

BOSTON

IS FOCUSING ON ITS WATERFRONT—AGAIN. BUT TODAY BOSTON Harbor is known more for the transfer of ideas than the transport of goods. Interest in the area was rekindled in 2010, when Boston's longest serving mayor, Thomas M. Menino, announced that it would become the city's "Innovation District."

Although initially viewed with skepticism, Boston's innovation district is gaining momentum and emerging as a location of choice for both established corporations and emerging start-ups. Companies large and small are filling up space because they have either been priced out of other locations or are attracted by the energy and amenities that appeal to the new generation of knowledge workers. What was once considered little more than a thinly veiled marketing ploy is now seen as a smart and timely planning endeavor.

The location for Boston's innovation cluster is appealing. A short walk from the city's financial district, within sight of Logan International Airport, and bolstered by new transportation infrastructure, the 1,000-acre district is home to rugged older warehouses, the contemporary Convention Center, and acres upon acres of surface parking (the last a mixed blessing, of course).

Boston has benefitted from its competitive strength in finance, health care, and higher education, but the innovation district is becoming an alternative to the city's Longwood Medical Area and to Kendall Square—the latter home to high-tech firms in nearby Cambridge. Boston's innovation district is interdisciplinary, so it is building off the location's strengths and distinguishing itself physically and culturally from the other districts.

According to Kairos Shen, director of planning at the Boston Redevelopment Authority, "The [city] is directly extending invitations to corporations and institutions to come to this area. If the culture is right, and the administration and politics are stable and inviting, that's all that one needs."

The innovation district is an economic development strategy with a specific urban revitalization agenda. Unlike the enterprise zone programs or the university research or technology park models of the past decades, this new model is based on the premise that contemporary economic activity is particularly well suited to a dense mixed use urban environment.

We live in an increasingly connected world, where rapid technological advancement is dramatically altering the nature of work and the pace of change. A new generation of highly educated and tech-savvy

young people with shrinking access to traditional employment are harnessing the Internet and seeking alternative opportunities as entrepreneurs. This new generation is more connected than previous generations, has access to unlimited information, and embraces open source technology and a culture of cooperation.

