

**SUBJECT: Urban Renewal as an Economic and Social
Catalyst: The Conversion and Development
Efforts of Former Military Bases in the
Philippines**

SPEAKER: Mr Arnel Casanova

MODERATOR: Mr Michael Koh

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Note:

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The Conversion and Development Efforts of Former Military Bases in the Philippines	1	Arnel Casanova 326/2017
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Tessa	<p>Distinguished Guests and fellow colleagues, welcome to today’s CLC lecture series. My name is Tessa and I’m from the Centre for Liveable Cities. The Centre was jointly established by the Ministry of National Development and the Ministry of Environment and Water Resources in 2008, to distil, create and share knowledge on liveable and sustainable cities. The CLC lecture series is one of the platforms through which urban thought leaders share best practices and exchange ideas and experiences.</p> <p>In today’s session, we are honoured to have with us Mr Arnel Casanova, Senior Advisor of the Office of the Vice President of the Republic of the Philippines and Country Representative of AECOM Philippines. Mr Casanova was the former President and CEO of the Philippines’ Base Conversion and Development Authority, and he will be sharing his experiences in transforming former military bases and properties into premier centres that have catalysed the economy. The format for today’s lecture will start off with a presentation by Mr Casanova, followed by a Q&A [question and answer] session with the audience, moderated by Mr Michael Koh, Fellow with the CLC.</p> <p>We would now welcome Mr Casanova to deliver his lecture. Mr Casanova, please.</p>
AC	<p>Thank you. Good afternoon, everyone. First, I’d like to thank the Centre for Liveable Cities, the director, my good friend, Limin Hee, and all the staff. Thanks for inviting me to come over and to share experiences in the Philippines in converting the former military bases into central business districts and special economic zones.</p> <p>Titled, my presentation, “From Camps to Cities: Military Camps as Catalyst for Peace and Development”, which we experienced from the 1990s and up to now. Just to give you a background, this is precipitated by a need to address certain challenges that we face as a country. First, in 1970s, is the scourge of</p>

a dictator, which subsisted until 1986. We saw the decline in the economy, also the suffering of people, from the brutal oppression of a dictator. And then we faced the challenges also of instability, which is usually happening in any country that has experienced dictatorial rule, transitioning from dictatorship to democracy and sustaining it, and then ensuring that there will be economic sustainability and national security stability as well.

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But at the same time, the Philippines is a country along the Pacific Ring of Fire. So we experience all kinds of disasters. You name it: earthquake, typhoons, and even natural and man-made disasters, we experience that.

So here the first one is during the Marcos dictatorship, we have lost decades of economic development. Prior to the Marcos dictatorship, the Philippines was actually enjoying prosperity in the region. But because of the dictatorship and plunder of the National Treasury, the economy has suffered, and this is how. We recovered only ... we started recovering only in 2003. That is 21 years later after the dictatorship. This is because of the ... there was an artificial spike on the economic growth in the 1970s, but that is because of a massive debt and borrowings by the Marcos, which did not translate into economic development, but rather this was stolen and in fact, billions of that, those money are still stashed in the Swiss accounts, which the Philippine government is trying to recover. So because of that, the Philippine economy was almost bankrupt.

Then in 1986, we had the “people power”, which also led to other movements around the world — in Myanmar, in Ukraine — and again eventually led to the fall of the Berlin Wall. And then, unfortunately though, just like what we can observe also in other countries transitioning: unrest and military adventurism may happen. And it happened in the Philippines from 1987 to 1989, the bloodiest of which is this one, when military rebels occupied the Makati Financial District. Because of that, because of this adventure, the Philippines, which was suffering from bankruptcy and plunder of the Marcoses, was isolated from the global investment community. No one

wanted to invest in the Philippines because of political instability.

Then to make matters worse, we had in 1991, the Mount Pinatubo eruption, which was considered the second most devastating volcanic eruption in the last century. It actually cooled the global temperature by two degrees, because of the ash that was spread around the globe. But you would see the destruction that it brought, and which buried entire towns. You see that by ... not only during the volcanic eruption itself, but in the succeeding years, where lahar flows would bury communities, towns and destroy infrastructure in the entire central Luzon. This is the place where two major military bases of the US military — the Subic Naval Base in Subic Zambales, and the Clark Airforce Base in Pampanga and Tarlac. So they are most affected also by this eruption.

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Now, those are the challenges, but then looking at the possibility of rejuvenating the economy, we looked at the ... our government through President Aquino that time, organised the Bases Conversion Committee. It's a legislative and executive basis council where cabinet ministers, planners, academics, social scientists come together to craft a plan for possible withdrawal of the US [United States] military, and what to do with this infrastructure and vast lands that the US military will be leaving behind. So in this map, you will see, those red dots are the location of the military camps that Bases Conversion program had covered. And to make that happen, President Aquino signed Republic Act 7227, which created the Bases Conversion Development Authority [BCDA] of which I have been the CEO [chief executive officer] for six years, but I have been there [in various roles] for more than 18 years.

So our task was to convert these former military bases from wasteland and eventually abandoned infrastructure to create [for] us economic catalysts of the country. The asses under the Bases Conversion Program is about 41,500 hectares, the biggest of which is in Clark. And our asset value is considered to be \$10 billion. Currently we have one tollway — we built a \$600 million tollway connecting what used to be the Subic Naval Base to Clark Air Force

Base. The vision for that is to create a logistic centre that would immediately and directly connect international airport and the Subic seaport.

And of course, if you see, if you go to Manila, you'll visit Bonifacio Global City [BGC], that's the primest [*sic*] piece of real estate in the Philippines that used to be an army camp, which was transformed into a central business district. Then, other major real estate developments that you would see [that] the Philippines BCDA has been involved [in]. And there's an opportunity to develop [a] further 330,000 hectares spread across the country; and these are idle military camps that are waiting to be developed.

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So now, first, I'd like to show you the march of Fort Bonifacio which was the headquarters of the Philippines Army in the 1990s, to become the Bonifacio Global City, which is the primest [*sic*] and most beautifully master planned central business district in the Philippines.

This was the ... we needed a quick win to jump start the growth in the Philippines. So as I mentioned, our economy was suffering from bankruptcy because of plunder, disaster, and political instability, so we needed immediately cash to raise the capital to rehabilitate infrastructure. And to do that, we looked at the Fort Bonifacio, which is located just beside the Makati Business District, to be privatised through a PPP [public-private partnerships], and to raise funds, which we did, by tendering and forming a special vehicle and transferring the ownership of the land to the special vehicle, and then we tendered the right to bid on 55% ownership of that special purpose vehicle. So currently, our partner there is the Ayala Land Consortium and our company, my former company, the Bases Conversion Development Authority, continues to own 45% of that city. So this is how it looked like in first in the 1995 masterplan, and over the years, it has grown. So this is the old ... the regional name of the camp was actually Fort William McKinley, named after President William McKinley, because the original occupant of this camp was the US Army when we were still the commonwealth of the United States.

