Gemeente Amsterdam

Address for visitors
Jodenbreestraat 25
1011 NH Amsterdam

PO Box 1840
1000 BV Amsterdam
Telephone 14 020
amsterdam.nl

Return address: PO Box 1840, 1000 BV Amsterdam

To: Amsterdam City Council

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Appendices Appendix: Market exploration by Bureau SITE

Subject Details of scenarios for window prostitution in the Red Light District and Singel area

Dear members of the City Council,

On 28 May 2020 the General Affairs Committee discussed the scenarios for window prostitution in the Red Light District and Singel area. You indicated that broadly speaking you go along with the proposals that the City Executive (the College of Mayor and Alderpersons) put to you concerning the development of a 'prostitution hotel' or 'erotic centre'. Since then the elaboration of this development has been proceeding at full speed and in this letter you can read the results of the two steps which have been taken in recent months: an initial market exploration and the first phase of a site survey, and we give an explanation of the next steps. Finally, the City Executive addresses a number of commitments made during the General Affairs Committee meeting in May.

Future perspective
As a preamble, we would like to say that creating new workplaces for sex workers is not a simple task, but it is very important to offer perspective. Perspective for the sex workers, who are now being given the opportunity to choose a new location with high-quality workplaces, with far more possibilities for combating undesirable disrespectful treatment and nuisance, and with opportunities for sex workers who at present are unable (or insufficiently able) to work in a safe and licensed place. Perspective for the city as well, with its residents and business community. Here we also consider the residents in our city centre who at present are disproportionately burdened by the impact of tourism, and we consider the optimum location for creating a new, high-quality prostitution hotel or erotic centre.

This need for perspective is also evident from the letter dated 16 October 2020 from eight employers organisations united in *Georganiseerd Bedrijfsleven Amsterdam*, in which they set forth

proposals for ten key points for facilitating the recovery of tourism in the city in a responsible manner, without the excessive burden caused by visitors from before the coronavirus crisis[1]. These key points include a request for a change to the policy concerning coffee shops and window prostitution, to develop initiatives outside the city centre to spread visitor volumes, and investing in high-quality tourism. The City Executive appreciates this input from the city and sees it as support for its policy which is focused on improving the city on many fronts (see also pages 7 and 8).

It is of course entirely possible (and indeed probable) that the Covid-19 crisis will also affect the final results. This uncertainty applies to many of our ambitions but we cannot allow it to stop us continuing to invest in the future of our city. The City Executive wants to continue working with you and with the city to realise new workplaces for sex workers and to combat nuisance caused by crowding in the city centre.

Market exploration by Bureau SITE

In the General Affairs Committee meeting in May, you underlined the importance of involving the market in the development of new workplaces. The City Executive concurs with this. The City of Amsterdam commissioned Bureau SITE to conduct a market exploration for the two variants discussed in the General Affairs Committee meeting: a 'prostitution hotel'[2] (PH) and an 'erotic centre'[3] (EC). Bureau SITE conducted talks with a wide range of parties, including institutional and private investors, project developers/property dealers, operators, social organisations, municipal advisers and a sex workers interest group.

SITE concludes that the task is complex and that market parties are cautious. At this time it seems there is a limited number of interested parties or parties that may be persuaded to show interest. The parties show a clear preference for an EC which offers bar/restaurant facilities and other entertainment in addition to prostitution. Parties have announced their willingness to elaborate the concept further. The greatest potential for financing seems to be with private investors.

SITE makes the following recommendations for the further elaboration:

- Market parties will be more willing if there is a concrete plan at a concrete location with the assurance of approval concerning planning procedures.
- The role of the City must be limited to the selection of the site, the land allocation and supporting the zoning plan and permit granting processes. The strong need of the market for a long-term administrative commitment by the City should also be taken into account.
- A number of those asked doubted whether the goal of 'reducing crowding and nuisance in the Red Light District' can be achieved purely by establishing a PH/EC. They feel that to reduce crowding and nuisance in the Red Light District, you must also reduce the number of windows there.

[1] https://amsterdamcity.nl/belangrijke-kwesties/tien-speerpunten-voor-ontwikkeling-bezoekerseconomie/ (in Dutch only)

[2] The provisional Prostitution Hotel programme comprises 100 workplaces (both internal windows and hotel rooms for internet bookings) and only small-scale bar/restaurant facilities. This variant is only focused on the deliberate sex worker customer.