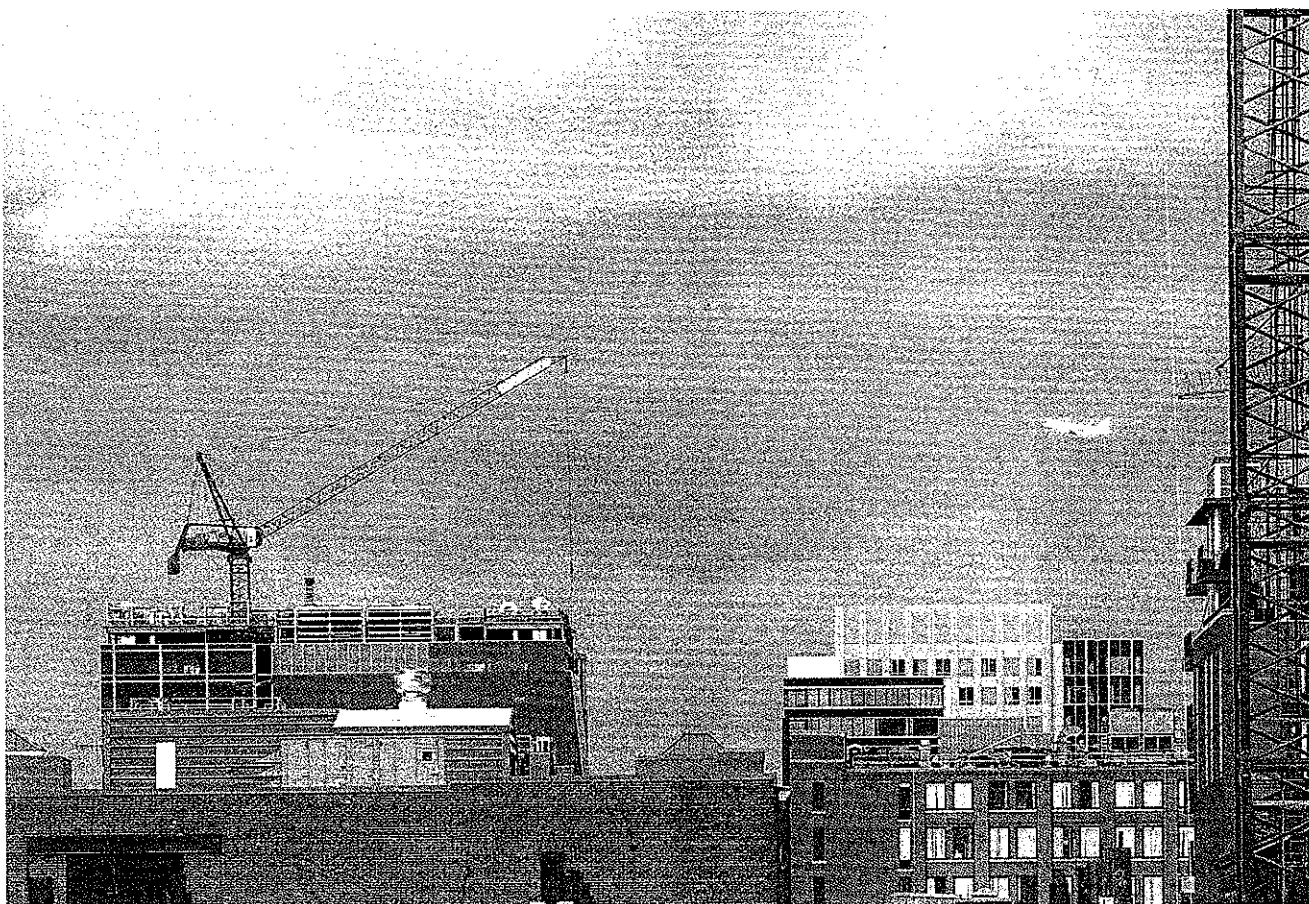
Boston's innovation district model is focused on nurturing local entrepreneurship and accelerating the growth of new enterprises in a specific urban district where the creative reuse of obsolete buildings and innovations in new mixed use development are encouraged. In the past two years, a number of new organizations have emerged organically in the district. For example, MassChallenge, a nonprofit business "accelerator," nurtures the transition of innovation to viable business enterprise in a competitive environment. Space with a Soul, also a nonprofit, supports small and emerging mission-driven enterprises with shared office space, resources, and technical support. These network-based platforms support the serendipitous encounters that characterize the economic activities of the innovation district.

It's a brand

An entire neighborhood is being transformed, with 21st century buildings nestled among historic brick and beam architecture. Initially known as the South Boston Waterfront and Fort Point Channel neighborhood, the innovation district has subdistricts as well. These coincide with designations for a planned development area. One of these subdistricts is Seaport Square.

Despite the economic malaise of the last five years, six million square feet of development has been permitted in Seaport Square and 12 buildings are under construction or in the process of rehabilitation. Enticed by waterfront views, investments in the Silver Line bus route connecting to the airport, and the promise of cross-pollination, even large pharmaceutical companies are leaving Cambridge—the region's traditional center of innovation—for new opportunities in the district. One of the largest projects to date is Vertex Pharmaceuticals, which is in two 18-story buildings totaling 1.1 million square feet.

Overall the area has attracted 100 companies and 3,000 new jobs in the last 30 months alone. It's also drawing new residents. About 1,700 units of housing in five



Business is booming in Boston's innovation district, where a dozen buildings currently are under construction or being rehabbed.

