 – about 300,000, and the famous Tall Ship Races as many as 1.5 million visitors. The latter have been the pride of the city for years and are popular among tourists from all over Europe. The calendar of major events is complemented by the smaller ones, from business, through cultural, to

Office space market in Szczecin

(In thousand m²)



Rent

11–14,5€

per m² per month

39

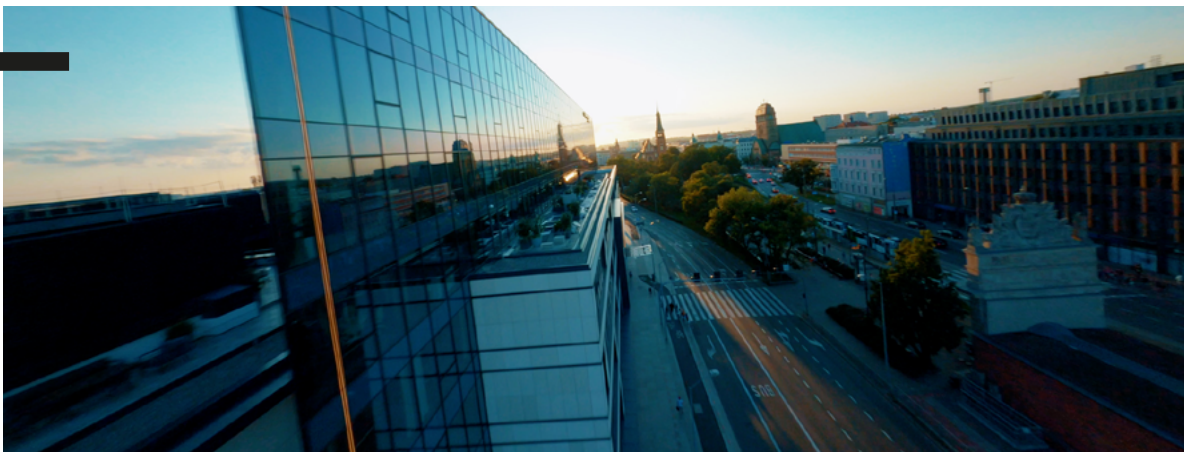
locations

Posejdon

the largest office space (18,070 m²)

Pazim

The tallest office building (114 m)





sports events. They include the longest-running men's tennis tournament in Poland, Pekao Szczecin Open.

Nevertheless, it is water and water-related activities that are one of the greatest assets of the city which has included "Szczecin Floating Garden 2050" in its strategy. There are yacht clubs all around Dąbie Lake and Szczecin boasts the largest number of marinas among Polish cities. The West Pomeranian Sailing Trail, a strong competitor to the Masurian lakes, starts here and the North East Marina was built in the city centre in 2015. It is a marina with 74 berths. Due to the development of the infrastructure, Szczecin hosts the most successful yachtsmen, who compete e.g. in the Polish Sailing League or pre-Olympic regattas. It was Szczecin-born Agnieszka Skrzypulec, a 470 class competitor, who brought home an Olympic silver medal from Tokyo this year. Once famous for the Leonid Teliga Marine Boatyard where yachts of renowned yachtsmen were built, such as "Polonez" of Krzysztof Baranowski or "Spaniel" of Kuba Jaworski, Szczecin continues the tradition of yacht building. At present, luxury catamarans are built at Wave Catamarans, and the well-known yacht manufacturer Hanse Yachts AG is going to open a research and development centre – the Baltic Design Institute in Szczecin.

With kilometres of smaller rivers, canals, branches, picturesque islands, and industrial areas intertwined with wildlife, water tourism – motorboating and kayaking – is also flourishing. Recently 9 new spots have been created in Szczecin, some of them accessible only from the water, where you can moor your kayak or yacht. They include the Kwadrat, a small canal created probably in the Middle Ages between the islands of Radolin and Dębina. During World War II, the Germans, hiding from the Allies, manufactured U-boats there.