Then, this is how it looks like. So I joined BCDA at this year in 1998. We were just clearing the land, applying for permits. We came up with the plan already and then I will show you over the years, how we transformed.

So here it's 2001. The development was adversely affected by the Asian Financial Crisis. So when we first started developing it in 1997, suddenly the Asian Financial Crisis hit, and the developments stalled until a new partner was brought in, but this was in 2001, so nothing much was there yet, except two, three condominium towers.

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Then, so it will grow. You see slowly the amassing of the building — this is in 2003 — the effect of the financial crisis was still subsisting, but then in 2004, real property begin picking up, and then we got a new partner, the Ayala Land Consortium. You have seen the transformation of the form of the city, that is because we had to review the market viability of the parcelisation of land, and then you see the amassing over the years. This is in 2006. Then 2000 ... [drifts off].

So most of the development actually happened in the last six years. You will see the amassing of the buildings, there. This is just in a matter of ... from 2001 to 2015. But most of the ... you will observe that most of the buildings came up in the last six years, because we have enjoyed economic prosperity. Our economic growth is about 6% to 7% year-on-year. This year, [we're] also expecting to grow further at 7%. So we would expect the demand for real estate still there. When we bidded out this project in 1995, the winning bid was \$700 per square metre. Currently the price of land here is about \$12,000 to \$14,000 per square metre. You see that exponential increase in prices. And that is a managed ... as a developer, we also managed the selling of inventory so that ... to stabilise prices and avoid any speculation in real estate. So these are real ... this is how it looks like now. You see in a matter of 15 years, most of the developments were actually in the last six years.

This is the Bonifacio High Street, which is an open park, but at the same time, a business space. So in terms of economic impact, it has about ... the

daytime population of this, it's about 300, this is about 300 hectares of development. We have half a million people working and enjoying life here, eating at the restaurants, going to the malls at the same time. So currently it has generated about \$250 billion of investments and they continue to grow.

Currently, the built-up development is about 50%. So when we master-planned the city, we pegged the maximum gross floor area of the entire city at 12 million square metres. Currently the built up development is about six million, going to seven million.

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So this is now ... also with ... our partnership here is with Megaworld or the Alliance Global. When you go to Manila, you would land in the airport and once you get into Terminal Three, you're already on BCDA land. The Terminal Three land is being leased by the international airport from BCDA. Then when you cross the street, this is the development that you would see — the Marriot, the Genting Casino, this is the partnership with Megaworld. And then as you move further up north, going to the BGC, all of the land you will traverse are actually BCDA lands. So we were able to convert them into a massive commercial development, but at the same time create the economic catalyst needed for the city to grow further.

Now this is Clark. So you see the transformation of Clark from old Fort Stotsenburg, which was the home of the US Calvary during the commonwealth in the Filipino-American war. Then it became an air force base in the World War [Two]. It was actually where the *kamikaze*, the Japanese *kamikaze* originated. There's a shrine there for the *kamikaze* during the World War Two. And then eventually the US air force base. Then, by the time the Americans left, the entire base was actually destroyed by the volcanic eruption. And the US air force and its military had to hurriedly leave. Now this is how it looks like — it's a vibrant special economic zone.

When the US forces were still in the Philippines in the Clark Air Force Base, there were only about 7,000 Filipino base workers. There was an argument before that it was a very bad idea to let go of the US military because they

were actually providing employment to 7,000 Filipinos, who at that time were directly affected by the Pinatubo eruption. They were suffering from the volcanic eruption. But now we have proven that it is actually a good decision because it has created 85,000 jobs. So from 7,000 jobs, we are now increasing. BPOs [business process outsourcing companies] are now relocating here because of the increase in rental rates in Manila. So we have established schools and BPOs are coming over, and even manufacturing.

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So this is now what used to be the Subic Naval Base. There's a ... that's one of the biggest shipyard there, being operated there by Hanjin, a Korean shipbuilder. Then we also build infrastructure. The idea is to connect all these military camps by infrastructure: railway, airports and tollways. So far we have completed this tollway. It is earning us a very handsome revenue over the years. It was funded through a loan from the Japan Bank of International Cooperation. When we privatised it in my time, through the operation and maintenance, we were able to come up with an agreement with the private sector for a 50–50 per cent sharing of the gross revenue. So the loan is actually self-paying and in fact it is even generating revenue for the government, which we remit to the national government to fund the basic services. And it is also the most beautiful tollway in the Philippines that you would see, at 94 kilometres.

Also we contribute a lot. We're the second biggest source of funding for military. So we have a great contribution in national security, and so far in the last ... from 1993 to 2015, the total contribution of BCDA to our arm forces [is] at 31 billion, 31.8 billion going to 32. In our time, from July [20]10 to 2015, we were able to remit, in only five years' time, almost 13 billion, compared to 18 billion in the last 17 years.

So this is how to demonstrate our good governance, good financial housekeeping, appraising, creating value of the land, would actually return, provide handsome returns, to the government.

So these are some of the equipment that has been acquired. This is a Hamilton type cutter from the US Navy, which we recommissioned. That's a FA-50 Jetfighter from South Korea. 00:19:24

We have ordered a squadron of this, and of course we also supplied a lot of equipment to our army. I belong to the Navy, I'm a reserve officer of the ... I'm a Lieutenant Commander of the Navy.

So now that's the present. That was the past and that's the present. Now what does the future hold? Now, because of congestion in Manila, we are transforming Clark, which is about 35,000 hectares, into another metropolis. So we are looking ahead 50 years from now on how our cities will be built, because of all the problems that we are suffering in the capital. And also the effects of climate change: Typhoon Haiyan, floods in 2009, and then earthquake and the faultlines in Manila. So we need to create a city that would be ... that would enhance the quality of life and [be] much more disaster-resilient. Because we have so much land, we are now ... we came up with the idea to transform this very big air force base into the new urban core of a new metropolis.

You will see the distance between Manila — Manila is right there at the bottom — that distance between Manila and Clark is basically about 50 to 100 kilometres. The idea is to build a railway. There is currently funded railway again by Japan from Manila to Malolos midway, and BCDA would construct the next phase going to, connecting it to the airport. So that region where Clark is located, is populated by more than 10 million people, [and] growing at 2.14% every year.

So there's been a discussion earlier, that it's a challenge how to populate the new cities. In the Philippines, with more than a hundred million people growing at a very fast rate, I don't think that will be a problem. The key actually is to provide access and infrastructure to these locations so that we could plan ahead, 50 years ahead, all the necessary public spaces, mass transport systems, utilities, and even disaster resiliency measures.

So this would be the first metropolis where you would see bike lanes, mass transport systems, and green spaces, and green belts. So because this is vacant land, so we could easily build. And aside from that, you would see one of the biggest and most beautiful seaports, which is the Subic Naval Base. It's already built, currently under-utilised. And then you have Clark International Airport which is the biggest airport in terms of land area in the Philippines — about 2,500 hectares of land is allocated to the airport. Manila airport is only 600 hectares. And there's further space for expansion. So with the connectivity of the tollway, that's only about 30 minute drive from the seaport to the airport. So this is how it looks like. The plan was actually done by AECOM, and this is the satellite map and how the massing of the building and the clustering, green spaces would be designed and built.

