



PRESENTATION BY JUAN ALAYO

AT THE FORUM:

**"MARKET LEADERS AND SCENARIOS
FOR THE 21ST CENTURY"**

March 13, 14 and 15, 2009
"Villa d'Este" – Cernobbio (Como)

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INTRODUCTION

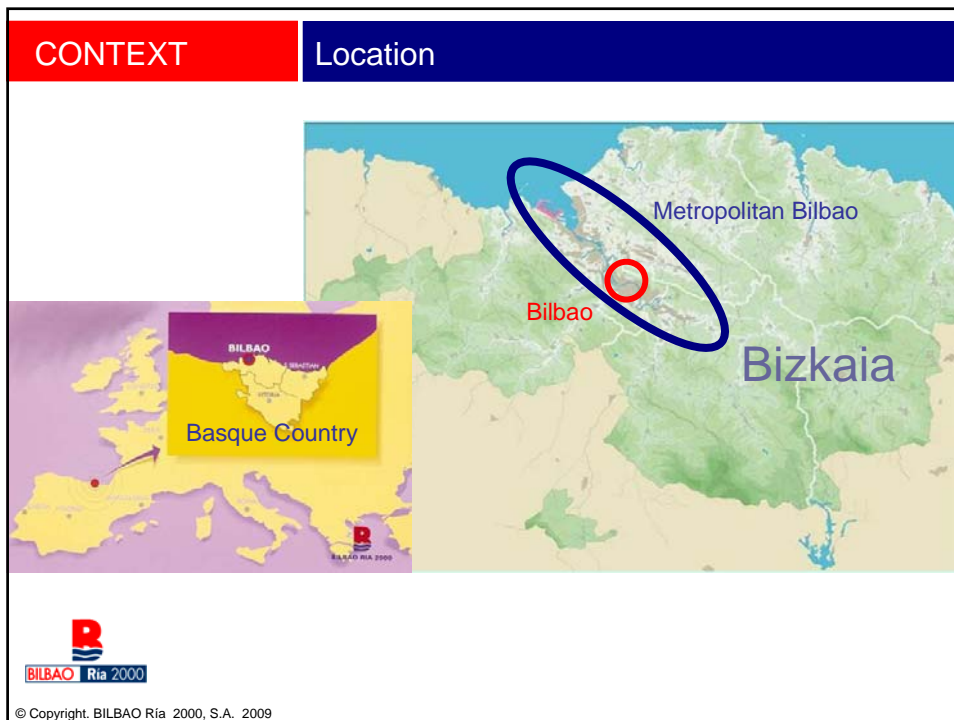
Presentation structure

- Location and context
- Overview video
- Keys to Bilbao's Transformation
- Indicators of socio-economic change



