

## Summary

# Evaluation of Oslo City Hub

## The planning and establishment of a depot for transshipment of goods

TOI Report 1730/2019

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Oslo 2019, 39 pages, English

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*In an ongoing project in Oslo, a depot for transshipment of goods called Oslo City Hub has been established at Filipstadkaia. This depot is operated by DB Schenker and will mainly be used for reloading of goods from larger vehicles to smaller electric vehicles. The project arose when the Port of Oslo announced a competition for the use of a site area in the Port of Oslo in the fourth quarter of 2017. Filipstad Utvikling (consisting of Moment Eiendom and a representative from Hamoco) rents the area from the Port of Oslo and, in cooperation with DB Schenker and MMW architects established Oslo City Hub. The lease runs until April 30, 2021. This report evaluates the planning process prior to establishing the Oslo City Hub, which lasted from May 2018 to May 2019. The depot opened for operation on May 8, 2019. The aim of the evaluation is to provide a knowledge base for other private actors or municipalities that want to establish something similar.*

*Five criteria for a successful establishment of the Oslo City Hub was detected through the evaluation; trust between the project partners, expert knowledge and a dedicated driving force in the planning and design process, support from and good cooperation with the public sector, suitable and available location for the depot in city centers and simple and flexible design of the depot.*

*An important aspect of establishing a depot such as the Oslo City Hub is access to locations in the city center. In order to dedicate areas for logistics purposes, city logistics should be integrated into overall urban and area plans. Although the Oslo City Hub is driven forward and established as a private initiative, involvement from public bodies has been necessary in order to realize the establishment of the city logistics depot.*

## City logistics and experiences from other European cities

Norway as the rest of Europe is experiencing increased urbanization and densified cities. This leads to increased pressure on available infrastructure from the various road users and results in increased traffic volumes and competition for areas in city centers. Although city logistics are mainly carried out by the private sector, the public sector also has an interest in how it is handled and executed, especially with regard to the negative effects of transport (mainly emissions and noise). Therefore, the issues and solutions for city logistics lie in the intersection between private and public actors (Fossheim et al. 2019).

One trend that has existed over a long period of time in many European cities is that logistics actors are located on the outskirts of cities (so-called "logistics sprawl"). This can lead to an increase in vehicle kilometers and thus have a negative environmental impact (Aljohani and Thompson 2016; Diziani et al. 2012). Depots like Oslo City Hub and other types of terminals in the city center can help reduce this effect and help reduce the transport kilometers in cities.

As much of the reason why carriers want to establish depots in city centers is to be able to use smaller and more environmentally friendly vehicles for the last mile distribution, this solution is most suitable in cities with challenges related to lack of space, high traffic

volumes and pollution. The location can be decisive for the profitability of operations and the place for the location should therefore be made in consultation with the actors that will operate the depot (Ørving et al. 2018).

## **Expert knowledge from similar experiments**

In connection with the knowledge base in this report, we have conducted three expert interviews with actors who have been involved in the establishment of depots and / or consolidation terminals in the cities of Paris, London and Gothenburg in order to gain an insight into their experiences and knowledge of goods depots and terminals in city centers. The main points from these interviews were:

- Tendering processes for locations for logistics purposes seems to be a growing trend in European cities. The challenge in many large cities is a lack of vacant space, and high market prices make it difficult for logistics operators to get a profitable operation.
- A thorough analysis of the power requirement is important prior to the establishment of a city terminal if the last mile distribution of goods is to be carried out with electric vehicles.
- It is a safety aspect related to sharing areas between logistics activities and soft road users. This can be partly solved with good markings and signage at the specific location
- There is a trade-off between depots or other city terminals in the city center that must be public-friendly and aesthetic vs. terminals outside the city center in less glamorous areas, which may have a more operative design
- Sufficient volume of goods and flexibility in design and functionality are important success criteria when establishing a goods depot or consolidation terminal
- It is important to integrate logistics into formal area plans for areas to be allocated to logistics activities before being tied up for other purposes
- Lack of awareness and knowledge about logistics in the public sector often coincides with the lack of area allocated for logistics activities in a city according to the representative from Paris.
- The Gothenburg municipality representative mentioned that one of the main success criteria behind a consolidation terminal in Gothenburg was good dialogue with the carriers both in advance, in the planning phase and after the establishment.