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Now you are probably saying this is just a plan. Just last year, that plan has become a reality, because we have broken ground and are currently building the roads now leading into the city. Before I left as the CEO, I brought in two universities: the University of the Philippines, which is the number one university in the Philippines, they're putting up a new campus there; the Technological University of the Philippines, to supply manufacturers with technical skills. And for high school, we brought in the Philippines' Science High School, and we gave about 20 million pesos for their super-fabrication laboratory to advance innovation culture within ... for our high school students. So we have also partnered with the Riken Institute of Japan to establish a very modern genome centre, where our medical practitioners — Filipino medical practitioners are very known in the world, whether they are nurses, doctors, surgeons, or even caregivers — but they always, most of them are working outside the Philippines. But here we're bringing the technology that Japan has established and then bring them up with, partner them up with our human resource so that we can create that impact in the region.

So, particularly when our neighbours are ageing. The Filipinos are ... the

median age of Philippines is about 21 to 23 years old. We're one of the youngest countries in the world. So human resource is our critical asset and we are investing in technology and education.

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So, now, this is the ... currently we have also tendered the first phase of the project. So we have a private developer, this is our joint venture partner, the developer is Filinvest Land. They are also the developer of the Filinvest City, south of Manila. So they are a very known developer. And so, the ingredients are there: the hospital, schools, high schools, institutions, even government offices, the office of the Climate Change Commission will be here, the National Disaster Council will be here, because we will be using this facility also as a backup facility for government operations. So as part of a disaster resilience strategy, we are replicating government operations here, so that in case a disaster strikes, either as an earthquake or super typhoon strikes Manila, the capital, government and business will never stop because we will be putting up fibre optic lines here, data centres where all backup operations and data and records will be stored here, so that business and government will continue to happen.

Slowly, the long-term vision is slowly government would move out of metro Manila and eventually establish their capital here. But that would take time. First we have to put up the necessary facilities to make it grow. So with that, we are putting up sports centre as well, so to bring in the necessary population. When I came in the book value of our land here is one peso per square metre. When we tendered it out, the price is about a hundred. Eventually through strategic land banking, the price of land will appreciate, and will also create a ripple effect in the entire region where economic activity and investments would be encouraged.

So, but of course the quality of life is the one that is the vision for this. It's not simply an economic catalyst, but at the heart of it, it's to create a dream for Filipinos which we could really own as one that we have envisioned, one that we have worked hard for, and one that we will accomplish. So far we have done that on a smaller scale in Bonifacio Global City. We trust that we

	<p>could do it with the necessary grit, competence and dedication that we have for our country. So at the heart of it is that we build humanity by shaping our cities. 00:27:51</p> <p>I love my work. I consider myself a SimCity player in real time. So, because I get to see a bare land, you know, without any facilities. In fact when we were starting the Bonifacio Global City as an idea, there were a lot of naysayers. They were saying Makati is much more preferred location for businesses. Now, BGC — the Bonifacio Global City — is the home of the headquarters of all the multinational and even financial institutions. That would be the same in Clark. But definitely there will always be critics, there'll be skeptics, but the key, really, is governance, dedication, and competence, even technical competence to deliver the project.</p> <p>So, but the heart of it is our compassion for people, to create a city that is ... that promotes equality, inclusion, and compassion to each other.</p> <p>Thank you very much.</p>
MK	<p>Thank you, Arnel, for a very interesting presentation.</p> <p>When I first saw Arnel's name, I thought the family name is Casanova. So my first burning question was: are you linked to the great Casanova?</p> <p>[general laughter]</p> <p>Maybe he is! Other than those of Filipino descent here, I'd like to know just how many of you have been to Manila? Just put up your hands. Oh, very good. Quite a lot of you. And how many of you know the connection of José Rizal to Singapore? Okay, good. One person. Excellent.</p> <p>I think just to take a few steps back, I'd like to just paint the scenario of Manila, as I understand it from my few visits there. But first, let me start with culture and history. José Rizal, the great independence hero of the Philippines, has visited Singapore on a number of occasions.</p> <p>The first occasion was, well, when he was en route to study medicine in</p>

Spain, and he spent, I think, three weeks in Singapore. And he wrote a lot about his impression about the Botanic Gardens. And he had a beautiful sketchbook, and he used to sketch a lot of ... all the beautiful people in the gardens as well. Of course, after his training et cetera, he also talked about independence while he was in Spain, and unfortunately he was arrested for this heretical talk. He was brought back via Singapore to the Philippines to be executed. So quite a sad story in the second time round.

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Nonetheless, José Rizal is recognised as part of the “Friends to our Shores” programme, there is a historical marker so if you do have time, do visit that historical marker at the ACM [Asian Civilisations Museum] green.

Well, the Philippines has had a very long history, and actually if any of you has seen the indigenous gold collection at the Ayala Museum, it really shows how far the history of the Philippines goes back to, and how ancient the civilisation that had existed in the Philippines, and it’s really impressive.

So I’ve had the opportunity to interact with a couple of Filipinos, so one of whom I was telling Arnel, is the very gracious Mrs Marcos, because I went to borrow something from her. So she was staying at the first two apartments that Arnel showed at the Pacific Plaza — the two apartments right next to the Singapore Embassy — that marked the start of the Bonifacio growth.

But to understand Bonifacio, I think let us perhaps understand a bit about Manila itself, and I think we may also want to discuss with Arnel the issue of private-sector led growth, versus public-sector led growth. Because Manila basically to me is largely fuelled by private sector initiative, and you can see it, the entire Makati is actually developed by Ayala Land, and they’ve taken over the development of Bonifacio City as well, and they have wonderful ideas. But you see also development linked to politics and that also I’d like later on to ask Arnel to consider and maybe discuss about, because old Manila, around Manila Bay, which was a development started under the Marcos regime, beautiful buildings, performing arts centre by Leonardo

Locsin — is to me one of the iconic buildings of the Philippines, if not the world. But yet, because of politics, development has slowed in Manila Bay. 00:32:25

In fact, not much investment has gone there, and my visits to Manila Bay, old Manila at that, I'm actually quite scared for my security and safety, because it is not policed by the Ayala police. I feel very safe in Makati because I know the Ayala police are there. There's only one road in Makati that is owned by the public, the government. Everything else is run, operated, maintained by the Ayalas — Ayala Land, I beg your pardon.

In addition to that, the Philippines, Manila in particular, has got lovely old areas — Intramuros is a fascinating old fort area — and contrasted with that, I think, is the issue again — I'd like to perhaps pose a question later on to Arnel — about inclusivity and planning for the various social classes in Manila and the Philippines. I've had the chance to visit Forbes Park. Forbes Park is a huge GCBA area — a good class bungalow area — right next to Makati. The basements of the houses in Forbes Park actually house the entire national collection of the Philippines. It's just amazing the wealth that is there in Forbes Park and the wealth that is concentrated in Manila and also, I think, in Bonifacio City, because that's where the three international schools, all the banks and financial institutions are, and all the facilities are there.