[3] The provisional Erotic Centre programme comprises 100 workplaces (both internal windows and hotel rooms for internet bookings) and also offers more extensive bar/restaurant facilities and erotic entertainment (for example, bars, restaurant, bistro, nightclub, sex theatre, sex club, sex shop). Besides the deliberate sex worker customer, this variant also focuses on the availability-driven customer/party tourist.

- SITE feels there is currently insufficient spontaneous interest to be able to start a feasible 'selection of market parties' and thus recommends starting with a 'negotiation-focused dialogue' in which: 1. the City actively approaches the market and invites parties to form one or more combinations that are willing to draw up a business case for a PH and/or EC; 2. the City engages in a dialogue in which its starting points are worked out further in conditions.

The City is following SITE's advice to approach the market actively (Step 1) and to arrange a dialogue phase with the market (Step 2).

Project Management (PMB) site survey

The City's Project Management has carried out a first phase site survey to identify possible areas where a PH or EC could be developed. This first phase focused mainly on the size of the site, the accessibility, potential for development and 'vulnerable' functions in the vicinity. It must be noted that the city is full and locations are scarce, with many parties fervently hunting for potentially available space for a wide range of functions. The survey showed a number of locations/areas with the potential to suitably accommodate a PH or EC. Most of these locations are transformation areas which are currently in a process of change and development. They have good public transport connections and are outside the city centre. An important consideration with the list of locations is that at most of these, the City does not have a municipal land holding. This increases the complexity of the development case, which may affect the completion time.

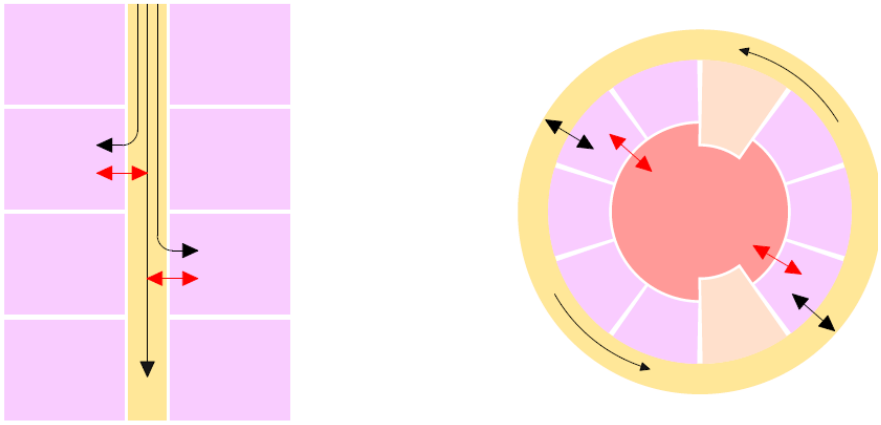
To give you an idea, we present a *provisional shortlist* of areas. The City Executive emphasises that this is a *provisional* shortlist; locations may be added or removed, also as a result of the dialogue with interested market parties. The areas on this provisional shortlist have potential, but there are also sticking points which require further investigation. Input and participation by interested parties at the locations is of course essential in a following phase. During the coming period the provisional shortlist will be further refined and possibly extended, by looking more at existing properties and hotels among other things. You will be given more information about this in a confidential technical session (see below).

Shortlist of locations
Amstel III (Zuidoost)
Arenapoort (Zuidoost)
Sloterdijk 2 Zuid (Nieuw-West)
Sloterdijk Noord (Nieuw-West)
Zuid / Rai (Zuid)
Hamerkwartier (Noord)
Water location (location not yet known)
Eenhoorngebied (Oost)