For several years now, thanks to successive investments, the area of Międzyodrze has been revived. It is a large area of over 200 ha, covering the islands of Grodzka, Łasztownia including the so-called Duty Free Port, Kępa Parnicka and Zielona. In the 19th century, along with the development of the port and industry, many factories and buildings were constructed there, which due to their architectural details are of great historical value today. According to the city's strategy, in the future Międzyodrze, crossed by canals and branches of Oder River, is to combine its current economic functions with the dynamically emerging services. Some projects have already been completed. In 2011, the redevelopment of boulevards began, including Gdyński and Elbląski, as well as Piastowski Boulevard located on the other side of the river. In 2015, North East Marina, a modern marina, was built on Grodzka Island and in 2016, the Old Town Quay at Łasztownia was rebuilt. In 2018, the latter won the title of the Best Public Space in Poland in the Property Design Awards competition.

Illuminated harbour cranes called "Dźwigozaury" ("Crane-o-saurs") are located on Łasztownia and soon the Maritime Science Centre there will also be ready, the first such modern facility in Poland dedicated to the popularisation of the aquatic environment.

Already full of life, Łasztownia is the heart of Międzyodrze and the place for which the authorities of Szczecin have the largest plans in connection to the "Szczecin Floating Garden 2050" project.



For a few years now, we have been noticing that businesses choose Łasztownia more and more often. Therefore, there is a growing need for good transport and infrastructure, which will attract further investors and the city is taking the first steps in this direction.

Łasztownia is already the location of numerous events, concerts and artistic activities, e.g. in the renovated building of the Old Slaughterhouse. The first modern office building Lastadia Office has also been erected here and the Old Slaughterhouse is being adapted to accommodate offices.

Five Billion in Investment

One of the driving forces of Szczecin's economy are city investments. Szczecin is carrying out the largest construction projects in decades using EU funds. The city's investment programme for 2014–2021 amounted to PLN 5 billion, of which the expenditure for 2021 alone is to reach PLN 1.182 billion. The largest projects aimed at improving the quality of life are the construction of the municipal stadium and the Fabryka Wody.

Situated in the villa district of Pogodno, the Florian Krygier Municipal Stadium was already seriously outdated and substandard compared to similar facilities in Poland. Among the many ideas that had been put forward over the years, two prevailed: construction of a completely new stadium in a new location or the reconstruction of the existing one. Eventually, a decision was made to build a new stadium in the place of the existing one, and with it a training centre for children and youth. The construction is



**Ireneusz Nowak,
President of Żegluga
Szczecińska Turystyka
Wydarzenia Sp. z o.o.**



neering completion and it is scheduled to be finished in 2022. Part of the funds for the construction of the stadium, estimated at PLN 362 million, was provided by the Ministry of Sport and Tourism and another part by the Central Government Fund for Local Investments.

Interestingly, thanks to the fact that Szczecin is the last of the big cities to build a new stadium, it had time to draw conclusions from the operation of other facilities, built before UEFA Euro 2012 championship, the greatest challenge of which is maintaining profitability. Thus a relatively small stadium compared to others, combining the event function with teaching and training facilities, has a chance to be used effectively.

Another great project is the Fabryka Wody, which is a modern water park with a developed educational and exhibition function. Due to its size, it is to serve not only the citizens of Szczecin, but also the entire border region. The pool area will be 2,773.8 square metre. The facility, built for PLN 463 million, will be ready in 2022.

Szczecin is also renovating and building educational buildings on a large scale. Under the project for 2006–2022, PLN 406 million was allocated for this purpose, out of which PLN 325 million has already been spent, and this year's works are estimated at PLN 59 million.

The project that is the most noticeable for inhabitants is the massive reconstruction of the road system in Szczecin. Ongoing works cause traffic jams, but it is with huge projects at the different stages of advancement that the city will soon gain a practically brand new traffic system.

The hot spot is the area surrounding the port, near which the main road leading to the city centre runs. It is the place of the great modernisation of the road access to the port. The cost spread over 2014–2026 is PLN 534



million. PLN 79 million has been budgeted this year alone. Another group of road projects concentrates around national road 31 running towards the A6. The budget is PLN 135 million.

