Regulating urban office provision: a study of the ebb and flow of regimes of urbanisation in Amsterdam and Frankfurt am Main, 1945-2000

Ploeger, R.A.

Citation for published version (APA):
The bumpy road towards the regional metropolis

9.1 Introduction

The 1990s were a period of rapid social change for Germany and Frankfurt. After the opening of the border between East and West Berlin on November 9th, 1989, and the reunification of Germany on 3 October 1990, the realignment of a unified Germany was very demanding on the regulatory processes and caused a drastic rescaling and reshaping of both political and economic life.

Since it was clear that the office development potential in the inner city of Frankfurt had not dried up after 30 years of intensive office production, and international real-estate investors had entered Frankfurt, the expectation for the realignment of the regime of urbanisation was that the pressure on the urban environment would only increase. This expectation was all the more so, because the designation of Frankfurt as the seat of the European Central Bank in November 1990 further strengthened Frankfurt’s position as a global city. Since accommodation and laissez-faire towards economic interests has dominated spatial regulation throughout the post-war era, and no institutional changes in the fiscal structures had been made, the expectations were that these practices would continue. However, the tendency of multi-centrism, peripheral/nodal development, and the regionalisation of the financial cluster that had already started in the 1980s would have its impact on political manoeuvring, either by increased inter-regional competition or by the strengthening of regional cooperation and increased fine-tuning. The past regimes of urbanisation pointed in the direction of the former.

This chapter comprises a description of the urbanisation tendencies, policies, and interventions on the office market that have enabled Frankfurt to develop into its present form.
### Table 9.1, Set of hypotheses regarding the regime of urbanisation 1977-1989

<table>
<thead>
<tr>
<th>Points of departure</th>
<th>Expected regime of urbanisation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market</strong></td>
<td>- growing international financial cluster – growth of business services – growth air traffic;</td>
</tr>
<tr>
<td><strong>State</strong></td>
<td>- local government dependent on income from company taxes – conflicts between the proponents and adversaries of unbridled economic expansion;</td>
</tr>
<tr>
<td><strong>Space</strong></td>
<td>- built up urban structure Frankfurt – available economic locations in the suburbs</td>
</tr>
<tr>
<td><strong>Market</strong></td>
<td>- growth of the financial sector – regional influx of investment capital – further rise of the tertiary sector</td>
</tr>
<tr>
<td><strong>State</strong></td>
<td>- inter-regional competition for investments – public-private plan making – local politics of accommodation;</td>
</tr>
<tr>
<td><strong>Space</strong></td>
<td>- priority of urban office development over residential development – scattered office development – multi-nodalisation</td>
</tr>
</tbody>
</table>

### 9.2 1989-1993: social ecological reform politics

**Reunification and national euphoria**

The reform politics in the former Soviet Union and other Eastern European nations (most importantly Hungary) led to the fall of the East German political regime. The Berlin Wall was opened up in the evening of November 9, 1989. The reunification of Germany became a fact on October 3rd, 1990. Even before that date, on May 18 1990, the economic, monetary, and social union of the Federal Republic of Germany (FRG) and the German Democratic Republic (GDR) had been brought together in a treaty.

This sudden reunification brought with it a “collective feeling of national euphoria and strength,” temporarily obscuring the neo-liberal view and strengthening the belief in the German approach to the social market economy. (Berndt, 2003: 288). So, during the first half of the 1990s, the neo-liberal range of ideas fell into the background. However, when a second German economic miracle failed to materialise, the tide changed again in the second half of the 1990s.

**A new political coalition, new political ideals: banks and green belts**

At the municipal level, Frankfurt’s conservative growth coalition had fallen apart in 1989 and a political coalition of SPD and the Green Party had taken over the political responsibility of Frankfurt. Consequently, new political ideals were voiced. The conservative growth coalition of the 1980s had striven for ‘world city-ness’ through the implementation of real-estate driven image-politics, the further development of the Airport and the Fair, and the adoption of a cooperative attitude.
towards international investors in office real-estate. During this conservative era, Prigge (1997: 59) observes, the socialist SPD had presented itself as the modern party for the service sector. At the same time the Green Party was led by a moderate fraction that promoted the idea of urban compensation (a middle way between fundamentalist fractions in the Green Party and conservative politics). Now that the Green Party and the SPD had won the 1989 elections for the City Council, they promised the voters reform. The red-green coalition therefore introduced social and ecological priorities for urban development. Both issues had been overlooked by the conservative regime, but now that the city had grown into a world city, the time was ripe to come to grips with the problems that this process had caused.

However, the main priorities of the new City Council did not diverge very much from the ideals of the preceding conservative city government: the development of Frankfurt into a ‘European Metropolis’ (Herterich, 1988), and the ‘economic centre of the European mainland’ (Ronneberger & Keil, 1994). Economic growth remained the single most important theme for urban politics. The main ‘citadels’ of the world city (the Airport, the Fair, and the banking district) were still pushed forward as the strategic elements of urban politics. Just as the CDU had used ‘culture’ to sell its economic expansion policies, the new government sought an ‘image’ component that could support the continuation of ‘boosterist’ urban politics that had caused many negative side-effects. These had provoked ever-growing discontent amongst the urban middle- and working classes. During the 1980s, Frankfurt had grown into Germany’s most expensive city in which to live, while the numbers of those excluded from the prospering global city were growing rapidly; this disparity had detrimental effects on social justice in the city, in particular in combination with the drastic cuts and restrictions in the social benefits for these people (Eckhardt, 2002). Moreover, most of the people who benefited from CBD-related employment chose residence in the luxurious periphery, where they did not have to cope with the downside of urban economic expansion. In an effort to commit the urban lower-middle class, whose priorities had been neglected by the conservative city government, the new political regime added some new elements to the mode of regulation. The main aim was to ‘reclaim’ the city for its inhabitants. Thus, in contrast with the economic mega-projects that had changed the image and structure of the city during the 1980s, but that had not been beneficial to the urban lower-middle class, the new city government set up some social and ecological mega-projects designed to re-commit Frankfurt’s citizens to urban politics.
This strategy to counter possible protests was presented under the name of *Reformpolitik* (the politics of reform). Although new projects were proposed that resembled the projects put forward by the conservative government in the preceding years, some social and ecological projects were proposed to serve as compensation. The main elements of these reform politics, other than economic development, were geared to the transformation of the image of Frankfurt. In response to the image of the cold and inhospitable global city that grew in the 1980s, the new City Council wanted to communicate the image of an urban space in which people could experience the positive aspects of metropolitan life. To reach these goals, the mega-projects for office development on the edge of the city were accompanied by social housing projects in the inner city (*Wohnen am Fluss*), the restructuring of deprived neighbourhoods, and the development of the Frankfurt Greenbelt (*Grüngürtel*).

