

PRESENTAZIONE DI JUAN A. ALAYO

AL FORUM:

**“LIGURIA 2022”**

Genova, Palazzo Ducale  
23 maggio 2017

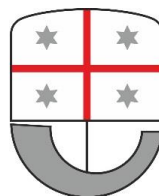
Working paper, maggio 2017.

Per gentile concessione dell’Autore.

*Per il quarto anno consecutivo, The European House - Ambrosetti è stata nominata - nella categoria "Best Private Think Tanks" - 1°Think Tank in Italia, tra i primi 10 in Europa e nei primi 100 indipendenti su 6.846 a livello globale nell'edizione 2016 del Global Go To Think Tank Index Report dell'Università della Pennsylvania.*

Il presente documento è riservato agli utenti dei servizi di aggiornamento di The European House-Ambrosetti. L’uso è personale e non è cedibile. È fatto divieto assoluto di riprodurre, distribuire, comunicare al pubblico o utilizzare in qualsiasi forma e modo, commerciale o meno, il presente documento, senza il consenso scritto di The European House-Ambrosetti. Maggiori informazioni sui termini e sulle condizioni di utilizzazione sono disponibili su [www.ambrosetti.eu](http://www.ambrosetti.eu).

Copyright assolto.



REGIONE LIGURIA



REGIONE  
LIGURIA



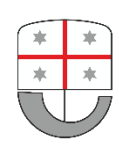
The European House  
Ambrosetti



# **Bilbao's Transformation**

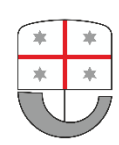
## **Role of Connectivity and Accessibility**

Liguria 2022  
Genova, May 2017  
Juan Alayo



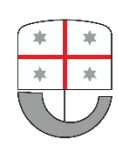
## Structure of the presentation

- Bilbao's evolution
- Keys to the transformation
- Thoughts on challenging trends for Cities

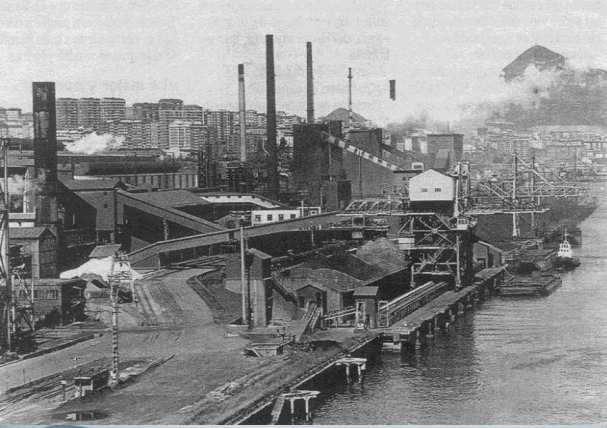


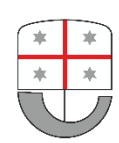
## Trading City– Navigable River as a Port



