

Pigs must be flying

How one building's twisted history embodies the problems facing Jerusalem development

• By JOEL HABER

The excavation equipment began tearing into the vacant building on the corner of King George and Harav Avida Streets a few weeks ago. Amid the sounds of growling machinery and stones crashing to the ground, one could almost hear another sound: Jerusalem herself exclaiming, “Finally!”

Vacant for a quarter of a century, the building that formerly housed the regional offices of Solel Boneh (the construction arm of the Histadrut labor federation) had become better known as a graffiti-covered eyesore, residence of homeless squatters and short-term flophouse for drug addicts. Following its sale in the late 1980s to private developers from the US, critics began calling the building “the Big Pig,” seeing it as symbolizing the country’s shift from its socialist roots into capitalistic greed.

But if the building’s current developers have had control of the building for nearly 30 years, the obvious question is, “What took so long?” As this project takes off, an examination of the numerous delays and problems it encountered highlights the many problems facing real-estate development in Jerusalem today.

A broken system

Bureaucracy is clearly the biggest challenge in developing new projects. With approvals necessary from both regional and local levels, and multiple interested parties, even a fast approval can take five years. More complex projects such as this one take significantly longer.

“We’ve been submitting things, and coming across ‘the system’ – not individuals,” says Harvey Douglan, owner representative for Migdalei Heichal Shlomo Associates (the working name of the project). “The system calls for returning to committees for approval at various stages of this thing, and it all takes time.”

Before even applying for building permits, one needs to go to the regional committee to receive approval for zoning. This all takes place within the Tabu land registration system that Israel uses as a holdover from the British, who adopted it from their Ottoman Turk predecessors. Getting city hall to buy in on the project ahead of zoning approval can take a few years, but is necessary; if they aren’t on board, there’s no reason to even attempt to move forward. The three-phased zoning approval itself typically takes another one to two years.

With the lot housing the former Solel Boneh building, the initial zoning approval was received in 1999, granting the developers rights to build a 12-story 260-room hotel. Part of that first decade-long delay was admittedly on the developers’ end. They asked to rezone the property. “Ten years is not so long for zon-

ing when going for a change from office building to hotel,” Douglan notes.

After receiving zoning approval, other local approvals consume more time prior to getting a building permit.

Aviva Danielli of Spector Amisar Architects handled the permit and licensing process for this project. She says, “It takes forever to get a permit. We want to build, but they can hold us up for two years.”

Bureaucratic delays also increase the chances that external events might change the project plans. Here, the first change happened just after the initial approval. In 2000, with the second intifada raging, the developers abandoned their hotel plans due to commercial non-viability. The partners requested permission to build residential units instead.

Security issues can unexpectedly hinder any major project in Jerusalem. But had the developers already been working for five years, the rise in terrorism might not have stopped this project.

Between 2002 and receipt of a new zoning approval in 2014, city hall priorities changed the overall building plans at least four more times. First, with a future light-rail stop planned nearby, the city requested 35-story buildings to increase potential ridership. Then, as personnel in city hall changed, demands also shifted. First they requested 50% middle-income housing, then 50% hotel use and 50% residential, and then a 75% to 25% ratio. Each change required new plans even before requesting zoning approval.

Numerous plan changes hurt real-estate development. Approvals are granted based on seemingly arbitrary criteria. While in most cities of the world a plot may be used for any purpose matching its zoning, here the committees grant approval based on the building use and even the architectural design choices. Developers are chained by the whims of the system.

The current approved plan is for two towers of 17 stories each. One will house a 230-room ultra-luxury hotel and the other will feature 26 high-end apartments. With a quicker start to construction, the development partners might have been satisfied with a less luxurious project. But when a high-profile venture takes over a quarter century to begin, it is understandable that they would desire a “crown jewel” type of ultra-luxury hotel. And such hotels these days are feasibly financed only through the sale of related expensive apartments.

Danielli sees the constant delays as tragic. “[The developers] come here out of Zionism. They could take all of this money, build in America... They want to build here because they have affection for this country. And all they have is a lot of bumps along the road.”

The delays, multiple approvals, seemingly arbitrary decisions and numerous stakeholders who can each



hold up a project indicate why real-estate development has become so difficult in this city. Douglan comments, “It didn’t take us 14 years to get here because we didn’t pay off anybody. The system is what delayed us.”