Another favourite topic of the SPD was re-introduced in order to re-involve the public with urban politics: the democratisation of planning practice. This concept had failed in the 1970s and was abolished by the conservative government in the 1980s. Now, the green-red coalition put it on the agenda once again, in order to transform planning into the 'management of space' instead of a mere 'administrative process' (Lanz, 1996: 131). This management of space entailed the active participation of various interest groups in planning procedures, better mediation between these various groups, more planning power for sub-local authorities, public-private partnerships, modern project management, and the like.

A new planning culture not only entailed the wish to create better cross fertilisation between the wishes and demands of local inhabitants, politicians, and planners, but also the need to open up pathways towards regional planning. As we saw in the previous chapter, during the 1980s new nodes of service industry expansion were increasingly found in the locations in the urban periphery — the suburbs and even the metropolitan periphery — where the development of monofunctional and complex office locations took off. In the early 1990s, the pace of the developments in these locations became even faster, with the quick rise of the technologically advanced industrial companies and the distribution complex that joined up with the steady rise of the headquarters economy and the services sector, which caused the growing potential for self-induced peripheral economic growth. In 1994, for instance, the Rhine-Main region housed 2,300 high tech firms, in which 260,000 people were employed (Noller & Ronneberger, 1995).

Now that concrete evidence was piling up about the occurrence of urbanisation on a metropolitan scale, city officials and planners realised that new
zonin gg  concept s  ha d  t o  b e  adopted . However , despit e  th e  fac t tha t planner s
increasingl yy  place d  urba n  an d  economi c  developmen t i n  a  regiona l context , th e
searc hh  b y  th e  cit y  o f  Frankfur t fo r  solution s  t o  stretc h  it s  spher e  o f  influenc e  i n
orde rr  t o  incorporat e  th e  mor e  periphera l developmen t potentia l wa s  fruitless . Th e
Rhine-Mai nn  regio n  remaine d  institutionall y  fragmented , whic h  mad e  th e  creatio n  o f
a nn  overal l economi c  developmen t polic y  a  ven ' laborious , i f  no t impossibl e  task ,
especiall yy  sinc e  th e  cit y  o f  Frankfur t an d  it s  surroundin g  municipalitie s  ha d
divergin gg  interest s  i n  thi s  regard . Thi s  divergenc e  wil l becom e  clea r  i n  th e  nex t
sections ,,  wher e  th e  variou s  economi c  an d  extra-economi c  developmen t project s
tha tt  wer e  undertake n  unde r  th e  fla g  o f  th e  refor m  politic s  ar e  described .

The 'green' in the Reformpolitik: the GrünGürtel project

Although the regionalisation of urban development was increasingly viewed as
inevitable ,,  mos t urba n  plannin g  policie s  remaine d  focuse d  o n  th e  Frankfur t
territory ..  Th e  Frankfur t
GrünGürtel Project i s  an important example of this local
focus ..  Th e  lon g  perio d  o f  economi c  expansio n  ha d  le d  t o  large-scal e  densificatio n
of important parts of the inner city, and also the filling up of the open spaces
between the city of Frankfurt and its suburban neighbours. Responding to these
tendencies that in the eyes of the new City Council were detrimental to Frankfurt’s
image as a metropolis, the government declared its wish to protect these remaining
open and green spaces. This intention was in line with the overall trend of
ecological planning, and it became the ideological pivot of the green-red polities
that promised democratic, social, and ecological renewal.

To protect the vulnerable open spaces, the City Council took up the ideas
concerning the Frankfurt Greenbelt as Ernst May proposed them in the 1920s.
May had envisaged a ring of more or less coherent and connected open spaces
surrounding Frankfurt, covering 80 square kilometres, a third of the municipal
territory at that time. The City Council had already started the formulation of the
ideas concerning the GrünGürtel in the coalition negotiations in 1989, and had sent
the project proposal to the City Council in 1991. The proposal was accepted
unanimously in November, and 300 million D-Marks were reserved to pursue the
objective of the Green Belt. The Frankfurt Chamber of Commerce praised the city
government for its green belt initiative, indicating that ecological elements could
also be viewed as positive locational details that could bind the managerial class to
the city. The increased importance attributed to attracting and keeping high quality
labour attached to the city had made the soft ‘quality of life’ factors some of the
most important elements in interurban competitiveness.
The core idea behind the greenbelt project was to foster, enlarge, and protect Frankfurt's green belt. A central feature of the project is the development of a binding legal instrument to protect the areas depicted as the green belt from being subject to urbanisation. Supportive of this core element of the project was the development of more concrete spatial plans: one plan that set the boundaries of the green belt, another plan for the protection of the surface area of the green belt, and a development plan. For the actual implementation of the project, the City Council created a private project bureau called Grüngürtel Frankfurt GmbH. This project bureau was assigned the task of developing the plans through a dialogue with public and private interests in the city, in order to step away from the practice of undemocratic, administrative planning. However, this handing over of tasks to a private project bureau also led the responsibility for the project's progress to become 'anonymous' (Gather & Unterwerner, 1992).