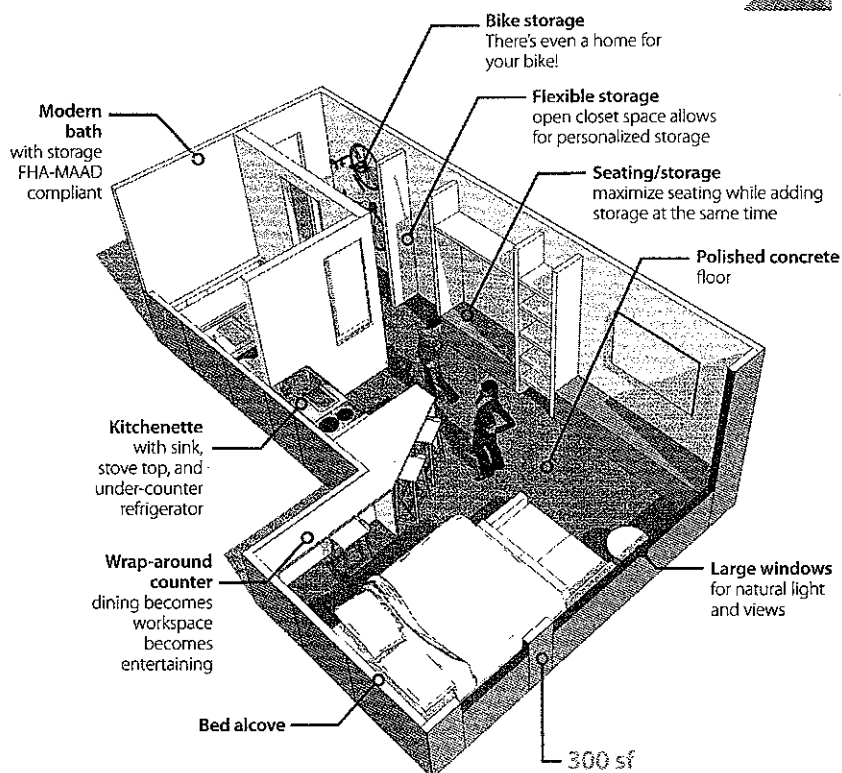
new buildings will break ground in 2013. Remarkably, residential rental rates in surrounding buildings have doubled in the last two and one-half years, coinciding with the branding of the district as a hotspot of innovation.

Among the newcomers is the Boston Innovation Center, a 12,000-square-foot building designed by Hacin + Associates. The facility will serve not as a business incubator so much as a public venue for programs and activities that support social interaction and the exchange of ideas. A 3,000-square-foot restaurant will be included on the ground floor. Boston Global Investors (formerly Gale International), Morgan Stanley, and W/S Development Associates are the developers of Seaport Square; the Cambridge Innovation Center—a business incubator—will be the facility's manager.

DNA

The city defines innovation space in the broadest sense as space targeted to innovation workers or including a brand of product that does not exist elsewhere in the city.

OK, WHAT'S A MICRO-UNIT?





22@Barcelona, begun more than a decade ago with strong municipal support, is a model of innovation district success.

By requiring private developers to build innovation space in a variety of configurations, the city assumes that a critical mass of innovation will emerge.

Innovation is part of the district's DNA. In the planned development agreement created by the BRA, "innovation requirements" were written into the district's zoning. Of the 6.3 million square feet in Seaport Square's 23 acres, 15 percent must be set aside for "innovation housing" and 20 percent for nonresidential (retail, office, or hotel) innovation uses.

Innovation housing is geared towards artist live/work studios or incorporating "microunits" of 300 to 450 square feet. One in three people in Boston are between the ages of 21 and 34, and affordability is critical for those with high college debt and low starting incomes.

This aspiration for finer grained housing development is panning out, as it aligns the consumer demand for smaller units with an appropriate residential product for the rapidly evolving district. Still, the bulk of commercial and office development is taking place at the other end of the architectural scale—and that could be a problem in the long run.

The large floor plates under construc-

tion lack the permeability and fine-grain characteristics that enliven a street and foster chance encounters. Not surprisingly, the traits that make an environment so attractive to start-ups—cheap rent, short-term leases, and small flexible spaces—become the qualities that are most vulnerable as a district matures. The question is whether Seaport Square will be able to avoid going completely upscale.

Boston, of course, is not alone in establishing a precinct of innovation; such districts are emerging across the globe. From Barcelona to San Diego, innovation is percolating in marginalized precincts and former industrial areas where small enterprises are attracted to and nurtured in a lively and diverse urban setting. Even Detroit, which has seen considerable disinvestment in its urban core, is capitalizing on the intersection of technology and art to reinvigorate formerly abandoned areas.

