

BEST PRACTICES TRIP TO SPAIN – APRIL 2-9, 2011

Hosted by Greater Portland Inc.

An in-depth exploration of two of the world's most dynamic cities: Madrid and Barcelona. The visit examined how innovation, imagination and bold thinking have allowed these two storied cities to adapt and change over the years to embrace opportunity, stay competitive economically all the while providing an excellent quality of life.



BEST PRACTICES TRIP TO SPAIN

April 2-9, 2011 Hosted by Greater Portland Inc.

On April 2nd, a 20+ person delegation from the Portland region traveled to Spain for its annual Best Practices trip. During the mission, delegates examined the challenges, issues, opportunities and accomplishments for two of Europe's most fascinating cities... Madrid and Barcelona. Result – an invigorated appreciation for what can be accomplished when a region's diverse communities and agendas work together for the benefit of all parties.

Key Program Elements

- * Establish international relationships, exchange ideas on how to compete in the global marketplace...and initiatives necessary to achieve 'great city' status.
- * Study the specific public policies Madrid/Barcelona have enacted to encourage sustainable development and ensure livable, culturally open, integrated communities.
- * Examine how these two historically industrial-based centers are transitioning into knowledge economies; positioning themselves as innovative hot spots, designed to attract young and talented workers, new business investment and tourism.

"Talent is the gold of our time, crucial to building thriving new economic clusters. Talented people (and cutting-edge firms) want lively urban environments...they're anxious to brush shoulders with other gifted people from companies, universities and the artistic realm."

Neal Peirce – 10/23/09, "Barcelona: Industrial Graveyard to Hot Innovation Center"

Program Overview/Speakers

Saturday – April 2, 2011

Arrive Madrid – delegates on own

Sunday – April 3, 2011

Welcome to Spain/Madrid Reception @ Hotel des las Letras

Hosted by Bank of America Merrill Lynch

Speaker: Ricardo Paz, Country Executive, Bank of America Merrill Lynch

Monday – April 4

Meeting at Iberdrola Renewables (Madrid); Meeting/Tour of Iberdrola CORE Operations Center (Toledo); Guided tour of Toledo; Lunch – Hosted by Iberdrola Renewables

Meeting and Private Tour of Mapfre Art Exhibit @ Mapfre Institute

Tuesday – April 5

High Speed Train to Barcelona

Welcome to Barcelona Hospitality Event @ Hotel Espana

Wednesday – April 6

Meeting – The Economic and Urban Transformation of Barcelona, 1990-2010

Speaker: Ms. Angels Santiago, Research Director, Barcelona City Council

Speaker: Ms. Teresa Udina, Economist, Barcelona City Council

Meeting – Presentation on the Barcelona Activa (local development agency)

Speaker: Ms. Ariana Fernandez, Economic Promotion, Barcelona Activa

Guided Tour – Glories Entrepreneurship Center & Business Incubator

Guide: Ms. Ariana Fernandez, Economic Promotion, Barcelona Activa

Meeting – Strategic Metropolitan Plan of Barcelona

Speaker: Ms. Maria Cortada, Director-Technical Office, Strategic Metropolitan Plan

Lunch/Meeting – Presentation on Barcelona Bike Sharing Program

Speaker: Joan Valls, President - Bicycle Club of Catalunya (and mobility consultant)

Meeting – Logistics for Implementation of Vehicles based in Electric propulsion

Speaker: Mr. Lluís Gómez, Director-LIVE Office, Barcelona Activa

Program Overview/Speakers – continued

Evening Hospitality Event @ Hotel Espana

Thursday – April 7, 2011

Meeting – Barcelona Scientific Park

Speaker: Phd. Fernando Albericio, General Director – Barcelona Scientific Park

Meeting – 22@ Barcelona, the Innovation District

Speaker: Ms. Judith Romero, Promotion Director, Barcelona City Council

Guided Walking Tour – 22@

Guide: Ms. Judith Romero, Promotion Director, Barcelona City Council

Lunch in the Gothic Area

Guided visit to Historical Building of the Barcelona City Council

Evening Reception @Hotel Espana

Speaker: Mr. Oriol Barrachina i Masip, Socio Director/Managing Partner, Cushman & Wakefield/BCN

