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Innovation Districts are Catalysts for Urban Growth.

For the past 50 years Silicon Valley and Research Triangle Park epitomized the environments where the nation's innovations germinated. Now, there's a noticeable shift to a new complementary urban model, unleashing exciting opportunities for cities and city leaders: innovation districts.

The National League of Cities and the Brookings Institution Metropolitan Policy Program have both observed how [innovation districts are emerging](#) in dozens of cities in the United States and abroad. From Barcelona to Baltimore, to Stockholm and Seattle, innovation districts represent a radical departure from traditional economic development (e.g., housing, retail, sports stadiums) and help cities move up the value chain of global competitiveness by growing the firms, networks and traded sectors that drive broad-based prosperity.

Innovation districts are places where leading-edge anchor institutions and companies cluster and connect with start-ups, business incubators and accelerators. They are also physically compact, transit-accessible and broadband-ready, offering mixed-use housing, office and retail. Their success reflects our increasingly complex world, which demands increased collaboration to understand and address problems with solutions that are more and more found at the boundaries between different fields.

In cities, innovation districts are growing in downtowns and mid-towns, where large scale mixed-use development is centered on major anchor institutions and a rich base of related firms, entrepreneurs and spin-off companies involved in the commercialization of innovation. Kendall Square in Cambridge, Philadelphia's University City and St. Louis' Cortex Innovation Community are all anchored by robust research universities and medical campuses.

Districts are also found near or along historic waterfronts, where industrial or warehouse uses are undergoing a physical and economic transformation to chart a new path of innovative growth. The South Boston Waterfront, San Francisco's Mission Bay and Seattle's South Lake Union area are seeing this type of growth.

How City Leaders Can Catalyze Innovation Districts

Leadership has been a crucial force underpinning the conception and development of innovation districts around the globe. Leadership is imperative, whether it comes from elected leaders as in Boston, a major real estate company as in Seattle, the manager of a research park as in Houston or a collection of institutions as in Detroit. In many cities, a clear leader or driver rallied others to the table and kept the vision alive. Local elected leaders are able to convene civic champions, the business sector, nonprofits and universities within the city to successfully catalyze and grow innovation districts.

In the United States, a handful of mayors have catalyzed the formation and evolution of innovation districts—a number that will likely grow over time. Former Seattle Mayor Greg Nickels played a critical role in the growth of South Lake Union, making key infrastructure decisions around transit, roads and energy. Former Boston Mayor Tom Menino's successful effort more recently to designate

the South Boston Waterfront as an innovation district and steer its redevelopment in collaboration with a broad network of stakeholders is now being studied by mayors in an array of cities around the country as they seek to build upon their unique economic strengths.

Menino launched the Boston Innovation District with his 2010 inaugural address, and captured the impetus for its creation when he said, “Our mandate to all will be to invent a 21st Century district that meets the needs of the innovators who live and work in Boston—to create a job magnet, an urban lab on our shore and to harvest its lessons for the city.”

How Land is Being Leveraged for Investment

A number of innovation districts have opted to change antiquated land use and zoning ordinances or assemble land in an effort to create the favored attributes of complexity, density and mixed uses and activities. Cambridge just outside Boston and Cortex in St. Louis, for example, developed master plans to address the challenges in physically redeveloping their districts. Under existing state statute, the City of St. Louis designated Cortex West Redevelopment Corporation the master developer of the innovation district, delegating powers over planning, development, tax abatements and eminent domain.

In Seattle’s South Lake Union, efforts to transform a run-down, low-rise warehouse district into a thriving innovation district are paying off. In the aftermath of a failed referendum to approve a public park, Vulcan Real Estate assembled a substantial inventory of distressed properties in the area and began to lure key anchor tenants like the University of Washington Medical Campus to spark growth in life science companies. The city, for its part, worked closely with Vulcan and other stakeholders to make key investments around transit, congestion relief and energy and power. With the attraction of Amazon’s global headquarters, the district has become a central hub of innovation for not only the city but the region.

Other investments, such as in schools and workforce training, are integral as many innovation districts are adjacent to low-income neighborhoods. Philadelphia, for example, is considering the smart use of school investments to prepare disadvantaged youth for good jobs in the STEM (science, technology, engineering and math) economy.

Boston has found that developing an innovation district does not require big spending or picking winners. Previous research conducted by the American Institute of Architects found that “spending time not money” can be as instrumental in driving the agenda. Mayor Menino and his staff—from planners to a small group of innovation district coordinators—negotiated developer deals to include shared work-spaces for entrepreneurs. They also developed social media platforms to cultivate networks across industries in an attempt to stimulate new ideas for the market.

While a strong market city, Boston chose to not pick specific industry sectors “and it’s paying off,” shared Nicole Fichera, manager of District Hall, a dedicated civic space where the innovation community can gather to share ideas. “Designers, software programmers, marketers, lawyers, bio-engineers and more have all found a supportive place to grow in the Innovation District.”

What’s Next?

As this decade unfolds, we should expect more cities to use their powers in the service of this new model of innovative, inclusive and resilient growth. The National League of Cities and the Brookings Metropolitan Policy Program plan to work together to help cities and their leaders explore this model of innovation as they chart their economic future.

We invite you to learn more about innovation districts by attending the June 9 release of the Brookings paper, "The Rise of Innovation Districts: a New Geography of Innovation in America" To be held from 9:30 to 11:30 at the Brookings Institution, 1775 Massachusetts Avenue, NW (please RSVP at eocho@brookings.edu). The National League of Cities will send a short update when the research paper on innovation districts will be available to download.

Join the innovation district launch event in person or via live webcast on June 9:

<http://www.brookings.edu/events/2014/06/09-innovation-districts>.

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