

Miskolc's Hidden Industrial Asset

Plain-language summary of the revitalisation study for the Diosgyor Steelworks

The Diosgyor Steelworks, or DAM as many people in Miskolc know it, is not simply an old factory site. It is one of the city's most important historical, industrial and economic locations: an area around which districts, jobs, communities and local identities were built. The ironworks past is not only a memory, but also an asset that can still represent an opportunity for Miskolc today.

The study examines the future of an almost 130-hectare area with more than 250 years of industrial history. Because of its size, location and historical significance, its development is not only a district-level issue but one that concerns the whole of Miskolc.

The revitalisation study examines the condition of the DAM site at the time the study was prepared, the obstacles that hinder its reuse, and the conditions under which it can once again become one of the key areas of Miskolc's development. Based on the study's findings, the future of DAM can only be shaped effectively if the city does not merely observe the site's fate from the outside, but takes part in its settlement and development as an active and responsible actor.

The full study deals in detail with the legal, economic, environmental, transport, utility, architectural, energy and financial issues of the area.

This summary presents the most important findings in an accessible form.

More than a brownfield site

Today, DAM is not an empty area, nor is it simply an abandoned industrial zone. Businesses are still operating on the site, carrying out metalworking, mechanical engineering, waste recovery, commercial and other activities. According to the study, several hundred people work in the area, and significant economic output is generated there.

At the time the study was prepared, of the 75 companies with ownership shares in the DAM area, 41 carried out substantive production or service activities. Around 650 people worked on the site, and the businesses operating there generated total annual revenue of approximately HUF 25-26 billion. The largest economic output was linked to the metal and mechanical engineering industries: according to the study, metalworking activities accounted for HUF 15.9 billion and mechanical engineering activities for HUF 3.4 billion in net revenue.

This is important because DAM's future cannot be considered as if it were a completely empty development area with no prior history. The operating companies, the existing industrial knowledge, the remnants of industrial infrastructure and the industrial heritage are all assets that can be built upon.

At the same time, the current condition does not allow the whole area to function as an orderly, modern development site that is attractive both to investors and to the city. Today, DAM is a partly used and partly deteriorated area, with complex legal issues and infrastructure in need of development.

Why has it not developed so far?

One of the greatest obstacles to the development of DAM is the unsettled and fragmented ownership situation. The area was, and still is, held in undivided common ownership, with many owners, differing interests, registered encumbrances and several ownership situations that in themselves made progress more difficult.

At the time the study was prepared, the area had 144 owners: more than half of them were businesses, a significant share were private individuals, while the state and municipal ownership shares amounted to only a few percent. This clearly shows why it was difficult to establish a unified development direction. According to the situation examined, only 8 percent of the owners held 76 percent of the total area, while more than 130 owners shared the remaining part. This structure in itself made joint decision-making and the preparation of developments more difficult.

In plain terms, this means that DAM was not, for a long time, like an empty plot with a single owner who could simply decide on its development. Many stakeholders, many legal interests, various usage arrangements and several interrelated problems were, and still are, present. For this reason, the future of the area cannot be fully resolved by a single purchase or a single investment decision alone.

Nevertheless, starting to settle the ownership situation is a necessary first step for the city to shape DAM's future as a meaningful actor. One of the study's important conclusions is precisely that the first condition for development is the settlement of ownership, use and organisational relations. Without this, it is not possible to plan reliably, involve investors, develop infrastructure or enforce long-term urban objectives. Dissolving the undivided common ownership will be a long process, with many legal and regulatory tasks to be resolved.

What did the study examine?

The revitalisation study is primarily a decision-preparation document. Its purpose is to identify the current condition of the area, the opportunities it offers, and the conditions needed for the reuse of DAM to be realistic.

In more than 400 pages, the document examines the situation of DAM, from situational analysis through industrial reuse, legal and environmental issues to transport, utilities, energy, permitting, risk and financial chapters.

Among other things, the study examined:

- the historical and urban-structural significance of DAM;
- the current economic use of the area;
- the ownership and legal situation;
- the environmental condition and the issue of contamination;
- the existing building stock and industrial heritage;
- transport and logistics connections;
- utility and energy conditions;

- possible industrial, technological, service, cultural and community functions;
- the cost and scheduling issues of development;
- the key risks.

The study therefore shows the directions in which it is worth thinking, the obstacles that need to be addressed, and the decisions required for the development of the area to be placed on an orderly path.

What vision does it outline?

According to the study, the future of DAM is not that industry disappears from the area, nor that the site becomes merely an industrial-history memorial. The proposed direction is the creation of a modern, mixed-use industrial-urban district.

This means that, alongside modern industrial and technological functions, there may also be space for service, commercial, research and development, creative-industry, cultural, sports, recreational and community functions. The aim is to create a district that is connected both to Miskolc's industrial past and to the city's future economic opportunities.

The study examines several development alternatives. Their common element is that a larger contiguous industrial area could be created in the southern part of DAM, while service, community, creative-industry, green-space or recreational functions could also appear in other parts. Pedestrian and cycling links, green corridors, community spaces and routes connecting the surrounding districts could be created in the heart of the area.

One of the development alternatives discussed in the study envisages the creation of a contiguous industrial area of more than 30 hectares on the southern side of DAM, which could also be suitable for investors with larger land requirements. In another alternative, a 14.5-hectare industrial area appears in the northern part, with a direct road connection and a rail connection that could be restored.

The essence of the vision is for DAM to be reconnected to the urban life of Miskolc.

An honest look at environmental issues

DAM is an area with a heavy-industrial past, so examining its environmental condition is particularly important. The study addresses contamination resulting from former industrial activities, heavy metals, slag infill and certain local contamination hotspots.

