

AN ADVISORY SERVICES PANEL REPORT

Barcelona Convention Centre Barcelona, Spain



Urban Land
Institute

Barcelona Convention Centre Barcelona, Spain

7–12 November 1999
An Advisory Services Panel Report

ULI—the Urban Land Institute
1025 Thomas Jefferson Street, N.W.
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About ULI—the Urban Land Institute

ULI—the Urban Land Institute is a nonprofit research and education organization that promotes responsible leadership in the use of land in order to enhance the environment.

The Institute maintains a membership representing a broad spectrum of interests and sponsors a wide variety of educational programs and forums to encourage an open exchange of ideas and sharing of experience. ULI initiates research that anticipates emerging land use trends and issues and proposes creative solutions based on this research; provides advisory services; and publishes a wide variety of materials to disseminate information on land use and development.

Established in 1936, the Institute today has some 15,000 members and associates from 50 countries, representing the entire spectrum of the land use and development disciplines. Professionals represented include developers, builders, property

owners, investors, architects, public officials, planners, real estate brokers, appraisers, attorneys, engineers, financiers, academicians, students, and librarians. ULI relies heavily on the experience of its members. It is through member involvement and information resources that ULI has been able to set standards of excellence in development practice. The Institute has long been recognized as one of America's most respected and widely quoted sources of objective information on urban planning, growth, and development.

This Advisory Services panel report is intended to further the objectives of the Institute and to make authoritative information generally available to those seeking knowledge in the field of urban land use.

Richard M. Rosan
President

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About ULI Advisory Services

The goal of ULI's Advisory Services Program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled well over 400 ULI-member teams to help sponsors find creative, practical solutions for issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfields redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's Advisory Services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and screened to ensure their objectivity. ULI panel teams are interdisciplinary and typically include several developers, a landscape architect, a planner, a market analyst, a finance expert, and others with the niche expertise needed to address a given project. ULI teams provide a holistic look at development problems. Each panel is chaired by a respected ULI member with previous panel experience.

The agenda for a five-day panel assignment is intensive. It includes an in-depth briefing day composed of a tour of the site and meetings with sponsor representatives; a day and a half of hour-long interviews of typically 80 to 100 key community representatives; and a day and a half of formulating recommendations. Many long nights of discussion precede the panel's conclusions. On the final day on site, the panel makes an oral presentation of its findings and conclusions to the sponsor. At the request of the sponsor, a written report is prepared and published.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials

to each member and arranging for the panel to meet with key local community members and stakeholders in the project under consideration, participants in ULI's five-day panel assignments are able to make accurate assessments of a sponsor's issues and to provide recommendations in a compressed amount of time.

A major strength of the program is ULI's unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academicians, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Advisory Services panel report is intended to provide objective advice that will promote the responsible use of land to enhance our environment.

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Spain, Hines/Diagonal Mar; Raimon Martínez Fraile, general manager, Turisme de Barcelona; Josep Antonio Acebillo, CEO, Barcelona Regional; and Jaime Sodupe, chief executive director, Forum of the Cultures: Barcelona 2004.

The panel also would like to acknowledge the efforts of the staff of Barcelona Regional, especially Miguel Sodupe for his guidance throughout the process and for the thorough briefing he provided to the panel; Philip Moyersoen for compiling the briefing materials and working with ULI staff to make the panel's week in Barcelona go so smoothly; and Yvonne Cifuentes for her tireless administrative support.

The panel also thanks all those who came to be interviewed and who shared their views, opinions, and desires for this project.

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Overview and Summary of Recommendations

The panel was charged with evaluating the proposed convention centre plan for Barcelona's Diagonal Mar site and evaluating the convention/congress market for the city.

The sponsor directed a number of specific questions regarding market potential, design characteristics, marketing and management, and finance to the panel. Following five days of study, the panel has addressed those specific questions in its efforts to evaluate the proposed convention centre.

Two points regarding the site and the proposed Forum of Cultures: Barcelona 2004 (Forum 2004) are critical to the panel's findings.

The Site

The panel recognises the importance of the proposed convention centre site in the general urban context. This site is a key element of the Avenida Diagonal and beach connection, and a focal point of the arc of the bay. It also has the potential for being the "gateway" to the northeastern section of the city. It is a site of natural prominence.

This site represents a broad range of challenges and opportunities, most of which are reviewed in this site report. As a geographic centre for the Barcelona area's overall urban development, the site stands at a critical position for the northeastern part of the city's redevelopment along the Mediterranean. The specific site also serves as an anchor to the planned revitalisation of the Poblenou district. Perhaps most important, the site occupies a highly visible node at the terminus of Avenida Diagonal, a major boulevard that will become more significant as Barcelona's northeastern section develops.

The panel was asked to evaluate the proposed convention centre plan with the assumption that the facility will be located on the Diagonal Mar site. The city chose this site after evaluating oth-



Location map.

er available land and taking into consideration its desire to continue revitalization efforts in this section of the city. The panel recognises and applauds the city's efforts to redevelop its north-eastern section. While the site for the proposed convention centre is constrained by its size and expansion options, it is appropriate for the intended use and the panel has developed recommendations to assist the city in moving ahead with a marketable convention centre on this site.

The proposed convention centre presents opportunities to expand upon Barcelona's strong base in business, commerce, and tourism. Barcelona clearly is a popular destination, and a convention centre would benefit not only from the city's unique position on the Mediterranean, but also from a lack of state-of-the-art facilities in comparable urban areas.

Ambitious and visionary planning will be needed to make this project work. A successful vision for the convention centre must encompass the entire site. The ideas presented in this report will assist in that planning. The city must prepare a viable

La Sagrada Familia is one of Barcelona's most famous sites.



development plan that addresses the real world issues of the convention centre and its potential expansion, revitalisation of the overall area, and proposed infrastructure improvements. By taking this approach, Barcelona can realise the potential presented by these varying yet linked “city building” efforts.

Forum of Cultures: Barcelona 2004

The panel believes that the proposed Forum 2004 needs to be addressed independently of the convention centre. That is, the centre cannot be designed only to accommodate Forum 2004 and, by the same token, Forum 2004 should proceed without relying on a new convention centre. These are two separate programmes and activities that must proceed independently, although the opportunity may exist for them to come together at some point.

With these broad considerations in mind, the following sections of this report address the specific questions asked of the panel.

Market Potential

Barcelona has become one of the most popular urban destinations in Europe. Since 1990, visitation to the city has grown by 50 percent. This rise in popularity is due to both the phenomenal visibility that resulted from the 1992 Olympics and a number of underlying fundamentals that are crucial to successful urban tourism:

Access. Barcelona is less than a two-hour flight from most of the population centres of Europe. Its airport is served by numerous daily flights to most major destinations. High-speed trains connect the city to Valencia, Madrid, and the major cities of southern Europe. Both airport and rail services are slated for significant improvements in the near future. The port also has become one of the Mediterranean's primary cruise ship destinations, with nearly 500,000 passengers arriving in 1998, a 300 percent increase in six years.

Tourism Infrastructure. Barcelona offers an extraordinarily diverse selection of hotels and other accommodations. In 1998, the city had more than 15,000 rooms (with 27,477 beds). These accommodations range from low-cost, one-star hotels to more than 13,000 rooms in three- to five-star hotels. (It should be noted that if a convention centre is built, more hotel rooms will be needed, as discussed later in this section.) The city also is renowned for its restaurants, cafés, clubs, and shopping, all of which are powerful magnets for attracting tourism.

Cultural Diversity. Barcelona is a cultural melting pot. This is reflected in the city's art, music, and multilingual character, and in a unique collection of museums and other civic amenities. The region's multilingual character also is reflected in its unique language, a blending of Spanish and French. The city is also the seat of the proud and vibrant Catalan culture.

Climate. Barcelona enjoys one of the best climates of any major city in Europe. Temperate in

both winter and summer, it sees more hours of sunshine than any other major European city.

Positive Perception. Barcelona is considered the southernmost city in northern Europe. It combines northern efficiency and industriousness with Mediterranean warmth, welcome, and passion. Broadcasts highlighting the city's charms during the 1992 Olympics exposed people throughout the world to Barcelona's rebuilt beaches, modern waterfront, loop roads, and expanded airport.

Urban Design. Barcelona combines both the historic old "Gothica" with an exciting, modern city. Its fine examples of medieval Gothic neighborhoods are balanced by ample portions of the renaissance, beaux arts, art nouveau, Bauhaus, and modernist periods. Indeed, the city's architecture continues to be its primary attraction for visitors. Tree-lined streets and parks also provide visitors with an enjoyable experience. The recently redeveloped harbour and waterfront beaches further distinguish Barcelona from other major European cities.

This powerful combination of advantages continues to fuel Barcelona's tourism growth. These same strengths have helped make the city a lead-

Barcelona's dense development pattern presents a challenge for siting a new convention centre.

