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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

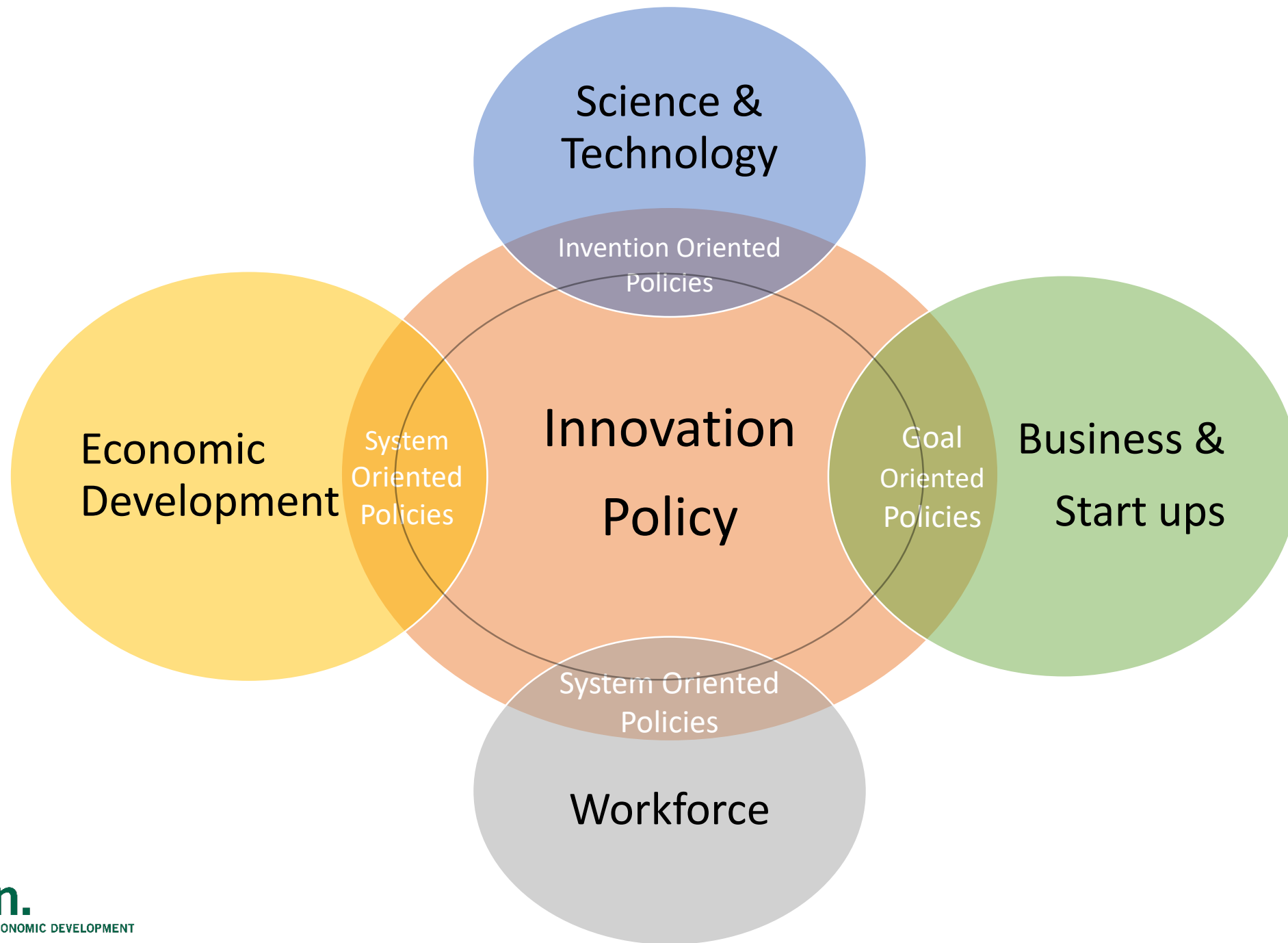
- These policies focus on research and development (e.g., creation of research labs) and are *invention-oriented* and occasionally *mission-oriented*

- 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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