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Location and Context



CONTEXT

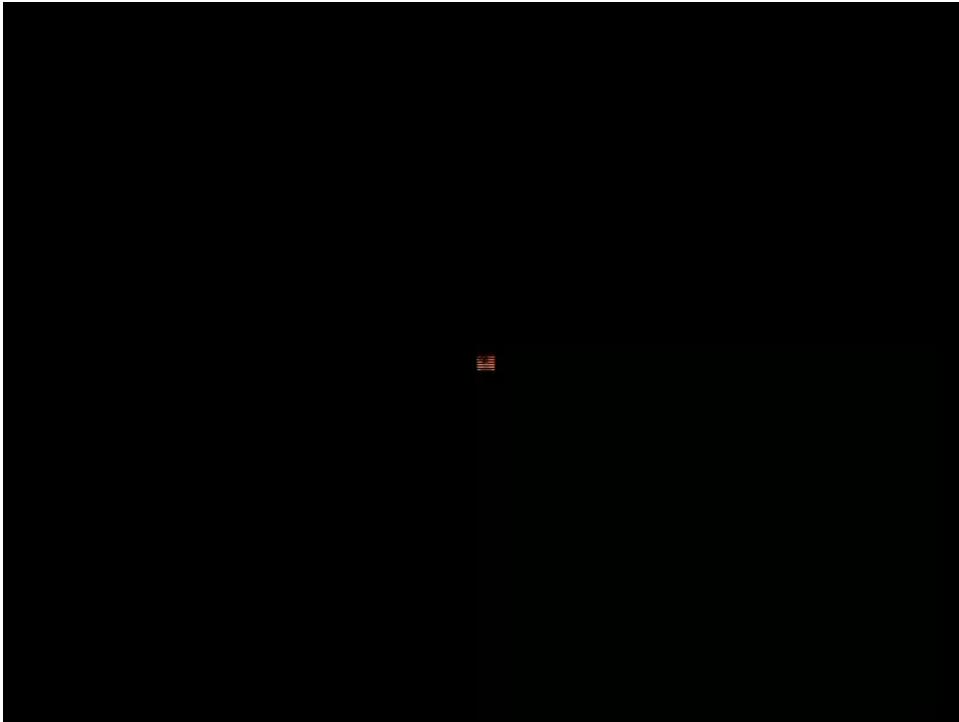
Population figures

- Bilbao municipality 350.000
- Metropolitan Bilbao 900.000
- Bizkaia 1.100.000
- Basque Country 2.100.000
- Spain 43.000.000



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The Transformation



Key's to Bilbao's Change

KEYS

- Start from a low point
- A Strategic Plan
- Substantial and continued investment
- An innovative regeneration model
- A little bit of magic dust



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KEYS

Necessity and Despair



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- Pollution, Obsolescence
- Disjointed urban structures
- Unemployment, crisis...

KEYS

A crisis brings opportunities



- Large, flat brownfield sites by the river



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KEYS

A Strategic Plan

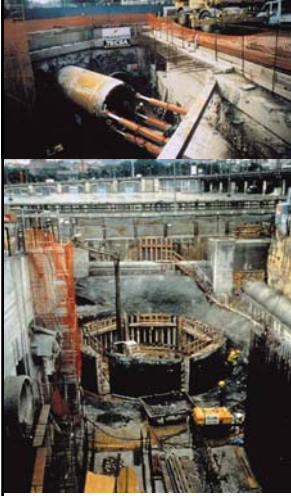
- Based on a broad consensus
- Four key lines of action
 - Urban and environmental regeneration
 - External accessibility - internal mobility
 - Technology and human resources
 - Cultural centrality
- Detailed projects and priorities