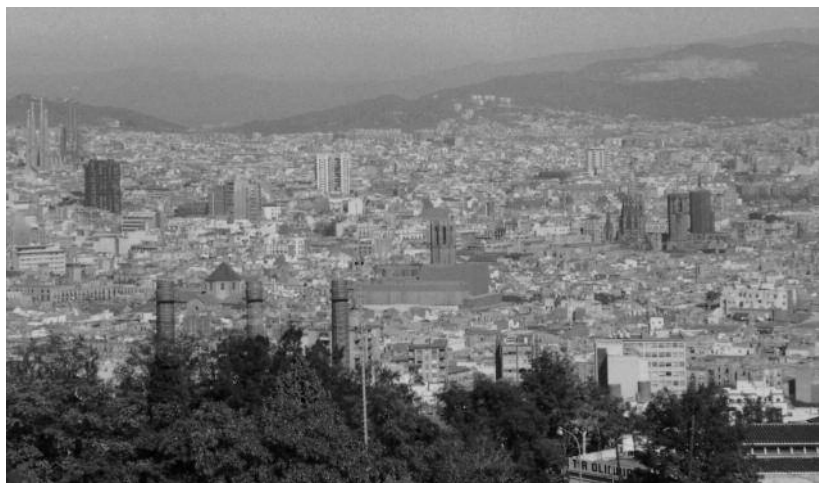


Figure 1
A Comparative Assessment of Major European Cities

City	Access	Infrastructure	Culture	Climate	Perception	Urban Design	Value
Barcelona	***	****	****	****	****	***	22
London	****	****	****	**	****	****	22
Paris	****	****	****	**	***	****	21
Amsterdam	****	***	***	**	***	**	17
Rome	*	***	****	****	**	***	17
Madrid	**	***	***	***	**	*	14
Berlin	***	**	**	**	**	**	13
Stockholm	**	**	***	**	**	**	13
Milan	**	**	**	**	*	**	11

ing destination for both trade fairs and conventions. Associations, corporations, and meeting planners increasingly weigh the quality of a meeting city more heavily in their selection process. Although delegates and attendees come to an event for its content, they also seek to enjoy themselves during their visit. While cities across Europe have recognised this important fact, few can compete with the advantages outlined above. Figure 1 provides a summary comparative assessment of the relative attraction of the major cities of Europe.

Yet another factor—“intellectual assets”—is important in attracting international meetings. Barcelona has an international reputation for being home to an extraordinary number of world-class professionals. This is particularly true in the field of medicine. Such people are key to attracting and organising professional meetings.

Barcelona’s already strong performance in both international trade fairs and congresses, in spite of the absence of a purpose-built convention centre for large meetings and congresses, is testimony to the strength of its attraction.

In summary, Barcelona is a very competitive city for attracting international congresses and has the potential to become even more competitive. First-time visitors to Barcelona congresses often are motivated to relocate or extend their operations to Catalonia. The city’s major weaknesses are the lack of a high-quality congress/convention centre and sufficient hotel capacity to support additional or very large meetings. Fortunately, both issues are correctable.

Target Meeting Size

Barcelona has the capacity and infrastructure to attract a wide range of meeting types and sizes. This is reflected in the current profile of meetings hosted by the city. The range can be expanded even further with the addition of a purpose-built convention centre. Targeting too narrow a range would increase the convention centre’s exposure to economic cycles, which also affect the travel industry.

For purposes of the panel’s analysis of this opportunity, the meetings market was segmented into four submarkets, based upon size. The characteristics of these segments differ greatly in their

Figure 2
Meeting Submarkets

Meeting Type	Number of Attendees	Typical Venue
Small	Less than 1.000	Hotels
Medium	1.000–3.000	Convention centres and hotels
Large	3.000–10.000	Convention centres
Very Large	More than 10.000	Convention centres and arenas

Figure 3
Existing Meeting Venues

Facility		Seating Capacity of Largest Hall	Banquet Seating Capacity
Hotels	Hotel Arts	1.300	1.000
	Hilton	800	900
	Sants	1.500	1.100
	Palace	1.200	1.100
	Princesa Sofia	1.200	900
Others	Palau St. Jordi*	18.000	5.000
	Convention Centre of Catalonia (new facility)	2.300	2.300
	L'Auditorium	2.300	—
	Theatre-Liceu	2.300	—

* This facility consists of an arena and a large hall. It was not build to host congresses.

facilities requirements, frequency, visitor profile, and so forth.

Organisers of smaller meetings prefer to hold them in hotels. They have the widest range of choice among host cities, because even relatively small cities can accommodate them. This is a very competitive market in which Barcelona is already well positioned. The addition of a convention centre will have little if any effect on enhancing Barcelona's competitiveness for small meetings.

Figure 3, which lists hotel facilities and other special-purpose venues available to meeting organisers (outside of the Fira de Barcelona), illustrates the range of first-class venues in Barcelona for small and medium meetings and congresses.

Medium and large meetings offer the greatest expansion opportunity for Barcelona. These meetings are too large for most hotel facilities—and even for some convention centres. Therefore a very limited choice of facilities in less than a dozen of Europe's largest cities (such as Munich and Vienna) currently is available to accommodate their needs.

Barcelona cannot easily accommodate very large meetings today. Although the city has hosted large congresses, the organisers of these types of events have indicated that they would like to see the city add new, larger facilities for future meetings.

Even if new meeting facilities are built, the current high occupancy levels in Barcelona's hotels

Figure 4
Primary Competitive Destinations and Venues

City	Hotel Space		Primary Venue Space		
	Room-Nights/Year (in millions)	Rooms (in thousands)	Meeting/Banquet Room/Auditorium (in thousands of square metres)	Exhibit Hall (in thousands of square metres)	Average Number of Congresses Annually with More than 1.000 Attendees
Barcelona	5,5	15	3,0	7,6	8
Berlín	7,3	20	4,0	10,2	8
Amsterdam	4,7	13	10,0	74,3	8
Vienna	6,2	17	6,0	20,0	4
Estocolmo	6,6	18	4,2	49,0	9
Munich	6,6	18	5,2	6,5	2

mean that the city will have a hard time handling significantly higher numbers of meetings—of any size—without a concurrent increase in hotel capacity. Without the addition of a substantial number of new hotel rooms, Barcelona will not be able to significantly increase its share of the European large and very large convention market.

International Market

Barcelona's many attractions are well known and make the city an ideal destination for international meetings. The city enjoys a global recognition and reputation shared by few world capitals. Although it is not a national capital city, it does not have the lesser status of many of Europe's "second" cities.

Another reason that Barcelona should aggressively seek to retain and expand its market position is that congresses are one of the most rapidly growing sectors of the meetings market (with a 7 to 10 percent growth per year over the last decade). European integration is likely to sustain this trend for the foreseeable future.

Barcelona is already a well-established destination, with international meetings comprising more than 60 percent of the meetings held there. Its ability to compete for prestigious international meetings is proven. However, as newer, larger venues are developed in Munich, Amsterdam, and other cities, Barcelona will face increased competition.

Competition with Current Supply

The primary target market for the proposed convention centre is medium to large meetings (with 1,000 to 10,000 attendees). As discussed previously, Barcelona currently has few facilities capable of accommodating such meetings. The programming of this facility should be defined in such a way that the new venue both complements and supplements the city's existing facilities.

Smaller meetings in Barcelona typically are accommodated within hotel-based conference facilities. (The largest of these, the Convention Centre of Catalonia at the Hotel Rey Juan Carlos, will be completed in the year 2000. Although it will be able to accommodate meetings of up to 2,300 people for a banquet or an assembly, or 2,050 square metres of exhibits, it may have difficulties accommodating these numbers simultaneously.) Organisers of smaller, high-end corporate and incentive meetings are attracted to hotel facilities because they value the convenience of nearby hotel rooms, higher-quality food service, and other amenities. Only the largest of the smaller meetings likely will be attracted to a convention centre. Therefore, the negative competitive effects of the proposed new project on existing venues should be minimal.

The bulk of Barcelona's large meeting space currently is provided within the trade fair facility at Montjuic. This 8,500-square-metre facility can accommodate plenary sessions of up to 1,600 delegates. It is, however, used primarily for the con-



The port is a hub of activity in Barcelona.

ference needs of trade fair exhibitors. Dedicated use by major congresses is difficult to schedule because the priorities of fair exhibitors take precedence. In other words, Montjuic will not forgo revenue from exhibition business by reserving its fair space for a congress event with minimal exhibition requirements. In addition, this facility is not up to current international standards and therefore is not competitive for major new meetings. The panel therefore believes that the construction of a new dedicated convention facility at Diagonal Mar also will have minimal, if any, impact on the Montjuic facility.

Adjoining Land Uses

Ideally, a convention centre is an integral part of the urban fabric of the city. Convention centres need a range of supporting amenities and infrastructure nearby. While they generate business for nearby hotels, restaurants, retail shops, entertainment venues, and a wide range of services, a convention centre alone rarely can support such facilities by itself. A diverse and synergistic mix of uses is needed in order for all to succeed.

The most important adjacent land use for a convention centre is hotel accommodations. A concentration (500 to 1,000) of proximate (ideally adjacent), high-quality hotel rooms is essential for attracting international meetings. In addition to accommodations, these hotels must provide a range of services and amenities. As discussed above, convention centre business alone will not

sustain such hotels. Therefore, the area in which a convention centre is located also must contain office and other related types of development that generate substantial hotel use. The areas surrounding convention centres in major North American cities typically have a ratio of 300 square metres of occupied, Class A office space for each hotel room. Residential and retail uses are also hotel-complementary, but nonessential, adjoining land uses for a convention centre. It should be noted that significant hotel and office development is planned or programmed in Barcelona during the next 20 years and will be available to support the proposed convention centre.

Sufficient parking is another essential element for a successful convention centre. Exactly how much parking is needed depends upon the availability of public transportation and the location of the project within the city. The specifics of parking and public transportation in the case of the proposed site are discussed in the “Planning and Design” section of this report.

Community Activities

A convention centre also can provide an important community amenity for the city of Barcelona. This is particularly true during the periods when external demand is low (July, August, and the holiday periods in December). During these times, the facility could be used for a wide range of civic/community and special activities, depending upon its ultimate conception. These include,



The marina is one of the many facilities used to support the 1992 Summer Olympic Games.

The Fira de Barcelona is one of the city's premiere meeting venues.



ture a significant portion of international events and to help build a critical mass for the development of Prim Node on the waterfront.

but are not limited to, some of the following public events:

International and Cultural Exhibits. Current facilities are inadequate for some of these events, which focus on the exchange of ideas, presentations, and performances.

Music and Performing Arts. An appropriately designed facility would provide a flexible venue for a variety of public performances. Certain types of performances may be too small for existing arena facilities or too large or otherwise inappropriate for existing concert halls.

Diplomatic Events and Political Rallies. Convention facilities often are used for international exchanges, political events, and so forth.