So with that understanding of Manila, correct me if I'm wrong, if I said anything wrong, but I'd also like to say the cultural scene is absolutely fascinating there. There's so much support for local talent, and because of that, innovation, creativity, and a knowledge economy is flourishing. I know many architectural firms who instead of having Filipino architects in Singapore, open up a firm branch in the Philippines, in Manila, because the architects are there, and they can draw the drawings much faster than in Singapore. But great artists like Fernando Zobel de Ayala — he's actually part of the Ayala family, but he's a great artist and he's recognised; Ronald Ventura, the highest-ever grossing Filipino contemporary artist — over a million US[D] per piece at art auctions; but given that background I'm

	<p>painting, perhaps I can start, if you allow me, with one or two questions, and I hope the floor will take on certain other questions.</p> <p style="text-align: right;">00:34:48</p> <p>But I'd like to start with what I mentioned earlier about the role of the private sector versus the public sector in development in, well, Manila first, then maybe the rest of the Philippines; and how would the master developer approach at Makati and areas like Bonifacio, Subic Bay, Clark Air Base, pushes and drives economy versus the public sector? Is it because of the failure of government to act, as we do see in other cities like New York, because the private sector takes over because the public sector has failed? And the creation of development agencies — is that a successful tool to develop the city?</p>
AC	<p>Thank you, Michael. That's a wonderful question.</p> <p>Well, the current state of things in the Philippines, there is really, I would say, partly agree with you that there's a huge influence of the private sector in the development, and that led to the creation and the building of gated communities. And these gated communities are actually contributing to the congestion of the entire capital because sharing of roads are restricted. So if you look at the data and the computer model of how the traffic congestion happens in rush hours, you see there are only ... you would see two bright red lines along C5 Road [Circumferential Road 5] and EDSA [Epifanio de los Santos Avenue], and that in between is a black area, because no one really crosses between those two thoroughfares. But having said that, I think now the government, and particularly in my case when I was BCDA CEO, BCDA being a state-owned enterprise, directly working with the President, I used that power to ensure that development will happen with a social conscience at stake.</p> <p>You would see, and you could see that in the contrast between the Makati Ayala CBD and the Bonifacio Global City. In Ayala CBD, almost all open spaces were built on, but in the Bonifacio Global City, because we are still 45% owner of that city, we ensure that during the board meetings, we bring</p>

in that social awareness: that people must be able to walk, that we must provide necessary mobility, and facilities to people, particularly for parks. I quarrelled with a lot of rich people just to protect the parks. 00:37:26

But ... so if you leave the private sector by their own devices to shape the policies and to shape the ... even the physical space where we move in, definitely they would build on every single available land that they could see because these are profit-maximising entities. Therefore the government either as a partner, which in our case is a joint venture partner, and ... or as a regulator, must provide the necessary direction.

So in Clark, when we masterplanned Clark, we ... part of our design guideline in our parameters is that there should be no gated communities. If you look at the history of Manila, when Manila was designed by Daniel Burnham, and built over the years before the war, before the war destroyed it completely, there is no gated community in Manila. The rich people, those who are more affluent, they lived along the bay, which was one of the most beautiful bay at that time.

Unfortunately war came in, and during the liberation of Manila, it was carpet bombed and there was so much destruction happened. When it was reconstructed, there was no deliberate planning, and that created the urban sprawl, which we see now today. But it is changing, because we now see the challenges of flooding, traffic congestion which amounts to billions of pesos on loss of productivity.

Now what used to be a one-hour trip would entail about two hours to three hours, so for an executive, it's a huge loss of executive time. Fortunately there's email and you could still work while travelling. But it is changing now, and hopefully it continues. But we need good people to join government. It is critical that government must know what it is doing, because if it doesn't know what it is doing, private sector will find a way to seek rents because it is a profit-maximising entity. You cannot blame

	<p>business for seeking rent. It's in their nature. And therefore government must be there to always create a kind of guidance and regulation.</p> <p>In BCDA, we did not consider ourselves as a market player. 00:40:11</p> <p>Because of the huge land bank that we have, the way we considered ourselves is we are the market. So if we are the market, they have to follow our rules.</p>
MK	<p>Thank you for that comment. I'm just going to carry on the dialogue for a little while, but I think the issue of open space that you have brought up as a social leveller is a very important one. And Bonifacio High Street is planned with that urban spine of green in the middle, and certainly I have seen, I think, Filipinos from all walks of life really enjoying that linear, open space.</p> <p>But in a similar fashion, there's also another beautiful open space in the Ayala Green Belt mall as well. It's actually a green provided within a shopping centre. It has a wedding facility; it has got a private museum, the Ayala Museum, lots of cafes and all that — very successful privatised open space. So in Bonifacio as well, I believe that open space is not government-owned, it's owned by the BCDA? Yeah, so which is again a semi-government authority. Whilst I look at Rizal Park, which unfortunately, I think that is government-owned, and the maintenance qualities are radically different. And perhaps you can comment and relate that back to the earlier question of how the master developer approach has resulted in perhaps better operations, maintenance than the public sector model in Manila? Or is that an unfair comment? Maybe you'd just like to comment.</p>
AC	<p>Thank you. Well, I think government must begin to think, and that's why I said we must have competent people to join government — young, energetic, and technically skilled — to understand what's going on. And also to create the vision, and hold on to that vision over the years.</p> <p>The stark contrast between the public park and the ... well, you will see in Green Belt, the park, I wouldn't consider that really as a park, which by</p>

the ... to me, a park is a place where the poorest and the richest can converge. But if you have a park in a mall, then that is a mall with just an open part and just a patch of green and a patch of ... because the commons are actually necessary to create community identity.

00:42:31

I'll give you a classic example: my own experience. I used to be a slum dweller when I was younger. I migrated from the provinces to the city to study in the University of the Philippines. And the first place that I had to live in was a slum. I was living in the creek, worked in a fast food store, Jollybee. Maybe you see that in Lucky Plaza. But then when I graduated and then eventually got out of poverty and eventually became you know, a bit more middle-class, I now live in an exclusive village in Manila. When I was ... the quality of life is different. When I was living in the slums, I had this whole posse of friends. I was healthier actually because every day I could play basketball. I just go to the public gym and I would ... could play with anyone there. I would know any stranger there, and eventually we'll establish a bond as friends. Then we could expect that tomorrow we could play again. And then when you see each other walking by the street, you feel safe because these guys are your friends.

When I moved to the gated community, we had a fantastic gym. Very beautiful gym, even the professional players could play, air-conditioned, all the works. But whenever I go there, I was all alone. I had to call my friends and tell them "Hey, would you want to play with me?" "Oh, I'm so busy. Oh, I have no schedule." Everybody just suddenly became so busy, and I became fat. Right? So ... so ... but then I've been living in that community for more than 10 years, I have never met my neighbour! But when I was living in the slums, I knew all the neighbours!