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KEYS

Investing in environmental regeneration



- Cleaning up the river
- Long term investment 900m euros

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KEYS

Investing in urban regeneration

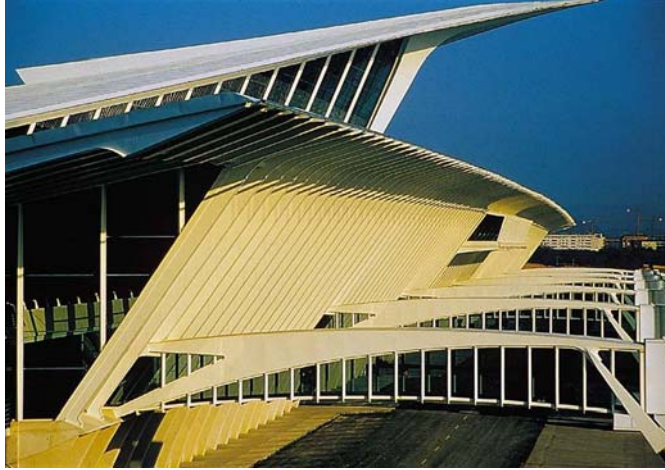


- New river fronts

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KEYS

Investing in external accessibility



- The airport



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KEYS

Investing in internal mobility



- The Metro



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KEYS

Investing in internal mobility



- The Tram



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KEYS

Improving internal mobility



- Zubi-zuri footbridge



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KEYS

Investing in technology



- Compact steelworks



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KEYS

Investing in technology



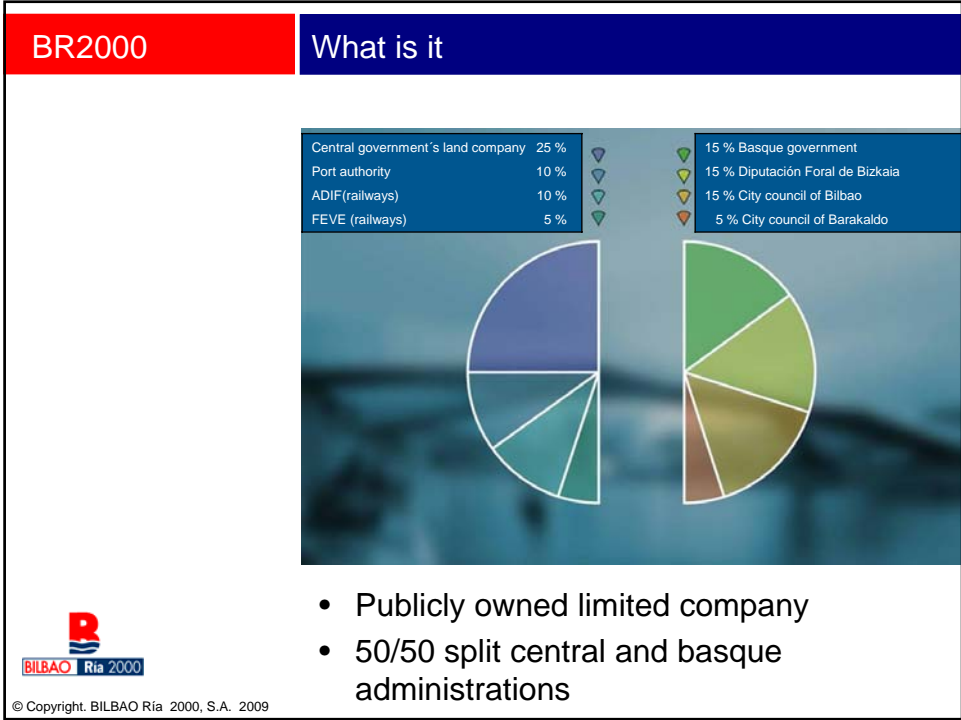
- Technological park in Zamudio



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Innovative Model



- Set up in November 1992
 - To regenerate degraded or disused industrial sites within the Metropolitan Bilbao, coordinating and undertaking developments that integrate urban design, transport infrastructure and the environment.



- Necessity
- Vision
- Leadership
 - Central, Basque and local government
- Seed funding
 - 1.8m euros
 - Land



- Board with high level representatives and executive powers
 - The president: Bilbao's Mayor
 - Vice-president: Minister of State for Infrastructure and Planning (central government)
- Consensus
 - Project gestation
 - Decision process
- Few staff - contracting out
 - Agile



- Land consolidation
- Transfer from shareholders of development rights
- Land preparation and infrastructure
- Sale of plots for development
- Other sources
 - European funding
 - Complementary contributions



- Investment to date: 650 M €
 - Bilbao 520 M €
 - Barakaldo 130 M €
 - Basauri 1,3 M €

- Investment Planned: 1,100 M €
 - Bilbao 800 M €
 - Barakaldo 230 M €
 - Basauri 60 M €



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- 350.000 m²
- 200,000 m² green and open space
- 800 new dwellings
- Office Tower
- Shopping Center
- Hotel
- Paraninfo University of Basque country
- Library of Deusto University



January 1992



October 2007



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BR2000

Projects - Abandoibarra



September 1970



October 2007



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Projects - Abandoibarra



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Projects - Ametzola

- 110.000 m²
- 900 dwellings
- 36.000 m² park
- Covering existing railways
- Underground car park for existing residents
- Pneumatic rubbish collection system



June 1994



June 2007



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Projects - Ametzola



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Projects – Southern Rail Bypass

- Covering the railway line
- Four new stations.
- Remodeling of other two.
- Avenue of the Railroad.