So, the Grüngürtel project is a clear example of ecological politics pursued out of strategic considerations rather than Green convictions. The reasons for its political acceptance and quick prioritisation were not primarily inspired by concerns for the ecosystem. The SPD and the Green Party realised that the project would be supportive of the more important strategic effort to overcome the ideological crisis of economic politics. As Gather and Unterwerner (1992) observe, the new City Council, in search for speedily effective, successful, and mollifying solutions for complex social problems hoped that ecological politics would become for the 1990s what the culture politics had been for the 1980s: the catalyst of economic development and the source of popularity amongst the urban middle class.

Briefly, the Grüngürtel project comprised many aspects. First, it was 'ecological compensation' for the continued world-city politics. Second, it was one of the pillars of the Standortpolitik (locational politics) for Frankfurt. Third, and importantly, the project was the first real test for Green-Red politics in Germany. The consequence was that, since the whole of Germany was looking over the shoulder of the city government of Frankfurt, a quick political success was needed. So, although it was widely realised that environmental and greenbelt planning was an issue that surpassed the local scale, the important but complicated and time consuming issue of regionalism was avoided, and the Grüngürtel was projected completely onto Frankfurt's municipal surface area.

**Management and extension of the financial metropolis**

It was clear that the new city government was no proponent of a radical realignment of the urban politics that had been dominated since the 1980s by the
development of the economically-competitive world-city. This realisation also had its consequences for the types of economic project proposed. Increasingly, plans for purely office locations in the inner city, such as City West, Galluspark, and Batelle were interspersed with houses and public spaces (Keil & Ronneberger, 1994: 147).

During the 1980s, commercial development had taken less notice of the 1983 City Leitplan than the planners had anticipated. Christoph Mäckler, a Frankfurt-based architect, saw that this lack of interest threatened the functional structure of the inner city, and in 1987 developed a vision of the city’s high-rise building structure that reverted to the urban development concepts from the 1953 Hochhäuserplan. This vision, which became known as the Frankfurt-Projekt, sought to develop the city as a Gesamtkunstwerk, an ‘aggregated piece of art’. Starting from his wish to revitalise the historic inner city, particularly the Wallanlagen, he used the Alleenring, the boundary of the 19th century urban structure, as the visible ‘frame’ of this area, marked by offices separated by 250 metres. The offices were envisaged at the intersections of the Alleenring with the radial streets coming out of the city centre. This Utopian vision was only influential in a marginal way, in that it helped pave the way for higher office buildings. The idea of an office ring around the city was never taken seriously, mainly because the landownership was too fragmented for such rigorous steering of development.

The new city government was installed in a transitional period on the urban office market. Flierl (2000) characterises the late 1980s as the period in which the shift was made from the second to the third stage in Frankfurt’s office development. From 1985 onwards, he argues, the locational preferences of developers changed, and the height of the average office building increased to approximately 150-250 metres, which increased the ‘Americanisation’ of Frankfurt’s skyline. Planners were willing to give the investors considerable leeway in developing new offices, but the wish was also put forward to create a ‘European’ city in form and function, so that the particular extra qualities of Frankfurt’s economic location would not be destroyed by a relentless development fever.

During the office boom of the early 1990s, in which 4.2 million square metres (50% of the existing total) of inner city office floor space was being planned, developed, or even completed, this third generation of office buildings was emerging (in plans, or already in the actual built environment), accompanied by a considerable western expansion and a densification of the economic districts in the inner city. More than ever before, enormous construction sites dominated the inner city. As witness to these trends stand the plans, approvals, and design competitions that were set up in the 1990 – 1991 period for Kronenhaus and Trianon.
at the Mainzer Landstraße, Kastor & Pollux at the Friedrich-Ebert-Anlage, and the Japan-centre, Main-Tower, and Eurotheum in the Banking district, as well as the intention voiced by the Commerzbank in March 1990 to develop a new headquarters building. The only skyscraper that failed to proceed past the planning stages was the Campanile, that was confronted by Hanelore Krauss, the owner of the land adjacent to the projected Campanile, who successfully went to court in 1989 to fight the decision of the City Council to approve the building plans: in January 1990, the new City Council prohibited the start of the first preparations. This obstruction was, as has been said, only a minor setback on the office market. The developments followed each other so quickly, that the guidance of office investments through the 1983 City Leitplan soon proved to be unable to cope. The eastern expansion never amounted to anything, and development on the western-oriented axes virtually exploded when office construction increased again (compare figure 9.1).

Consequently, the pressure on the urban fabric in the popular western part of the city was building up. The City Council developed a preservation protocol that became effective in February 1990 in order to protect the social fabric of the Westend, where the process of commercialisation had become more dominant than ever before. In this district, just as in the late 1960s and early 1970s, commercial developers crowded out the small neighbourhood shops and the original inhabitants. This protocol was not very successful, because the only legal instrument associated with it was the withholding of permits for rebuilding or function change. The protocol could not prevent rent increases, rent discontinuations, the sale of land and real-estate to developers, or the transition into residence-offices (Krauß, 1997: 245). As a result, the transition of the Westend continued, as did the growth of the financial sector in the rest of Global City Frankfurt. This growth reached an even more rapid pace after the seat of the European Central Bank had been allocated to Frankfurt. Under the pressure of these commercial developments and associated rising rent levels, more and more
shops in the Westend closed their doors (Krauß, 1997: 248), making room for further office development.

There was a need for new and more realistic guiding plans. For this reason, the planning department asked Novotny Mähner und Assoziierte to develop a new overall plan for the Banking District. The result was the Bankenplan of 1990. This plan, similar to the ideas voiced by Mäckler, was an effort by the planners to protect the green spaces in the inner city, and to preserve the relatively well-developed functional integration of the banking district with the lively streets and functions of the rest of the inner city. At the same time the plan was designed to provide a framework for the further densification of the Banking district itself. This district was allowed to grow by one-third of the existing office floor space, an addition that would bring 5,000 new workers into this already intensively used area.