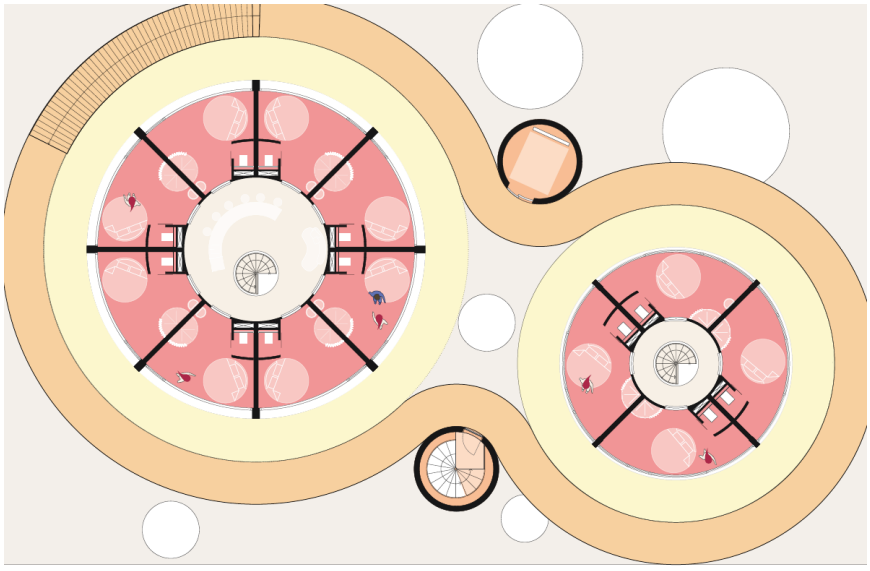
Volume study PH/EC

PMB commissioned Moke Architects to conduct a volume study based on a provisional programme (functions/volumes) for a PH/EC. The goal of the volume study is to form a picture of the required volume and fit of the functions ('the programme') in a building or on a plot (footprint). This is needed for the site survey.

An important aspect of this study is the interior solution for the flow of visitors. An interior *ramp* leads visitors past the windows, other workplaces, bars/restaurants and entertainment. This gives far more opportunities for maintaining control of visitors and preventing nuisance and unsafe situations.
The illustrations below[4] give an idea of the possible spatial design of a PH or ER. Note: this is a volume study and not an actual design.

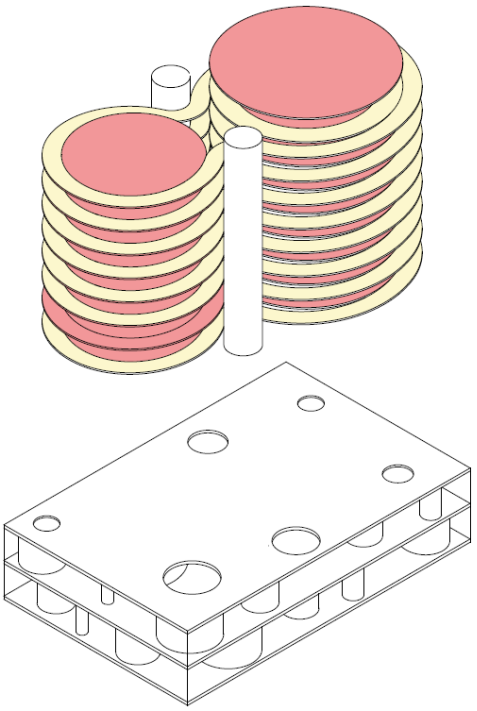


Traditional versus new arrangement (pink: hotel rooms; red: lounge for sex workers; beige: offices; yellow: walking route for visitors on ramp)



Incorporated in a building with two cylinders

[4] Source for all sketches: Moke Architects



Prostitution Hotel (above) with room for extra functionalities for an Erotic Centre (below)



Scale model of the volume study with spiral internal ramp (photo: Thijs Wolzak by Moke Architects)

Completion times for development of PH/EC
The completion times for developing a PH or EC have been mapped out. This has involved several case positions concerning ground/building ownership as it is presently on the provisional shortlist. The completion time from the final choice of location until the building is ready for use depends on the specific situation of the chosen location (land ownership, new building or transformation, form of allocation/tender) and is estimated to be between 3.5 and 10 years. In this context: during the Committee meeting in May, member Hammelburg asked if it was possible to consider finding a temporary location for a PH in the short term (i.e. before September). Given the complexity of the assignment and the completion times which would also apply to a temporary location, it is sadly not possible to realise this in a very short term.

Relation to nuisance through crowding in the Red Light District/ Singel area
During the Committee meeting of 28 May, your City Council (member Boutkan) asked whether a reduction in the number of windows in the Red Light District could be considered during the establishment of a PH/EC. This question is an essential part of the debate with your City Council on the scenarios for window prostitution. In the City Council letter dated 17 February 2020 (Section 1.5) the relation between a new location and a reduction in the number of workplaces in the Red Light District/Singel area was already explained[5]. In the Committee meeting of 28 May your City Council had not yet expressed a majority decision on a choice for a PH or an EC, or whether your City Council wishes to ultimately reduce the number of windows in the Red Light District.