June 1994



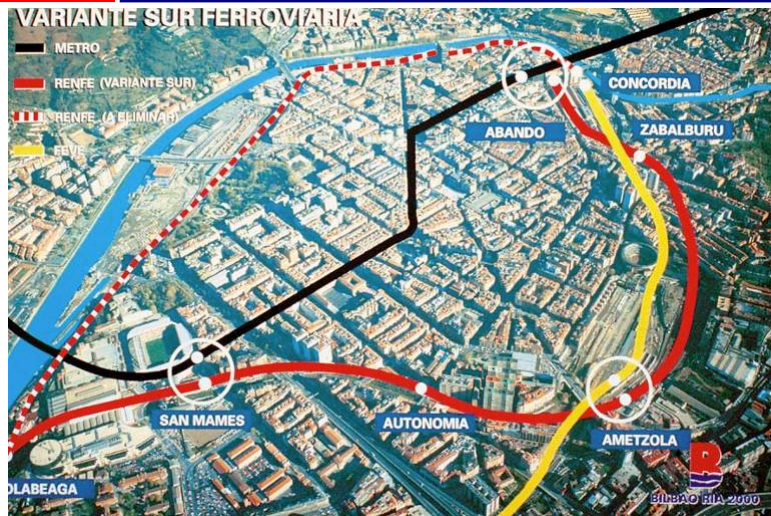
October 2004



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Projects - Southern Rail Bypass

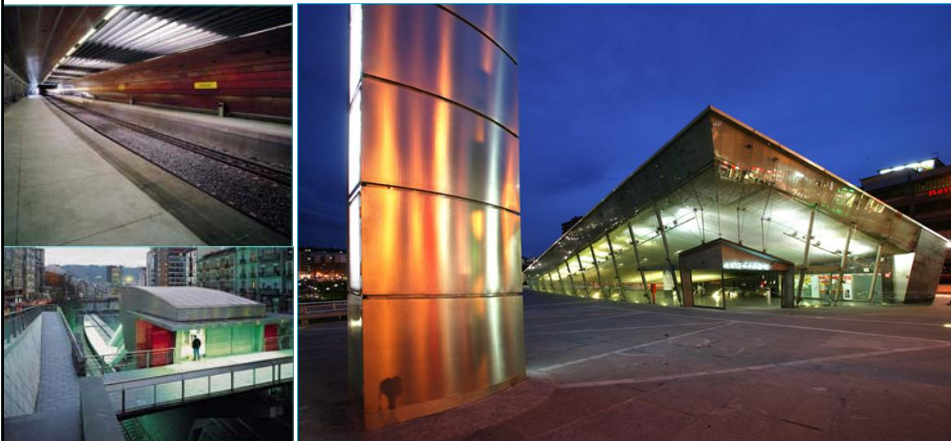


Increasing Renfe's capilarity

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Projects – Southern Rail Bypass



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Projects – Barakaldo



June 1998



October 2007

- 500.000 m²
- 200.000 m² of green and open spaces
- 2.200 dwellings (500 Public protection)
- Shopping and leisure center
- Zone of economic activities
- Football stadium
- Sport center
- Northern ring road
- New streets
- Pneumatic rubbish collection system
- Rehabilitation of old industrial buildings



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Projects – Barakaldo



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Projects – Barakaldo



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Finally...

A little bit of magic dust

MAGIC

Investing in Cultural centrality



- The icon and a great hit
- It has put Bilbao on the map



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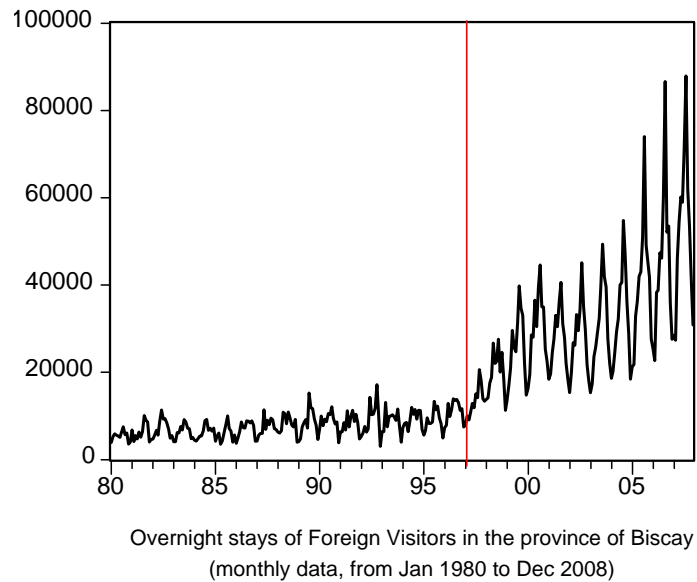
MAGIC

The Guggenheim

- Based on a solid business case
- Financed 50/50 by Basque and Provincial Governments
- It has exceeded all expectations
- About 1 million visitors per year
- Paid for itself in 8 years
- A great effort and a lucky one



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But...