The regional dimension

The trend of offices pushing other economic functions away from the core city now also expressed itself in the urban periphery. During the decades of the Wirtschaftswunder, this periphery had been a 'problem container', the place where the less favourable manufacturing industries that were pushed out of the central city found a place. During the 1970s, it also became a place where growing inner-city service-industries sought room for expansion. In the 1980s, however, the periphery
Regulating Urban Office Development

had witnessed a revival in the sense that it had now developed its own, partly independent growth dynamics, unrelated to the expansion of the urban core, and specialised in data processing and software development. However, during the early 1990s, the globally-oriented financial conglomerates began to expand into the periphery, using it as extra space for their office expansions, and pushing further away the old industries that had already been forced out of the core city of Frankfurt in earlier decades (Ronneberger & Keil, 1995: 301-307). So, in a ring around the city of Frankfurt, several office parks, which had been developing over the decades, now became important self-sustaining locations for economic growth. Some of these locations, such as Eschborn, were close to Frankfurt’s city borders. Others were located within the city itself, Niederrad being the most important example, but also the Merton-Viertel and the western inner city. These outer city developments amplified the pull that suburban communities exerted on big financial companies. A major example of this pull is the 1990 relocation of the Chase Manhattan Bank from the inner city Taunusanlage to the district of Rödelheim, with excellent access to the Airport, the Autobahn, and public transport (Krauß, 1997: 247).

The crisis of the reform model

Already during its first four years, the Red-Green Cabinet of Mayor and Councillors with portfolios suffered from a combination of circumstances that made its continuation all but self-evident: the upcoming recession, the seriously poor fiscal position, the lack of an electoral base for full scale reform politics, internal disputes within the SPD (where the traditional fraction did not want to give up the practice of corporatism and did not want to be concerned with the social problems, while the modernist fraction was a fierce proponent of third sector intensification and internationalisation of the city), and disputes between the alderman responsible for planning (Wentz) and the alderman responsible for the environment (Koenigs). These disputes were illustrative of the re-birth of the struggle between the proponents of social policies and those of ecological policies as compensation for the increasing internationalisation and commercialisation of the city.

Although the inhabitants of Frankfurt could broadly understand and support the more abstract underlying assumptions of the Reformprojekt (the keywords being ‘diversity and mixed usage’, ‘vitality and contrast’, ‘open spaces’, ‘culture’), their realisation in actual projects encountered unexpectedly fierce resistance. The plans and projects proposed entailed reservations for the accommodation of housing,
economic functions, open spaces, and traffic flows. Naturally, these projects affected many inhabitants, and not always to their immediate benefit or with their enthusiasm. The City Council had not expected such resistance to these plans, but they did not proceed to adapt or abolish them. Convinced of the need for city restructuring, the planners were even more committed to finding ways of carrying out the renewal plans quickly. Ideologically, this search was accompanied by a return to the conservative centre-oriented vision of urbanisation that had prevailed during the CDU years, and which did not give the urban periphery as much consideration as it did the urban core. The movement of the slaughterhouse is illustrative; it was displaced to the urban periphery from a city district because of redevelopment. All the commotion associated with this move influenced the resignation of Mayor Hauff in March 1991 (Ronneberger & Keil, 1995: 336). All in all, although communicated as a new turn in Frankfurt’s urban development, the Red-Green Cabinet was continuing the urban policies of the conservative government it had succeeded, but with fewer funds.

So, the forging of new coalitions to underpin the political programme of cultural and social policy, economic and ecological policy was thus a difficult undertaking. It became even more difficult with the declining economy that laid bare the social schisms inside the city. Fordist Frankfurt had mainly housed solid middle-class households. In the new social structure, the urban middle-class was under pressure from both the working classes, whose presence on the city streets was increasing, and the gentrified neo-urbanites, who controlled the cultural politics of the 1980s and took over many of the former middle-class residential neighbourhoods (Keil & Ronneberger, 1994: 153).

An associated problem for the reform politics was that the above-mentioned middle-class on whom the Red-Green Cabinet wanted to base its policies was not the undifferentiated social group the politicians thought it was. The most persistent cause of its internal segmentation was the difference in lifestyle and associated preferences between suburbanites and inner city dwellers. Although most of the suburbanites, neo-rurals in the words of Keil and Ronneberger (1994: 152), were economically dependent on the central city, they positioned themselves as an extra-urban group. In their suburban municipalities, they fiercely opposed the perceived negative effects on their living environment by the development of metropolis Frankfurt. In contrast with the ecological and ‘growth-critical’ protest movements of the 1970s, these suburban dwellers were mainly concerned with their own private interests: they wanted peripheral urbanisation to combine the advantages of city-like functionality and countryside-like aesthetics (Keil & Ronneberger, 1994: 239).
The inner city elite (neo-urbans), on the other hand, felt no ‘connection’ whatsoever with the people living outside the central city of Frankfurt. As noted above, their vision of urbanity derived from the conception of the city as a central place: the 19th century metropolis. In this view there is no place for the interests of the inhabitants of peripheral areas. So, in the view of the neo-rural elite, suburbanites were not entitled to have any influence on issues concerning the further development of Frankfurt.

However, this lack of support did not lead to the reform model’s total dismissal when, in the 1993 City Council elections, it was up for its first test. The question was whether the new political regime had left its mark on urban politics in such a way that the public at large could relate to it. The results of the election were ambivalent in this respect. However big the troubles were that confronted the SPD-Green Party City Council, the elections in March 1993 did not lead to the dismantling of the coalition: it received just enough votes to maintain its majority on the City Council. However, the CDU again became the biggest party, and an even clearer signal of the discontent amongst certain groups in society was the enormous rise of the extreme right that gained 13% of the votes, mostly from middle-class traditional workers.