## **Oslo City Hub - Description**

Oslo City Hub is a goods depot at Filipstadkaia in Oslo which is operated by DB Schenker and is mainly used for reloading of goods from larger vehicles to smaller electric vehicles. The project arose when the Port of Oslo announced a tender for the use of a site area in the Port of Oslo in the fourth quarter of 2017. Filipstad Utvikling (consisting of Moment Eiendom and a representative from Hamoco) rents the area from the Port of Oslo and, in cooperation with DB Schenker and MMW architects established Oslo City Hub. The lease expires on April 30, 2021. DB Schenker's goal is that 80% of their distribution within ring road 3 will be carried out with zero emission vehicles by 2019, and Oslo City Hub will be important in achieving this goal. DB Schenker looks at the Oslo City Hub project as an

opportunity to gain experience and build a concept that can be transferred to other cities in Norway.

Oslo City Hub consists of several containers assembled into a construction that enables a flexible and temporary solution with a low investment cost. In connection with the design phase of the Oslo City Hub, several and regular project meetings have been held to discuss sketches and solution proposals. According to both the project partners and DB Schenker, it has been crucial to bring the user of the Oslo City Hub with their expert knowledge in the design phase of the project. Figure S.1 shows the final construction of Oslo City Hub taken from the official opening on May 8, 2019.



*Figure S.1: Oslo City Hub from the official opening on 8 May 2019. Photo: Olav Eidhammer*

## **From idea to establishment of Oslo City Hub**

Although the Oslo City Hub project is a result of a tender process announced by the Port of Oslo and an idea started by Filipstad Utvikling, there are several other key players who have been involved in the process and crucial for the final result and the establishment of the Oslo City Hub. The private actors involved in the establishment of the Oslo City Hub are also part of the project group who have worked extensively together in connection with the design of the terminal. The public actors who have had a role or interest in the establishment of the Oslo City Hub are mainly the Port of Oslo (which leases the area to Filipstad Utvikling and issued the tender), the Planning and Building Authority (which assessed and gave building permission to Oslo City Hub), The National Roads Administration, the eastern region (which gave the necessary dispensation for the application for a building permit) and the Urban Environment Agency (which aims to arrange for consolidation terminals or other city terminals in Oslo and thus have made themselves available to facilitate the Oslo City Hub project).

There has been an enthusiasm and positivity from all parties involved in the project and good communication between the players, both private and public. Public facilities and the use of facilitating political instruments and measures may be necessary for the establishment of similar goods depots in several places in Oslo and other Norwegian cities. On a general basis, DB Schenker misses a long-term plan in the City of Oslo for urban logistics and wishes that the municipality had a closer dialogue with the carriers about how the city logistics should be solved.

Figure S.2 shows the timeline of the administrative steps in the project from The Port of Oslo announced the tender until the Oslo City Hub was completed in May 2019.