22@Barcelona

Any story about innovation districts would be remiss if it failed to acknowledge the influence of the 22@Barcelona Innovation District, a comprehensive district revitalization model with a viable economic development strategy for historic cities. As in

Boston, 22@ has benefited from committed and effective leadership; unlike Boston's, however, it benefited from substantial public start-up funds and a cluster of anchor institutions. While many of the innovation companies were already in the area, many others were enticed by the promise of new synergies and partnerships. The district could also capitalize on opportunities to revitalize existing buildings and build new infill development.

Barcelona jump-started the district in 2000 by establishing the municipal company ARROBA BCN and the policy, governance, and funding to create a compact, mixed use model of industrial development. The plan calls for a blend of residential, cultural, institutional, and light industrial uses.

Education is at the core of Barcelona's innovation district, with several academic institutions and five industry clusters located in the Poblenou District of Barcelona. Ten universities and colleges, with 25,000 students, nurture the city's economic development goals by promoting research and development, entrepreneurship, workforce training, and lifelong learning.

The city invested in the infrastructure to support the mixed use development expecting that it would evolve over time and

that the private sector would take on more and more responsibility for the district's sustained success. Over the last 12 years, Barcelona has invested a total of \$140.8 million in road and utilities infrastructure with a total estimated refurbishment cost of \$235 million. And 22@ has built eight miles of streets.

The investment has spurred 4,500 new companies, 43 percent of them startups; 1,520 new units of social housing; and a total of 45,000 new workers. These numbers are all the more impressive when one considers that the unemployment rate for the college-age population in Spain hovers around 50 percent. Although 22@ Barcelona continues to see steady growth, it is also challenged to sustain momentum and energy without the significant public support that brought success during its first decade.

Midtown Detroit, Inc.

Midtown Detroit is one of the city's oldest and most diverse neighborhoods. Over its 200-year history, it has been an affluent streetcar suburb, a bustling commercial center with housing and amenities for

auto workers, and a cultural mecca with museums, performance venues, churches, and the city's main public library. It is now home to many schools and hospitals, including the University Preparatory High School, Wayne State University, the College of Creative Studies, and the Detroit Medical Center.

After decades of population exodus and disinvestment, Midtown is emerging as one of the most promising urban areas in the Midwest today. Its concentration of academic and cultural anchors gives the district a distinct advantage over other neighborhoods, but Midtown's success also reflects the community-based efforts of Detroiters who have been hard at work on this transformation.

Midtown Detroit, Inc. the area's non-profit community-based organization, has established partnerships with key stakeholders and funders. MDI resulted from a merger between the University Cultural Center Association and the New Center Council, whose organizations started with a similar mission in the 1970s. Both organizations have been responsible for a re-

markable number of initiatives that have produced new housing development, preserved historic buildings, supported new and increased commercial activity, and expedited infrastructure improvements to revitalize the greater Midtown district.

Because of its increasing appeal and corresponding rise in population, Midtown has generated demand for more mixed income and mixed use development. That has led to reinvestment, which in turn is making the area even more desirable, stabilizing the community, and forming the foundation for long-term economic growth. Arts, culture, academic, medical, and service institutions have collaborated on the area's revitalization. Without the equivalent of the Boston Redevelopment Authority, Midtown has relied on a complex overlap of many different projects and initiatives.

Sue Mosey, CEO of MDI, is at the center of much of this activity. Mosey has recently initiated two major planning efforts, bringing in national experts to undertake coordinated planning in the Detroit Medical Center Neighborhood and the Tech