- Not the only cultural investment in town
- It accounted for a very small percentage of total investment
- It had tremendous local opposition throughout planning and construction

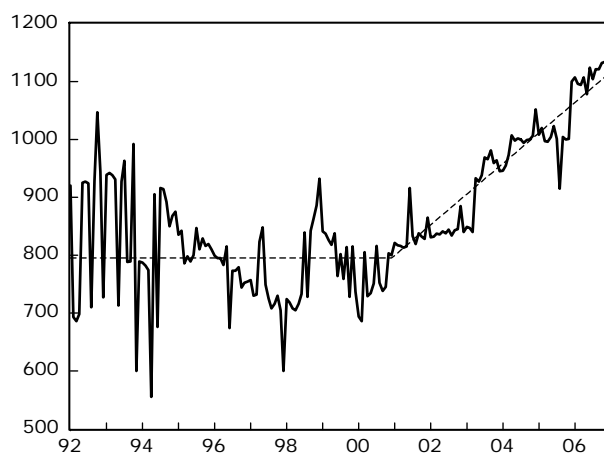


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Socio-economic Change

CHANGE

Hotel employment



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Source: Professor Beatriz Plaza, Faculty of Economics. University of the Basque Country. beatriz.plaza@ehu.es

CHANGE

Employment diversification

Ranking	TOTAL NACE	1995		2005		
		% share	% share	% share	% share	
	TOTAL NACE	266.596	100,00	379.985	100,00	
1	G-Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods. NACE 50-52	50.664	19,00	K-Real estate, renting and business activities. NACE 70-74	65,578	17,2
2	D-Manufacturing. NACE 15-37	50.335	18,88	G-Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods. NACE 50-52	62.477	16,44
3	M-Education. NACE 80	27.615	10,36	D-Manufacturing. NACE 15-37	54.589	14,37
4	K-Real estate, renting and business activities. NACE 70-74	27.546	10,3	F-Construction. NACE 45	45.268	11,91
5	F-Construction. NACE 45	26.829	10,06	M-Education. NACE 80	34.802	9,16
6	N-Health and social work. NACE 85	15.998	6,00	I-Transport, storage and communication. NACE 60-64	24.527	6,45
7	I-Transport, storage and communication. NACE 60-64	15.792	5,92	N-Health and social work. NACE 85	21.308	5,61
8	H-Hotels and restaurants. NACE 55	15.387	5,77	Q-Other community, social and personal service activities. NACE 90-93	19.706	5,19
9	L-Public administration and defence; compulsory social security. NACE 75	12.960	4,86	L-Public administration and defence; compulsory social security. NACE 75	19.446	5,12
10	Q-Other community, social and personal service activities. NACE 90-93	11.465	4,30	H-Hotels and restaurants. NACE 55	19.191	5,05
11	J-Financial intermediation. NACE 65-67	10.870	4,06	J-Financial intermediation. NACE 65-67	11.016	2,90
12	E-Electricity, gas and water supply. NACE 40-41	88	0,03	E-Electricity, gas and water supply. NACE 40-41	108	0,03



Source: Professor Beatriz Plaza, Faculty of Economics. University of the Basque Country. beatriz.plaza@ehu.es

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CHANGE

Type of employment

Value Added per Employee by Provinces (2003)

€

1	Biscay	46.694,7
2	Madrid	46.589,9
3	Balears	45.851,2
4	Alava	45.676,6
5	Teruel	45.364,3
6	Tarragona	45.228,8
7	Navarre	44.185,2
8	Guipúzcoa	42.935,2
9	Rioja	42.717,8
10	Barcelona	42.634,9
	Spain	38.211,4



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Some final thoughts

Can this be replicated?

Thoughts

Bilbao's special circumstances

- The Provincial Government is the Tax Authority
 - Providing a strong financial basis for the region
 - Local planning of key investments
- There is no formula to replicate The Guggenheim's impact. It's unique.
- The rest, however, can be emulated and quality is really important



End of Presentation

Thank you