So I told my wife about it because my wife is quite well off, but ... so, it made me realised the importance of inclusion. What's the point of having money, if you don't have friends? What's the point of having money, if you don't ... if you don't share the happiness of, you know, the affluence that you have?

	<p>You don't need to make everyone rich, but hopefully that is an ideal thing. But what's important is that there's a sense of community. 00:45:14</p> <p>When you build gated communities, people become more alienated. Of course there's crime everywhere, but I would see a lot of crimes also in expensive subdivisions and gated communities. More on the corporate crimes aspect, right? [Laughs] I guess even they steal. They steal bigger. But ... and a much more amount ... [Laughs] So just to keep it...</p> <p>But there is no sense of "we", there's a sense of "me" and "you". In the slums, there's a sense of "we". Right? I'm not saying that we should all live in the slums. My point is, my point is: the more people know each other, the more they create an identity as a community. Now if everyone somehow achieves a level of affluence, with a sense of community, a sense of identity as people, that would be fantastic! And it creates security. I begin to tinker with an idea that the social conflict: terrorism, all these conflicts that we have, riots, [secret] societies, they're all engendered by seclusion, by cities that have been designed to create a place for the elite — that's why you see Jewish quarter, French quarter, Chinatown, then you have ghettos in the US, Harlem right there in New York. They create much more conflict because the poor feels alienated from the rich, and the rich feels paranoid and afraid of the poor. The more the divide happens, and inequality happens further. So I think that must be addressed by any city builder. Both by the government and both by the private sector, for us to build a better world.</p>
MK	<p>Very, very salient points indeed, but could you just extend it to tell us how this was planned for and the plans you were responsible for in Bonifacio and Clark?</p>
AC	<p>Yes, so in Bonifacio, it's beautiful, but the ... we ... probably I have one regret, and that is when the city grew, I saw the slums where I'd been also grow, because of the demand for rooms, for accommodation. So we have thousands of BPO workers who are working in the city and creating the economic vibrancy of the city, but at the same time, they cannot afford the</p>

rent. So they have to find a place nearest to it, and the place nearest to it is the slums.

So, in fact, professional squatting has become a very profitable business in that place. So, there must be a ... from the get-go, 00:48:06 when we build the city, we must provide housing for the workers, because [otherwise] the workers cannot create economic activity. So in Clark, when we masterplanned it, we entered into a financing agreement with the housing fund. We borrowed ... well, we have our own money, we're liquid, but to create a strategic and institutional partnership, we borrowed from the housing fund. Specifically to build the first massive public rental housing programme in the Philippines.

In most of the housing programmes in the Philippines, that they call affordable housing, are not public rental housing. There is one thing also that I realised, having lived in the slums, that there is a gap between homelessness and home ownership. And that is the rental. Because when you're homeless and you're poor, for example ... I don't know, maybe most of the college graduates actually, when we all graduate, we all rent. We don't ... we can't afford to buy our own house yet, unless of course your parents have bought it for you, but ... there's that kind also that when you're poor and homeless, even if the government gives you a subsidised housing, they end up selling that subsidised housing. Why? Because the poor needs liquidity. The poor needs cash. He needs to eat. He needs to pay for the healthcare, right?

So, what would make it affordable for them is to make it a rental scheme, so that they only pay, not on the purchase term, but on a smaller, more affordable amortization over the years. Now, because it's a public rental, we subsidise the land. So we just create a 99-year public rental housing programme.

So, and when they reach economic mobility, and they become middle-class, then they could buy their own. So the public, the government's programme does not compete with the private developers. The private in fact, the

	<p>government primes homeless people to be able to achieve economic mobility and power to be able to eventually purchase their own land, and that would also drive economic activity and investments within the private sector, private developer. So it's a gap that we are bridging. So that is also one thing that is being implemented now.</p>
MK	<p>Thank you. I just have one more question before I throw it open to the floor.</p> <p>Just a question on the thinking of the Philippines on just a strategic basis, because there are many provinces and many major cities, and I think every city is also competing for federal funding. So how does the Philippines developed a system of cities, such that ... you know, in China, there's first tier, second tier, third tier. What is the system like in the Philippines? And what is in fact also the system within Metro Manila as well, because you also have competing city centres and competing areas?</p>
AC	<p>Yeah, that's a very good question. That's a challenge in Manila, in particular.</p> <p>We believe Manila should only have one mayor. Currently we have 17 kings in one congested empire. So, well, because it's really absurd, you know, because in one city, they implement a number coding scheme, for example. So when you travel in that city, you are governed by separate rule. But once you cross the boundary of that city, another rule applies. So it messes the entire traffic system, even the utilities, water management, waste management. So ... but it would require political will to put it to a head such that the ... all those 17 cities and municipalities could only have one mayor. That is politically unpopular. I hope, maybe our president could probably have the ... maybe he could channel his energy towards that. So, well, yeah, that's a positive thing to do.</p> <p>And in secondary cities, we see the continued densification of Manila, without mass transport systems. So therefore we are now advocating for the construction of subways, and I've talked to my friend who is a senator now, to come up with the law that would require tax increment financing to ensure</p>

	<p>the viability — the financial viability — of public infrastructure. Subways will definitely be a huge amount and a huge expense for the government. But if you allocate and capture the value created by that infrastructure, and create an equitable way of putting that up, that infrastructure, then I guess that can happen.</p> <p>I always believe, having been a CEO of a state-owned enterprise, there are always the resources. There are always resources. It's just a matter of creating, structuring it well, so that you bring value to the government assets. There's huge assets of the government, you know. In our own land bank alone, we have 41,000 hectares. So and then we have another 330,000. The we have legislative franchises, concessions that we could also partner with the private sector.</p> <p>So, there's always a way of finding the funding. It's the execution of idea, and the execution ... and the governance that is always a challenge, because like in my country, bright ideas, the brightest ideas are always messed up by corruption issues. So public servants must live simply, modestly, and must be able to have the moral courage to resist that, but at the same time, must have the astuteness and the intellect to be able to understand the vision and how to execute it.</p>	00:53:31
MK	<p>Just a quick summary of our discussion thus far. I think Arnel definitely has confirmed a lot of what we put forth in our Singapore liveability framework, particularly on the foundation aspects of the key outcomes of the quality of life, competitive economy, and sustainable environment, especially that of having leaders with a vision, the issue of good governance, and those serving the public having a culture of integrity.</p> <p>We talked so far about the private versus public sector type of development model, made a quick discussion; and we also talked a bit about inclusivity, and how the Filipino scheme of rental housing is there to help the urban slum dwellers to move on in life to qualify for private housing; and we've talked a bit about the system of cities and equitable considerations between the cities,</p>	