Charity Events and Awards Banquets. Such events are often too large for hotels and inappropriate in a trade fair setting. The proposed facility would accommodate a wide range of these activities.

Thoughtful planning can ensure that a convention centre becomes a true amenity for the community as well as a tool for attracting visitors. The counter-seasonal nature of much of the local demand can help improve the performance and profitability of the convention centre.

Requirements for a New Convention Centre

The panel concurs with the building programme recommendation of 44,000 square metres of rentable space in the first phase for the Diagonal Mar site described in the June 1999 report, *Study on Convention Centres*, completed by Barcelona Regional. This space would be sufficient to cap-

Planning and Design

The Proposed Plan

The panel was asked to comment on the feasibility of the current plan for the proposed convention centre. The plan, prepared by Barcelona Regional and its consultant, architect Jose Luis Mateo, responds to the vision of the mayor of Barcelona, Juan Clos, and to urban design principles established by Barcelona Regional's leader, architect Josep Acebillo. These principles are aimed at the transformation of the Poblenou district of northeastern Barcelona and the creation of new office and commercial centres to replace existing industrial uses on either side of the Avenida Diagonal.

Sweeping in its vision, the concept for the transformation of Poblenou contains three elements. The plan is anchored at the extreme northeastern corner of the district, near the terminus of the recently extended Avenida Diagonal thoroughfare, by the Diagonal Mar project, which currently is being developed by Hines. A second important element is the establishment of the terminus of the Avenida Diagonal as the site for Forum 2004 and its associated development, which are intended to create a new urban public space with iconic facilities. The third component of the concept for the terminus anchor is the proposed convention centre, which is located on a site adjacent to the terminus, at the junction of the Rambla de Prim and the Ronda del Litoral.

The plans for these various elements have been developed separately. The plan for the Diagonal Mar project responds to the city's planning and entitlement requirements, including a shopping centre, office and hotel development, and a residential community. Hines is planning these as incremental developments, and is facilitating their financing, management, and potential disposition as separate entities. As a result, there is less design cohesion or correspondence among these elements than might be expected in the

publicly sponsored Forum 2004 development, which encompasses the entire site area.

Barcelona Regional has developed the plan for Forum 2004 to include improvements to the public works facilities that presently occupy the shoreline there. These will consist of public parks, plazas, and other amenities; an iconic building to house an auditorium or other multiuse cultural activities; and parking. Plans also include the addition of new housing, a private marina, hotels associated with the marina, and a university facility with links to high-tech industries. While the panel understands the rationale for the preponderance of public uses, it believes that this scenario allows little or no opportunity to reinforce the convention centre's market position with more sites for adjacent office and hotel development.

The panel reviewed Mateo's preliminary concepts for the convention centre. These concepts extend beyond the designated convention centre site and also include property owned by Hines and the Forum 2004 site. The panel's proposed plan attempts to integrate these three components and create a unified vision for their design.

The Ronda del Litoral will provide access to the new convention centre.





Miguel Sodupe of Barcelona Regional briefs the panel.

While the panel recognises that the proposed plan is preliminary and is meant to offer a vision of what is possible on the site, the panel reviewed it for its feasibility on the Diagonal Mar site. The proposed plan and related design concepts for the convention centre—as they were presented during the interviews—are not feasible, in the panel’s view, because of the following:

- The plan shows the convention centre extending to the west, using property that belongs to the Diagonal Mar project and that Hines intends to use for hotel and office development, both of which are necessary to support the new convention facility.
- The plan indicates a requirement to alter existing infrastructure (for instance, a platform/plaza extends northward over the Rambla de Prim). However, there is no indication of how these massive alterations will be accomplished or how they can be financed.
- The meeting room layout is not functional. It provides insufficient break-out and prefunction space, and the rooms are configured to expand in only one direction.
- The design relies on the use of natural light throughout the facility. While natural light is welcome in prefunction areas, it should be avoided for all other meeting and exhibition spaces. Because it can be difficult to control, natural light can cause problems in areas where multimedia presentations may be given.

- The auditorium (plenary hall) can only expand linearly. It has no prefunction space. It admits light along one entire side.
- The exhibit space admits light on one entire side.
- The banquet area layout can only be expanded linearly. Kitchen and food preparation areas are unclear.
- The design includes views of the sea, the zoo, and Montjuic; however, these features cannot be seen from this location, because they are blocked by adjacent development (roads and housing).
- The structural span in the main exhibit space is 90 metres, which is unrealistic and prohibitively costly. A more acceptable span for exhibit space is 27 metres, which still requires very deep trusses.
- The ceiling height of 12 metres is useful (a good standard is 10 to 12 metres); however, a large portion of the space has a ceiling height of six metres, which makes it unusable for exhibit space.
- The design concept lacks flexibility and ignores practical requirements, such as storage.
- The inclusion of parking for trucks and buses is good; however, there is no apparent loading dock or service area. It is unclear whether there are freight elevators.
- The plan incorporates a hotel and offices; however, the design ignores real estate realities. The commercial uses are integrated too tightly with the convention centre, requiring them to be built jointly and making financing and implementation difficult.

Design Principles for a New Convention Centre

Incorporating certain requirements and principles in the design is critical to creating a realistic and marketable convention centre at the Diagonal Mar site. These principles include the following:

- The design should not rely upon acquisition or use of adjacent private properties if the project

must be completed by 2004, or if costs are to be managed within reasonable bounds.

- Access to the general area (and to the proposed convention centre site in particular) currently is not ideal because of the site's location at the extreme northern edge of the city, away from most activity centres and hotels. The panel hopes that these access issues will change as the area surrounding Diagonal Mar is developed. To overcome this deficit, the panel recommends that this site should be well served by major metro (subway) lines connecting to the central city and also by excellent vehicular service roads. This is a critical component for use of this site for a convention centre. The plan should address measures to realign the metro and create a new station to serve the centre. It also should address site access and egress more specifically, showing how service trucks, buses, and automobiles will enter and leave the site.
- With the exception of Hines's proposed commercial development, the proposed adjacent uses are not synergistic or beneficial for the function of a world-class centre (especially since there is insufficient hotel and office space). An ideal site would be more closely associated with a major business centre, immediately adjacent to several hotels, and conve-

niently located for access to local attractions.

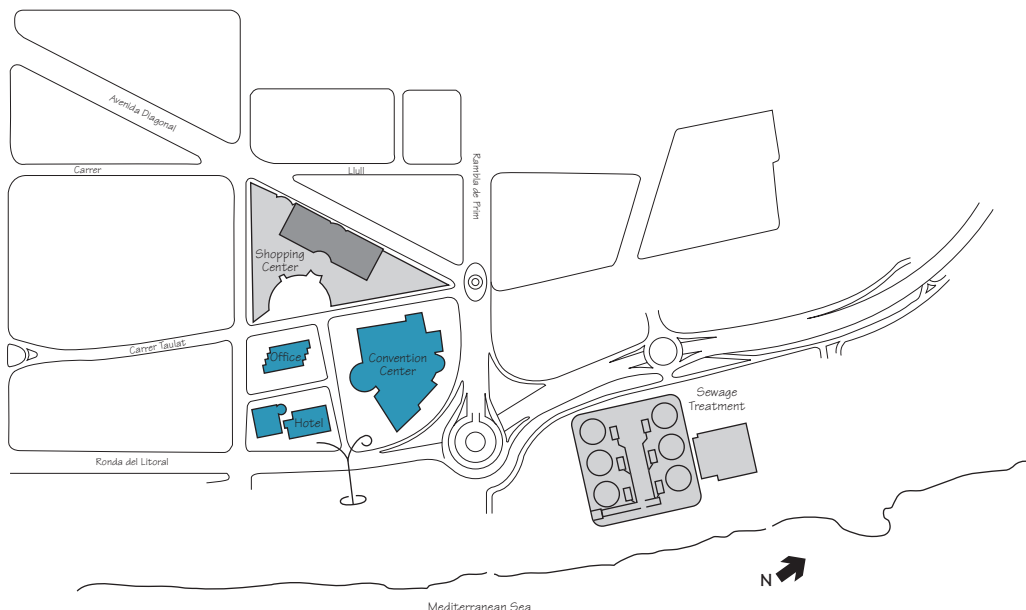
To overcome this disadvantage, the convention centre should be directly connected to the hotel planned by Hines to the south, and to the shopping centre to the west.

- The proposed site is small and constrained, and does not facilitate the most economical and flexible planning of spaces—specifically, large, uninterrupted, rectangular spaces on no more than one or two levels. The site's configuration is irregular, which results in wasted land. The ideal site would be larger and more rectangular in shape, with better vehicular access. While it may be technically and functionally feasible to fit the centre within this site by going vertical, this will affect cost and functionality.

