Private Sector Investment: The Saxon Triangle

“High End” rural development in Bran and Sibiu

Description: Construction of a “high-end” rural lodging that would become part of a small network of similar high quality lodgings in the Saxon “triangle” of lower Transylvania

Beneficiaries: Tourists, Pro Bran Association, Bran Commune, Area craftsmen and suppliers

Project Implementer: BTF – Bran Srl
Co-implementer: Pro Bran Association

Timespan: Immediate 12 months

Estimated Cost: 225,000 dollars for the “Inn in Bran”; 963,000 dollars for the “Inn in Sibiu"

Partners: Bran Town Hall, Private sector

Origin: BTF – Bran Srl
August 2004

Proposal overview

Five BTF-Bran srl Projects are proposed for inclusion.

1a. ‘High End’ rural inn development in Bran and Sibiu

   $225,000 for “The Inn on Balaban’

   $ 963,000 for “The Inn in Sibiu”

2b. Water Treatment micro-solutions for villages and remote sites

   $140,000 for a demonstration project of ‘distiller’ technology

   $3-5,000,000 for local assembly and sales start-up

3. Walking Maps covering Sibiu/Sighisoara/Bran/Fundata

   $95,000 for digital base and initial printing

4. ‘Best of Craft’ production and sales promotion

   $150,000 to create inventory and initiate sales promotion

Each Project has the following qualities: initial investment by BTF, job creation, promotion, environmental improvement, and short-term action (contingent on funding support).

Attached Project Briefs follow the format and guidelines provided by MET/Gaia.

Background

BTF is a trademarked logo representing the highest quality and standards of products and services in Romania. BTF-Bran srl is a Romanian-owned company located in Bran. Investments over a two-year period in each of these four project categories exceed $250,000 for market studies, land acquisition, professional services, and product or site development. The company maintains offices, banking accounts with ING, and legal counsel in Bucharest.
Project #1a – ‘THE INN ON BALABAN’

1. Title of the Project: “The Inn on Balaban”

2. Location of the Project and Area of Coverage

Simon Village in Bran Commune, Brasov County

3. Justification

Tourism is driven by a simple rule of thumb. Travellers are prepared to travel as far to a region in time and they will stay. It is for this reason that regionalized attractions, because of richer variety and choice, are a greater draw than single points of interest. Examples: the Loire valley, The Cotswolds, Vermont, Cape Cod. For this reason the Sibiu, Sighisoara, Brasov/Bran triangle stands a better chance of sustainable economic success than a program that focuses on single sites. The single site serves better as a ‘magnet’ to a wider region. In that context Sighisoara is one of the magnets; so are Sibiu and Brasov/Bran. One of the key elements of a successful regional visitor strategy is provision of infrastructure of which high-end quality and services are essential. They attract higher income travellers who are more likely to make local purchases. They are also more effective in spreading favourable word-of-mouth promotion. At present, high-end lodgings and services are still inadequately developed. In the ‘triangle’ small traditionally styled quality hotels have recently emerged in old Sighisoara (Casa Cu Cerb, Hotel Sighisoara, Casa Wagner); in Miclosoara is the successful Kalnoky village inn.

There are no equivalent lodgings in Brasov/Bran. The best hotel in Bran is in the category of one star by West European standards; pensions are of mixed quality from business-modern/clean to informal home accommodations.

The “Inn On Balaban” is intended to create a small ‘boutique’ guest house for the ‘high-end’ foreign agro-tourist. A traditional Magura-style farm house (See Sibiu Museum blgd #21*) will be recreated in a protected natural hill-top area with broad open vistas of the Bucegi and Piatra Craiului Mountains. Building plans were provided by the museum staff. Hiking and trail-bike trails are immediately accessible as are local historic sites of Bran castle, Rasnov fortified village, and Vulcan fortified Saxon church.

* See Astra Museum Building #21 at: http://muzeulastra.ro/galerie/categorie.php?id=29&indice=2

4. Objectives of the Project

- The long-term objective is to build a ‘high-end’ rural lodging that would become part of a small network of similar existing or new high-quality lodgings in the Saxon ‘triangle’ of lower Transylvanian
- Immediate objectives are to build an initial site to generate revenue and a platform from which to grow. The site will be modest in scale able to house 10 people in five double rooms. Initial
occupancy is expected to be principally in summer months (June to September) with an occupancy of 10-15 per cent as a year-one target or about 750 individuals.