	<p>as well as the plans now to build transportation and subway routes.</p> <p>So with that background in mind, I just like to throw this session open to the floor for some questions. Great, thank you. Could you please identify yourself first.</p>
Audience 1	<p>00:55:57</p> <p>Yeah. My name is Pablo, also I working for a company called V & V Innovations, working on smart cities. Thank you very much for the presentation. It was a great presentation, gives me more willingness to go to Philippines and visit the Asian cousins. So actually I want to get your insights about sustainability. So maybe three different angles coming from the discussion that you have before?</p> <p>So the first is due [to] the rate of growth, and the need for infrastructure, for energy, for water, is sustainability right now in the Philippines a liability or is it an opportunity? Because I can imagine that it costs, and when you have so much growth, and sometimes you cannot deliver everything, so is what that is your consideration for this point?</p> <p>The second is relating to the private and public sector. So if you live along the private, maybe you are not going to go in the direction that we would like to go. So how ... I have the climate change office that you are setting, that there are some thoughts on that?</p> <p>And the last one being the Philippines in risk of natural hazards and the relation between climate change and sustainability, what is the position, maybe the public opinion about sustainability? Is it something that this is growing, or do you make the link between resilience, natural catastrophe and sustainability? So maybe you can grapple a little bit [with] this?</p>
AC	<p>Thank you for that question, Pablo.</p> <p>Sustainability nowadays is always ingrained in any plan that we have, because of the sufferings that we have [had] to go through. In 2009, we had this massive flooding of the entire capital, then in 2013, you had Typhoon Haiyan, and then every year, actually you know, just recently, just a few</p>

	<p>months ago, we had another super typhoon that also devastated north of Luzon. It is the new normal. People now realised typhoons are not the usual typhoons. They now have a gustiness of about 275 kilometres per hour. So when we design, for example when I was, when I'm advising the vice-president in the rehabilitation of the ... relocating the communities out of danger areas, in the design of the roof, for example, and structure, we demanded and required that the wind loads of the roof and structure could withstand 250 kilometres per hour of wind. So that is the new normal now.</p> <p>So in terms of energy, for example, we have a new law that provides feed-in-tariff for those who invest in solar energy, wind. So you see a lot of solar energy companies now putting up solar farms, waste-to-energy also, and wind. So, but currently, the most economical, and that's what they say, is still coal. We have a deficit in the base load, and that makes the electricity one of the most expensive in the region, in the Philippines. So recently there's a need, there's a lot of catching up the Philippines had to do with its neighbours in power, infrastructure. That's why our government, starting with the President Aquino, we increased the public infrastructure spending from 2% to 5%. President Duterte now is increasing that further to 7%. Now so, hopefully all these projects will be rolled out efficiently and transparently, so that they really deliver the necessary infra[structure]. If that happens, you could see the Philippines growing further and faster in the next 10 years.</p>
MK	Pablo, you're okay with the answer?
Audience 1	Maybe you can elaborate something on sustainability? Is it an opportunity or...?
AC	It's an opportunity.
Audience 1	You see in some countries that the developers use sustainability as a labelling....

AC	Oh yes.
Audience 1	<p>... to sell more because it's ... because we are in a growth phase, and really have the strongest competition. In other countries where the growth is not so high, they have a strong imposition like in Singapore [inaudible] this is a ... it's a labelling that they use to sell. So is this something that is going on in the Philippines or it's still based on the private sector.</p> <div data-bbox="1257 376 1404 427" style="border: 1px solid black; padding: 2px; float: right;">01:00:38</div>
AC	<p>Yes, well, if you observe in BGC — I hope you visit — there's now a trend, and the market demands it, that buildings are LEED [Leadership in Energy and Environmental Design] certified. So that alone is a move. There's a ... the market is putting a premium on green buildings. So rental rates ... they would pay premium on their rents, provided that they are in a green building. Hotels also. So ... of course there are mixed reactions, but in general there is a trend towards that direction.</p> <p>So we are also ... in BGC, we're also considering giving, incentivising developers to put up solar and roof gardens on their buildings by giving them additional FARs [floor area ratio]. So we will not ... we will provide additional FARs if they put up roof gardens and solar panels.</p>
MK	Another question?
Audience 2	Hi, Mr Casanova. First of all, congratulations on your appointment as the new CEO of AECOM Philippines. Can we all give him a round of applause?
AC	Thank you, thank you.
Audience 2	<p>Okay, I just have two questions. One for BCDA, and one for Clark.</p> <p>So for BCDA, you mentioned in the early part of your presentation that you wanted quick wins, that's why you were looking at military bases. BCDA [<i>sic</i> BGC] is beautiful, but on the other side of the road, there is a thick swathe of low-income households — down the road, upstream, a lot of low-income households. So is the BCDA masterplanning model replicable or do you need</p>

	<p>huge swathes of land like military bases to achieve this kind of success? That's for BCDA.</p> <p style="text-align: right;">01:02:33</p> <p>And then for Clark, you mentioned that you're trying to attract manufacturing and business process outsourcing, those types of industries into Clark. But the global economy is fast moving away from that model. We're seeing more advanced manufacturing and a new wave of different industries coming into play. So how is the plan for Clark going to adapt to all these global trends? Thanks.</p>
AC	<p>Well, one of my philosophies is that to deal with life's challenges, you must shape life the way you want it shaped. Do not live a life of ... you know, do not live somebody else's life. So in this case, adopting that in the plan Clark Green City, we are not simply looking at what the market demands now. That's why our first investments are in schools. So if you educate and you develop your human capital, they will create their own opportunity. We should not be afraid of losing jobs, when we can create our own job, right?</p> <p>So that kind of ... and that would drive innovation. But if you've educated your population, then they could be employed by the existing market demand and if that demand happens to be ... to eventually vanish, then a new innovative population comes in. They could be more entrepreneurial, they'll be more visionary, they're more ... they're hungrier in fact. Being hungry is good. It makes you think how to survive. So, and shape the kind of terrain ... so you become a market player.</p> <p>Of course we admire Singapore and we look up to Singapore in models. But the Singapore model cannot be, you know, transported automatically as a template. In the Philippines, you have 7,100 islands; you have a hundred million people; you have thousands of mayors to deal with; you have different languages; you have different histories. So, and different challenges.</p> <p>But what's important is that we learn from those who do the right thing, and adopt it to the way we shape our own. Or we could create our own. So when we envision Clark, our first vision is how to develop the human capital,</p>

	<p>provide a space for them so that they could create their own opportunity, and not simply follow the market. We must always be shaping the market.</p> <p style="text-align: right;">01:05:10</p>
MK	Thank you. Are there any more questions from the floor? Over there. Scott.
Audience 3	<p>Yeah, hi. I'm Scott Dunn from AECOM and definitely welcome Arnel on board with AECOM. Actually two things: One was, and you've touched on this a little bit, in terms of Fort Bonifacio and the surrounding communities, I think the previous question was similar to that, in terms of the spillover, you talked about some of the employees, in terms of living there, working [at] Fort Bonifacio, can you talk maybe a little bit about how and what has been put in place from an institutional point of view to provide better social connections into those communities? And to potentially look at the ways in which infrastructure could be upgraded in those neighbourhoods that are actually outside of the Fort itself, so that there's ability to actually upgrade the infrastructure, provide better liveability, better communities, as a connection? Or if those programmes actually exist, can ... I'd be interested to see if there is that penetration physically into those neighbourhoods either through social programme or through physical infrastructure? That's my first question.</p> <p>My second question is actually what in your opinion has the Philippines done exceptional that Singapore can learn from? In the way [that] Singapore is planning for the future and their future economy and growth.</p>
AC	<p>First, for the first question. What could have been done to ...well, looking at the ... we've been involved in the city building from the very start and seen it grow over the years and faced the challenges,</p> <p style="text-align: right;">01:07:34</p> <p>one challenge that actually ... we tried to develop that area, the slum area, but the greatest challenge there is leadership and political will of the local leaders. Because the political interest of local leaders intersected with rent seekers and with the corrupt interests as well. So, you will ... I don't know if</p>

it's true in other countries, but in that area, there's so much speculation on the land. So professional squatters, landgrabbers came in, claimed the land, and then armed themselves, and resisted government intervention to clear them.

