



AtAdlerAdvisory

Consortio Valencia
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External assessment of La Marina de Valencia

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4. Summary

1. La Marina de Valencia strategy

This strategy summary is based on the reports and documents created by member of Consorcio Valencia that manages La marina de Valencia, especially those of its strategic director Ramon Marrades Sempere. Please note that the viewpoints in this document are that of AtAdlerAdvisory and therefore in some cases might not fully reflect the exact position of the Consorcio Valencia. Hereafter, we use the terms La marina de Valencia, the harbor quarter and the acronym LMdV synonymously.

1.1 Characterization of LMdV

Consorcio Valencia plans an inclusive evolution of the maritime waterfront of Valencia (i.e. LMdV) in that future developments should involve and benefit all stakeholders. There is a focus on productive use of space for commerce, relaxation and knowledge creation. LMdV envisions an active approach with experimental and dynamic use of space that is supported, continuously assessed and transparently communicated. The Valencia harbor quarters strategy is unique from previous re-industrialization projects and makes use of the preexisting superior infrastructure, superb location and potential as one of the most successful large-scale European re-development projects. The harbor quarter aspires to be a place that benefits everyone.

1.2 Stakeholders

The predominant stakeholders are the citizen of Valencia. Consorcio Valencia believes that the Marinas success builds on locals, using the space for economic, recreational activities and co-creation. The other main stakeholder are local and foreign business entities operating in and around LMdV. The Consorcio Valencia feels a strong obligation to residents and businesses in the surrounding neighborhoods and aims at close cooperation (see communication). Success of LMdV relies on networks and a flexible and focused strategy. As a major Mediterranean tourist destination, LMdV inspires to be a top attraction to local and foreign visitors. In addition, due to its positive and inclusive strategy as well as the scope of the project the Valencia Consorcio perceives the Valencian region, Spain and the EU as partners in the future developments.

1.3 Pillars of LMdV

The three pillars of LMdV are the harbor, business venues and public space. The harbor functions as destination and support stream to the other operations. Success builds on inclusion of all stakeholders to

create an area of engagement in the most optimal public space- la marina de Valencia. It is a top-priority of Consorcio Valencia that LMdV businesses have large direct and indirect gains from locating at LMdV and that these businesses in return have incentive to improve and strengthen LMdV in the long-term.

2. Strengths of the LMdV strategy

A) Business venues. Consorcio Valencia plans to attract additional business activity that generates high productivity through harbor proximity and therefore shares positive goals of the area with the Consorcio, such as financial technology companies, advanced logistics firms and former Americas Cup sponsors. The aim is a diversified pool of company sizes that can rely on full service support from the Consorcio Valencia. About 10-20% of business space is reserved for local businesses and social experimentation. AtAdlerAdvisory suggests communicating the business strategy to potential and current business partners and achieve the goal of overall utility maximization for LMdV and its stakeholders.

B) The maritime business in the harbor. The Consorcio Valencia aims to improve service, increase revenue and utilization from tendering the maritime harbor activities to a professional private management company. Through this the number of berths is supposed to increase from 800 to more than 1400.

C) Knowledge creation. The area houses a business university and R&D incubators. In the short-term there are plans for a maritime museum, a dry dock offering on-the-job training and the Caixa forum. Knowledge creation also takes form in experimentation, for example through co-creation projects in tandem development with local and foreign educational institutions. LMdV immensely profits from the proximity to over 40.000 students in 2 public and 5 private universities. Closer ties provide strong collaboration between institutes. The harbor quarter serves as meeting point and incubator that promotes social progress through experimentation. The Consorcio Valencia aims to communicate this new identity, help coordinate upcoming activities and thereby provide knowledge to all stakeholders. In the near future, conference activities can use the unique space for discourse and dissemination while relying on the superb LMdV infrastructure, such as the more than a dozen restaurants ranging from large scale venues, such as the iconic Vels-i-Vent building, up to fine cuisine dining in Michelin-star restaurants.

D) Outdoors recreational activities and leisure. Active lifestyle is important to the LMdV strategy. For example, the re-route of the bi-annual marathon through the waterfront and an increasing number of water-based activities in the water basin. LMdV promotes the use of sustainable and healthy forms of

transportation such as bicycles, roller-skates and jogging across the whole area. In 2017, a running path is constructed as a joint venture of the LMdV stakeholders. LMdV is perfectly suited to large-scale out- and indoor events such as concerts and conference. Well embedded in the leisure and outdoor plans is the plan for a large hotel with prime-view of LMdV that will provide up-scale access to tourist, business and leisure activity travelers. AtAdlerAdvisory recommends to consider an outsource organization to help manage outdoor and recreational activities under social and revenue maximization aims.