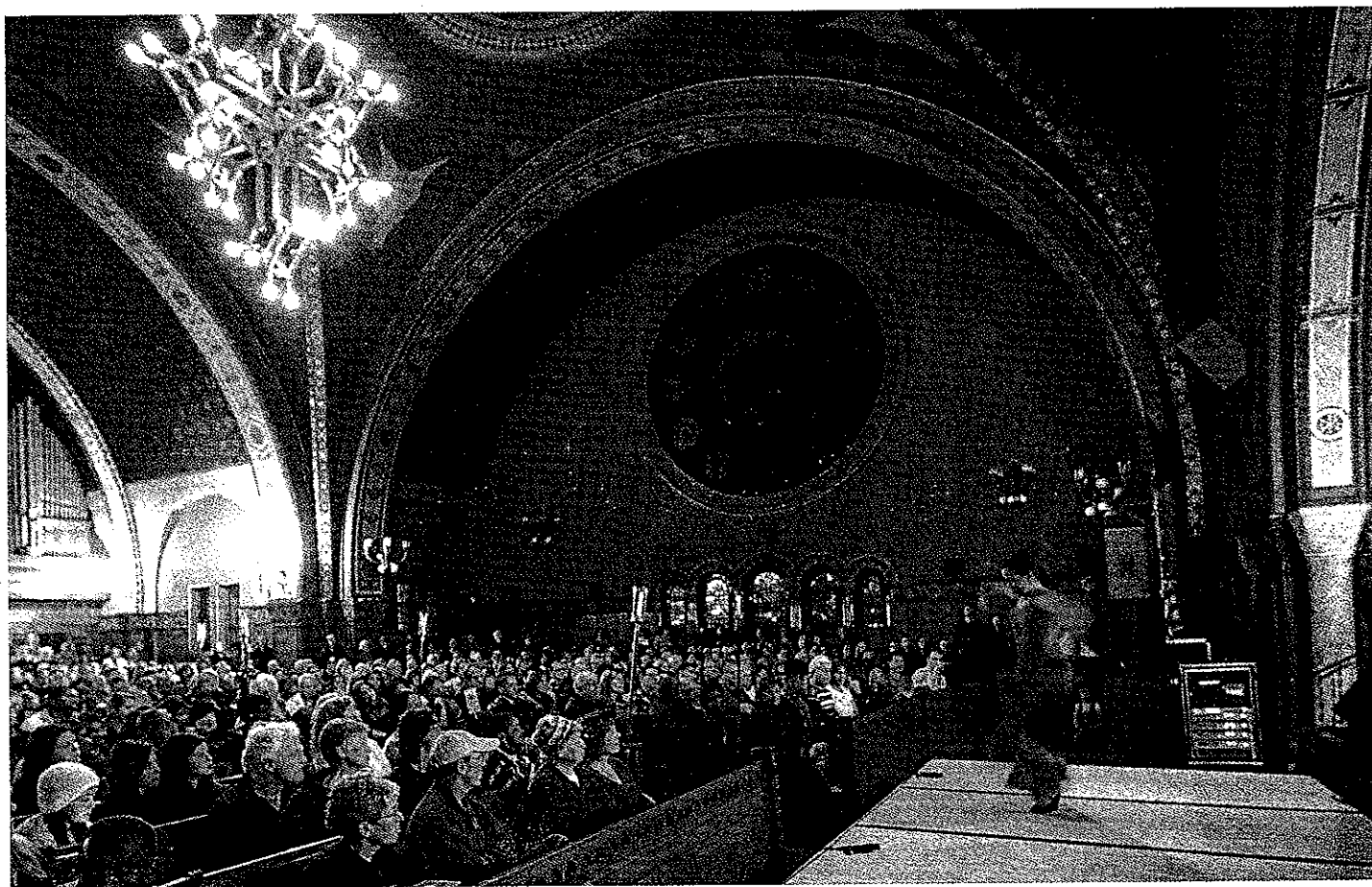


Photo courtesy midtowndetroitinc.org

The 40th annual Noel Night, a holiday celebration in Midtown Detroit.



Collaboration is alive and well at an I.D.E.A. workshop.

Town District next to Wayne State University and the Ford Health System Campus. In consultation with U3Ventures (a Philadelphia-based real estate advisory group that focuses on anchor strategies for urban revitalization), and the Boston-based planning firm Sasaki Associates, Inc., Mosey aims to persuade the institutional anchors to look beyond their own needs and to take the long view of what the district as a whole can become.

"There is a much higher level of collaboration amongst the anchors," says Mosey. "Rather than piecemeal collaboration, we can now start thinking about the district as a whole."