Main Entrance Location

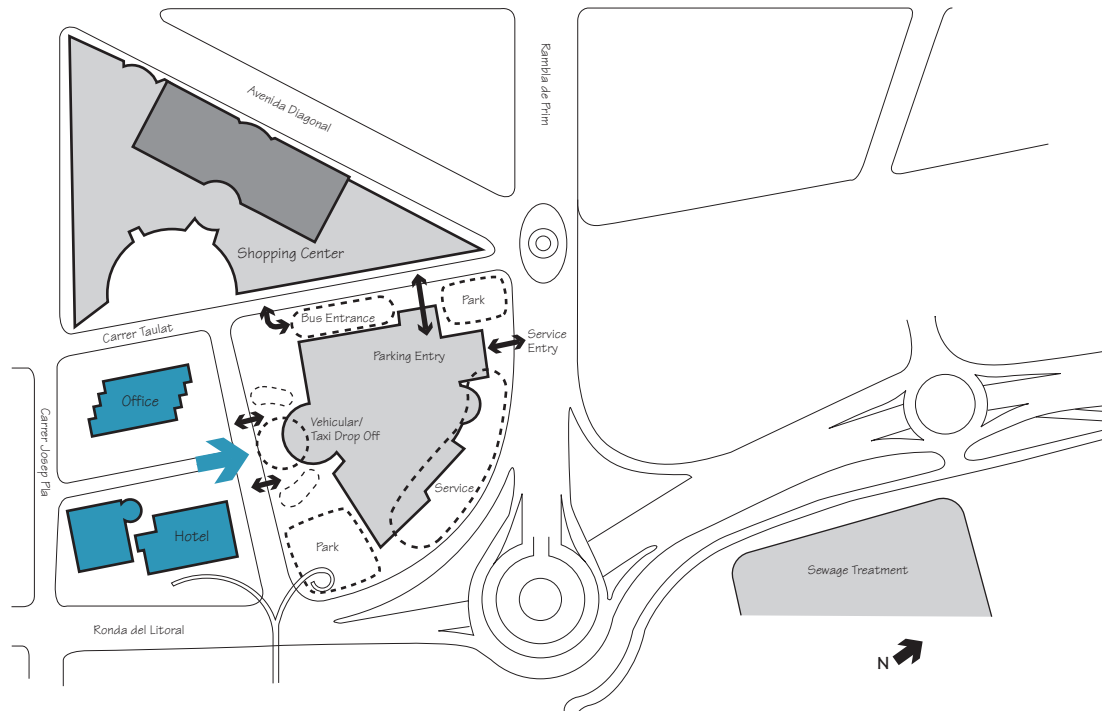
The panel was asked to comment on the location of the convention centre's main entrance. Panelists evaluated two potential main entrance locations. The first favors pedestrians, while the second favors automobiles and buses, and allows for maximum buildout of the site.

The first option for a major pedestrian entrance is to the southwest, off the Carrer de Puigcerdà, a road separating this tract from the Hines office/

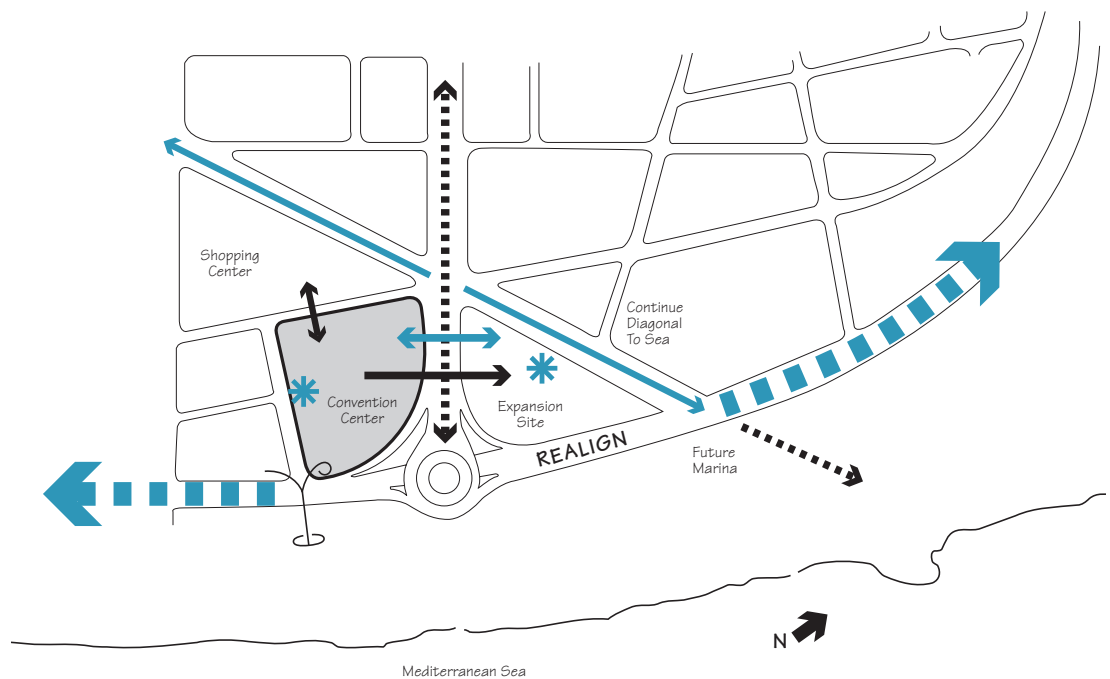


Site master plan.

Access plan.



Potential site expansion.

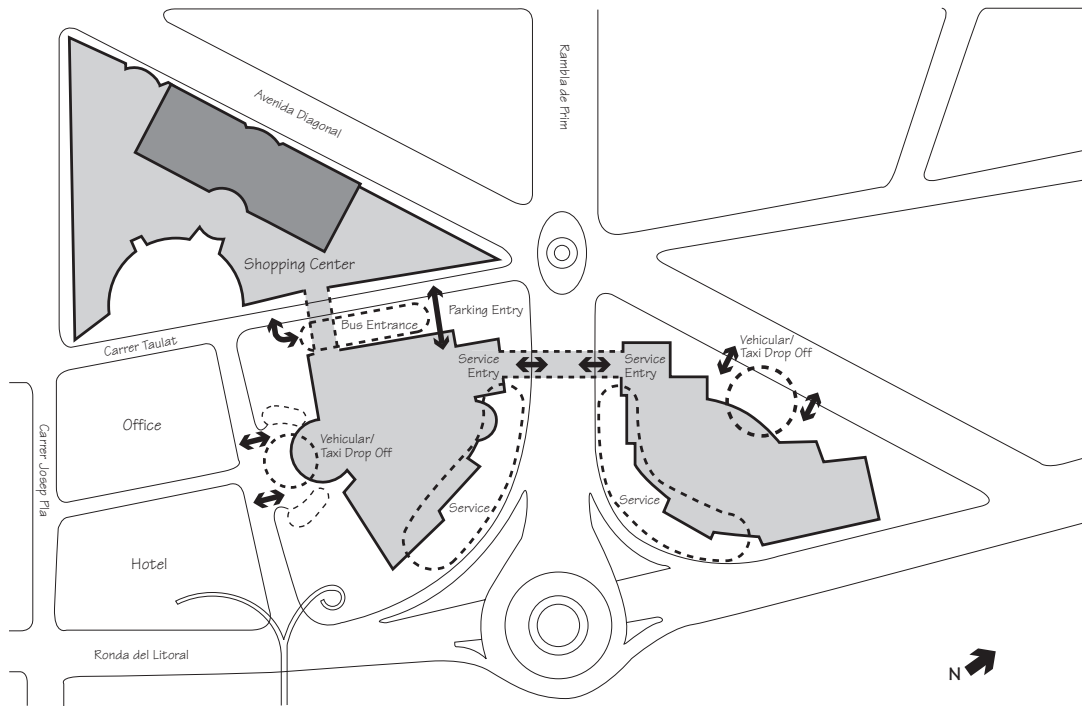


hotel site. The Carrer Taulat on the northeast is a service street, and may be appropriate only for a separate bus drop-off area. While it may be possible to place some ground-level retail space on both the shopping centre and the convention centre sides of the Carrer Taulat and thus make it a more pedestrian-friendly walkway, this street still would function better as a bus drop-off area. Buses could use a small ancillary road along the Rambla de Prim as a staging area leading to parking beneath the convention centre. The

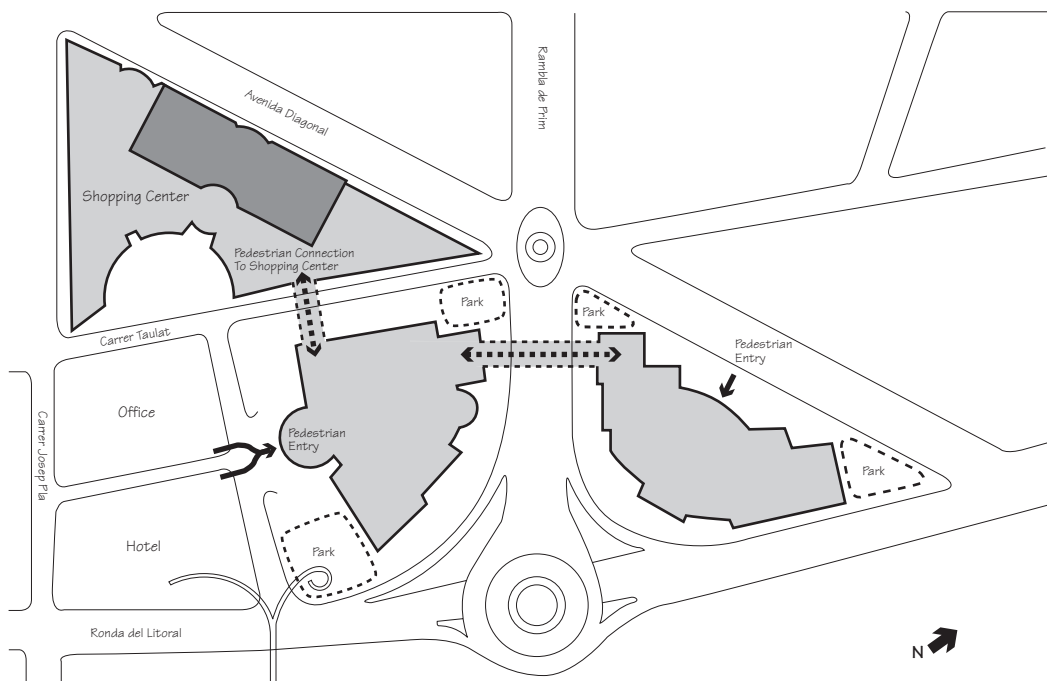
curved ramp that connects the Rambla de Prim to the northeast and the Ronda del Litoral to the southwest is a high-speed ramp, which offers limited opportunities for access. However, this edge, which defines the property's boundary, offers the highest visibility and identification for the convention centre.

The second option for a main entrance would take advantage of the curved part of the site along the ring road at the junction of Rambla de

Potential site expansion:
vehicular access.



