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How Mayors Can Drive Inclusive Growth

GREG FISCHER, BRUCE KATZ, AND JULIE WAGNER JUL 5, 2017

In the race to create innovation districts in low-income urban areas, city leaders play a key role.

At the end of June, mayors across the United States <u>came together</u> at the 85th annual meeting of the United States Conference of Mayors to debate the federal budget, climate change, and how mayors are now well positioned to support innovative growth in cities. This last topic, urban innovation, will be part of a broader agenda of re-enforcing local power in the face of uneven, if not uncertain, support from the federal government.

Over the past year, our two organizations—the USCM and the Brookings Institution—and the Project for Public Spaces have worked together to capture a new model of growth that is emerging in cities and the particular roles that mayors can play in supporting it. At the June USCM meeting we released a handbook that offers concrete strategies for mayors to facilitate the rise of innovation districts. Innovation districts are small geographic areas within cities where research universities, medical institutions, and companies cluster and connect with start-ups, accelerators, and incubators. They reflect profound market and demographic dynamics that are revaluing proximity, density, walkability, and accessibility—in other words, the natural strengths of cities.

Innovation districts offer enormous potential for innovative growth, as ideas hatched in universities are commercialized for the market by faculty, students, entrepreneurs, and mature companies. Given their location near low-income communities, innovation districts can also spur inclusive growth by intentionally including residents in employment opportunities and using increased tax revenues to provide needed services and enhance the affordability of housing.

Until now, most innovation districts grew organically through collaboration between research institutions, companies, and intermediaries. Yet mayors from Boston to Barcelona have shown that mayors can play powerful roles in advancing these dynamic hubs of innovation.

One such role is *mayor as convener*. Mayors can use their soft power to pull together leaders of local institutions to find a set of common interests compelling enough to take a collective approach to innovative growth. The broad, citywide perspective of mayors allows them to see the big picture, drawing important connections between people, places, and ideas. It is this perspective that enables disparate local actors to see what's possible and collaborate to compete.

Another role is *mayor as champion*. A mayor is often viewed as being at his or her best when declaring a vision of future prosperity that is grounded in evidence and conveyed with conviction and purpose. A handful of U.S. and European mayors have shared such a vision for cultivating innovation in their inaugural or state of the city addresses. In several cases, mayors have tied their vision of innovative growth to a specific geography—a district—for future activity and investment. In the case of St. Louis, former Mayor Francis Slay granted powers to a local nonprofit to <u>expedite the transformation of a blighted neighborhood into a thriving innovation district.</u> Mayor Slay opted to embolden this local group to not only develop the master plan but to also serve as master developer with the authority to issue tax abatements and exercise eminent domain.

A final role is mayor as *catalyst*. City governments have substantial regulatory and fiscal powers that can advance innovation districts. Many emerging districts in the United States lack the civic and physical spaces that enable the exchange of ideas and the continuous invention and deployment of products and technologies. Mayors can work with public, private, and civic leaders to change local zoning to increase a mixing of activities as well as to relax public space regulations to allow a greater range of activities and programs that stimulate innovation networks. In the case of Pittsburgh, the city has become a living lab, where the ride-hailing company Uber is testing its autonomous vehicle technology. While the relationship between the city and Uber has had its rough moments, Mayor Bill Peduto successfully removed regulatory obstacles—enabling Pittsburgh to not only invent next generation technology but to be the first to deploy it.

In today's challenging fiscal, political, and economic environment, mayors can play a series of roles to advance the potential of their cities to grow quality jobs, create new economic opportunities for disadvantaged citizens, and generate much needed fiscal revenues. The good news is that a growing number of mayors in the United States are stepping up and leading in ways that can be adapted and adopted by others. As with so many other areas of domestic policy, mayors are uniquely qualified to advance innovative and inclusive growth simultaneously and help bridge the economic divisions in our country.

About the Author

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