And they are benefitting and profiting so much from the selling of rights — rights to occupy the place. That's why it ballooned in thousands of families. So that kind of situation, not publicly discussed, because that is for some ... these groups are somehow connected with some political interest, because some mayors will encourage informal settling, because they would use that population as their voting population to leverage against their opponent. So they would, regardless of whether that development is sustainable, or legal or illegal, their interest is to win the election. And by bringing in migrants to his new city, to that location, and ensuring political patronage of that group to him, that actually encourages more slum-dwelling. And then they also benefit from it, because they operate utilities — they supply the water. They collect, or they form associations and they collect from the families. If you don't pay, they'll be the one to demolish your house.

That's the kind of ... you know, without rule. Not ... and to go ... because the government, it's the local government that should have been enforcing the rules is part of the system. So that has to be addressed.

So in my experience in city building, leadership is critical.

The most important factor there is. Because you can have the 01:10:38 most beautiful plan, you can have the smartest policy, but all of these beautiful plans and all of these smartest policies require fighting. Because you will definitely step on some people's toes. There's always someone who's benefitting from the status quo. Your idea, your policy, threatens that status quo, their benefits, and therefore, if you join public service, and this is something that I inculcated in my wife's mind never to worry, that once you're in the public service, you must learn how to fight. Because fighting is a necessary thing that you have to do to make things happen.

Never please anyone, you'll never please anyone, because ... so, I think that's

critical and I think that's also a success of Singapore. The kind of tenacity, the kind of ... probably in the time of Lee Kuan Yew, that time when he was still trying to implement all these things, probably some very unpopular ... a lot of people probably hate him too, hated him.

But people do not ... will always resist change, but they will only change their minds if they see the success. So you have to show it to them. So you have to have quick wins. So in city building, you have to have quick wins so that you plant that seed of hope and ownership on that person so that he begins to think differently. But that would require people-to-people interaction. It's not some intellectual exercise. You have to go out there.

I'll give you an example. I was able to relocate 500 informal families from Fort Bonifacio peacefully, I mean, relatively peacefully. Out of that 500, I had to visit every single house, and I always visit as a surprise. So they, somehow, they never experience a CEO of a state-owned enterprise and a public official visit them in their house. So when they see me right at their doorstep with food for lunch, share with them, and you know, not talk about how they are going to move, just talk about their families, talk about their children, talk about, you know, their aspirations, and then you leave without forcing them to leave, you know? But you build that kind of relationship with your community and they begin to appreciate the sincerity that you have.

And then, but when you promise, you have to deliver. Because people's hopes are pinning on that, once they lose that hope, then it's difficult to implement things. So out of that 500, I was able to reduce the number of resistance to 50. That 50 I knew are the economic renters in that community. So they are ... they will definitely, whether my programme is attractive to everyone or not, but they are the beneficiaries, so they will always resist. So in that case, I had to bring in the police and forcibly demolish. They threw Molotov bombs at me, but I'm okay. So, but that would have been different if it's been 500 you're up against, right? So you're able to reduce the number from 500 to only 50, and that's like a walk in the park. So, compare with the 5[00]...

01:13:10

	<p>So that kind of ... and then of course I'm always in the papers. So I asked my wife never to read papers or never to watch local news. We don't watch local news in my house; we don't have papers in our house. Because these are the things, if you want something, you have to fight for it. I mean, that's true in life, that's true in public service, that's true in business.</p>
MK	<p>Thank you for that very frank answer. But what about part two of Scott's question? That's an interesting one that I'd like to hear too.</p>
AC	<p>What's, again, the part two? The...</p>
Audience 3	<p>What is one of the most innovative ideas in the Philippines that Singapore can learn from in terms of moving forward?</p>
AC	<p>Oh. I don't know much about, I haven't lived here, so ... but what I see are the beautiful places and infrastructure. I think [pauses] you have to learn fun from us. [Laughs]</p> <p>Have more karaokes and you know, some ... I think you're taking yourselves too seriously, I guess. And that's why your population declined! [Laughter in room] So, now Singaporeans are endangered species.</p> <p>Well, I guess that's the kind of a sense of community. It's a challenge for Singapore, because Singapore is a melting pot. But ... to create an egalitarian society. But how to do that, it requires a lot of patience. It will take years to create that kind of society. Nation building is not a sprint, it's a marathon. So you have to be very patient. First thing you do may fail, then you just keep on doing and innovating.</p> <p>In our case, it comes out naturally for us. For some reason, our culture is nurturing. It's easy for us to reach out to someone, even to a stranger, to help a stranger. That's why we're very good at services. We always say, "How can I help you?" Right? So it's always "Come to our house, visit us." Then we have ... then if you see people congregating and you see a group of Filipino, you just put a karaoke and alcohol, and you have a wonderful party. It doesn't</p>

	<p>have to be expensive. 01:15:45</p> <p>Really, I think, but I'm not saying that Singaporeans are rude and you know, they don't know how to have fun, but I think it came from that kind of mentality that when you're small, you have to survive. And that is both a strength and a weakness in a way. Because the smallness of Singapore is its strength, because it became global in its perspective, in its policy, in its business. Government becomes much more innovative and entrepreneurial as well to ensure the revenues that are going to sustain the people. But at the same time, the kind of discipline and the kind of behaviour also leads you to miss out on some, you know, probably lighten up a bit, right?</p> <p>So, but I guess ... that's the only thing probably I could say. So have fun! We can have fun together.</p>
MK	<p>We've got to take the Casanova from your name. [Laughs] Could we have another question? Perhaps maybe the last question for the evening? Yes. Oh, there're three questions. Perhaps all three of you can ask and we'll ask Arnel to answer and respond to them.</p>
Audience 4	<p>Hi, I'm Yvonne and I'm an architect. And I guess as architects, we always like to build new things, right? Create new communities, everything new. So I'm wondering to what extent, because you talk a lot about existing histories, so much going on, you know, different factions et cetera, and I'm wondering, has there been any consideration in policy or your planning in how to retain history or how to negotiate preservation or any idea like that?</p>
MK	<p>[Away from mic] Maybe we'll just take all three questions and you can ...</p>
Audience 5	<p>Arnel, thanks for painting that <i>parangal</i>[Tagalog word] life, but possibly what we missed was the process of tendering the node in a cheap, need, the way it moves forward and how the change 01:18:32</p> <p>comes back. So when you are planning out such green field cities, do you feel it's too late for laying down the pipes of commerce and leave it to the banks and financial institutions, because it's become a hot topic, less cash, cashless.</p>