Potential site expansion:
pedestrian access.



Prim and Ronda del Litoral. This has the advantage of creating a single main entrance for buses and pedestrians, separate from truck access directly to the exhibition hall (while still allowing room to separate buses and pedestrians). This configuration also would allow the overall building envelope to take better advantage of the site configuration. In addition, should future expansion take place over the Rambla de Prim, this entrance would be located more centrally within the expanded facility.

The following principles should guide the location of the entrances:

- The design of the convention centre should announce its presence along the Rambla de Prim/Ronda del Litoral intersection. That expression also should clearly indicate the location of the centre's entrance.
- The centre should have a main, ceremonial entrance that relates closely to the most well-traveled access road (Carrer de Josep Pla).

This access should be suitable for pedestrian and automobile access, and should offer protection from the weather.

- The main entrance can use the road planned to run between the proposed hotel and office buildings as a “grand entrance” for pedestrians, taxis, and private vehicles. Such a dedicated entrance road has been discussed with the developers of the overall site. This entrance could create a strong pedestrian plaza that would bring together the convention centre, the retail centre, and the hotel.
- A bus drop-off area should be located away from the ceremonial entrance. A bus feeder road could be developed to parallel the connector between the Ronda del Litoral and the Rambla de Prim. This road would run from north to south, sloping down to run under the pedestrian entrance at the Carrer de Puigcerdà and the proposed entrance road.
- Both bus and pedestrian entrances should lead directly to the principal prefunction space (used for registration) and to vertical transportation elements.

Spatial Requirements

The type of facility developed will influence both the size of various spaces and their relationship with one another. A congress centre that focuses on professional meetings will have a higher proportion of meeting rooms to exhibit hall space than a large convention centre. A major exhibition centre will require much more overall space and may require more site area than is available. Some general guidelines for development of key convention centre areas follow.

Exhibit Hall. The panel recommends a 20,000-square-metre main hall.

Plenary Hall. Many congresses require a sloped-floor auditorium with a capacity of up to 5,000 to 6,000 seats. This may be accomplished with some configuration of two halls that can be combined or used separately. The plenary hall and meeting rooms must be convenient to the exhibit hall. Plenary halls should total 3,500 square metres or more.

Meeting Rooms. Convention centres typically have one square metre of meeting room space for every two square metres of exhibit hall space. In congress centres planned more for meetings than major exhibitions, however, that ratio can be one to one.

Prefunction Areas. There should be one square metre of prefunction space for every square metre of meeting rooms. Prefunction space must be immediately adjacent to the meeting rooms.

Lobby/Registration and Other Service Areas. The lobby and registration areas should be contiguous and subordinate to the exhibit hall. Total lobby/registration space generally should be 10 percent of total exhibit space, at an average of half a square metre per person. Most importantly, sufficient space must be provided between the entrance to the centre and the registration locations to manage long queues while still providing room for cross circulation. Office, administration, operations, food and beverage, and concession uses should be expected to occupy 8 to 12 percent of the total convention centre area, and space must be designated for these uses in appropriate locations.

Storage. Approximately 12 percent of the convention centre's total area should be dedicated to storage, including areas for storage of equipment such as chairs and tables. Some new convention centres also include on-site crate storage for the exhibitors (that is, storage for crates that the exhibitors use to bring their materials and displays and then take with them when they are finished), which reduces the number of required truck trips by half and thereby reduces the cost of staging and dismantling exhibits.

Truck Loading/Unloading. Space allocated for loading access depends on the size of the proposed facility. A general guideline is one truck dock for each 1,000 square metres of exhibit space.

Parking

The amount of parking required will depend on the type of facility that is built, its location, and the availability of mass transit. Convention centres that serve local or regional groups need

much more parking than do those that serve international groups, which make more use of public transit.

If the metro station is directly accessible to the site, and adequate provisions are made for bus and taxi service, the required passenger car parking for the facility might be held to a few hundred spaces, depending on the type and size of the overall centre. This assumes that almost all employees will use mass transit, and that there will be plenty of hotel rooms immediately adjacent to the site. On the other hand, if the metro station is remote (further than 200 metres from the centre), parking for several thousand automobiles will be required. Even so, one cannot expect this centre to be successful without good access to public transit and adequate facilities for bus access.

Sufficient parking also must be provided (perhaps not within the facility, but within the general area) for special event parking, as this type of use draws mainly local participants, and tends to be held in the evenings, when people are more likely to drive. Shared parking arrangements with nearby facilities, particularly offices, should be explored.

Metro Station and Other Public Transportation Options

In the panel's opinion, metro access should be available *immediately* adjacent to the convention centre. Plans have been developed for a metro extension around the site, and some form of direct service must be considered. The metro line serving the facility should provide direct routes to the city's major attractions, hotels, and restaurants.

Several additional public transportation options should be considered for the proposed convention centre. These include bus, taxi, and possibly tram service. Bus service, particularly for large groups, requires a passenger discharge/loading area and nearby bus parking. Ideally, on-site bus parking should be provided. Taxi service can use the same service routes as buses, although the taxi passenger discharge/loading site must be separate from that for buses.



The city's transportation specialists are of divided opinions about the feasibility of tram service to this site. Tram service feasibility is highly dependent on the speed of service between major urban centres and the convention centre. The hourly passenger capacity and level of service depend on cross traffic along the route and the number of intersections that impede or slow tram service. Traffic signalisation along the Diagonal can be adjusted to permit a smoother flow of vehicular traffic (including trams); however, this will affect traffic flows on the streets that cross the Diagonal. If the only way to assure that tram passage is smooth and uninterrupted is to create grade-separated guideways (above or below the streets), the cost of tram service is probably infeasible.

Moving sidewalks, including covered systems, can be considered to move large numbers of pedestrians efficiently.

Large-Vehicle Routing

Large vehicles, including buses and trucks, must be routed to and from the convention centre safely and efficiently. To accomplish that, the panel recommends the following:

- Truck service should be separated from all other traffic.
- Bus access to the convention centre should be separated from private vehicular traffic. Separate routes should be provided for buses to

Jay Wyper of Hines (right) shows Panel Chair Jim DeFrancia (center) and panelist Clé van Beurden plans for the site.

Mayor Joan Clos, third from left, and other sponsor representatives listen to the panel's findings and recommendations.



access the passenger discharge/loading site; however, a common entrance to parking can be provided for buses and trucks.

- An areawide traffic study and plan should be completed. One of its objectives should be to designate appropriate truck and bus routes to the site.

Pedestrian Access to Transit and Parking

The panel was asked how pedestrian access and circulation should be designed so that it is safe and convenient to mass transit and parking. The panel recommends that mass transit and parking be located so pedestrians are not required to cross roadways. This can be accomplished by providing direct connections to such facilities from the centre in the form of vertical transportation (to underground parking and stations), overhead pedestrian bridges, or direct passageways to adjacent facilities. All such walkways must be safe, attractive, and protected from the weather. They should be no longer than 200 metres. The panel has discussed such pedestrian connections with the developer of the retail centre and the owner of the site for the proposed hotel. Planners should consider providing direct access from the convention centre to both facilities at a level that would be above the street and appropriate for future expansion (possibly over the Rambla de Prim).

Ancillary Uses

In response to a question regarding the appropriate locations and densities for the development of ancillary uses, the panel recommends the following:

- The scale of this development should be sufficient to achieve critical mass, a level that will be attractive to conference, convention, and congress planners. The thresholds for sizes of such facilities are addressed in the “Market Potential” section.
- Planners must recognise the relationships that exist between convention centres and hotels, and between hotels and office space. Higher-quality hotels are dependent on nearby offices for occupancy. A higher concentration of offices will result in better hotel occupancy. In most instances, office space already must exist before hotels can be deemed feasible and developed. Hotels (or at least one major hotel) should be located as close as possible to the convention centre. Ideally, the hotel should be directly connected to the centre by a traffic-free, air-conditioned connector (tunnel or bridge passageway). At least 1,000 rooms should be located adjacent to the convention centre and several thousand more should be located nearby. The exact number of rooms needed will depend on the size of the facility. (See the earlier discussion in the “Market Potential” section of this report.)

- Only a small amount of incidental retail space can be supported by a convention centre. The existence of a nearby shopping centre, however, will be very beneficial for the convention centre.

Incorporation of Technology

State-of-the-art convention centres increasingly are using technology to position themselves in the marketplace and to reduce costs and increase efficiencies for users. Successful convention centre design requires a comprehensive consideration of the building's technology and systems. For example, the design of structural spans, floors, and ceilings must be derived from planning for functional relationships among properly sized and configured spaces. The building's structural system, which is derived from the design of functional spaces and relationships, must be closely integrated with the design for other state-of-the-art building systems and equipment, such as:

- Raised floor systems;
- Lighting systems;
- Acoustics;
- Modular access to power and telephone lines;
- Food preparation and service facilities;
- Storage for furniture, movable partitions, equipment, and exhibit crates;
- Mechanical and ventilating systems;
- Fire and life safety systems;
- Security systems;
- Central computer control centres;
- Video display systems;
- Sound and public address systems;
- Fiber-optic cabling and data transmission;
- Dual-feed electrical service and power backup systems;
- Simultaneous translation centres;
- Vertical circulation, including freight elevators; and
- Movable wall systems.

Planning for these systems must be integrated in the design approach from the very beginning, and cannot be accomplished successfully as an afterthought.

Planning for these systems ideally will be incorporated within an exciting design concept that visually identifies the convention centre as an important icon in the community and as a technologically superior facility. Beginning the design process with a preconceived exterior form or image, however, is likely to result in a facility whose spaces are ill conceived and whose systems are poorly integrated.

Mitigating Urban Impacts

Adverse urban impacts such as noise and traffic are best addressed by preemptive planning from the outset of design. Examples of such planning include orientation of prefunction areas away from high-traffic areas, separation of access routes from heavily traveled through-traffic routes, and separation of external noise-generating sites (such as services and bus discharge points) from sound-transmitting building envelopes.