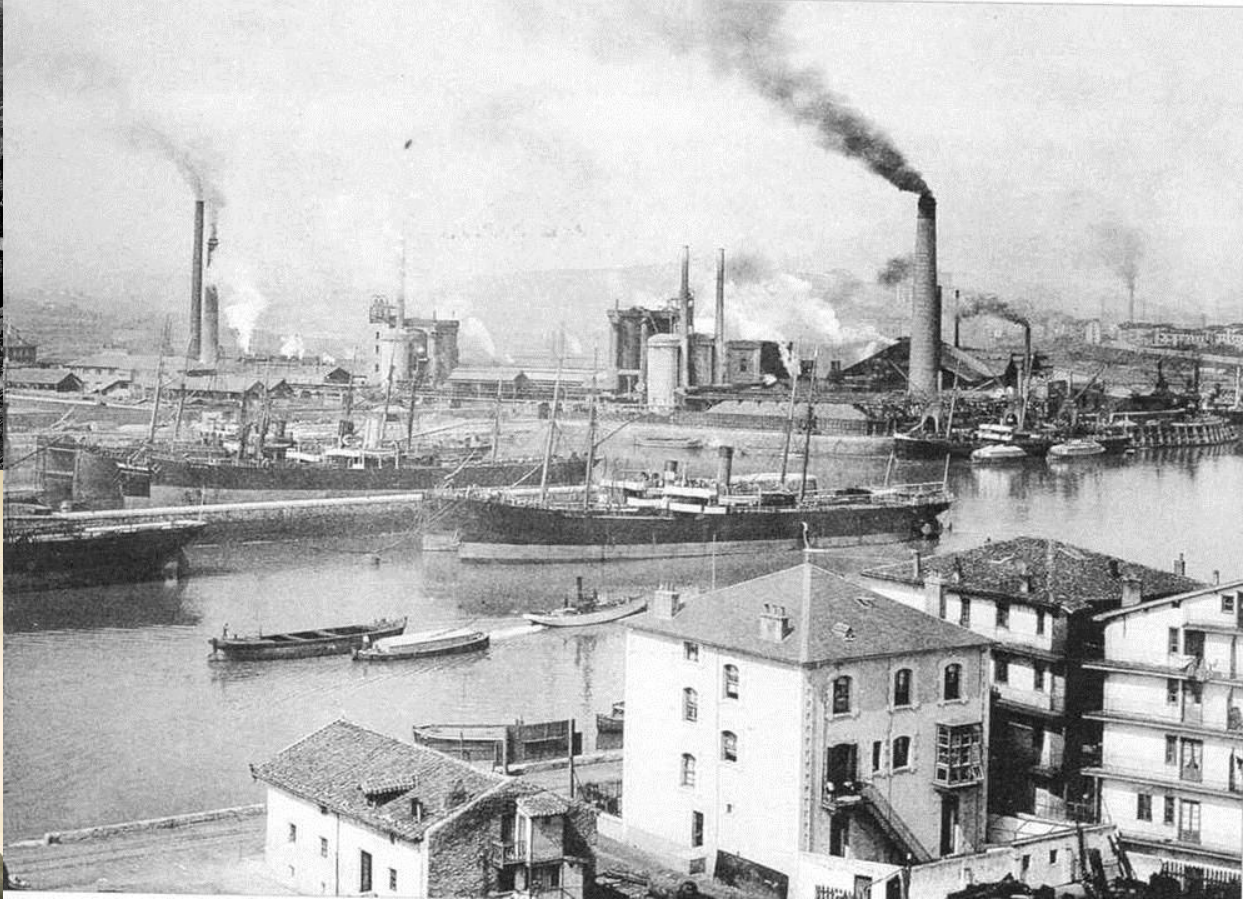
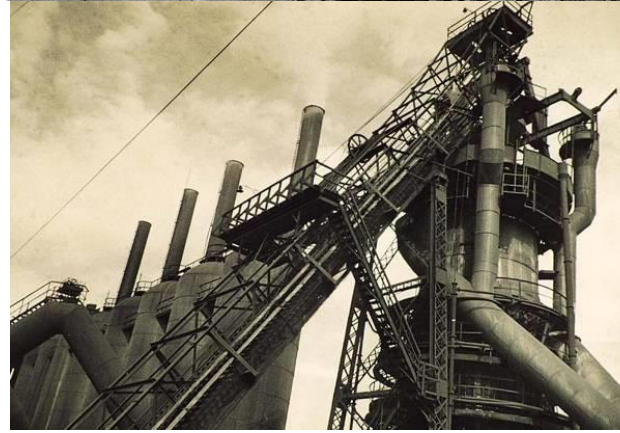