9.3 1993 — present: liberal growth politics and fragmenting landscapes of power

**Locational politics and new regionalism**

During the 1990s, the flagging German economy influenced the political debate. Excessive wage costs and high tax rates were said to create a cost problem in trade and to limit Germany’s attractiveness for foreign capital. Moreover, Germany’s stakeholder capitalism consisted of too many outmoded industrial giants (Berndt, 2003: 289). The 1993 recession and the disappointing investment and employment performance since 1995 (Lindlar & Scheremet, 1998) tempered the enthusiasm and optimism of the post-unification years that had reinvigorated the social market economy. The enthusiasm now turned to calls for reform of what was referred to as the outmoded, corporatist, inward-looking, protective national policies that had been cultivated by three subsequent Kohl administrations. These calls for a neoliberal, international, and open economic policy had an important influence on the development policies of the late 1990s (Berndt, 2003: 290). The new left Schröder administration that came to power in 1998 introduced policies that shifted
Germany gradually towards the Anglo-American counterparts, taking up a middle way between Germany’s traditional social market model and Anglo-American capitalism (ibid).

Associated with this change was the re-introduction during the 1990s of the politics of endogenous growth that lay the responsibility for economic development increasingly at decentralised levels of government, by introducing the issue of local and regional competitiveness. The ideal of institutional change associated with this policy of endogenous growth was also voiced from 1995 onwards. The region was re-introduced as the most relevant economic space, usually of a sub-Land and supra-municipal scale. However, instead of emphasizing the specific issue of city-suburban financial relations, the new round of regionalism was introduced under the abstract and weaker theme of the regional coordination of locational politics (Brenner, 1999), which could not unite the region. So, in the Rhine-Main region, the new forms of governance remained relatively weak, just as for the UVF and its 2001 successor, the Planungsverband Ballungsraum Frankfurt/RheinMain (see also Freund, 2003).

**Fiscal problems and pragmatic politics**

In the city of Frankfurt, fiscal problems obstructed the continuation of the reform project. By the time the second electoral term of the Red-Green Cabinet began in 1993 the total debt of the city had risen to a spectacular 8 billion D-Marks. Enormous public expenditures had been made for the creation of a world city, with the assumption that revenues would flow back into the city’s coffers once the status of world city started to pay off. However, the opposite happened: the income from the Gewerbesteuer dropped because of the changes in the tax regulations and a disappointing company settlement ratio. At the same time, the social expenditures of the city rose quickly, putting the budget even more out of balance.

In order to control public expenditures more closely, the budget was placed under the supervision of the regional government. Nearly every sector of public administration was adversely affected by the fiscal crisis. However, the liberal growth politics that emphasised service sector expansion and centre-oriented commercial development remained the main political thrust, at the expense of the social housing projects that had been proposed earlier.

New developments were already in advanced stages of development; most plans dated from the conservative Wallmann years. In October 1994, Airport-terminal 2 and the Messe Frankfurt Congress Centre were both opened. One month
earlier, the building of the Commerzbank and the Japan Centre (two icons of the emerging world city) had been started. New projects, albeit somewhat more modest than the grand schemes of earlier years, were also emerging. First, in October 1993, after two decades of reciprocal obstruction, Frankfurt and Offenbach reached an agreement on the future development of Kaiserlei. The city administrations agreed on the mutual development of a mixed-use area with one-third located on Frankfurt’s eastern edge, and two-thirds on Offenbach’s territory. After (re)development, the area would accommodate 4,000 inhabitants and 8,000 office workers. Second, in February 1994, the Rebstock Entwicklungsgesellschaft, a public-private partnership, was created with two investors to develop a city district for 11,000 inhabitants and 6,000 office workers to the west of Frankfurt, close to the West-Kreuz. And third, in November of the same year, contracts were signed for the Westhafen Projektentwicklungsgesellschaft, also a public-private partnership, to create an exclusive residential location on the banks of the River Main.

While these projects came off the ground very hesitantly, mainly because of their complicated mixed-use character, but also the awkward financial position of the municipality of Frankfurt, activities on the office markets outside the city of Frankfurt quickly became more intense. Rental offices with ostentatious names and even more ostentatious architecture were built in the monofunctional office parks of Niederrad (that was enlarged now that new demand was surfacing), Eschborn, and the Taunus Hills. However, the situation in the city of Frankfurt also changed as a consequence of the worldwide economic growth and associated office boom. On the back of these developments, the skyline of Frankfurt gradually changed in the second half of the 1990s. Although room for new developments was becoming increasingly scarce, many new office development projects were started. Some space was found on sites that had been vacated by government agencies, many of which had departed from the inner city. Also, many parking facilities and multi-storey car parks were sacrificed for new development, and many offices built during the 1950s and 1960s had already become obsolete in the eyes of the developers.

The comeback of the CDU — a fragmenting political scene

The elections of 1997 and 2001 both revealed a further fragmentation of power on the political scene. A new political landscape developed at the cost of the green-red coalition. This coalition fell apart mainly because of the electoral losses of the SPD after 1989. In 1997, after 8 years in opposition, the CDU once more became the biggest political party, with 36% of the votes. They were therefore asked to lead the
Table 9.2, Statistics on the economic development of Frankfurt am Main

<table>
<thead>
<tr>
<th></th>
<th>1987</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inhabitants</td>
<td>618,300</td>
<td>650,705</td>
</tr>
<tr>
<td>Dwellings</td>
<td>310,750</td>
<td>340,462</td>
</tr>
<tr>
<td>Employment</td>
<td>558,850</td>
<td>588,200</td>
</tr>
<tr>
<td>- tertiary sector (1)</td>
<td>427,150</td>
<td>504,400</td>
</tr>
<tr>
<td>Work related commuters</td>
<td>258,500</td>
<td>318,023</td>
</tr>
<tr>
<td>Air Traffic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- passengers</td>
<td>23,305,600</td>
<td>49,369,429</td>
</tr>
<tr>
<td>- freight</td>
<td>950,700</td>
<td>1,589,428</td>
</tr>
</tbody>
</table>


City Council. Because the electoral outcomes of 1997 failed to produce a clear preference for a left-wing or right-wing urban government, the political situation in Frankfurt became uncertain. The SPD fell to 29% of the votes, but the Green Party grew slightly to 16% (see table 9.3 on page 247 below). The extremist right-wing parties forfeited many of their votes. The City Council was now formed by a broad coalition of CDU, SPD, the Green Party, and the FDP. The latter party had returned to the political arena after a long period of absence.

