



Local Development Benefits from Staging Major Events

Greg Clark



Local Economic and Employment Development (LEED)

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by
Greg Clark



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Foreword

The OECD LEED Programme has been concerned with the issue of how major international events can help to promote local development for many years. The success of the Barcelona Olympics in 1992 reminds us of what other places had achieved, Montreal EXPO in 1967, the Sydney Olympics in 2000, and the recent Winter Olympics in Turin to name a few.

At the OECD LEED Programme we are concerned not just that such events are successful and good value for money, but with what part they can play in boosting tourism and in promoting local economic and employment development.


The sheer range and interest in such events is growing widely. A new age of nations and localities hosting global events is upon us. The rivalry to stage Olympic Games, World Cups and Championships, Cultural Festivals, EXPOs, and Global Summits is more intense than ever before. Despite widespread virtual communication, large scale gatherings of this kind have again become extraordinarily popular. China will shortly host its first Olympics and first EXPO (Beijing 2008 and Shanghai 2010). India will host the Commonwealth Games (Delhi 2010), Russia its first winter Olympics (Sochi 2014), and South Africa its first Soccer World Cup (2010). The hosting of such global events is one way that the globalising cities of these fast growing economies can accelerate their development into 'gateway roles' for their nations. Such gateway roles require high spec buildings, enhanced logistics, advanced infrastructure, and a great quality of place.

Moreover, the competition to host the 2012 Olympics was the most intense ever. London's eventual victory over Madrid, Paris, New York, and Moscow, emphasised the notion that such global games are for leading global cities to host, gave the games themselves a boost, and ensured that Chicago, Madrid, Tokyo, Rio and others would line up to bid for the 2016 hosting rights.

We invited one of the leading experts, Greg Clark, to undertake this review to help us assess what are the factors of success and failure, the dos and don'ts of hosting such events and we are pleased to publish these here in this ground breaking report.

Greg is chairman of our OECD LEED Forum Development Agencies and Investment Strategies, which is managed by Debra Mountford, who has collaborated extensively with Greg in the preparation of this book. I am very grateful to both of them.

Given the huge international interest in this topic, the OECD LEED Programme will take forwards this theme through seminars and detailed case studies over the next period, in order to build the international knowledge base on the subject.

A handwritten signature in black ink, consisting of a large, sweeping oval shape with a vertical line through it and some smaller strokes below.

Sergio Arzeni
Director, Centre for Entrepreneurship, SMEs
& Local Development

ACKNOWLEDGEMENTS

This work stream within the OECD LEED Programme is managed by Debra Mountford. She is Senior Policy Analyst and Manager of the OECD EED Forum on Development Agencies and Investment Strategies, and edited this publication. Greg Clark, author of this book, is a city and regional development advisor, speaker and facilitator with over 20 years of experience, principally in London. Internationally, he has had advisory roles with many cities and regions, as well as with governments and intergovernmental organizations. He currently holds a portfolio of core roles: including Senior Fellow, Urban Land Institute, EMEIA, Lead Advisor on City, Regional, and Economic Development at the Department for Communities and Local Government, UK, Chairman of the OECD LEED Forum of Development Agencies and Investment Strategies and Advisor to the British Council, on City and Regional Development. He is Visiting Professor in City Leadership at Cass Business School, City of London University.

Damian Garnys, LEED Publications Assistant, was responsible for the production of this publication.

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Preface

Barcelona and the 1992 Olympics

It is now 16 years since Barcelona hosted the Olympic Games in 1992. The modern transformation of Barcelona began with preparations for the 1992 Olympics. Faced with serious problems of urban decay in both inner and peripheral districts, we took a holistic approach and used the Games as a vehicle for city-wide reform.

For us, the Olympic Games were an opportunity to tell the world about Barcelona, a great city whose story was not well told in those days. Barcelona had been the cradle of the industrial revolution (the Manchester of Spain) but was not recognised in those days as leading city. Years of decay and political domination had made Barcelona less confident and outward looking. But the games gave us the opportunity to change all of that forever. Olympic facilities were spread over four neglected urban areas, with the Olympic Village developed on abandoned industrial land close to the coast. Since then, there have been growing levels of private investment and infrastructure development, and the city is currently undertaking some of the biggest development projects in Europe. Together these factors have meant that Barcelona was ranked *fDi Magazine's* "City of the Future" in 2004/5.¹

When we look back we can remember that the Olympic Games gave us an opportunity to think big and plan afresh, they provided the reason to do things on a larger scale. The Games were also a great rallying initiative for the city, bringing the people, the business, other institutions and the city government together in a consensus about the long term development of the city which has lasted for 16 years with great vitality. The Games created an unstoppable momentum for us.

Barcelona used the Olympics as the organising idea for a new kind of strategic planning, one that looked deep into the future, and long back at our past, and enabled us to believe that we could be a leading city once again. The Games also left a very tangible legacy of improved architecture, infrastructure, and new development potential, as well many new amenities and facilities which we managed in ways that enabled ordinary citizens to enjoy and use fully. This practical legacy was as important as the global

repositioning that we achieved, it gave our citizens and investors a strong local dividend from the Games themselves.

Today, in Barcelona, we continue what we started in 1992, with the further expansion and modernisation of the city. Much of the infrastructure and real estate development underway now is to further develop Barcelona as an internationally competitive knowledge hub, based on the original ideas of 1992.