Friday – April 8, 2011

Meeting/Tour of Waste Treatment Center @ EcoParc zona Forum

Speaker: Mr. Carles Conill, General Manager – TERSA (operator)

Speaker: Mr. Joan Valls Puig, General Manager – EcoParc

Guide: Mr. Marcuello

Meeting/Tour of Districlima (heating and cooling network)

Speaker: Mr. David Serrano, General Manager – Districlima

Meeting/Tour of Automated Waste Collection System

Speaker: Mr. Miguel Marin Bedoya, General Director – Ros Roca (operator)

Guide: Mr. Rodrigo Verbal, Ros Roca International

Meeting – Barcelona Local Energy Agency

Speaker: Mr. Fermin Jimenez, Agency Officer, Barcelona Local Energy Office

Closing Reception @ Hotel Espana

Saturday – April 9, 2011

Depart Barcelona

Lessons learned on the trip (as reported by delegates)...

Madrid

The success of Iberdrola Renovables and of the renewable industry in Spain in general were made possible by a dramatic shift in policy and investment at the national level toward renewable energy...and progressed at a remarkable speed and effectiveness (14-16 years). The initiative was top down. Transformational change requires transformational initiatives.

Key take-away: the power of a concerted national and business-executed strategy to diversify the energy sector. An unrelenting policy framework to encourage renewables: moving from 37% coal mix to 8% in 10 years is stunning (and doable in the US context as well given the abundance of natural gas).

Barcelona

Barcelona has undergone three major transformations – now undergoing its third wave of transformation; from one of Europe's least hospitable communities, to one of its most popular...for tourists and businesses alike.

Barcelona is now widely recognized as one of the most successful cities in the world, and internationally acclaimed for its innovative urban planning.

The modern transformation of Barcelona began with preparation for the 1992 Olympics. Faced with serious problems of urban decay in both inner and peripheral districts, planners took a holistic approach and used the Games as a vehicle for city-wide reforms. This is now globally known as the Barcelona Model.

It is impressive in the way the region embraced the opportunity that was the Games – and that during the run up to the Olympics, the business and political leadership not only recognized the value of a properly run Olympic Games to the overall economy, they saw the potential and planned for their future AFTER the Olympics. In nearly every presentation we heard how important the Games were as the economic catalyst to drive their prosperity.

Most important lesson learned from Barcelona was how well they appeared to (1) think strategically, (2) think regionally, (3) invest cooperatively, (4) execute incrementally.

Most notable was in visit with the Metropolitan Strategic Planning organization. The model of increasing the comprehensive vision of plans (public, private, institutional, non-profit) is incredibly compelling.

Barcelona seemed to thrive on being 'young' in the realm of governance. Regional and local governments appear to be in the developmental phase, allowing them to test new governance and deployment models – e.g. Metropolitan Strategic Plan. They take regional planning and execution very seriously, backed up with federal and EU \$s.

There appeared to be a healthy mix of humility with knowing exactly what regional leaders want and how to get there; taking the long road ... executing a long range plan across a series of fronts. (The Oregon Business Plan on steroids and with more powerful governance mechanisms and resources.)

There is a comprehensive approach to their execution strategy with an emphasis on economic diversification, innovation, dedication to urbanism, and infrastructure improvements.

Each of the projects/initiatives – Barcelona Activa, Metropolitan Strategic Plan, LIVE, the Life Sciences Park, 22@, Barcelona Energy plan – had strong support among regional/local government leaders.

The best example of Barcelona's transformation is the 22@ project. This is a 115-block redesign of a former industrial area. The city and regional planning entity collaborated with private industry and the university to make this section of Barcelona the creative heart of the Catalonia region's new economy. They moved forward with long-planned street connections, streetcars, bike paths and other transportation projects. Today, more than 46% of Barcelona's commuters get where they are going on foot or on bicycle. Another 35% use transit – buses, streetcars and light rail. Only 19% use cars. Even electric cars are discouraged in favor of electric motor bikes.