E) Consorcio Valencia best-business practices. The Consorcio aims to manage LMdV with a lean organization structure and strong stakeholder focus. Creative, innovative and knowledge driven solutions are at the core of Consorcio decisions making processes and that of its stakeholders. Hereby, transparency will play a large role in the future.

F) Finance of LMdV. The annual cost and expenditures of the years 2014 and 2015 and the forecast up to 2034 detailed in 'Plan Plurianual' and 'Boletín oficial del estado 196' are considered for the appraisal. The ongoing debt restructuring process involving the government and banco Santander are excluded here. The strategic plan of the Consorcio appears to be in accordance with income expectations from the previous two years. Funding for re-development and improvements of the LMdV infrastructure and larger investments will likely have to involve a substantial share of third-party (private and/or public) finance. We suggest to consider alternative forms of finance such as 'kickerstarter', 'spacehive' and 'neighborly' in particular for co-creation projects in public space improvement.

3. Improvement priorities

G) Communication and representation. The dissemination of the ideas that drive the current strategy of the Consorcio is vital to the long-term success of LMdV and has the potential for adding value to other neighborhood redevelopment projects and Spanish municipal planning and management. At the time of this appraisal, LMdV is intensifying its communication strategy by adjusting the representation to the new strategy and increasing human resources in communication. The Consorcio has attracted a larger share of press attention in the 2016 that can be assigned to these new efforts, see 'Informe preliminar Marina Valencia 20.09.2016'. We advise to continue intensifying the communication to all stakeholders, also foreign businesses to maximize the benefit to LMdV. Due to the vital importance of the communication strategy this aspect should be reassessed and continuously optimized in 2017. We further recommend to

intensify the cooperation of all stakeholders into a concerted communication effort. In other words, to see where synergies in communication can be exploited and competitive advantages are for LMdV business, the municipality of Valencia and the Consorcio. The recognition of LMdV as a Spanish and European Union flagship project has a so far untapped economic and political potential.

We advise to more actively communicate with all stakeholders in that aim to reach local and foreign audiences. The communication should be positive, prioritize on impact and appropriate channels as well as resonate the inclusive, progressive long-term strategy.

Priorities:

- + Summary of LMdV developments on website including a timeline and press releases, communicate to potential business ventures
- + Update the English and Spanish section on Wikipedia, furthermore include LMdV into the list of top EU urban renewal projects
- + Promote LMdV in Rockefeller series on cities and similar publications
- + Use social media actions in combination with co-creation projects
- + Approach local and international guidebook publishing houses to communicate LMdV as an innovative neighborhood and the trendiest main attraction in Valencia (lonely planet, Michelin, trip-advisor and rough guide, etc.) Create specific external image for neighborhood on web-based platforms such as tripadvisor.
- + Consider unconventional social media use, in general have a risk embracing communication strategy
- + Create visual vision for communication such as short video clip that shows the harbor and its planned transition (high detail, make contest for university and businesses)
- + Free post-cards of LMdV
- + Sign-boards and gates at entrance to LMdV to communicate neighborhood atmosphere
- + Communication of a timeline internal and external in the Consorcio is vital. A strategy and event timeline should be reassessed and communicated regularly (at least every two weeks) among all LMdV management in search for synergy opportunities. Ambitious goals on timeline should be connected to incentives. The timeline needs to have at least 3 years forecast capability.

H) Access, transport and public space use. Public space is one of the largest assets of LMdV that is highly relevant to all stakeholders. For example, public space use is relevant to apartment values in the proximate neighborhoods but also for the recreational value for tourists as much as the business value

for LMdV business partners. Allow temporary business use of public space under license that fits LMdV. For example, guided tours to explain harbor quarter that have improved access to facilities and communicate LMdV strategy.