The ideological underpinnings of the green-red coalition that had already been eroded during its second tenure of office quickly lost political priority now that a new coalition was in power. Even during the first period of the SPD-Grünen City Council, it became clear that the Green Belt (which had been transformed into a regional project) and social housing would fade into the background, and that economic development policies would regain priority. In the new political constellation, as with most post-war city governments, the priorities were geared towards attracting companies and investors to the city in order to continue the development of Frankfurt a.M. as a tertiary node (see table 9.2).

From 2000 onwards a new office development boom period took place. Common behaviour during such office development booms involves the rise of risky investments: the development of new offices for the market, without the pre-lease to a future tenant. During this period, the investments were distributed over many locations in the Frankfurt metropolitan region. Next to the inner-city banking district, locations such as the office cities Niederrad and Eschborn were enlarged, and the extensions were filled completely with new investments. Now that the demand for land that could be developed for office purposes had risen dramatically, these
offices cities boomed. The somewhat cynical observation can be made that the planning concept of the monofunctional office city had been declared outdated not so long before. Recent policies had aimed for integrated solutions for offices, residential functions, and leisure facilities connected to the inner city. The best example of these new ideas in office development planning was the planning for City West, the location close to the Westend that had to be renovated.

In addition to the two peripheral office cities mentioned above, a whole regional ring of office locations had developed during the 1980s. The main economic clusters that settled in this ring were data-processing and software, chemical companies, and business services. Typical of the locations were the settlement of the European or German headquarters of such firms as AEG, Nixdorf, Olivetti, IBM, Commodore (Niederrad), Alcam (Eschborn), DuPont, Packard, Northern Telecom (Kronberg) and so forth. At the height of the office boom of the late 1990s, the autonomous development of these sectors in these areas was matched by investments by banks and financial services that had been concentrated in the inner city of Frankfurt until that time. Besides the widespread back-office activities, smaller scale office parks developed to the west of Frankfurt. For some time, these villages on the Taunus hills (Kronberg, Schwalbach, Bad Homburg, Oberursel, Bad Soden, and Liederbach) had provided spaces for companies that wanted to relocate entirely or in part from the inner city of Frankfurt to more peripheral locations. Gradually, the villages also developed as locations for the headquarters of international companies in telecommunications, chemicals, retail, and energy, as well as locations for the back-offices and training...
centres of banks and insurance companies. The most prominent names here are Dupont, Hewlett Packard, Norsk Data, Mazda, Samsung, and Procter & Gamble. During the 1990s, these locations developed into strong independent office locations that offered a high-grade alternative to the central city of Frankfurt. To an even greater extent, the same can be said of the planned office city Eschborn, just across the western municipal border of Frankfurt. Because of its favourable location and lower land prices, developers invested heavily during the boom in the late 1990s and the office city developed into a centre for ICT and the headquarters of companies in wholesale trade and industry. The big companies in Eschborn include Deutsche Bank (data processing centre), Philips, Grundig, Shell, Arthur Anderson, Deutsche Telekom, and Alcan. In addition to Niederrad, a number of office locations within the city of Frankfurt were developed during the 1990s, although the scale was comparatively modest. Examples are the Mertonviertel (big company settlements in owner-occupied offices such as KPMG, Price Waterhouse, and Deutsche ICI), Nieder Eschbach with software and engineering companies, and Sachsenhausen with advertising agencies, business services, and legal services.

The Cluster plan and beyond

So planners in Frankfurt were once again confronted with the dominance of market-led development processes that steered urban development, in particular with regard to office production and location choice. Although they had long come to terms with the dominance of banks and developers in shaping Frankfurt, politicians and planners alike thought that, in a time of both internationalisation and regionalisation, balancing urban developments had become extremely important. As a result, a call for more strategic public intervention than piecemeal planning in the city districts was heard again, and the private Projektbüro Architektur und Städtebau Jourdan und Müller was asked to develop a new plan that could canalize the unrestrained office developments. Towards the end of 1998 the bureau made public its Hochhauserentwicklungsplan Frankfurt 2000; it was accepted unanimously by the City Council on March 18, 1999. No remarkable new proposals were contained in the plan; it continued the long tradition in Frankfurt of strategic planning led by office development. Just as in previous plans, areas were designated where further densification of the office landscape should be stimulated, with certain other areas identified where office development should be avoided. The latter areas included green open spaces, the historic inner city, and residential areas. However, where previous plans were mainly developed in order to combat unbridled office development and to preserve neighbourhoods, the main challenge set out in the
Regulating Urban Office Development

new plan was to search for possible densification in a small number of clusters. This was possible, because high densities were now perceived to be desirable both architectonically and from a town planning perspective. The designated clusters were areas where offices were already quite dominant, and where cluster development had already started: the Bankenviertel, the Messeviertel, and the Parkviertel at the central railway station. Densification in these areas was taken seriously, since the plan envisioned no less than 19 new office towers, four of which would be of a height exceeding 200 metres. Furthermore, at 365 metres, the Millennium-Tower at the Messeviertel was planned to be the highest office tower in Europe.