To preserve or not to preserve

Another surprise the partners encountered was a late-stage demand to preserve the existing Solel Boneh building. The building had not been on any preservation lists, nor was it one that anyone could have foreseen would require preservation. Built in 1957 by architect Reuven Rudolf Trostler, the structure was perhaps the nicest one the architect designed. While this modernist edifice was pleasant and understated, most of his projects were industrial and somewhat bland and ugly. Still, as an architect, Trostler was more valued for his connection to a certain period than for his artistry.

“You judge for yourself,” says Douglan. “That building has no historical significance. Nobody of importance slept there. George Washington never ate there, never made babies there. We didn’t think it had much architectural significance. We knew it didn’t have historical significance.”

However, the preservation architect who was required to study the building felt there was reason to save the building. The District Committee originally demanded complete preservation (a nonstarter that would have placed the structure inside the new hotel’s lobby). The developers negotiated for preservation of the front façade alone.



Finally! The site today, under excavation. (Marc Israel Sellem)

Even this caused problems. Preservation requires keeping something where it currently sits. Spector Amisar had already changed their design to incorporate this façade into the new building exterior, but with multistory excavation of the plot, the developers would have had to suspend the façade in midair. Luckily, city engineer Shlomo Eshkol intervened.

“Fortunately, [Eshkol] is a commonsense guy,” says Douglen. “He’s not just bright, he’s got common sense – sometimes it’s two different things.” Eshkol had the permits changed from preservation to reconstruction. This allowed all of the stones from the facade to be numbered and stored. Later they will be placed on the new building, to be called Migdalei Heichal Shlomo, in their original location.

The real question is, is the building truly worthy of preservation?

The case in favor is arguable, at best. David Kroyanker, an expert on Jerusalem’s architecture, spoke against it in a 2011 *Haaretz* article. “Once I was a hawk with regard to the whole matter of preservation, but it is possible that as I got older, I got wiser too... Solel Boneh is certainly a question mark in my eyes.” He sees a weakening of the preservation camp’s overall position when borderline structures “win” landmark status. “Over the years the preservation requirements in the center of the city caused more than a few developers to flee.”

More importantly, though, how could no one have suggested this building would be in need of preserva-

tion from the time of purchase through the 1999 zoning process and the multiple plan changes of the next decade? Was preservation simply another arbitrary decision from the top? Would the partners have taken on this project had they known at the beginning what they do now? Is it fair that these demands crop up so late in the development process?

Hope for the future?

So, is there hope for the future of development in Jerusalem? As is so often the case, the strongest response to an endemically flawed system comes from powerful individuals.

Both Douglen and Danielli highlighted the wonderful assistance they got from individuals in city hall. They credit people like Eshkol and Licensing and Supervision Division Manager Ofir May for getting stalled projects moving.

On the preservation issue, one figure working to improve things is Fleur Hassan-Nahoum, a city council executive member who holds the preservation portfolio. She explains that a mere 10 years ago, no formal preservation plan existed in Jerusalem.

“When you think of Jerusalem, a 3000-year-old city... that we were arbitrarily getting rid of beautiful buildings, changing historic streets, chopping down trees... it was a very worrying phenomenon.”

Hassan-Nahoum heads the preservation committee, composed of professionals from various interested fields. But her job is to balance preservation demands

with the equally pressing development and renewal needs of our city.

An outside architectural firm has been contracted to develop a preservation policy for the city. Interested parties will provide input during the process, to help avoid future issues.

Hassan-Nahoum hopes this will make preservation an appreciated value in Jerusalem. “What I want to do... is to try and rebrand preservation in the city,” she says. “I want to bring it to the point, like in Tel Aviv, where people are excited, it’s cool, it’s trendy to actually take a landmark building and do something really beautiful with it.” She also hopes it will reduce headaches for real-estate developers.

Other developments on a national level include computerizing a licensing request system that used to be manual, and a plan to create regional offices where developers can go to different stations and get multiple approvals in a single day.

But will these improvements help kick-start construction, or will they turn out to be little more than a fresh coat of paint on a hopelessly crumbling edifice? Minor upgrades to a fundamentally flawed system may not be nearly enough.

When Migdalei Heichal Shlomo is finally completed, you’ll be able to stroll through the reconstructed façade of the Solel Boneh Building, head up to the 17th floor, and have a great view over Jerusalem. Whether you’ll see many new building projects going up at that point remains the big question mark.