Remedial measures often are needed to control noise in urban convention centres. Such supplemental measures may include wall insulation, solid building envelopes adjacent to highways (rather than glass or open structures), sound-dampening technology ("white noise" generators), and screening walls and other solid forms that act as sound barriers (or the creation of separate access ramps and fly-overs for access to the site). Such remedial or supplementary measures are generally more expensive and cumbersome than planning for the prevention of such impacts from the commencement of design.

Marketing and Implementation

The panel was asked to address the following issues related to marketing and implementation of a proposed new convention centre:

- Key components of a marketing plan;
- Organizational structure;
- Private concessions and restaurant space; and
- Schedule for completion.

In its review, the panel identified a golden thread running through the fabric of the Barcelona community: community pride. This important asset should not be underestimated; it will allow the new convention centre's planners and developers to maximise the resources most needed for success.

Marketing Plan

The convention centre must be a complete, world class facility that contains as many revenue-producing elements as possible, with superior levels of service that eventually will make it a profit centre for its owner. As such, the convention centre must acknowledge and serve the needs of four key groups of users:

Attendees. The convention centre must provide a memorable experience for Barcelona's citizens and visitors alike.

Event Managers/Exhibitors. The convention centre must offer functional spaces, adequate planning, and support services that expedite exhibit setup and dismantling.

Facility Operations/Management. While not traditionally considered "users," these entities must be viewed as such in the marketing plan, in order to maximise revenue, reduce costs, and support marketing goals.

Owner. The owner's reputation will be at risk if the facility is poorly planned and is not competitive. The owner thus must be considered in a marketing plan that presents the convention centre in a positive manner.

Each of these groups has specific individual needs, and the facility and its marketing plan must be designed to meet all of these needs simultaneously and interactively.

The following are the key components of a marketing plan that will meet the needs of all four primary groups of users:

- An agreed upon mission statement that identifies the booking order priorities and operational goals needed to reach maximum levels of service but, at the same time, reduce net operating costs;
- An appropriate annual budget;
- An energetic, assertive sales team;
- A defined package of facility, hotel, and transportation elements;
- The maximisation of available land and space;
- The definition of multiple "niche" potentials;
- An approved booking policy and fee schedules; and



Josep Catllà of Forum of the Cultures: Barcelona 2004 explains Forum 2004's proposed plans to the panel.

Figure 5
Organisational Structure for the New Convention Centre

(Ownership = Municipality Operations = Management)

Operations	Marketing				
<ul style="list-style-type: none"> • Small in-house staff (to minimise overhead costs while the convention centre is in use) • Maximisation of outside contracts and resources (to support minimal in-house staff) 	<table> <tr> <th>Team</th><th>Segments</th></tr> <tr> <td> <ul style="list-style-type: none"> • In house • Outside consultants • City resources </td><td> <ul style="list-style-type: none"> • Local • Regional • National • International </td></tr> </table>	Team	Segments	<ul style="list-style-type: none"> • In house • Outside consultants • City resources 	<ul style="list-style-type: none"> • Local • Regional • National • International
Team	Segments				
<ul style="list-style-type: none"> • In house • Outside consultants • City resources 	<ul style="list-style-type: none"> • Local • Regional • National • International 				
<ul style="list-style-type: none"> • Special elements purposefully introduced in the final finishes that set the convention centre apart from others in the region and the world. 	<p>Barcelona should be the owner. It should employ a professional and experienced private firm to operate and market the convention centre.</p>				

Organisational Structure

The panel recognises that the addition of congress space at the Diagonal Mar site will create a triad of large congress spaces for Barcelona—at Montjuic, at Rey Juan Carlos, and at Diagonal Mar. To achieve aggressive sales goals and ensure maximum use of all three properties, the city and each individual property owner must coordinate their resources and goals. The panel therefore suggests a new, entrepreneurial, diverse matrix structure for the new convention centre, one that uses an in-house team and at the same time maximises its use of the available abundance of local support systems and resources.

The panel proposes two specific and distinct structures. First, the new convention centre needs a structure for its own management and marketing functions. The municipality of

Second, a new structure should be developed that supports the new convention centre and, at the same time, provides for the maximum use of Barcelona’s meeting space in general. The panel has called this structure the “Hospitality Council.” The panel proposes that the Hospitality Council be headed by the city and that it include members from key partners, which are defined in Figure 6. It will support the new convention centre and the existing facilities through its support of the overall city goal—to maximise the use of all city venues—while taking advantage of the pride that exists throughout the Barcelona business community. This collective approach to coordinating city congress space will offer the following opportunities:

- Minimise local competition;
- Maximise use of all venues;

Figure 6
Organisational Structure for the Proposed Hospitality Council

(Chair = Municipality)

Team Makeup	Goals		
<table> <tr> <td> <ul style="list-style-type: none"> • Corporation of hotels • Bureau of tourism • Convention bureau • Chamber of Commerce • Stadiums, arenas, auditoriums, special venues • Fira de Barcelona </td><td> <ul style="list-style-type: none"> • Congress hall at Montjuic • Congress hall at Hotel Rey Juan Carlos • Convention centre at Diagonal Mar • Others, as defined </td></tr> </table>	<ul style="list-style-type: none"> • Corporation of hotels • Bureau of tourism • Convention bureau • Chamber of Commerce • Stadiums, arenas, auditoriums, special venues • Fira de Barcelona 	<ul style="list-style-type: none"> • Congress hall at Montjuic • Congress hall at Hotel Rey Juan Carlos • Convention centre at Diagonal Mar • Others, as defined 	<ul style="list-style-type: none"> • Coordinate and support information • Cross-fertilisation and marketing • Overall city booking strategy
<ul style="list-style-type: none"> • Corporation of hotels • Bureau of tourism • Convention bureau • Chamber of Commerce • Stadiums, arenas, auditoriums, special venues • Fira de Barcelona 	<ul style="list-style-type: none"> • Congress hall at Montjuic • Congress hall at Hotel Rey Juan Carlos • Convention centre at Diagonal Mar • Others, as defined 		



Workers at the Fira set up a new exhibit.

- Allow for a concentrated effort that focuses attention on business and new competitive advantage in the European market; and
- Provide a seamless image of city support for the customer.

The city should set up a transitional steering committee immediately to create a vision and mission for the Hospitality Council, so that the council can begin its work as soon as possible.

The city must identify a leader, or “champion,” for the development and operation of the new convention centre. This individual must be willing to be the point person for issues related to the convention centre and to provide the political leadership needed to guide the project from inception to final construction and operation. This person must believe in the convention centre, be

able to work with all parties involved in the planning and development of the facility to make sure that it is the best for Barcelona, and have the support of the entities that can make the convention centre a reality.

Food and Beverage Operations

As stated earlier, the new convention centre should ensure its ability to maximise profit-generating activities. Food and beverage operations are key elements in achieving this goal. A convention centre cannot be successful without a profit-oriented, entrepreneurially run food and beverage operation. If designed and operated with outstanding service and quality standards (including an attractive restaurant), the food and beverage operation can and should become a major year-round profit centre.

Written specifications, with controls set by the owner, should encourage the maximum number of experienced food and beverage operators to provide an appropriate mix of revenue-producing services, including banquet service, concession stands, VIP presentations, gift shops, and buffet service.

A broad array of profitable food and beverage services should be provided throughout the convention centre facilities and grounds. While an ongoing restaurant operation is needed, this facility should be expected to be a net economic loss because of overhead costs, high labor costs, and minimal operational days.

Panelists conducted many interviews to gain insight into the convention centre issues in Barcelona.



Implementation Schedule

The city must have a general strategy for implementation. Simply said, timing is critical and sooner is better than later. Barcelona is in a peak market. The city should take advantage of this position and should aggressively adopt a “fast-track” schedule that will assure convention centre completion at the earliest possible time. The panel’s suggested timing for the new convention centre appears in Figure 7.

The activities in this schedule are not linear and do not necessarily need to be performed consecutively. Several key activities can take place simultaneously. For example, work on the fund-

ing package, approvals, and design competition all can begin at the same time. While at times work in each of those areas may need to wait for other work to be completed, it will be possible to maximise and condense timing by working on some of these activities at the same time. The same is true with design and construction (some construction can begin toward the end of the design process) and with construction and outfitting (outfitting can begin as sections of construction are complete).

The panel would like to note that while it has allotted just one month for training, individual departments will be expected to begin training staff (and coordinating their activities with other departments) as soon as possible, as outfitting occurs. The final, coordinated, overall building run through is expected to take about a month.

The panel also was asked to comment on a schedule for ancillary development around the site, and offers the following comments:

- Funding for the convention centre would be greatly supported by a master plan schedule for the surrounding area that shows as much project completion by 2004 as possible.
- Marketing strategies will be maximised by ensuring completion of complementary developments, infrastructure, and beaches and amenity packages prior to the opening of the convention centre.
- Hotel development must be completed prior to the convention centre opening.
- The shopping centre is scheduled to be completed in 2001, prior to the opening of the convention centre, and will support an amenity package.
- Cultural amenities will make the convention centre experience more enjoyable, and will support stronger repeat business opportunities.

Figure 7
Implementation Timing

Activity	Timing
1. Commitment/decision	Day 0
2. Funding package	10 months
3. Approvals	8 months
4. Design competition	8 months
5. Design	14 months
6. Construction	18 months
7. Outfitting	3 months
8. Training	1 month
9. Grand opening (soft)	4 years from day 0
10. Grand opening (official)	4 years and 6 weeks from day 0

Financing and Funding

Convention centres traditionally have been developed through public policy initiatives, in which the majority of the capital is provided with equity financing. This happens because public officials recognise the prestige, value, and positive economic impacts a centre can deliver to a municipality.