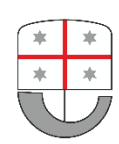
## Industrial City Along the River





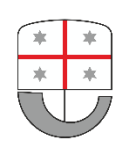
## Large Scale Industry





## Crisis and Decay



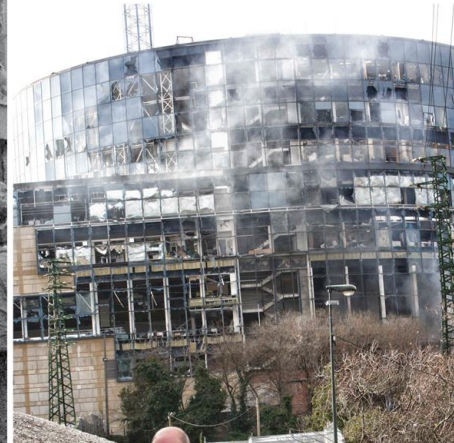


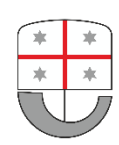
## Polution Legacy





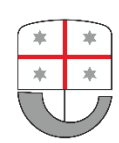
## Terrorism





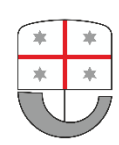
## The 1983 Floods





## The Mid 80s Marked the Low Point for the Region

- In socio-economic terms:
  - High unemployment and big drop in GDP
  - Loss of population
- In physical terms:
  - High pollution and devastated industrial assets
  - Disjointed urban structure, lack of infrastructure



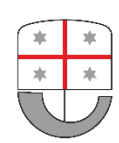
REGIONE  
LIGURIA



The European House  
Ambrosetti

## That's when the Relaunch Started

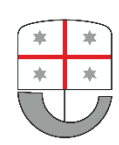




## Keys to the Transformation

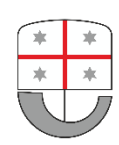
- The **crisis** as an opportunity
- A **strategic plan** – a shared City project
- Substantial and **sustained investment** (>10 bn € in 25 years)
- A tool for Public Regeneration – BILBAO Ría 2000

... and and additional ingredient



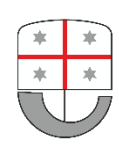
## Outer Harbour to liberate river edges





## Cleaning up the River

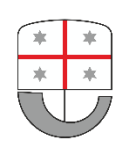




## New Airport

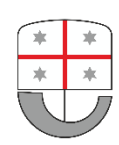






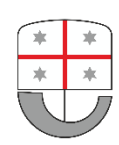
## Public Transport Infrastructure



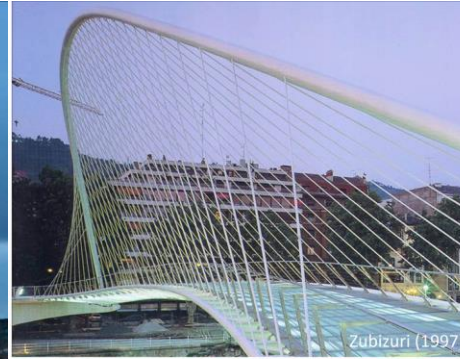


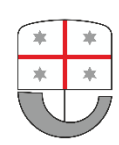
## New Highways and Tunnels



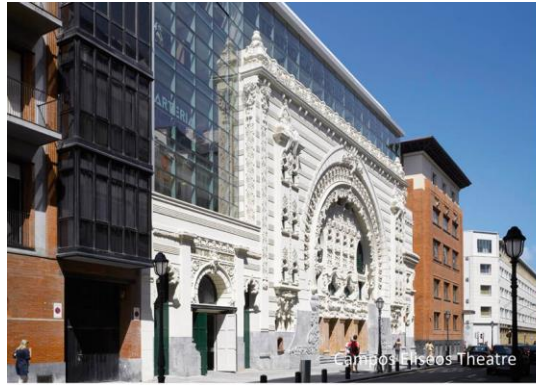


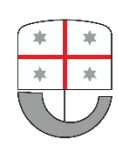
## Improving river edges and connectivity





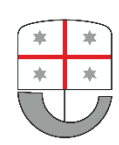
## Recovering existing assets





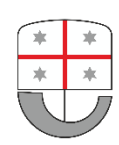
## New urban districts in recuperated spaces



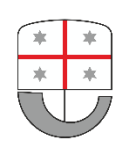


## Urban Regeneration Instrument: BILBAO Ría 2000





And the additional ingredient...



REGIONE  
LIGURIA

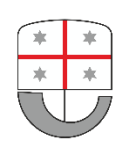


The European House  
Ambrosetti

Some good luck!

