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## Innovation District Policy Highlights

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# CLEVELAND STATE UNIVERSITY

## Innovation District Policy Highlights

September 13, 2023



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# Innovation Policy

- **Innovation Policies** are “those policies that have an important impact on innovation.”

(Edquist 2004, 2011; Edler, et al. 2017)

- Innovation Policies can be classified as:
  - mission-oriented – these policies respond to “specific challenges that are on the political agenda”
  - invention-oriented – these policies “concentrate on the R&D/invention phase, and leave the possible exploitation and diffusion of the invention to the market”
  - system-oriented – these policies “focus on system level features, such as the degree of interaction between different parts of the system”

(Edler, et al. 2017)

# Innovation Policy Typology

- **Types of State Innovation Policies**

- Business/Start Ups

- These policies focus on attracting and supporting small businesses and start ups (e.g., tax incentives, seed capital) and are *mission-oriented*

- Science and Technology

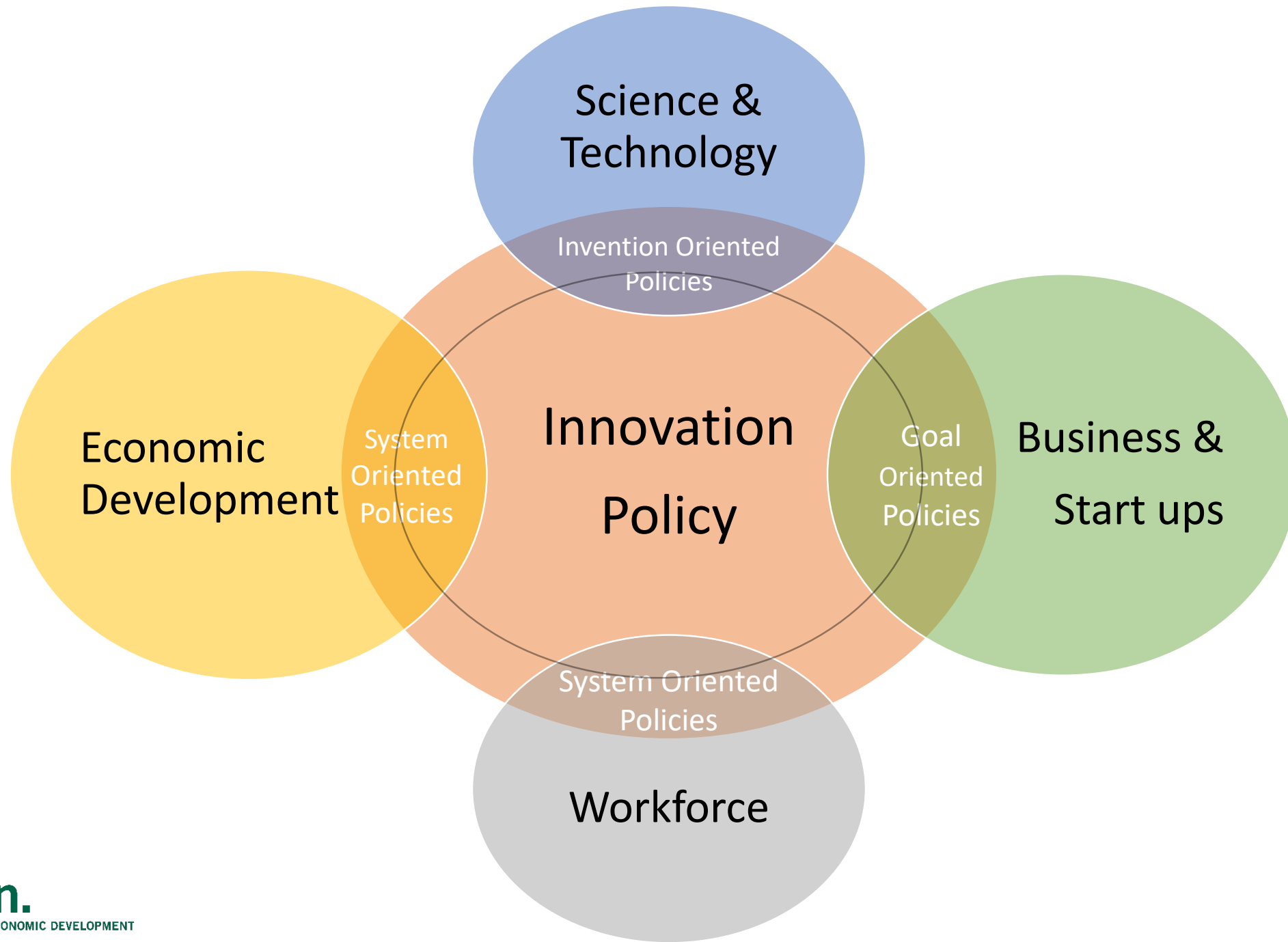
- These policies focus on research and development (e.g., creation of research labs) and are *invention-oriented* and occasionally *mission-oriented*