Implicit in this observation is the reality that economic development plans generally regard convention centres as “loss leaders.” Convention centres are the economic engines powering the economic impact train. Hotels, restaurants, airports, taxis, art and cultural institutions, and clubs are just a few of their beneficiaries.

Convention centres also can provide the impetus for the major rehabilitation and restoration of

marginal areas. The development of a major convention facility quite commonly results in the opening of new businesses and the expansion of existing businesses. New buildings often are developed nearby to house new hotels, exposition service companies, security firms, catering services, and restaurants.

The panel believes that building a new convention centre in Barcelona should not be the sole responsibility of the public authority. This responsibility should be shared through a major public/private partnership. This partnership’s mission should be to seek out creative and innovative financial funding options.

Privately funded centres are anomalies. Only a few examples exist, including the Disney conference centres in Orlando, Florida; Opryland in Nashville, Tennessee; and the Sands Exhibition Hall in Las Vegas, Nevada. Another example is the new Hong Kong Convention and Exhibition Centre, which is completely privately funded.

Public/Private Funding Options

The panel suggests that the following points be considered when pursuing a public/private funding package.

- The convention centre will be a catalyst to spur commercial and retail development in the area. The supplemental income the city will generate because of increased economic value should flow back to support the original development of the convention centre.
- An essential element of the strategic marketing plan should be to promote the convention centre as the icon for regional and municipal events and a showcase of the best Catalonia has to offer. This philosophy and strategy should be emphasised throughout the development process and should be used to generate



Barcelona has many beautiful, walkable avenues that are visitor destinations.

Figure 8
Development Costs

Costs	Percent of Total	Public	Private
Predevelopment	3%	70%	30%
Planning/design			
Feasibility study			
Funding			
Marketing			
Legal			
Support Facilities			
Development/Construction	60%	75%	25%
Architect and engineer			
Site improvements			
Construction			
Infrastructure	26%	100%	0%
Off-site improvements			
Access roads			
Metro and/or tram			
Outfitting (Showcase Catalunya)	10%	50%	50%
Furniture, fixtures, equipment			
Financing	1%	0%	100%
Bond issuance			
Capital interest funding			
Underwriting fees			
Total	100%	78%	22%

sponsorships and product donations from private parties.

- Some private funds for the project may be available from sources such as the Consorci Zona Franca, Fira de Barcelona, financial institutions, and other private investors. However, public investment also will be needed for the project to meet the city’s goals for the centre.

The city’s goal should be to negotiate a public/private partnership in which the public sector will be ready to claim a major stake in the development costs.

Development Costs

Costs vary in substance, nature, and timing and have different financial sources. Categorising expenses as predevelopment, develop-

ment/construction, infrastructure, outfitting, or financing costs helps one to better understand financing needs.

Figure 8 provides the panel’s general indications concerning the cost breakdown. Future operational costs that might be fixed at the time of development should be studied further.

Operating Expenses

The panel has insufficient information to develop a comprehensive operational budget for the future centre, but wants to share some thoughts on critical operational issues that should be addressed and recognised, particularly when an operator is selected.

Opportunities to influence operating expenses are extremely limited. Processes to control payroll

costs are restricted by level of use and local labour conditions. A very small staff of permanent, full-time employees is ideal for venues with 100 events or less per year. Conversely, venues with 225 to 250 events per year can obtain the financial advantages of retaining day-of-event employees on a full-time basis and recapturing the expense by charging event producers less than they might otherwise have to pay for temporary employees.

Additional operating costs include the following:

Insurance. Funds must be allocated for property and liability insurance premiums.

Utilities. Utility costs are based on local area electric or other energy costs, facility usage, the size of the building, and the number of extreme hot/cold days. Computer-based energy conservation systems that regulate and adjust the use of

Figure 9
Operating Parameters

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Revenues						
Rentals		X	X	X	X	X
Food service		X	X	X	X	X
Parking		X	X	X	X	X
Premium seats		X	X	X	X	X
Event services		X	X	X	X	X
Other recurrent events		X	X	X	X	X
Sponsoring rights	X					
Naming rights	X					
Advertising rights	X					
Management contract	X					
Food and beverage contract	X					
Communications contract	X					
Information systems contract	X					
Audio-visual contract	X					
Tenants	X	X	X	X	X	X
Operating Expenses						
Purchasing	X	X	X	X	X	X
Subcontracting						
Management contract	X	X	X	X	X	X
Food and beverage contract		X	X	X	X	X
Internal Expenses						
Salaries, wages, and benefits		X	X	X	X	X
Utilities		X	X	X	X	X
Insurance		X	X	X	X	X
Marketing and sales	X	X	X	X	X	X
Maintenance, repairs, supplies		X	X	X	X	X
Depreciation and replacement		X	X	X	X	X
Nonreimbursed event costs		X	X	X	X	X

heat, air conditioning, ventilation, and so forth should be explored as a cost-effective investment.

Marketing and Sales. Travel cost for sales staff, supplies such as booths and exhibits for attendance at trade shows and exhibit fairs, and memberships for professional organisations are major elements and important to the long-term success of the facility.

Major Repair and Replacement Reserve.

Annual allocations for major repairs and replacements must be set aside in a reserve fund to cover future renovation or replacement of major equipment and furnishings. Adequate reserves should be dedicated to pay for unforeseen breakdowns as well as periodic modernisation.

Resources and Revenue

The panel's evaluation of funding options for the proposed convention centre was hampered by lack of a firm programme and the need for a feasibility study to determine the centre's characteristics based on market and user requirements. A feasibility study should be conducted immediately. In addition to confirming the characteristics of the centre, it should include a business plan that maximises private enterprise involvement in the convention centre and an elaboration and confirmation of potential public and private financing sources.

However, the panel was able to determine some key generic issues in the financial plan, given the nature of the key players, their interests, and plans around ongoing actions at municipal, regional, and federal levels.

Public Financing Options

The city has a wide variety of public financing options from which to choose. These include the following:

- General funding (direct funding—either equity or grant—from governmental resources).
- Issuance of governmental bonds at all levels—city, regional, and national.
- Levying special “user” taxes, including hotel occupancy taxes, restaurant taxes, alcohol



taxes, airport departure taxes on international flights, a delegate tax, and an exhibition tax.

- Tax exemptions for the convention centre, which would include waiving of value-added tax (VAT) on construction costs and implementing special “tax relief” incentives for private donations.
- Icon funding, which would integrate the design for the icon for Barcelona 2004 into the overall design scheme of the convention centre and claim prior allocated funds.
- Sale of development rights: the city could organise public tender of noncritical public property holdings adjacent to the site.
- A special state lottery build-up to 2004 could be initiated, in which part of the profits would go to the convention centre development fund.
- European Union funding could provide predevelopment funds for EU-related cultural initiatives and activities to be taking place at the convention centre and for training associated with new business activity in the Poblenou area.

Private Financing Options

Several options exist for securing private funds for the new convention centre. The following recommendations are based on information from the panel's interviews as well as on the panel's expertise in the area of financing convention centres and other public facilities. Options include, but are not limited to:

The panel presents its findings and recommendations.

Figure 10
Development Resources

Resources	Equity	Debt	Grants	Sales
Public finance options				
City funding	X		X	
Regional funding	X		X	
Federal funding	X		X	
Bonds		X		
New tax revenue				
Hotel (occupancy)			X	
Restaurant, alcohol			X	
Airport			X	
Delegate, exhibition			X	
Icon tower funding			X	
Development rights tender and sale				X
State lottery 2004			X	
EU funding				
Cultural activities			X	
Federal activities			X	
Training activities			X	
Private finance possibilities				
Shareholders				
Zona Franca de Barcelona	X			
Fira de Barcelona	X			
Bank loans		X		
Founding partners			X	
Sponsorship rights				X
Naming rights				X
Exclusive contracts				
Management				X
Food and beverage				X
Communications				X
Information system				X
Audio-visual				X
Advertising rights				X
Tenants (e.g., casino)				X
Club of 500			X	
Plaza of Knowledge			X	
Total resources	20%	50%	20%	10%

- Develop co-share holders.
- Obtain bank loans.
- Designate founding partners. The city could pursue substantial grants from parties that will directly benefit from the new centre or that have a civic obligation to support the community but wish no voting rights. Examples include Iberia airline, Barcelona's airport, banks, and taxi and bus companies
- Create a "Club of 500." The city could pursue, on a "pro-rated" basis, one-time donations from parties who will benefit directly from the new centre. Examples include travel agencies, hotels, stores, taxi associations, coach companies, suppliers, and others.
- Sell sponsorship rights, name rights, and advertising rights. Sales of rights also could include corporate sponsorship of parts of the centre (such as the lobby area, the plenary hall, and individual meeting rooms).
- Award contracts to exclusive suppliers in exchange for their investment in outfitting the centre. Examples include management, food and beverage, travel-desk, design, communication, information, and audio-visual operations.
- Create tenant income: By including offices for promotional bodies (a tourism office, a bank, a travel agent, a possible casino, and so forth), the city could capitalise future rental incomes.
- Create a "Plaza of Knowledge": The city could create an entrance square by sponsoring and selling "name bricks" to companies and to the general public. "Buy-a-brick programmes" have been used successfully in the United States to raise money from citizens, whose contributions are permanently memorialised.

Figure 10 illustrates how these resources could be used in developing financing in terms of equity, debt, grants, and sales.

Conclusions

The panel believes that the city of Barcelona is in a prime position to attract a wide array of regional and international meetings. Barcelona is a popular destination with world-class amenities to offer any visitor. As discussed in this report, the city can take several positive steps to begin to accommodate the demand for congresses and meetings of various sizes, including adding more hotel and meeting space, marketing the city as a meeting destination, and pursuing creative sources of financing for a new convention centre.

The panel has offered several suggestions for accommodating a convention centre on the Diagonal Mar site and has described ways to optimise the city's preferred location. This site offers an opportunity to continue development in the northern part of the city and the panel has presented planning and design principles that can be implemented to build a high-quality facility on the site. It is clear to the panel that more hotel space and other ancillary development are needed in the immediate area, as well as in the city in general, to support a new convention centre anywhere in the city.