According to the study, almost the entire DAM area is slightly contaminated with heavy metals due to the slag infill, while medium or higher levels of metal contamination can also be detected in some smaller, clearly defined areas. It states that there is currently no measurement result or monitoring test showing that the contamination has reached groundwater or surface water.

Also due to the slag infill, PAH concentrations exceeding the contamination limit value were measured in about a quarter of the samples examined, and a few local, patch-like hydrocarbon contaminations were also identified. The study identifies three hotspots and also recommends further investigation for them.

At the same time, the study does not claim that the area cannot be developed. Rather, it states that development requires precise investigation, targeted treatment of individual hotspots, and the planning of new functions in line with the environmental conditions.

The key point is that one of the basic conditions for the development of DAM is precise environmental assessment and the necessary remediation. Development directions, construction works and later functions must be defined with the environmental conditions taken into account.

In other words, the question is not whether there are environmental tasks arising from the industrial heritage. There are. The question is whether the city and the actors involved in the development will handle them consciously, on a professional basis and in coordination with the development process.

There is no development without infrastructure

The reuse of DAM is not only about buildings, halls or investors - the basis of developing the area is the settlement of transport, utility and energy infrastructure.

The internal road network, access, utility supply, electrical capacity, water and wastewater systems, stormwater management and energy supply all need to be reconsidered. The rail connection, public transport, and pedestrian and cycling links can also be important elements in ensuring that DAM functions not as an isolated industrial enclave, but as a development area connected to the city.

The study therefore examines not only what can be placed on the site, but also the basic conditions required for anything to operate there sustainably and safely.

The study deals separately with road access, the development of the internal road network, the possibility of a rail connection, and the issues of drinking water, wastewater, stormwater, gas, electricity and telecommunications networks. In other words, the reuse of DAM is not a question of a single building or hall, but a complete district-level infrastructure development task.

The energy concept also examines the possibility of renewable energy generation: for example, the study also considers the use of approximately 10 hectares of less marketable or more heavily contaminated land for a solar power plant, with around 15 MW of peak capacity.

How much could it cost?

The study contains a long-term, multi-decade modular cost estimate. This is one of the most important points to understand precisely: the cost estimate does not mean that the city would have to spend such an amount alone and within a short period, nor does it mean that a single investment would be launched.

The study calculates several model alternatives for the development of 100 percent of the entire area, covering every building, area and basic infrastructure element. These project investments are on the order of hundreds of billions of forints over a 30-40-year time horizon. The investments include private investments (industrial and commercial), community-purpose or infrastructure investments, as well as investor, state, municipal and EU funding.

It is important to emphasise that this does not mean Miskolc would spend such an amount within a short period. The figures show the theoretical scale of the long-term, multi-decade, comprehensive development of the entire DAM area, which can only be imagined in phases, with the involvement of multiple actors and several types of funding sources.

The study clearly states that the development of DAM can only be envisaged in several phases, with the participation of multiple actors and through a combination of state, municipal, market, investor and other domestic and EU funding sources.

The most important task in the coming period is therefore not the immediate implementation of the entire development, but the creation of the conditions for development: settling the remaining ownership and legal issues, carrying out the necessary investigations, establishing the organisational model for development, designating the first phases and identifying possible funding sources.

What is the role of the municipality?

The future of DAM is not merely a real-estate development issue, but a long-term urban-development and economic-development matter for Miskolc. It is therefore especially important that the city should not observe the processes taking place on the site from the outside, but should shape the next steps through an active ownership and urban-development role.

Compared with the extremely fragmented ownership structure identified at the time the study was prepared, the city is now able to continue preparing the settlement process from a meaningful position. However, this does not automatically eliminate all legal, environmental, infrastructure and financing tasks.

At the same time, the municipality's task is not to implement the entire DAM development alone, from its own resources. The reuse of an area of this size and complexity can only be envisaged through cooperation among several actors, in several phases, with the involvement of state, municipal, market and other sources.

The city's role is primarily to set a direction, coordinate and create the conditions for development. This may include settling the remaining ownership and legal issues (dissolving the undivided common ownership that most hinders development), establishing the regulatory and development framework, involving the operating companies, seeking state, market and other sources, and ensuring transparency.

The city's assumption of an ownership role is an important step forward, but it is not the end of the process. Rather, it is a condition for placing DAM's future on an orderly and transparent development path aligned with Miskolc's interests.

What happens now?

The publication of the study is not the end of the process, but the beginning of an important new stage. The next step is for the city, the remaining affected owners, the operating businesses, professional stakeholders and the people of Miskolc to jointly understand the opportunities and limits involved in the future of DAM.

The most important next tasks are:

- settling the remaining ownership and legal issues;
- clarifying the environmental and infrastructure tasks;
- developing an organisational and operating model suitable for managing the development;
- designating the first realistically launchable interventions;
- identifying possible funding sources;
- launching professional and public dialogue.

The future of DAM does not depend on a single decision. It depends on whether Miskolc is able, in the long term, consistently and with the involvement of multiple actors, to turn the former steelworks area

once again into an urban, economic and community asset.

The main message of the study can therefore be summarised simply:

DAM is one of Miskolc's greatest historical and economic reserves. Today it is still a legally, environmentally and infrastructurally complex area, but with the ownership situation now beginning to be resolved and with conscious preparation, there is a realistic chance for it to become a modern industrial-urban district that both preserves the ironworks heritage and gives the city new opportunities for development.

The study on which this summary is based was prepared at the request of the Ministry for National Economy and commissioned by the University of Miskolc by Ex Ante Consulting Office Ltd., DANU Engineering and Planning Ltd. and EX-ACT Project Consulting Office Ltd.
