



Executive Summary

PHASE I - Strategic Redevelopment of Gyumri

October 2016

Gyumri – Yerevan - Toronto

www.gyumriprojecthope.org

***Gyumri - The city of culture and tradition; heritage and innovation;
history and renewal.***

The intent of this document is foremost to analyze and assess existing challenges and opportunities for the city of Gyumri. This document then aims to offer solutions that target development through projects that address economic growth through tourism, urban renewal, and cultural development.

Executive Summary

Once a cultural capital with a bustling economy, Gyumri's population and prosperity have significantly declined since the collapse of the Soviet Union and the 1988 earthquake that killed over 25,000 people. While housing, infrastructure, and health projects were employed in the decade immediately after the earthquake, Gyumri and the Shirak region have largely been overlooked in the last 10 years contributing to a dilapidation of city's infrastructure and overall sense of despair.

Initiated in 2015 by the Gyumri Project Hope Foundation (GPH), this feasibility study is a community-driven effort encompassing the diverse viewpoints of many local and outside stakeholders, residents, businesses and NGOs. This document assesses community needs and offers solutions for economic, touristic, and cultural development in Gyumri.

To reverse these trends, a focus on long-term sustainable economic development is needed to attract jobs and residents back to Gyumri. This viewpoint is shared with multiple stakeholders interviewed for this assessment. As a result, GPH conducted a review of all previous projects, plans, and studies to learn where efforts were successful or fell short of achieving results. Many interviews with stakeholders were done, including several workshops with the community and expert groups, to learn of ideas and evaluate priorities.

The analysis from these efforts was used to create a needs assessment that evaluates challenges and possible solutions. This analysis helped GPH to understand which potential projects and programs can be proposed and further realized for both immediate and long-term social economic benefit for the people of Gyumri.

Thus, recognizing the limits of addressing certain needs, a narrow scope was defined for areas deemed most important by the community and through conducted studies.

The over-riding conclusion is that Gyumri has the potential to become a top tourist destination, where visitors who may now visit for a single day, will extend their visits to multi-day trips in and around Gyumri and the surrounding Shirak region. The areas include a focus on transportation/pedestrian connectivity, public and green spaces, and heritage preservation.

Selection Criteria:

Projects selected in the three areas of focus are evaluated based on how they will meet the following criteria:

- i) Economic Sustainability
- ii) Local Stakeholder Involvement
- iii) Multiplier Effect
- iv) Maximization of Existing Efforts

In order to provide concrete proposals which will lead to implementable plans, here are the projects brought forward by GPH:

- All Saviors Square and Freedom Square: Re-design roads/traffic flow for pedestrians, make user friendly.



Built during the early Soviet years, the two sizable squares in front of City Hall are vastly underutilized without adequate seating, green space, and pedestrian connections to surrounding areas. GPH’s vision for the squares is built off of two previous proposals from prominent Gyumri-based architects and community feedback received. The vision includes, increasing connectivity, and creating an inviting and user friendly meeting place for visitors and residents alike attracting a variety of businesses to the area.

- Central Market (“Shuka”):



The main farmers market of Gyumri, located near City Hall, is one of the largest and most active outdoor markets of Armenia. However, infrastructure at the market is rundown, vendor kiosks are haphazardly constructed, artists and craftspeople lack a designated area to sell, and there is a lack of an overall plan for the market. GPH proposes that the market becomes a place where a variety of vendors come together to sell their products. The vendors would be grouped based on their products, which would allow for better organization, better user experience and pedestrian flow. Additionally, the market can expand to support new retail such as eating establishments that activate the market into a lively public space at all hours of the day.

In many towns and cities, the market is the heartbeat. Gyumri is no exception and therefore we see enormous potential for the Gyumri Shuka

- **Kumayri Historic District:**



A five block area within the Kumayri Historic District in Gyumri was chosen to demonstrate how preserving historic buildings while adding new uses into the buildings can be a precursor and model for preservation efforts throughout Gyumri. As part of creating a model for preservation, GPH developed a set of guidelines to

demonstrate how the use and enforcement of such guidelines could preserve valuable buildings that can attract businesses to the area.

In addition to above mentioned, **GPH team visited Kakheti region of Georgia** to better understand Georgia's recent track-record in implementing a regional development plan. As a neighboring country Georgia offers valuable insight on implementing large scale initiatives for tourism and historic preservation aimed at boosting economic development. Georgia case study proved that strong commitment of Government and valuable support of International Funding Organizations leads to social economic prosperity. The USD 65 mm. loan approved under Regional Development Project of World Bank (RDP, RDPII and RDPIII) provided infrastructure and large scale institutional development. The analysis showed that in most of Georgian cities urban regeneration has resulted in economic growth and increase in tax revenues from 10 mm. Lari to 25 mm. Lari in 2 years.

GPH is holding discussions with World Bank to seek an engagement similar to Georgia's experience.

The lessons learned during Kakheti trip helped to guide and prioritize GPH's analysis of tourism, historic preservation, and infrastructure development for Shirak Marzand Gyumri.

- Historic Preservation Handbook:



Last but not least, the "Gyumri Project Hope" Foundation has taken the initiative to propose and develop a handbook of how to preserve historical buildings and how these buildings can be used today. The document is created based on best international practices and similar projects and initiatives. The main goal of the guidebook is to use Gyumri as a pilot city and a model for heritage preservation in Armenia and neighboring countries.

This study builds upon Gyumri's status as the historic and cultural capital of Armenia. Proposals have both local and regional approach that emphasize economic sustainability over the long-term.