Barcelona should continue to build on its strengths and its place in the world congress market. The vision and enthusiasm of the sponsors will help provide the impetus for moving forward.

About the Panel

James DeFrancia

*Panel Chair
Vienna, Virginia*

DeFrancia is a principal of Lowe Enterprises, Inc.—a national real estate development company engaged in residential, commercial, and resort development—and president of its community development division. He has been involved in real estate development for more than 25 years; prior to that, he served as an officer in the U.S. Navy. DeFrancia is a trustee of ULI—the Urban Land Institute, a member of the Northern Virginia Building Industries Association, a past national director of the National Association of Home Builders (NAHB), a former Virginia representative to the Southern Growth Policies Board, and a former member of the board of the Metropolitan Washington Airports Authority. He has been a guest lecturer/panelist for the Bank Lending Institute, the Lincoln Institute of Land Policy, the Graduate School of Design at Harvard University, George Mason University, and George Washington University.

DeFrancia is a 1963 graduate of the U.S. Naval Academy. He continued his postgraduate studies in business and finance at the University of Michigan.

Matthew Cushing Berry

Bievres, France

Berry is president of the International Cooperation Networking Association (ICNA), a multidisciplinary network of independent consultants involved with international development. He is also the project manager for ARTEM (France), which provides advice on financing options for North American, European, and Eastern European companies involved in the automobile, foundry, plastic injections, and telecom businesses. Berry also has been a consultant

for international development restructuring and for strategic partnering projects that involved multinational financing options.

Daniel Brents

Houston, Texas

Brents is a vice president and partner of Gensler, the largest architectural firm in the United States. He leads an architecture and planning studio in the firm's Houston office.

His recent Gensler projects include serving as development coordinator for the Harris County–Houston Sports Authority on Houston's \$250 million downtown baseball stadium. He also served as urban planning consultant for the Texas Medical Center, which employs 50,000 people and serves 20,000 students, 12,000 physicians and staff members, and 45,000 patients and family members. He led in the creation of a strategic master plan for this 64-hectare urban complex, which has a density similar to Manhattan's financial district. He currently serves as the principal planning consultant for a 360-hectare mixed-use development in Houston known as Memorial City and leads master planning studies and architectural services on large-scale development projects throughout the United States and overseas.

Prior to joining Gensler, Brents was vice president of architecture and planning for the Euro Disney development near Paris (now known as Disneyland Paris). There, he was directly responsible for coordinating Disney's urban planning and design activities for the 2,000-hectare project and surrounding areas with French authorities. Planning issues included land use, traffic and transportation, and infrastructure for convention hotels and conference centers (including the 5,000-square-metre conference facility at the Hotel New York), urban retail entertainment centers, rail transit centers, and other facilities.

While head of his own firm, he provided planning consulting services for Sony Center, in Berlin, where a 130,000-square-metre entertainment and office complex is nearing completion on a 2.7-hectare site. The principal thrust of Brents's work was to review existing land use, transportation, and traffic patterns and to consult with Sony on whether the facility should proceed as planned and on potential modifications.

Brents has a master's degree in architecture and urban design. He is a fellow in the American Institute of Architects and a member of the American Institute of Certified Planners. He is an active member of ULI—the Urban Land Institute, and has served on Advisory Services panels that have evaluated urban redevelopment programs for Governors Island in New York, Atlanta's Centennial Park area, downtown Charlotte, North Carolina, and downtown Stockton, California.

Cheryl Cummins

Washington, D.C.

Cummins is the executive vice president and chief operating officer of ULI—the Urban Land Institute, the \$22 million premier real estate research and education institute founded in 1936. She was appointed to this position—in which she is responsible for the day-to-day operations of the Institute—in early 1998.

Cummins has been with ULI since 1984. As executive vice president for member services and meetings/events management, she oversaw the Institute's fall, spring, and mid-winter meetings; councils; conferences; committees; leadership programs; and District Councils. Prior to joining ULI, Cummins was an executive with the American National Metric Council for five years.

A native of the Washington, D.C., area, Cummins received both her BS in business and management and her MBA from the University of Maryland.

William D'Elia

San Francisco, California

D'Elia is director of development for EDAW, Inc. which provides comprehensive planning and urban design, landscape architecture, and resource

management services from 23 offices around the world. He has more than 20 years of experience in architecture and master planning for a variety of clients. D'Elia's work has included university campuses and commercial and corporate projects. He has distinguished himself in the areas of strategic planning and business development and has managed several large-scale public and private projects. D'Elia has a bachelor's degree in architecture from the University of Idaho and has authored portions of several books on planning and design for the Urban Land Institute.

William Kistler

London, England

Kistler is managing director of London-based Equinox International, which provides development advisory and management services to the real estate industry. The firm's clients include developers and investors as well as corporate and government organizations. Equinox has led a range of entertainment and resort development programs from site selection and analysis through creative and development strategies.

Kistler formerly was vice president of business development for the Walt Disney Company Europe. This followed three years as general manager for the Disney Development Company in Europe, where he directed the conception and planning of Val d'Europe at Disneyland Paris, one of the largest mixed-use developments of its kind.

Before joining the Walt Disney Company, Kistler was vice president of design and construction for JMB Properties in Chicago, where he led the redevelopment of office and retail assets throughout the United States. He came to JMB in 1989 from Cushman & Wakefield, where he was vice president of corporate services, heading a real estate advisory group supporting clients in the northeastern United States.

Kistler began his career as an architect, followed by 12 years in various corporate real estate positions at IBM, including director of architecture and design, head of real estate strategic planning, and program manager for European expansion in Paris.

Thomas Liegler

Rancho Santa Fe, California

Liegler was the original CEO of the San Diego Convention Center and the initial and long-term general manager of the Anaheim Convention Center and Arena, the Anaheim Stadium, and two golf courses. He helped design, construct, outfit, and then administer a successful facilities programme for the city of Anaheim. Previously, he was associated with the Chicago White Sox and the Houston Astrodome.

Liegler is a certified facility manager, an honor bestowed upon him by the International Facility Management Association (the professional association of arena, theater, exhibit hall, and stadium managers) for his outstanding achievements in the administration of large, multifaceted sports, convention, and entertainment facilities. He is listed in *Who's Who in the West* and has served as a consultant on many public assembly facility projects, including the New Orleans Superdome, the Georgia World Congress Center in Atlanta, Seattle's King County Stadium, the Panama City (Panama) Complex, the Sydney (Australia) Entertainment Centre, the Oakland (California) Convention Center, the Seattle (Washington) Exhibit Center, the Palm Springs (California) Conference Center, and Anaheim's new 20,000-seat sports arena.

Wil Neijmann

Amsterdam, Netherlands

Neijmann is a consultant for various congress centres throughout Europe and the managing director of ECOR (European Congress Organisation) in France. He specialises in the organisation of cardiology congresses, particularly the annual ESC Congress. He also has served as the director of ECCo, a European company specialising in the organisation of cardiology congresses; director and owner of an independent congress organisation, "Reunion International BV," specialising in exhibitions, congress logistics, and translations; director of the Congress Organisation Centre of the Netherlands; and comanager of the RAI (a group specializing in exhibition and organisation of congresses).

David C. Petersen

Bellaire, Florida

Petersen is a consultant specialising in convention centre market potential and operations. He was the former managing director of the development advisory group at PricewaterhouseCoopers (formerly Price Waterhouse). Petersen has more than 30 years of experience in real estate economics and municipal finance, and has directed studies for sites located in 43 states, five provinces, and 25 countries. His assignments have included new-community master plans, light-rail and mass transit systems, resort developments, and themed entertainment attractions.

Before joining Price Waterhouse, Petersen was a consultant with Booz, Allen & Hamilton and a security analyst and bond underwriter for investment banking firms in San Francisco and New York. He was also the first executive director of the Lexington Center Corporation in Lexington, Kentucky. (Lexington Center is a mixed-use development that includes a 370-room Hyatt Regency hotel, an 7,200-square-metre specialty retail mall, a 23,000-seat sports arena, and a 6,300-square-metre convention centre.)

Petersen's ongoing research interest is to qualify the essential uses and conditions that enable a nine-to-five downtown to become a 24-hour city. His education in economic planning has been augmented by independent research and study tours in more than 40 cities around the world. Petersen is a member of ULI—the Urban Land Institute and the Congress for the New Urbanism. He is author of ULI's *Sports, Convention, and Entertainment Facilities*, and was a contributor to the Institute's *Downtown Development Handbook* and *ULI on the Future: Smart Growth—Economy, Community, Environment*.

Clé van Beurden

Je Nieuwegein, Netherlands

Van Beurden is the director of European business development and a member of the board of directors for Trammell Crow Nederland. He has managed or consulted on several development project throughout Europe, including Aegean

Bay Park, Athens; Hanover Expo 2000, Germany; Eindhoven, the Netherlands; Westermaat, Hengelo, the Netherlands; and Ypenburg, the Hague, the Netherlands. He also has conducted market research for Stouffer Hotel Corporation, directed the Netherlands Board of Tourism in Chicago, and was responsible for leisure and hotel development for Bohemen Real Estate in the Netherlands. Van Beurden also served as interim marketing manager for the Netherlands Convention Bureau.

Ahmeena Young

Philadelphia, Pennsylvania

Young is vice president of marketing and sales for the Pennsylvania Convention Center Authority, which developed and manages this convention centre, the largest public construction project ever undertaken in Pennsylvania. She played a major role in policy development for the involvement of minorities and women in the Pennsylvania Convention Center, and also coordinated programs with government, community, business, and educational institutions in her role as director of external affairs.

Young has been involved with several hospitality organizations, including the Association of Black Meeting Planners, the Association of Convention Center Management Executives, the International Association of Auditorium Managers, and the American Society of Association Executives.