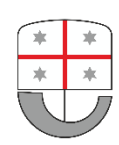






## The Guggenheim and its effect

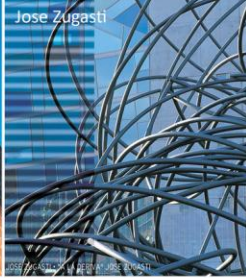
- Based on a solid business case
- Financed 50/50 by Basque and Provincial Governments
- Exceeded all expectations:
  - About 1 million visitors per year (66% from abroad)
  - Paid for itself in 8/10 years
- Tourism, from non-existent to **6%** of GDP
- A great effort and a lucky one!



## Not only the Guggenheim... A City of Art



Angel Galarza



Jose Zugasti



Salvador Dalí



Mikel Navarro



Eduardo Chillida

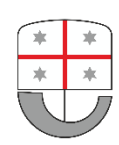


Carlos Solano



Jorge Oteiza





## New Architecture



Hotel Hesperia Campo Volatin



Gran Hotel Domine



Hotel Melia

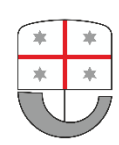


Hotel Domine

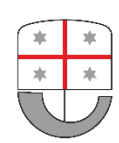


Hotel Melia





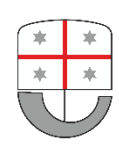
# Summary



## Edison's "formula": 1% inspiration & 99% perspiration

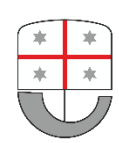
- The Guggenheim meant around 1% of Public Investment
- About 15% was dedicated to cleaning up and urban regeneration
- And about 80% for enhancing "connectivity":
  - External and, mostly, internal
  - Port, Airport, Metro, Rail, Tram, Highways, Footbridges, Fiber Optic...

Because economic recovery needed a well connected region



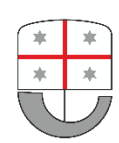
## What Next?

# Some Considerations and Challenging Trends



## Cities and Socio-Economic Growth

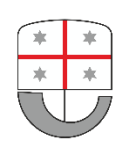
- City's main role is to provide people with accessibility to goods, services and other people
  - This needs density and a balanced mix of uses
- Post-industrial economies need lots of "unplanned" interaction between people to spark innovation and creativity
  - This increases total factor productivity
- Cities are the ideal "petri dish" for innovation (if they are dense and intensely used)



## Challenging Trends

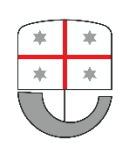
- Demographics:
  - Population decreasing and ageing – need younger people
- Territorial development patterns:
  - Non stop consumption of land – constantly reducing density
- Combined impact:
  - More thinly spread and less productive population
  - Under-utilised central urban areas (better provided with infrastructure)





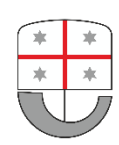
## Hard Reality – Infrastructures are Costly

- “National” scale infrastructures:
  - Current global investment around 2.9% of GDP per year,
  - Valuation of existing infrastructure stock at 80% of World GDP
- But cities are actually the biggest infrastructure investment:
  - Portland (Oregon) replacement value of City Assets: \$35bn
  - About \$55,000 per capita (median household income)
  - And does not include transport and much social infrastructure

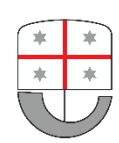


## Assets and Liabilities

- Most cities can't afford what they have
- Portland, a rich City in a rich Country:
  - Annual gap > \$400M in major maintenance and replacement
  - About 10% of the City's annual budget
  - And it can only get worse

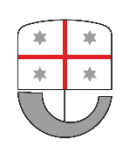


# Final thoughts, about improving our Cities



## Suggestions

- Incentivise best use of existing City assets
  - Central quarters need new blood and higher intensity of use
- Discourage sprawl: contain urban footprints
- Be Selective and cost-conscious about new infrastructure
  - Cost benefit analysis is an absolute need with scarce resources
  - It may be best to invest in people than in concrete



THANK YOU

Juan Alayo - Strategic City Planning & Research

[juan.alayo@bizkaia.eu](mailto:juan.alayo@bizkaia.eu)