Despite all the good intentions, the power soon surfaced again of private companies (especially investors, developers, and banks) to decide on matters of form and function of Frankfurt’s inner city. In 1999, for instance, Philip Holzmann A.G. and the Dresdner Bank published their plan to develop two office towers (150 and 136 metres high) at a location outside the designated clusters (Flierl, 2000: 148). Not much later, in July 1999, the Deutsche Bank submitted a proposal to the City Council for the development of Messestadt. The Bank wanted to invest 6 billion D-Marks in the Güterbahnhof district and adjacent areas, and had already developed a master plan for the area that was 300 metres wide and two kilometres long. The master plan foresaw a ‘city in the city’, with offices, theatres, exhibition buildings, museums, a park, stadiums, and houses at the edges.

The Planning Agency AS&P, however, had already developed a draft plan for the area for a consortium consisting of the City Council, FIM, Stella AG¹, and Eisenbahnimmobilienmanagement G.m.b.H.² This Rahmenplan was made public in 1998; it featured the Fair, housing, employment, and green as the most important elements. In the following months, these global plans were worked out in greater detail and in June 1999 the plan was presented for public consultation. The Deutsche Bank, taken by surprise by the mature stage of the plan, had already commissioned the architect Jahn (the designer of the Messeturm) to develop a plan. The result was the Messestadt-Plan that completely ignored the municipal plan for the Europaviertel. The city, somewhat taken aback by the prestigious Messestadt plan, was not pleased; the Fair Directorate also had problems with it. Not only had the plan ignored the municipal plan-making, but also some of the political decisions that lay at its foundations. The City Council was therefore obliged to turn down the

¹ Stella AG was interested in using the projected Urban Entertainment Centre as a Musical Theatre for the performance of Disney Musicals.
² A full branch of the Deutsche Bahn AG.

246
Deutsche Bank plan (for a detailed account of the plan-making for the Messestadt/Europaviertel, see: Langhagen-Rohrbach, 2003: 144-167). For the time being, nothing has happened at the Güterbahnhof area; it still lies derelict in the city centre.

The 2001 elections brought little change to the political scene. The CDU remained the biggest political party in Frankfurt, the Green Party experienced their first setback since they began their electoral advance in 1981, the SPD strengthened its position somewhat, and the extreme right petered out to 2.7 % of the votes. This electoral result did not disturb the political landscape, but led to the continuation of the broad coalition of CDU, SPD, the Green Party, and FDP (see table 9.2).

This coalition is currently faced with some of the problems that have been at the heart of urban politics in Frankfurt for decades, but now ask for quick solutions: the question of the city in its region, and the question of the future of Frankfurt as a financial centre. These issues are addressed in chapter 10.

### 9.4 Analysis of the regime of urbanisation and structure of provision

As was expected, just as in earlier decades, during the 1990s the city of Frankfurt laid down a red carpet for investors who wanted to invest in office space in the inner city. Moreover, the suburbanisation of service sector capital was taken to unprecedented heights, even to the extent that the difference in sectoral economic structure between the city of Frankfurt and its metropolitan suburban hinterland began to dissolve somewhat, since banking capital and business services began to crowd out other productive activities during the 1990s.

Although both the 1990 Bankenplan and the 2000 Clusterplan resided in the tradition of plans that pretend to put a check on further uninhibited office development in the inner city, in the event not the slightest obstacle was put in the


Table 9.4, Set of hypotheses regarding the regime of urbanisation 1989-2000

<table>
<thead>
<tr>
<th>Expected regime of urbanisation</th>
<th>Realised regime of urbanisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>tertiary sector</td>
<td>growth of the knowledge based economy — growth of the transport cluster</td>
</tr>
<tr>
<td>- State: inter-regional competition for investments — public-private plan making — local</td>
<td>- State: inter-regional competition for investments — private plan making/public accommodation</td>
</tr>
<tr>
<td>politics of accommodation;</td>
<td></td>
</tr>
<tr>
<td>- Space: priority of urban office development over residential development — scattered office</td>
<td>- Space: Scattered office development — suburbanisation of the whole tertiary sector —</td>
</tr>
<tr>
<td>development — multi-nodalisation</td>
<td>decentralisation of banking capital — multi-nodalisation — suburban crowding out of non-</td>
</tr>
<tr>
<td></td>
<td>tertiary capital</td>
</tr>
</tbody>
</table>

way of capital when aiming to develop an office in the inner city. The only obstacles that occurred were associated with fragmented landownership that could not be bought out, such as we saw in the examples of the *Campanile* and the plans of the *Deutsche Bank* for the *Güterbahnhof.*

The multi-nodalisation that has also acquired an increasingly tight grip on the financial services sector has led planners and politicians to search for new office development concepts: comprehensive and large scale urban development projects on big vacated sites, or reconstruction areas in the inner city. Moreover, the already heavily built-up *Bankenviertel* was designated for further densification. All these efforts were made in order to retain the centrality of Frankfurt’s inner city in the globalizing capital flows, and to make functional and spatial landscape regional. The question is whether these urbanisation and accumulation strategies resulted from a structurally coherent process of regulation, or whether the multiple superimposing processes of regulatory conduct from both the private and public sector were crisis ridden, and in need of new regulatory underpinnings.

*The local structure of office provision*

The boom in the office market in both the early 1990s and the late 1990s led to an unprecedented wave of new office construction in the inner city of Frankfurt, as well as along the urban fringe office locations during the years following the boom. The structure of provision had not changed much since the 1970s, although the financiers were more international. Fundamentally, the inner city office market was
still dominated by the big banks that were the main end users of office space, particularly in the inner-city banking district and its offshoots into the Westend and along the corridors leading to the western periphery. The big banks’ demand triggered the physical process of provision. The changed types of office building they demanded influenced this process, because the latest generation of office buildings for big banks has been bigger than any buildings of earlier generations. The impact on the urban structure was therefore greater then before. However, land acquisition was less problematic than before, both because of the availability of large-scale, vacated spaces for office construction and the trouble-free land acquisition along the corridors and in the Westend, because old parking lots as well as 1950s and 1960s offices were up for reconstruction. As an offshoot of the interest of banks in the inner city, the developers leading the structure of provision were also interested in this area. However, this interest did not lead to the deplorable eviction practices of the 1970s and early 1980s. Nevertheless, during the 1990s, the transformation of the Westend was proceeding even faster than during the 1970s, because small shops and residential building were still being bought out pushed out big capital. At the height of the office boom, the developer-oriented structure of provision sought for quick returns in relatively safe environments, and therefore the more peripheral office cities, but also many spots in the inner city, close to the banking district, were filled quickly with offices that were built predominantly at risk. Not surprisingly, at the height of the office boom, vacancies rose enormously in Frankfurt.