- Workforce

- These policies focus on job creation and development of a skilled workforce and are *system-oriented*

- Economic Development

- These policies are *system-oriented* and focus on systemic issues such as technology transfer





# Precursors to Innovation Districts



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# Knowledge Based Urban Development

- One strategy that embraces multiple aspects of innovation policy is knowledge based urban development (KBUD)
  - KBUD involves strategies to upgrade infrastructure and improve quality of life to attract talent and investment
- Land use for innovation is a critical aspect of KBUD
  - In the past, technology parks have been situated in locations that tended to isolate them and promote single-purpose use
  - The current generation of these hubs, however, are increasingly innovation districts that exist in mix-use environments which promote work-live-learn-play-cyber for knowledge workers and residents

# Anchor Institutions

- The Anchor Mission:

“A commitment to intentionally apply an institution’s place-based economic power and human capital in partnership with community to mutually benefit the long-term well-being of both.”

(Sladek 2017)

- The path to Innovation Districts

- Example: Cleveland *Greater University Circle Initiative*



# INNOVATION DISTRICTS

- Definition?

“Geographic areas 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 technically-wired and offer mixed-use housing, office, and retail.”

Brookings 2014

- The intersection of Innovation Policy and Land Use Development supported by Anchor Institutions
- People, Place, & Partnerships

# Innovation District Case Studies



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# Aggie Square (Sacramento, CA)

- **Region:** West Coast
- **Background:** In 2017, city leadership and UC Davis staff recognized a space on the Sacramento campus as a potential spot for a mixed-used space to promote industry and entrepreneurship, and to engage/integrate with the community. Construction began in 2022.
- **Anchors/Types:** University; UC Davis. Interviewee said they did not set out to recruit specific anchors/industries.
- **Governance Structure:** UC Davis leadership has oversight, and the Aggie Square Team includes its own staff
- **Funding:** Public/private partnership. UC Davis owns land, a private developer builds and leases land, UC Davis leases back space it wants. Other industries will contribute in the future when the building is complete.

# Destination Medical Center (DMC) (Rochester, MN)

- **Region:** Middle
- **Background:** Mayo Clinic has existed as a major institution in city for 150 years, essentially acting as an ID before it had a title. Legislation to enable ID designation happened in 2013, with the ID formally enacted in 2015.
- **Anchors/Types:** University and hospital; Mayo Clinic and UMN Rochester
- **Governance Structure:** Multi-level public-private partnership: state manages funding, requires input from DMCC and DMCEDA to generate plans
- **Funding:** Public-private; Mayo Clinic provides funding alongside city/state to help region grow

# Fulton Market (Chicago, IL)

- **Region:** Middle
- **Background:** The Fulton Market Innovation District Plan – a land use plan that enabled development on landmark meatpacking industry area/district - was adopted by the Chicago Plan Commission in 2014. The city also helped add a critical transit stop.
- **Anchors/Types:** None - City planning created the loose district
- **Governance Structure:** Overseen by City government (Dept of Planning and Development)
- **Funding:** Public/private collaboration



# Kendall Square (Cambridge, MA)

- **Region:** East Coast
- **Background:** A “relatively small group” organically came together in 2008, recognizing potential in old industrial land with proximity to major institutions, and the ID was legally formed in 2009
- **Anchors/Types:** Variety of institutions (universities, private companies, etc.) Over 150 members. MIT is a major anchor, alongside many big corporations that contribute significantly to the local economy (e.g., Google, Microsoft, BioGen, AmGen.)
- **Governance Structure:** 27-member board (with capacity to go to 30). "Unwieldy but inclusive."
- **Funding:** Public/private