Access and transport inside of LMdV require substantial improvements. Due to its prior exclusive use, LMdV is not well connected to surrounding areas such as the beach and neighborhoods Nazareth and Cabanyal. Existing barriers and excess road space for cars need to be drastically reduced to provide a safe environment for use by families as a recreational area and exclusive business area. Speed limits should be lowered to 30km/h for all main roads and to walking speed on all secondary roads. Pedestrian and bicycle prioritization on all roads. Allow unhindered and well signaled access for all stakeholders. Consider access points and modes of stakeholders. The Consorico strategy recognizes this priority and has increased its expertise in this area of management. The substantial number of projects that are needed in this area should be one of the top priorities for the Consorcio. For example, unhindered waterfront access at the Vels-i-Vents building in the short run and for the entire area in the medium run. The removal of all unnecessary fencing and concrete barriers in the entire area should be achieved by the end of 2017 and greatly improve access. There is much need for the city of Valencia to create unhindered bicycle and walking access and appropriate road signaling from the historic center and 'la ciudad de las ciencias y artes'. Parking space is currently only priced at some locations in the area, this creates at least €2 million forgone losses which are needed for improving the LMdV playgrounds and sports facilities along the harbor front. Even worse, parking in many areas prevents unhindered access to LMdV and adds large risks to its users.

Public space and transport offers large opportunities for co-creation and communication. Use of public space that is effective and efficient and improve some spaces through co-creation (see also communication) that involves main stakeholders (businesses and university).

Maintenance of public space should be optimized to benefit LMdV appearance and utilization. Maintenance should receive positive incentive structure to positively react to stakeholder wishes and to provide feedback about operations and opportunities to the Consorcio. Barrier removal and increase in green space are high priorities for 2017. There should be public space assessment at least once a week with a bicycle where priorities are assessed and that are communicated to the Consorcio management. There should be direct contact possible for all stakeholders to report repair requests, register damages. Maintenance needs to start documentation on request and repairs. By the end of 2017 there should be a cost efficient plan to create density in some areas through vegetation. For example, between buildings A13 and A15 there is suitable space for trees, e.g. palm, olives and oranges. In the short term, lights for

night access and security need improvement. Lights should be evaluated under efficiency criteria. For example, Tinglado 2 requires illumination and access to (public) toilets. This can be achieved in the short-run by proper communication through maps that details the harbor area.

I) LMdV improvements. There are several potential high impact improvements for LMdV that should be considered. One aspect that is currently missing in the Consorcio strategy but that is well connected to all the objectives and has a profitability potential is sustainability. There is large potential for wind-power generation in the harbor area. This energy could either be stored on-site in batteries for later use or feedback into the grid. Building A07 is suitable to solar power generation. Public private partnerships to finance of sustainable projects and crowdfunding finance are suitable. If correctly implemented sustainability can become a main pillar of LMdV and connect to education and knowledge creation as well as co-creation activities.

An important project for the medium term is to invest in a bridge that connects the south and north harbor front. The bridge will increase use of the currently unused southern harbor side.

Another project proposal could be to cooperate in testing underwater agriculture project that is currently operating under 'Nemos garden'. Similarly, it is possible to envision (underwater) lightshows as an attraction. Current barriers such as Formula 1 fences can be used in co-creation projects for green space, as art installations or playground material.

The connection of projects with local and foreign universities is already undertaken by the Consorcio and planned to increase in 2017.

To increase the daytime use of currently underutilized space such as Tinglado 3 and 4 it is a unique opportunity to let stakeholders temporarily use the area for activities such as conferences, meetings and company outings. This process is ideally inclusive with other local businesses (e.g. Las Naves, Conference Center).

J) Transparency and knowledge creation. The Consorcio has decided to make transparency and knowledge creation one of its top priorities. In the short-run, the Consorcio aims to make most business operations and documents publicly available. Further, the Consorcio starts collecting data on LMdV related matters such as user number and purpose to inform its stakeholders and provide a platform to the public and business to discuss improvements to LMdV.

4. Summary

The strategy of the Consorcio Valenica is coherent and flexible for quick future adaptation to external events. It provides the basis for highly successful development of the LMdV area. LMdV is pioneering project that actively manages the public space. Large potential for a sustainable positive impact on the wider community and positive recognition of Valencia on the national and international scale. The Consorcio makes good use of its competitive advantages and aims at diversified and dynamic activities to achieve resilient economic success and promote public well-being.

The sound and resilient business strategy puts LMdV and the city of Valencia squarely into one of the most interesting urban re-development projects of the first half of the 21st century. LMdV balances the interest of all stakeholders, businesses and residents, achieving a recipe for a long-term, high-growth scenario. The recognition of LMdV as a Spanish and European Union flagship project has an so far untapped economic and political potential.

Top priorities for the Consorcio are to intensify communication efforts between stakeholders and to the public. Develop and collect uptake and success measures. Create and communicate strict timetables for LMdV projects, the improvement of public transport and public space access. In the start of co-creation phase, priority should be given to one or two key-projects that communicate the strategy and social engagement of the Consorcio for LMdV.