*Socio-spatial regulation, the process of planning, and the struggles over spatial imaginaries*

The dominant industry-based regime of accumulation had declined during the 1970s, and a world-wide transition was made to a service and knowledge-based accumulation regime during the 1980s. As we saw, Frankfurt profited from this transition and quickly developed into a knowledge and finance-based service-sector metropolis. However, the internationalisation of capital flows, the increasingly international origin of capital invested in the built environment, and the growing reach of the urban sphere of influence caused a complex urban landscape to emerge during the 1980s, which demanded a transition in regulatory modes (Keil & Ronneberger, 1994: 163). The accumulation and urbanisation strategies of the conservative government, although relatively successful for a short period, had not led to a mode of regulation that combined well with the *glocal* regime of accumulation that was now developing. As we saw in the previous chapter, this was to a large extent the result of the conservative urban imaginary of the Wallmann.
regime, which still took the classical view of core-periphery as its point of departure, while in practice this hierarchical model of the urban landscape was becoming increasingly obsolete: insular configurations challenged the Fordist, centre-periphery oriented concepts of zoning that underlay the urban development paths of the post-war era (Ronneberger & Keil, 1994: 151).

The SPD and the Green Party, who won the 1989 elections, put forward a new imaginary: they envisaged further economic expansion in a regional setting. Because urbanisation and economic development had become multi-centred, nodal, flexible, and global, this vision demanded a complex process of aligning cooperating and competing forces that originated from scales diverging from the global to the sub-local (ibid.). Both parties had understood that the city had left the phase of the formation of the world city and had reached the phase in which this world city had to be regulated.

The new ‘urban management’ (Lanz, 1996), however, was less of a departure from the old strategies than might have been expected. Although urban planning and development was characterised by the historical priorities of the new coalition partners (the SPD advocated social justice, while the Green Party was a fierce proponent of ecological justice), the good intentions to alter urban development practices were not actually seen through. The ‘world city’ remained the single most important urban imaginary, and the green belt was an attempt to freshen its image under the label ‘green world city’ (Gather & Unterwerner, 1992). So, the dominance of the economic narratives in urban politics were further strengthened, and ecological projects were made instrumental to the further development of Frankfurt’s attraction to investors and companies in the service sector. The new political compromise, labelled ‘the coalition of banks and grass’ by Ronneberger and Keil (1995: 333), aimed to use the mutually strengthening mixture of economy and ecology to make the continuation of world-city politics into a political success. However, a growing polarisation soon occurred amongst the political elite and the urban society. Because the City Council based its ambitious political project (economy and ecology, culture and society) on the goodwill of the tolerant urban middle-class, its political project was bound to collapse, since this middle-class was hardly the unambiguous group that would be thrilled to see the plans of the new City Council materialise. The conflicting interests of the urban and suburban/peripheral middle-class led to conflicts between different urban elites “over territorial control of the city or its important parts, in order to put their specific stamp on the structured coherence of this particular urban region” (Keil & Ronneberger, 1994: 151).

250
With the collapse of the Red-Green Cabinet, the ongoing multi-nodalisation in the Frankfurt metropolitan region, the booming economy, the exploding real-estate markets and the problem of regional government, the new City Council, which consisted of a broad coalition of all main parties under the leadership of the CDU, continued the politics of financial service sector based accumulation and urbanisation. The changes in the urban structure of the inner city of Frankfurt have never been so fast or formidable as in recent years, and the end is not yet in sight. The further development of Frankfurt as a world city is still uncertain, because of the structural changes in the banking sector and the growing inter-urban competition from smaller office locations. The regime of urbanisation that has guided Frankfurt’s development throughout the post-war era, albeit with some ideological shifts, is now confronted by its most severe challenge so far: the gradual loss of centrality and gravitational pull of the inner city CBD. The question is how the challenge of regionalism will be taken up in order to maintain the central world city into which Frankfurt has developed.

9.5 Conclusion: the regime of urbanisation at a cross-roads

The German reunification, the rise of endogenous growth and competitiveness policies, the definitive regionalisation of the service sector, and the rise of Frankfurt’s financial district towards global city status defined the developments in the 1990s. During these years, urban expansion politics remained central, and the compensation in the various development plans came from ecological and social investments, first on a grand scale, and later on a more ad hoc basis.

The three citadels of city expansion (the banking district, the Airport, the Fair) has remained central in the development policies of first the Red-Green Cabinet and the big coalition since 1997. Increasingly, new urban development plans, usually developed in public-private partnerships, are integrated solutions, interspersed with offices, retail functions, residential developments, leisure facilities, and public spaces. Because the completion of such dense inner-urban districts is made subject to narrow investment objectives, the influence of economic accumulation on the urban process has intensified during the 1990s. This is particularly so in the western part of the inner city, which has been taken over by real-estate developers: the economic poles inside the city were assigned for further economic densification.
At the same time, the lack of a regional institutional coherency and the remaining competition between the city and the suburbs for economic investments remains unaltered, despite incentives designed for the opposite effect. The regional agency UVF was dissolved and replaced by a Planungsverband that has even fewer discretionary powers. Thus, coordinated regional economic development remains a distant ideal. Now that the future centrality of Frankfurt as a financial centre appears less sure than it was, the question can be asked whether the laissez-faire attitude that has led to a plethora of monofunctional economic islands across the metropolitan era will meet the requirements of the future.