# I-195 District (Providence, RI)

- **Region:** East Coast
- **Background:** In 2011, a portion of I-195 highway cutting through Providence was relocated, opening 26 acres of former highway land for redevelopment, and the state General Assembly created the Redevelopment Commission. Strategic plan created in 2016.
- **Anchors/Types:** University and private business; "anchor building" of District Hall, which has free public space, and which includes Brown School of Professional Studies and other businesses as tenants. A seafood shack as an attraction was mentioned as a major development in place-making
- **Governance Structure:** I-195 Redevelopment District Commission serves as governing board; the up to 7 members are nominated by the Governor and approved by the RI Senate. The District also has multiple staff.
- **Funding:** Public/private

# St. Pete Innovation District (St. Petersburg, FL)

- **Region:** East Coast
- **Background:** The public-private partnership was formally chartered in 2016. Before that, a group of anchor institutions started the conversation about having a business district. One of those people left her institution to become deputy mayor of the city which accelerated the process.
- **Anchors/Types:** University, hospital, non-profit and government; 9 anchors are: Bayfront Health, St. Petersburg city, Duke Energy, Foundation for a Healthy St. Petersburg, Johns Hopkins, St. Petersburg College, St. Petersburg Downtown Partnership, University of South Florida (St. Petersburg Campus and College of Marine Science)
- **Governance Structure:** Board comprised of reps from the various anchor institutions. Also has paid staff.
- **Funding:** Public/private; initially provided by city through Community Redevelopment Fund that had been set aside. Actual funds to "stand up the district" and pay for staff, legal fees, etc. comes from anchors

# Midtown Innovation District (Atlanta, GA)

- **Region:** East Coast
- **Background:** With such a concentration of assets and anchor institutions in the area, it came together organically. Community/Business Improvement District focused on infrastructure starting in 2000 to revive a decayed area. Has been the only entity focused on the area for 45 years.
- **Anchors/Types:** Universities; Georgia Tech, Savannah College of Art and Design
- **Governance Structure:** Board of 70 businesses, chamber and community development members.
- **Funding:** Public/private. Business Improvement District funding - property taxes. Large governmental share, from city and federal.

# InnovatePGH (Pittsburgh, PA)

- **Region:** Middle
- **Background:** Founded in 2017, influenced by Brookings Report to promote an innovation economy in Pittsburgh
- **Anchors/Types:** Universities and hospitals; University of Pittsburgh, Mercy Medical Center, Carnegie Mellon
- **Governance Structure:** 9-member board made up of public and private representatives, plus paid staff.
- **Funding:** Almost exclusively funded by a couple of foundations in Pittsburgh, currently at the end of a 3-year grant cycle. Plans to pursue more diverse funding going forward.



# Cleveland Innovation District (Cleveland, OH)

- **Region:** Middle
- **Background:** Started in 2020, facilitated by JobsOhio (a statewide private economic development corporation), to promote economic development in northeast Ohio
- **Anchors/Types:** Universities and hospitals; Cleveland State University, Case Western Reserve University, University Hospitals, Cleveland Clinic, MetroHealth
- **Governance Structure:** Representatives from the five anchor institutions, leadership rotates in 2-year shifts
- **Funding:** Public (state) funding facilitated through JobsOhio, with financial commitments/contributions from each of the five institutions

# Preliminary Findings

## Strengths

- Identity
- Anchors – Beyond “Eds and Meds”
- Governance – Designated Staff

## Challenges

- Workforce/Remote Work
- Anchor coordination
- Housing

# Policy Highlights – The Importance of Place

- Transit
  - Biggest challenge or biggest strength
- Built structures
  - Building creates visibility and momentum, people know they exist
- Parks/green space
- Physical District
  - “Bump Factor”

# Policy Highlights – Equity & Resiliency

- As a whole innovation districts have been criticized for producing “gentrification, spatial segregation, social inequality..., development of isolated societies, and lack of stakeholder coordination.”
  - Equity
    - Location
    - Community Engagement
    - Community Governance
    - Workforce – Attraction, Retention, Development
  - Resiliency
    - Antifragility through Collaboration
    - Diversity
    - Flexibility

# Questions?



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# Discussion Questions

What trends and possibilities do you see for the innovation districts and innovation policy in your area?



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