The City Executive is committed to a structural change in the city centre: no longer focused on mass party tourists, but an attractive city centre for everyone. There are also important choices to be made, including with regard to window prostitution. As follows.

1. *Choice for developing an Erotic Centre*

One of the three goals in the debate on window prostitution is to reduce crowding in the Red Light District. Here it is logical to opt for the development of an alternative prostitution location that 'has the most chance' of persuading the 'availability-driven customers[6]'/party visitors to go there rather than making several visits to the Red Light District. For this reason the City Executive is committed to the development of an EC which offers more bars/restaurants/entertainment than a PH (which would only contain prostitution and a small bar), because an EC is also aimed at this type of visitors (instead of being solely aimed at focused sex customers like a PH). It is also the case that the City Executive is generally (not only for the city centre) committed to reassessing the volume and type of tourists (see the City Council letter from Alderperson Everhardt dated 27

[5] In Enclosure 2 of the City Council letter dated 170220 (Enclosure 2 was presented confidentially to your City Council for inspection) an initial elaboration was given of the legal and financial consequences of opting for a reduction in the number of windows in the Red Light District.
[6] These are the visitors who initially come for the combination of coffee shops, bars/restaurants and to look at the windows, and only once there decide to visit a sex worker. The study by OIS (August 2019) and the report by Ivar Schreurs (Summer 2019) who carried out an exploratory study of the Red Light District show that the majority of visitors to the Red Light District are not focused sex customers, but people looking for a combination of entertainment and the Red Light District: bars, restaurants, coffee shops and windows in the historic city centre.

August 2020; see Committee for Financial and Economic Affairs meeting 24 September[7]). This is why the City Executive wants to commit to a more 'modest' EC with less extensive bar/restaurant facilities and with only limited other tourist-oriented functions.

The alternative must of course be sufficiently attractive to the market parties, sex workers and their customers. In the market exploration, the market parties indicated seeing more prospects in an EC than a PH. They also stated that their interest in developing a new location is linked to the question of to what extent the windows in the Red Light District will remain. For the sex workers (and their customers) it is also true that workplaces at a new location will be more attractive if the number of windows in the Red Light District is reduced.

2. *Substantial reduction in number of windows in the Red Light District*

To give a yet to be developed alternative location a real chance of success (and so to have an effect on all the goals concerning window prostitution in the Red Light District/Singel area: improving the position of the sex workers, reducing crowding and nuisance in the Red Light District and combating subversive activities) it is necessary to opt for a substantial reduction in the number of windows in the Red Light District. As already stated, this was also evident from the market exploration.
For this reason, in the coming period the City Executive wants to commit to the creation of new workplaces in an EC and closing a substantial number of windows in the Red Light District[8], possibly combined with a relocation of operators to the new site.

The City Executive is keen to discuss whether your City Council supports these important choices.

In all this, the City Executive re-emphasises that the choices made must lead to an improvement in the position of sex workers in our city; they must have good, licensed workplaces where they can carry out their profession. A still to be developed alternative must also offer opportunities in particular for those people who are unable to work in the existing licensed workplaces in the windows or in sex clubs.

Relationship to the Plan of Action for the City Centre
To reduce nuisance in the city centre – and particularly once tourism resumes after the Covid-19 crisis – it is of course vital to not only look at window prostitution, but also the combination of all the functions present in the city centre and in the Red Light District in particular. So the integrated approach in the Plan of Action for the City Centre will be continued; you will be given more information about this in a separate letter.

Next steps and planning
Technical session
In order to thoroughly communicate the results of the market exploration and the site survey to you and to discuss with you the consequences of these results for the task facing us, the City

[7]www.amsterdam.raadsinformatie.nl/document/9107507/1/Raadsbrief%20toekomst%20bezoekerseconomie_20200827%20DEF2_0
[8] For the legal routes: see the confidential Appendix 2 in the letter dated 17 February 2020.

Executive is offering to arrange a confidential technical session, if possible at the end of November.