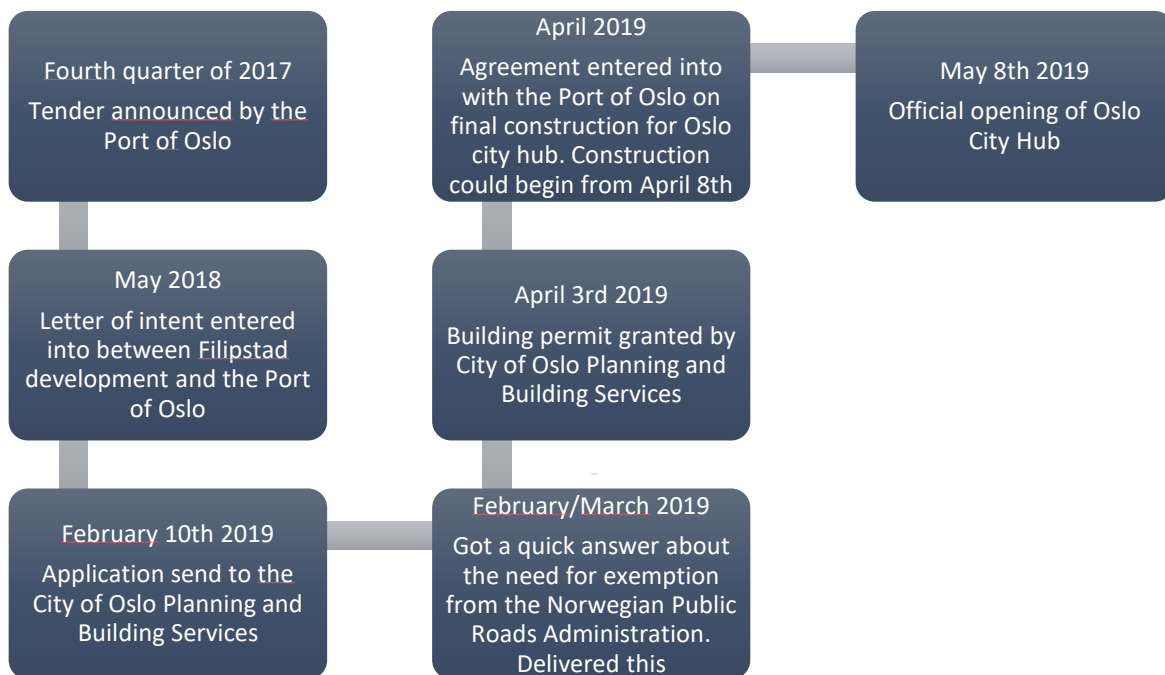


Figure S.2: Time line that illustrates the most important events in the planning process towards the establishment of the Oslo City Hub.

From the letter of intent between the Port of Oslo and Filipstad Utvikling was signed in May 2018 until the official opening of the Oslo City Hub in May 2019, it has been one year of planning. This planning period has consisted of several important events central to the progress of the project, including obtaining a building permit from the Planning and Building Administration. From the application was sent to the Planning and Building Administration and the building permit was granted it took just under two months. Filipstad Utvikling found this to be a decent process. The construction could start on April 8, 2019 and the Oslo City Hub was completed on May 8, 2019, right in time for the official opening.

## What is important when establishing a terminal in city centers?

Based on the evaluation of the planning process and the establishment of the Oslo City Hub, figure S.3 summarizes the main success criteria important for the realization of the project.

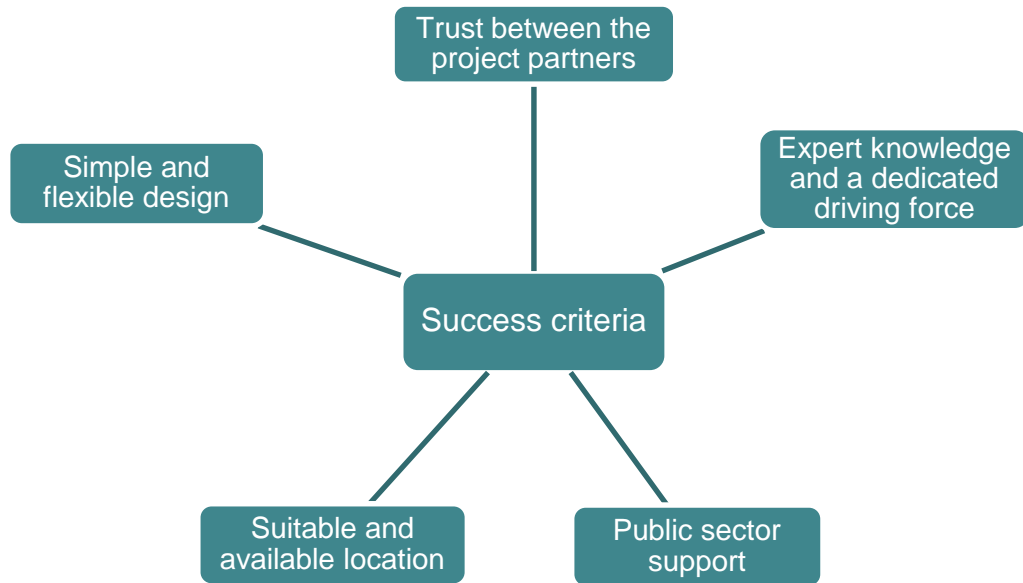


Figure S.3: Compilation of the main success criteria in the planning process of the establishment of Oslo City Hub.

An important aspect for establishing a goods depot such as Oslo City Hub is an available location in the city center. In order to secure areas for logistics purposes, delivery of goods should be integrated into overall urban and area plans. Although the Oslo City Hub is driven forward and established as a private initiative, involvement from public bodies has been necessary in order to realize the establishment of the city logistics depot.

The involved project partners believe that if the concept is successful in Oslo, they can also succeed in other cities in Norway. It may be easier to establish a similar solution in other smaller cities and municipalities, as the size of the city affects the area requirement for a goods depot or other city terminals. The availability of suitable locations is often a barrier when establishing terminals in city centers. The Oslo City Hub project has provided experiences and knowledge that are useful when starting up in other cities, which ease the upcoming planning processes.