Tech Town, Midtown's incipient innovation district, is envisioned as a mixed use urban district where young creative entrepreneurs and innovators can live, work, and hang out. This 20-year plan will be balanced by strategic investments in the "innovation infrastructure" of resources, places, and amenities that support the chaotic and collaborative nature of the New Economy.

San Diego's I.D.E.A. District

San Diego's I.D.E.A. District is the brainchild of David Malmuth and Pete Garcia, local real estate partners. The I.D.E.A. District is a "living laboratory" that encourages collaborative and creative activities in innovation, design, education, and the arts. It encompasses 93 acres of city blocks in the city's East Village and is anchored by City College in the north and the NewSchool of Architecture and Design in the south. The district is home to an eclectic blend of buildings and parcels, many of which are ripe for redevelopment.

In 2010, Malmuth and Garcia identified the need for an "urban" innovation cluster in the San Diego area that would become a place for young entrepreneurs in the technology and emerging design industries. Vibrant technology and health care clusters already exist at the University of California San Diego and more suburban locations, but none are in a strictly urban setting. Since more and more young people prefer to live and work in urban centers, the I.D.E.A. District has positioned itself to capitalize on this emerging market.

Malmuth and Garcia's vision is to attract creative people and companies in the technology and design fields. Success will be measured in "ideas per square foot," not in the amount of new development or the cost of those spaces. Creative and entrepreneurial people may be attracted not because the location is affordable, but because it is the place to be. Inspired by 22@, San Diego's innovation district aims to provide a wide range of workspace and residential unit types, sizes, and rents.

"We must shed old ways of district planning and real estate development, and embrace the chaotic and uncertain nature of this kind of urban transformation," Garcia and Malmuth have said. The I.D.E.A. District has no specific master plan or special zoning, nor is there a legal entity with district-wide authority. For now, it merely operates as a brand with an energetic and innovative real estate partner. "We will lead by example," says Garcia, to attract like-minded entrepreneurs and creative companies and set the standard of architecture and urban design.

The I.D.E.A. District is just getting under way. Its first tangible project will be an innovative building that will accommodate an anchor company and provide spaces for small-scale entrepreneurs with amenities to support interaction and collaboration. This first effort in the I.D.E.A. District is sure to generate the buzz needed to raise awareness and attract like-minded organizations and businesses to this urban experiment.

Sustaining an innovation ecosystem

While the public sector has a role to play in cultivating an environment that attracts new companies, grassroots efforts often pop up without city help or the largesse of big business. In Boston, Co-labs and small business accelerators like Space with a Soul and MassChallenge characterize the kinds of small-scale efforts that are attracting interest and venture capital. The Boston Society of Architects is looking to hold annual competitions on specific sites to integrate public art and performances.

In the end, cheap space is important to innovation districts, but it is not as important as proximity. The innovation culture requires that firms be near one another. For this reason, Boston's innovation district is emerging as a viable redevelopment model; land was available and that land was well situated to take advantage of various amenities. While there was an initial bias toward promoting the innovation brand and attracting mature companies, smaller companies are finding reasons to cluster there, too.

To be sustainable, an innovation district should share the same qualities of vibrant urban settings that attract diversity and promote social interaction: a thriving nightlife, restaurants, retail, public transportation, great urban spaces, and a concentration of activity. However, innovation districts do more: They possess unique qualities that foster innovation. Much of what the public sector can do is create an environment where that innovation can mature.

"What the city can do is foster the zeitgeist, and create an environment where people want to participate," says Shen. □

Janne Corneil, of Corneil Collaborative in Carlisle, Massachusetts, is a planning and urban design consultant who focuses on innovation districts and the physical and economic interdependence of universities and their host cities. David Gamble is principal of Gamble Associates, an architecture and urban planning firm based in Boston that focuses on neighborhood redevelopment and community revitalization. He is cochair of the Boston Society of Architects Urban Design Committee.

FROM — Boston's innovation district was described briefly in *Planning's* special issue on that city (January 2010).

ONLINE — Boston Innovation District: www.innovationdistrict.org; Seaport Square: <http://seaportsquare.com>; 22@Barcelona: <http://22barcelona.com>; Midtown Detroit: <http://midtowndetroitinc.org>; The I.D.E.A. District: <http://ideadistrictsd.com>