	So does laying down the pipes of commerce also become a responsibility for city planners like you?
Audience 6	<p>Hi, I'm David and I'm from CPG and I also work on the planning group. So I'm very interested and actually admire the plan for BGC, and how was it planned differently from the other CBDs in the area. But the main question is about infrastructure. So I think you've stressed enough that private sector is faster than the government. It means that somehow we always, like, there's a catch up for infrastructure. So I'd like to know how did the masterplan for BGC adapt, or reacted to this slow infrastructure build up around the area? And I'm talking specifically about congestion, because we know that of course we have developers who wants to maximise everything, high density, intensity of use, most probably will result to [<i>sic in</i>] the migration of people, you know, and popping up of traffic congestion. So I'd like to know how flexible the masterplan was.</p>
AC	<p>Thank you. Well, first, the first question. I guess you're talking about heritage conservation, culture. It's ... in my view, any city must have a sense of history. That's the soul, that's the spirit of the city. If the city's simply beautiful, iconic buildings without history or culture, or even art, public art — public art's very important — then it loses its soul, it becomes very sterile. Probably very efficient but a sense of being human is not there. It becomes a place for work, then you could go home, but then there's not kind of ... you need to touch to that history, it must resonate with you.</p> <p>So I'm an advocate of heritage conservation. In fact, in Bonifacio Global City, we have tunnels underneath the city, which I started rehabilitating for adaptive reuse, as a museum, because during 01:21:13 the world war, Douglas McArthur dug tunnels underneath the Fort Bonifacio. And during the bombardment by the Japanese, he held his command underneath those tunnels. Then eventually when the Japanese came, they dug further, so there are kilometres of tunnels underneath that city, which we want to be preserved.</p>

But unfortunately in Manila, I have to admit, that kind of awareness and even faith in preserving heritage building is very, very small. Particularly for the local mayors. It's very important that the ... we have lost a lot of heritage buildings, particularly in the old of Manila. It has been devastated by war, but those that have been saved from the war, was not saved from the destructive hammer of the developers. So, and in fact, fairly recently, there's this kind of controversy that a condominium apartment actually photobombs the monument of José Rizal in the Rizal Park which is very ugly because it created a very ugly skyline.

So, but that has to be ... and unfortunately also, the challenge in the Philippines is that heritage conservation is usually confined in the discussions of the elite and the rich and the middle-class. Most of the groups that are advocating it are those who are well-heeled people. But it's okay, but they cannot, they were not able to bring that awareness to a greater number of people that would really demand from their local leaders the preservation of the heritage places. Because for now, the lack of parks actually, and the construction of a lot of malls, alienated this group of people from... the masses from the awareness of why a community should also be for them. They will always be ... they are being made to think that they are hopeless, they just need to live in the slums, that they cannot demand anything.

So that kind of ... so those who know, has the responsibility to bring that message and to convince the others to have that kind of mindset. So, but to me, heritage conservation is an essential part of city building. It's human, it's the soul.

Now for the question on the financial, whether the planning for central business districts, well, the direction we're taking in planning our developments are always ... we're biased towards mixed uses. So there's flexibility in the use of the property, depending on what the market dictates at the given time.

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AC	<p>So, so the mixed use also provides mobility in clustering of communities. So in one, you would see in BGC, a 100-unit condominium development would have podiums that would have commercial spaces, would have gyms, so that people do not need to go out and ride a car or just to get something. So there's a kind of flexibility.</p> <p>So the financial districts that we saw are the kind of financial district that after five o'clock and during the evening, it's a dark place. What we are seeing now in the Philippines, particularly in BGC, it's a 24-hour city. So because it's mixed uses: there are residential, there is commercial, there is institutional uses in one block or one cluster. So, and technology could also...people work from home. So if you look at technology, business process outsourcing actually created the kind of 24-hour environment in BGC. It may eventually change, but if we have good people, the city will adapt itself.</p> <p>Then the third one is how the BGC adapts to congestion. That's part of it. One, we developed walkways. So now you will see, if you go there, you will see a green walkway between Manila Golf [and Country Club] and the central business district. There's a wide walkway where people could jog, if they want to be healthy, or people could just walk, if they want mobility within the city. You will also observe the sidewalks are wider than the rest of the entire metro Manila, so people are encouraged to walk. Then we have implemented and begin to implement bike-sharing programme in the city.</p> <p>The challenge actually in BGC is getting in and out because it's a city, but you cannot dictate the planning of the other guy across the wall, right? So it's dictated by politics, by commerce, you now the kind of influence. So that's why it's necessary to have one mayor. Because every single mayor wants to have a mall in their cities. No one wants to have a park. That's why we're losing our parks. If you look at the satellite map of Manila, we have lost a lot of green spaces.</p> <p>So ... but BGC is adapting to that, at least within the sphere of our influence</p>

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	to make it pedestrianised, bike sharing, and then of course, do traffic management. We are also encouraging the carpooling. So Uber is there, right?
MK	<p>I have to bring this to a close, but I want to thank Arnel for his very frank and honest views in this part of the session, with regards to politics, with regards to something we hold close to our hearts, about productive fights between the government and public and private sector, but always coming to a solution, because we are always hungry for good solutions. And being hungry is good, as Arnel has said. But to importantly remember that we always have to have spaces and develop human capital, and not only that, to create humanistic space, I think, is a critical issue. And how do we do that? I think his philosophy in the BGC is something that we share too, about the car-lite approach, about being able to walk to where you work, and you know, move easily between places. And this biasness towards mixed uses, instead of silo-ed land uses to create that flexibility in city and that liveliness and 24/7 effect.</p> <p>So ... but more importantly, I actually learnt to have fun today. [Laughs] So I hope all of you have had fun spending this part of the afternoon with us, as part of the CLC lecture [series], and please put your hands together to thank Arnel Casanova. Thank you. [Applause]</p>
AC	<p>Thank you. Well, I must say, I think, just want to give credit where credit is due, our programme in bases conversion is not an original idea from us. In fact, it is something that we have learned from Lee Kuan Yew. When the British, when they were kicked out, Singapore's kicked out of the Federation of Malaysia, Lee Kuan Yew established a unit called Bases Economic Unit, which transformed the old British navy yards into special economic zones. That's why you have shipping and then you have economic zones.</p> <p>So, but we adopted that, and probably brought that to another scale. Well, simply because we have more land. And I think that's important. So thank you.</p>

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MK	<p>That's great, because I think as part of that, we also adapted the old Dempsey Road Barracks, which were where all army, new army recruits will have to go to, to go into the army, particularly for Singapore Army, and now, it's a fun place, so I hope you go there, to see how we've adapted an army base to a fun place. Thank you! (Applause)</p> <p>[Lecture ends at 1:30:11]</p>
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