In the inner-city area of Poblenou, behind where the Olympics were concentrated in 1992, a 3.2 million m² lifestyle and technology zone called 22@ is under development. A municipal company (22 ARROBA BCN, S.A.) was created in 2001 by us, at Barcelona City Council, to promote and manage the project. It is converting the area into spaces for advanced services, new-generation technological and knowledge-based activities: research and teaching, design, publishing, culture, multimedia and biomedicine. The Plan also allows for the construction of subsidised housing, businesses, offices, hotels and public facilities. The investment from the Infrastructures Plan totals EUR 162 million, and it is estimated that the property development potential will total EUR 12 020 million.

The spaces within this project include, amongst others, 22@media in which the Audiovisual Campus will have 60 000 m² of roof space and the Mediapro Group and the municipal organisation 22@bcn will build an audiovisual production centre with sets and offices; 22@ict which includes efforts to attract companies from the information and communications technologies sector (Indra, Auna, TSystems) and will be aided by projects including a building designed for SMEs working in the areas of software and telecommunication); 22@campus which includes the Campus Tecnològic i Empresarial (Technology and Business Campus), located in the vicinity of the Forum space, which will be the physical headquarters of the new Industrial School and 22@entrepreneurs which features the construction of the Edifici Emprenedors (Entrepreneurs Building), which will be complemented by fixtures that the Local Development Agency Barcelona Activa already has in District 22@.²

The city is also in the middle of an international drive to promote itself as southern Europe's principal logistics and distribution zone, especially for goods from China and Latin American countries. The Infrastructures and Environment Plan of the Llobregat Delta, the 'Delta Plan,' involves massive upgrading of the capacity of the port, airport and logistics zones, the improvement of the road network and connection to the European gauge rail network. The first action of the Delta Plan is the diversion of the mouth of the river two kilometres further south. The reclaimed land will make it possible to double the current port area, to cover a total of 1 300 hectares.

The works outlined in the Master Plan of the Port of Barcelona up to the year 2011 involve a total investment of EUR 1.773 billion, which will be footed by public and private investors. Of this total volume of investment, about 30% of the total, some EUR 531 million, for superstructure, facilities and handling equipment, will be financed by the private sector. The remaining 70% of the investment, EUR 1.241 billion, corresponds to infrastructure *per se*, which will be financed with EUR 1.045 billion of public money and EUR 195 million of private capital.³

The airport expansion part of the plan will allow for an increase in maximum capacity of up to 40 million passengers per year and 90 takeoffs and landings per hour. This project includes the construction of the third runway (operational since 2004), a new central passenger terminal (operational in 2007), a station for high-speed trains (expected completion in 2007), internal connections, expansion of the cargo loading area and improved access by road, train and metro. Expected investments totalling EUR 4 411 million will occur up to approximately 2010.⁴

In terms of the other infrastructural development, the Barcelona administration have planned up to 25 road, railway, underground and tramline projects in the Llobregat Delta region to alleviate the congestion problem and improve both intra-region mobility and international accessibility. Spanish President José Luis Rodríguez Zapatero has recently announced that the high speed train will reach Barcelona in December 2007, in line with the Ministry of Public Works' timetable for connecting the city with Madrid by end of 2008.⁵

All of this current urban development can be traced back to the local impact of the 1992 Olympics in Barcelona. The Games were the catalyst for all that has followed. Population and business growth in Barcelona is rapid and dynamic and the confidence that brings these was also the product of the big step forward that Barcelona took with the 1992 Olympics.

I welcome the publication of this book which highlights the many practical ways in which cities can ensure that hosting major events helps to promote urban development which is good for citizens and great for the future of the city. I hope that the book will be widely disseminated and debated.

A handwritten signature in black ink, appearing to read 'Jordi Hereu', with a long horizontal flourish extending to the right.

Jordi Hereu
Mayor, Barcelona

Notes

1. 'European City of the Future 2004/5: Barcelona' FDI Magazine, October 2004
(www.fdimagazine.com/news/fullstory.php/aid/885/European_City_of_the_Future_2004_5:_Barcelona.html).
2. 'Barcelona City Projects. 22@' (<http://w3.bcn.es/fitxers/bcn-negocis/a22eng.175.pdf>).
3. Port of Barcelona, (2004), 'The Logistics Gate of Southern Europe', www.apb.es/en/APB/Press/files/Dossier_press2004.pdf.
4. 'Barcelona City Projects: Plan for the Llobregat Delta', <http://w3.bcn.es/fitxers/bcn-negocis/apladeltaeng.793.pdf>.
5. 'Zapatero announces the high speed train will reach Barcelona on 21 December' Barcelona City Council, August 2008, http://w3.bcn.es/V01/Serveis/Noticies/V01NoticiesLlistatNoticiesCtl/0,2138,1653_35144087_3_303886822,00.html?accio=detall&home=HomeBCN&nomtipusMCM=Noticia.

Local Development Benefits from Staging Major Events

The competition to stage major global events – such as Olympic Games, EXPOs, cultural festivals, and political summits – is more intense than ever before. Despite advances in virtual communication, large-scale gatherings of this kind have again become extraordinarily popular. In part, this can be explained by the worldwide media attention and sponsorship that such events now generate. But it is also substantially accounted for by the longer-term local benefits that can be achieved for the host location, including: improved infrastructure, increased revenues from tourism and trade, employment creation and heightened civic pride. However, such positive effects do not occur by accident, or without effective local action. Effective legacy planning and management is essential to ensure that the financial risk of investing in the event pays off, and that local development is boosted in a meaningful way.

Put simply, when international events are hosted well, they become a catalyst for local development and global reach. This book identifies how international events work as a trigger for local development and what hosting cities and nations can do to ensure that positive local development is realised. It reviews experience from more than 30 cities and nations and it looks forward to future events yet to be hosted.

The full text of this book is available on line via this link:

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