Planning
The City Executive wants to work together with you and the city to tackle this complex task further. We see prospects for achieving the three starting points described in the scenarios (improved position for sex workers, combating subversive activities, less nuisance caused by crowding in the Red Light District). We are aiming to come to a decision by mid-2021 about where and how the new workplaces can be created. This planning depends on a large number of conditions, such as the results of the dialogue phase with the market and the social consultation. Another factor is of course that we do not know how tourism in the city and the sex industry will develop following the present crisis. I look forward to speaking with you about the further elaboration of the plans in a following debate and invite you to provide constructive input on the task facing us.

General Affairs Committee meeting of 28 May commitments
In closing we give a response to a number of commitments made in the General Affairs Committee meeting of 28 May.

Attention for the fiscal construction in the elaboration of the plans
In the General Affairs Committee meeting, the Bij1 group asked that the problems that the so-called 'opting-in construction' causes for sex workers be looked into. Opting-in is a tax construction for an employment relationship where the sex worker does not work as an employee[9]. This construction is often used in sex clubs. Operators choose opting-in because employing a sex worker is a less favourable option from a financial perspective. When the opting-in scheme for the relax industry was legally introduced, an important goal was to improve the position of sex workers. This is why using the opting-in scheme in the relax industry is linked with certain conditions, known as the '*voorwaardenpakket*' ('package of standard working conditions')[10]. If the package of standard working conditions is put together properly, the sex workers appreciate the flexibility and the less onerous administrative burden. However, in practice, care partners also regularly see that the standard working conditions package is not used

[9] In the event of opting-in, the operator is exempted from paying employer contributions, employee insurance schemes and Healthcare Insurance Act levies (adding almost 30% to the gross pay). Besides this, in opting-in, the risk of declining custom is borne by the sex worker. In the case of paid employment, the employer must continue to pay the agreed working hours. See also https://sekswerkerfgoed.nl/wat-is-opting-in (in Dutch)
[10] The package of standard working conditions comprises: A. The employment relationship: when they work, whether they refuse customers or acts, what sector-appropriate clothing they wear, whether they want to drink alcohol, who offers them medical assistance and when they receive their net income from the operators; B. The income: agreements made on the income of the sex worker must be set down in writing. For every payment at a time to be determined by the sex worker, the operator must provide a written overview, as well as an annual income statement each year. The sex worker is entitled to all remunerations for all extra work not agreed with the client beforehand; C. the operator may not force the sex worker to perform other work, may not forbid them to work for other operators, may not impose any fines and must comply with privacy legislation (for example, they may not send post to the home address unless this has been agreed); D. The operator must provide the sex workers with written information about the conditions.

properly. For example, sex workers state that the sums they are paid are not always correct, that some operators commit fraud in their tax returns and try to forbid sex workers to also work elsewhere. Not all sex workers are sufficiently aware of their rights, or they are unable to sufficiently stand up for their rights. So sex workers do indeed experience disadvantages in the use of the opting-in scheme. An additional factor is that with opting-in, there is a lack of social security given by a normal employment contract (paid maternity leave and sick leave, and unemployment benefit).
The City will enter into discussions with the sector on these sore points and the care partners will pay even more attention to the provision of information to sex workers.

Examples from abroad of self-management
You (BIJ1 group) asked – in part with a view to the development of a new location – for a study of examples of self-management. Among other things, we looked at the forms of self-management that you mentioned by sex workers in San Francisco and Chiang Mai. Both the club in San Francisco and the one in Chiang Mai are strip clubs with a limited size; as indicated in the debate, some degree of self-management is not excluded in advance, but it seems that total self-management by sex workers is not suitable for the development of a new location of a considerable size. It is also the case that successful self-management needs a strong base of sex workers who are able to commit to an operation together in a form of self-management for a longer period. One reason that this is difficult to achieve is because many sex workers in Amsterdam work for a relatively short period. In the debate you underlined the importance of input from sex workers in the exploitation of a new location; the City Executive concurs on the importance of this and will take this into account in its further considerations.

Other commitments
Two other commitments were made in the General Affairs Committee meeting: to investigate whether sex work from home can be made possible, and to investigate whether an *Overweeghuis* (a shelter for sex workers) could have added value for the prostitution policy in Amsterdam. A substantive response to these commitments will follow in a separate City Council letter.

Yours sincerely,
On behalf of the College of Mayor and Alderpersons of Amsterdam,

Femke Halsema
Mayor