22@ is one of the most impressive urban redevelopment projects ever seen – it is a true "EcoDistrict" linking smart infrastructure including a waste-to-energy thermal energy system, a new train station; rebuilt streets with new buildings, refurbished old buildings and a knowledge economy overlay. 22@ is dedicated to high quality urban design, paying attention to knotting old and new buildings, scaling development, creating 'third places', creating a pleasant pedestrian environment.

They connected an existing waste-to-energy garbage handling facility to what is now Europe's largest underground sewage treatment facility. The two are interlinked, and treated water from the wastewater plant is mixed with seawater to cool the waste to energy plant. Solid waste from the sewage plant is transferred to the adjacent waste-to-energy plant for combustion. Electricity from the waste-to-energy plant along with heated and/or chilled water are circulated through the new underground network of pipes and wires to power, heat and cool many of the old and new buildings in the

revitalized neighborhood right next door. Excess electricity from the plant is sent back to the power grid.

The nature of comprehensive, strategic, and bold planning and development was clear with the development of 22@ and the EcoParc; expansive undertaking, incorporating existing and proposed development and involving a system of district energy, waste and water – requiring major up-front financial investments from government and/or very patient private investors. It was impressive that someone had the ability to anticipate such a large area all using the same systems, and the foresight of identifying ways for those systems to relate to one another and create synergy. The result is that in addition to laying the groundwork for an apparently functional/operational aggregation of supply of and demand for these district systems, the district greatly expands the reach and efficiency of the concepts.

Barcelona Activa as a driver for 22@ is a game changer – not just redevelopment but redevelopment and economic modernization with a focused cluster approach, workforce training, entrepreneurship incubator, co-locating University facilities with key business clusters.

The combined service center, housed in a new/retrofit building, exemplified a creative way of leveraging public resources in coordination with strategic urban redevelopment goals.

As of 2010, more than 263,000 people have used Barcelona Activa services. Unemployment has been cut in half. More than 1,700 businesses were created in the business incubator and 83% of them have survived.

Conclusion...What the Portland Region can learn from this Best Practices Trip:

In a relatively short timeframe (2+ decades) Barcelona has transformed itself from an industrial graveyard to a global innovation hot spot...and they are diligently working to keep ahead of the curve and establishing itself as a model city for business and quality of life.

We live in a global marketplace, and in some respects, our success requires that we engage with and recruit the cooperation of partners from around the world. Many of the entities with the largest investments in Portland/Oregon have leadership elsewhere. We will struggle to create transformative change of any kind without them, and we may find strong alliances if we look far out onto the horizon to attract interested and innovative partners.

Their university tech transfer activities are more evolved than ours, particularly with direct connection to business. Our local efforts in several areas would be enhanced by collaborations with some of the entities we visited. Some other institutions have beaten us in this regard.

It was surprising to learn 90% of the Barcelona economy was comprised of small businesses with less than 10 employees – virtually the same as the Portland metro area. Their decision to provide support to those small enterprises was impressive. Teaching fledgling entrepreneurs how to craft business and marketing plans, development of marketing products or ideas, financing, cash-flow analysis and general accounting etc. will help to ensure their success. Their report indicated 83% of businesses in their program still being in business after 4 years. We could do that here.

Regarding design and quality – from freeways to parkways to the EcoParc, it was clear that design was important, and reflected a pride in place. The willingness to spend the extra time, energy and money to develop projects that are well-designed is a hallmark of Barcelona. In some ways, (e.g. transit) we have begun to establish a tradition of design excellence over and beyond our American peers, but we can do better, and that there is a payoff from creating places that work internally and externally, and that people enjoy.

In many respects there are two functions that contribute to everything we saw, for better or worse: high level government planning and investment. Our challenge is to seek out new ways to accomplish the level and speed of investment and execution that we witnessed in Spain, but under our model of capitalist democracy in which our multiple levels of government tend to move slowly, and public dollars for mega-projects are dwindling. The right vision and the right kind of financial backing may create a fertile ground for this type of transformative change. Moreover, Portland may be the US metro area with the cultural and political characteristics necessary to pull a transformative effort like this together.

DELEGATION

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