New streets and intersections amounting to PLN 132 million are also being built around the sports and entertainment facility Netto Arena. The traffic junction in the residential district of Łękno is also being rebuilt for PLN 135 million. In the whole city, the tracks are being rebuilt for PLN 505 million (budget for 2015-2023), and the urban redevelopment of Aleja Wojska Polskiego is about to start. It is the longest street in the city, and its central part and adjacent streets are to be redesigned. The two-lane road will be replaced by an atmospheric avenue with a green belt in the middle. The aim of the reconstruction is to create a citizen-friendly “green living room” in the heart of the city. Almost one kilometre of the new avenue will be covered with new shrubs, perennials, but also trees characteristic for Szczecin – magnolias and monumental plane trees.

Road projects consisting in the reconstruction of roads, tracks, junctions and access roads in various parts of the city are correlated with the construction of large facilities, but also infrastructural projects going far beyond the city limits. These include the planned Western Ring Road of the city or the Szczecin Metropolitan Railway, already under construction, with the participation of Szczecin and the surrounding municipalities. There will be 40 stops along 120 km. With 28 transfer nodes, Szczecin Metropolitan Railway will be integrated e.g. with buses, trams, car parks and the West Pomeranian Cycling Trail. The cost of this project, implemented since 2014, will amount to PLN 741.2 million, of which PLN 512.2 million is co-financed. Hence many of Szczecin road projects are also part of the Szczecin Metropolitan Railway project. In the latter case, however, delays could not have been avoided.

“The Szczecin Metropolitan Railway is a project in which local governments and Polish State Railways are involved. Local governments do their

part. Unfortunately, not much or, in fact, nothing has been happening for several months at the track section of the project, which is the responsibility of Polish State Railways. The whole investment is therefore affected and, in our opinion, there is a very high risk of losing the EU funds. Unfortunately, for months we have been asking in vain for a real schedule of works and a remedial plan. Such recklessness is really surprising,” says Szczecin mayor Piotr Krzystek.

The city acknowledges that the pandemic and the resulting lockdowns had a negative impact on the works.

“Contractors have signalled that it might be necessary to change the deadlines for respective contracts”, says Piotr Zieliński, the city’s spokesman for investments. “Other issues concerned tender procedures: although contracts were awarded, due to staff limitations the proceedings before the National Appeal Chamber were prolonged. Another aspect is something we have been observing in recent months. It is related to increases in prices of building materials by several percent and shortages reported by suppliers. Nevertheless, it is a success that the investment programme has not slowed down.”



We have made a conscious decision not to reduce the investment programme due to the fact that it is the public sector and the projects it implements that are the drivers of the economy and thus the continued operation of the city, in particular in such a difficult period of the pandemic. The budget was amended in terms of current tasks, mainly to maintain our investment capacity and not to hamper development. We also did not shift projects to another year due to the pandemic. Therefore, the pandemic did not have any impact on the resignation from our planned tasks. On the contrary, the City announced and awarded more tenders.



**Piotr Zieliński,
the city’s spokesman
for investments**



The Green Port of the Future

As the city authorities admit, Szczecin has successfully defended itself against the economic effects of the Covid-19 pandemic. What is important, in 2020 and 2021, many schemes providing assistance to local businesses were successfully implemented.

In addition to the support under the so-called shield provided by the government, where the value of granted aid was PLN 200 million, the local government also sought its own solutions. They included exemptions from market fees, deferrals, exemptions or remissions of taxes (property, transport). 100 businesses received this assistance. The Szczecin Loan Fund offered interest-free loans, from which 87 companies benefited. In the local government's opinion, the aid provided to enterprises, the city's potential supported by great investments – all that should result in constant economic growth and higher living standards in the future.



The cross-border, waterfront location, entrepreneurial people and academic potential make Szczecin, as a green port situated at the crossroads of transport routes, willing to become a centre of exchange of goods, services and ideas. When supporting the entrepreneurship of our citizens, we focus in particular on the port and offshore industry, green energy, logistics, water tourism and modern technologies supporting trade and exchange of goods. As an academic city, we also want to focus on educating specialists and securing human resources in those key sectors.



**Piotr Krzystek,
Mayor of Szczecin**



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