5. Activities of the Project
- **Land** has been acquired from four different owners who retain rights to cut hay
- **Utilities** have been installed (water, electric lines, and telephone of 1km in length) and are privately owned by BtF-Bran
- **Access roads** have been improved in two directions and registered as ‘public roads’; these will be retained as unpaved roads
- **Architectural plans** have been drawn and authorizations processed for pre-construction
- Hand crafted local Saxon-styled furniture has been ordered
- **Construction and interior furnishings** need to be contracted from local artisans
- **Staff** need to be trained
- **Promotion plans** need to be drawn up

6. Inputs
- Human - **construction manager** (in place)
- Inn **manager** (in place)
- Work **staff** - need to hired and trained
- Material – **all materials and mechanical equipment** need to be purchased
- Financial – **construction loan and/or subsidy needed** ($225,000 in addition to invested capital)

7. Requirements from outside the project
**Local** – normal construction authorizations
**National** – support from appropriate administrative officials in the event external funding (EU, WB or other) is funnelled through government channels

8. Calendar of Activities
2002-03 Land acquisition
2002-04 Architectural plans and construction authorizations
2004 Utility installation (water, electricity, telephone)
2005 Construction (Spring through Summer)
2005-winter First guests for Xmas and New Year period

9. Budget

**EXPENDED**
- Land acquisition $50,000
- Professional fees $23,000
  (legal, architecture, surveyors)
- Utilities $75,000
- Telephone $3,000
- Travel $1,800
- Materials (stone, shingles) $6,000
- Road improvements (grading) $4,000
- Other (acctn, materials) $1,000

**FUTURE**
- Construction $150,000
- Site improvements $20,000
- Furniture $23,000
- Equipment (kitchen, heating) $20,000
- Other (contingency) $10,000

**Other issues to be considered and answered in preparing this sheet:**
Who should or could be the implementing agent/applicant?
   BTF-Bran sr. (Bran, Romania)
To whom should the application be submitted?
   EU (Sapard, ISPA), WB, Banks, investors
What is the scope of the project? Local, regional?
   Local first, Regional in next phase (within the Saxon Triangle)
How does the project fit in the global strategy?
   n.a.
How does it contribute in improving the situation?
   Job creation (4-5 jobs at inn; secondary benefits to local economy)),
   Attract higher-income foreign traveller (lo 400 to hi 2000 individuals/year)
Who are the actors to be involved in its implementation and who are the direct beneficiaries?
   Implementor:
      BTF-Bran srl Bran (owner, investor, manager)
   Beneficiaries:
      Pro Bran Association (promotion of indigenous architecture and cultural experience)
      Bran Commune (higher quality visitor, new jobs, higher profile)
      Area craftsmen and suppliers (furniture, construction, food)
   Examples of current work-in-process:
      - Bran Valley remaining maker of hand cut shingles (200,000 units ordered)
      - Supplier of specially shaped river stones (40 cubic meters)
      - Hand-painted Saxon furniture reproductions from Brasov (five bedrooms sets ordered)
Project #1b – “THE INN IN SIBIU”

1. Title of the Project: “The Inn in Sibiu”

2. Location of the Project and Area of Coverage

City of Sibiu, Sibiu County

3. Justification

Tourism is driven by a simple rule of thumb. Travellers are prepared to travel as far to a region in time and they will stay. It is for this reason that regionalized attractions, because of richer variety and choice, are a greater draw than single points of interest. Examples: the Loire valley, The Cotswolds, Vermont, Cape Cod. For this reason the Sibiu, Sighisoara, Brasov/Bran triangle stands a better chance of sustainable economic success than a program that focuses on single sites. The single site serves better as a ‘magnet’ to a wider region. In that context Sighisoara is one of the magnets; so are Sibiu and Brasov/Bran. One of the key elements of a successful regional visitor strategy is provision of infrastructure of which high-end quality and services are essential. They attract higher income travellers who are more likely to make local purchases. They are also more effective in spreading favourable word-of-mouth promotion. At present, high-end lodgings and services are still inadequately developed. In the ‘triangle’ small traditionally styled quality hotels have recently emerged in old Sighisoara (Casa Cu Cerb, Hotel Sighisoara, Casa Wagner); in Miclosoara is the successful Kalnoky village inn.