Moreover, GPH recognizes the sheer talent, skill, and enthusiasm of local youth in Gyumri. The GPH team was constantly inspired and motivated by examples of youth taking initiative to improve their own community.

- Other Positive Developments Currently Taking Place in Gyumri:

While Gyumri is largely overlooked as the second largest city in Armenia, there are still important investments taking place today in road construction and the IT industry. The key international organizations involved include the Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), KfW and the World Bank (WB). Collectively, these projects aim to bring better road conditions, water and sewage management, and a growing IT industry.

In particular in May 2016, independent of GPH, the City of Gyumri secured a EUR 22mm. sovereign loan from EBRD, with an investment grant in the total amount of up to EUR 7.3 million which will enable the City to rehabilitate major streets and modernize public lighting in Gyumri. This project aims to improve the capacity of the City's institutions responsible for road infrastructure management and traffic safety and street lighting by transferring knowledge and significantly enhancing necessary skills for road and street lighting quality monitoring, investment planning and contracting, as well as developing a road asset management system. This project remains in development/feasibility stage; with a preliminary start date of late 2017.¹

In addition, NGOs and private stakeholders have been a source of support in Gyumri at various levels since the 1988 earthquake. They have created important organizations that provide support in housing, health, community development, and workforce training. Such NGOs include but are not limited to the Shirak Centre NGO, KASA Foundation, Friends of Gyumri Foundation and Armenian Relief Society (ARS). The presence of educational institutions with the focus on IT such as Gyumri Information Technology Center (GITC), TUMO Center for Creative Technologies, which plans to start construction on its new center by the end of 2016 show the level of active interest towards Gyumri.

GPH wants to build on and support such efforts. We recognize the motivation, drive, and talent in Gyumri and have proposed projects that can not only complement such activities and build a sustainable path forward.

¹ Armenia: Gyumri urban roads - Feasibility Study: EBRD, May 2016. Project No: 46540

Proposed Initiatives:

The outlined initiatives of GPH will require participation from local government, state sponsored agencies, international loan agencies and private donors. The following is a short list of potential activities that all stakeholders can lead/participate in.

- Develop and promote new operational strategic plan for utilization of Shirak international airport as one of the main infrastructure assets of Armenia. Analyze the potential to use the airport as a regional hub for budget airlines
- Develop and propose a renovation plan for railway road (eg. considering trains linking to and from "Shirak" airport)
- Promote and further develop the North-South corridor connecting Armenia to Georgia and Iran². The Tranche 5 of entire Project (estimated cost is 1.5 billion USD) envisages the construction of Gyumri by-pass and Gyumri-Bavra 63 km section (financed by European Investment Bank). Currently feasibility studies are being done in the frames of Tranche 5³.
- Improve transportation facilities within Gyumri and transportation access to and from Gyumri
- Adopt preservation guidelines as a legal document which serves to protect national heritage sites, which will be used by local residents and public and private institutions and eventually become the standard for all of Armenia
- Appoint "Kumayri Museum Preserve" as the authorized administrative body to work with the community and the state with an established priority on preserving and conserving national heritage sites
- Improve and market key downtown (Kumayri) properties for redevelopment and utilization (hotels, B&B's, restaurants, museums)
- Target employment opportunities in local businesses, particularly growth clusters such as IT, light manufacturing and hospitality
- Develop and promote events (festivals, concerts, exhibitions, etc.) to attract locals and visitors to Gyumri
- Promote Gyumri city cultural and historic assets
- Develop and maintain public spaces that are attractive for recreational and community activities
- Establish and promote a "Destination Management Office" (DMO) which will provide information to tourists and train local community for the best hospitality practices
- Move Gyumri in the direction of 'Smart City', starting with making the whole city a free wi-fi zone.

² North-South Road Corridor is 556 km long highway with implementation period from 2009-2019. Its design envisages concrete pavement 4-lane express highway with 100 km/h speed.

³ <http://northsouth.am/en>

Funding:

- The GPH team has learned that International Funding Agencies, such as EBRD, ADB, WB, KFW, and others are motivated to invest in Armenia.
- In order for such IFC's to support projects, they require coordinated proposals from the City of Gyumri, the Republic of Armenia, and NGO's. This is where GPH comes in as a facilitator.
- Our visit to Kakheti region of Georgia showed us the World Bank's commitment to such historic, heritage projects which played a significant role in social-economic development of Georgia.

Proposed Priorities:

- Select high-priority projects that can attract small and large investments in tourism, culture, and industry development.
- Engage and work in close cooperation with stakeholders who are invested and have a strong interest in Gyumri.
- Create a continuum of workforce development and targeted training opportunities to ensure local jobs are created and filled by Gyumri residents wherever feasible. As an initial step, identify skills required by existing employers and potential new businesses.
- Develop a marketing campaign that targets professionals who have left the country. Establish and showcase Gyumri's potential and provide the reasoning for their return.
- Establish a downtown commercial and residential improvement program for vacant and underutilized spaces.
- Explore the feasibility of establishing a venture capital and angel investor resource pool (in cooperation with leading industries, EIF in particular) from which to support innovative research and product development.
- Develop support and marketing mechanisms for entrepreneurial efforts that foster the startup and early stage growth of companies in high-impact sectors and new businesses.
- Guide and support implementation of high priority projects.

With this Phase I Concept Study GPH has attempted to take the first step at proposing steps and initiatives for attracting more visitors to Gyumri and Shirak region and enhancing the standard of living and creating jobs for locals.

We believe that with joint cooperation and strong commitment of all engaged stakeholders, we have an opportunity to build a promising future for Gyumri.

For the full report of the Phase I Concept Study of GPH go to:
www.gyumriprojecthope.org