There are no equivalent lodgings in Sibiu. The best large hotel in Sibiu (Emperor Hotel) is in the category of one star by West European standards; small business hotels are of higher quality but are located in residential zones to the old town.

The “Inn In Sibiu” is intended to create a small ‘boutique’ guest house for the ‘high-end’ foreign agro-tourist. The room number will not exceed 20 and the site will be in the old town of Sibiu. Specific sites have been discussed with the City’s authorities and urban planning department. A specific site consisting of two adjacent 17th century buildings was selected as optimal but will required investment funds (a) to buy out existing owners, and (b) for restoration and modernization.

4. Objectives of the Project

- The long-term objective is to build a ‘high-end’ lodging that would become part of a small network of similar high-quality lodgings in the Saxon ‘triangle’ of lower Transylvanian
- Immediate objectives are to acquire development rights to a selected site in the old town of Sibiu. The site, consisting of adjacent buildings, would lodge 20 people in ten double rooms. Funding support (public and private) would be essential to begin negotiation of occupancy rights, architectural plans, and construction authorization.

5. Activities of the Project

- Two properties need to be acquired from owners and renters.
- Architectural plans need to be drawn and a
- Authorizations for pre-construction and construction need to issued from local and national authorities
- Construction and interior furnishings need to be contracted from local artisans
- Staff need to be trained
- Promotion plans need to be drawn up

6. Inputs

- Human - construction manager (to be determined)
7. Requirements from outside the project
Local – property acquisition or lease and normal construction authorizations
National – support from appropriate administrative officials in the event external funding (EU, WB or other) is funnelled through government channels

8. Calendar of Activities
2005 - Property acquisition or lease
2005 - Architectural plans and construction authorizations
2006 - Construction
2007 - First guests for Xmas and New Year period

9. Budget

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property acquisition</td>
<td>$150,000</td>
</tr>
<tr>
<td>Professional fees (legal, architecture, surveyors)</td>
<td>$ 75,000</td>
</tr>
<tr>
<td>Telephone</td>
<td>$ 3,000</td>
</tr>
<tr>
<td>Travel</td>
<td>$ 3,500</td>
</tr>
<tr>
<td>Other (acctn, legal)</td>
<td>$ 7,500</td>
</tr>
<tr>
<td>Construction</td>
<td>$785,000</td>
</tr>
<tr>
<td>Furniture</td>
<td>$ 45,000</td>
</tr>
<tr>
<td>Equipment (kitchen, heating)</td>
<td>$ 50,000</td>
</tr>
<tr>
<td>Other (contingency)</td>
<td>$ 20,000</td>
</tr>
</tbody>
</table>

Other issues to be considered and answered in preparing this sheet:

Who should or could be the implementing agent/applicant?
BTF-Bran sr. (Bran, Romania)

To whom should the application be submitted?
EU (Sapard, ISPA), WB, Banks, investors

What is the scope of the project? Local, regional?
Local first, Regional in next phase (within the Saxon Triangle).

How does the project fit in the global strategy?
N.a.

How does it contribute in improving the situation?
Job creation (5-10 jobs at inn; secondary benefits to local economy)),
Attract higher-income foreign traveller (lo 800 to hi 4000 individuals/year)

Who are the actors to be involved in its implementation and who are the direct beneficiaries?
Implementor:
BTF-Bran srl Bran (owner, investor, manager)

Beneficiaries:
- City of Sibiu (promotion of indigenous architecture and cultural experience as well as attraction of higher quality visitor, new jobs, higher profile)
- Area craftsmen and suppliers (furniture, construction, food)
  - wood-work, masonry, mechanical equipment
  - hand-painted Saxon furniture reproductions from Brasov (five bedrooms sets ordered)
- Local restaurants and vendors

Copyright © 2004 – BtF Bran, srl, Comuna Bran (Jud. Brasov)