



Photo © Marian Duvan.

## THE *Rise* OF INNOVATION DISTRICTS

**J**ULIE WAGNER is the President of Urban Insight, a company aimed to help cities and regions strengthen their competitive advantage through the strategic formulation of innovation districts. She is also a Nonresident Senior Fellow at the Brookings Institution and a visiting scholar for the Esade Business School's Center for Global Economy and Geopolitics.

A trained city planner, Julie served as a deputy planning director for the District of Columbia where she developed the city's long-range plan, orchestrated the development of plans for more than one hundred neighborhoods, and managed all controversial land use disputes.

She earned a master's degree in city planning from the Massachusetts Institute of Technology and has received several planning awards from MIT and the American Planning Association for her work. She was trained in conflict resolution and police mediation.

### What exactly is an innovation district?

For over the past decade, cities across all global regions have witnessed the emergence of *innovation districts* – dense, walkable, and technology-laden locales where universities and hospitals with robust R&D portfolios *cluster* and *connect* with companies, start-ups, accelerators, incubators. And while universities have been the anchors of downtowns and midtowns of many cities for hundreds of years, their relationship to other economic actors is now far more dynamic and interactive.

A growing number of universities are finding a new policy imperative: advancing academic excellence while, at the same time, seeking to transform their translational research strengths (research strengths that have market value) into new products, services, and processes for the market. This in turn, has meant an “opening up of their internal research agendas to partnerships with industry. Physical proximity, or co-location, strengthens the ease in partnering and sharing resources. On the side of the private sector – companies and firms – they too are finding an imperative to collaborate. Companies are increasingly relying on external sources to support technology development as few firms truly monopolize the technologies on which they rely,

and they can no longer absorb the costs of radical innovation alone.

A strong example of this trend is Atlanta, Georgia. Centered around Georgia Tech, the area has attracted the corporate research centers of 12 Fortune 500 companies and hundreds of technology start-ups. Rather than each of these organizations working alone, they are adopting a “collaborate to compete” model. And it's paying off.

### What role are you playing to advance innovation districts?

My main focus is to develop strategies for districts to become highly competitive, magnetic locales. This carries great responsibility as I am often defining a detailed roadmap to help them get there – detailed empirical analysis, lengthy interviews, the development of a governance structure, and more. Based on these strategies, major financial investments – often in the hundreds of millions if not billions – will be deployed.

#### Below:

Innovation districts are a place-based innovation strategy emerging in cities across every global region. 22@Barcelona, pictured here, has offered insightful lessons for other districts. Photo © Barcelona City Council. Area of Economy, Business and Employment.





Other times, I am called in to deliver a keynote address before the leadership class of a city or region. This is often a helpful way for cities to weigh whether they have the starting assets and leadership drive to develop an innovation district. The feedback I receive from my presentations is that I am inspirational yet pragmatic about the hard work ahead.

**Your work must involve a lot of travel and working with lots of different communities. Do you find some areas more of a challenge than others?**

Every city I visit, whether its Brisbane, Be'er Sheva, or Barcelona I find myself searching to understand national and/or state policies – such as tax laws, the level of regulation over universities, and development incentives. These more structural realities play a significant role in how well cities can be competitive. For innovation districts, supportive financial incentives can be the difference between re-adapting beautiful historic buildings for “cool” innovative spaces or knocking them down for something far less provocative.

I am currently working on MIND, the Milan Innovation District, which will transform 100 hectares of the former world Expo into a cutting-edge, technology-laden, innovation district. It will be centered around three anchor institutions: a national, cross-disciplinary research institute, a research and treatment hospital, and a university including its scientific research portfolio. Private industry attracted to the site have a desire to collaborate, which will importantly contribute to its evolving innovation ecosystem. The key for this district is to design it in a way that mashes together traditional research institutions with industry, start-ups and cool funky spaces. Underpinning all this, Milan will be looking at its tax structure, incentives for company investments and growth, and how to underwrite a start-up ecosystem through multiple financing streams.

**What is the most surprising or “new” part of this story. We have had science parks, business parks, and the like for decades. Is this the same thing with a new name?**

This is a great question because it gets at the heart of what defines an innovation district from other geographies of innovation. Districts are importantly shaped by quality places and high level of networks between companies, actors and people. Science parks are traditionally low density, car dependent locales with a sea of parking – essentially geographies that are separated and silo-ed. Innovation districts thrive on connectivity and proximity, such as placing a university space, a company space, and an incubator within steps of each other. We are essentially talking about a integrated physical design that



fuels a multi-disciplinary, multi-sector, and multi-actor approach to innovation. There is an entirely new logic underwriting these areas and it is just fascinating.

**Are there steps we can individually take to make our cities better?**

I think the easy answer to this question would be “yes” but it is a far more complicated question. I believe that people, companies, and institutions with power and

prestige have a more direct set of channels for influencing how our cities change. The single mother living below poverty has far less power and truthfully has limited networks, time or resources to advocate for change. When I worked for Washington DC, for example, I found that people with the most money and prestige were also the ones making the most noise. And given this, I spent easily 75 percent of my time focused on traffic, parking and school expansion controversies. Less than a mile away,

*Above:*  
Drawing on advanced industry and innovation strengths, MIND, the Milan Innovation District, intends to propel Italy forward in the increasingly competitive global landscape. With more than 3 Billion Euro to be invested by both the public and private sector, this innovation community has the potential to be truly transformative. Rendering © CRA-Carlo Ratti Associati for Lendlease.



people, including very young children, were fighting for their lives. We would hear from them far less and usually only under very specific circumstances.

While it might sound like I am trying to make a political statement, I am really just wanting to surface an obvious truth – power and planning (of cities) are intertwined. This means that we need to be far more intentional about who is not in the room. It means taking more time, spending more money, and slowing down decision-making processes.

**How do you see the design of “cities of the future” developing?**

Great question! I believe a major change in the shaping of cities will be the pervasiveness of technology. The way progress is being made, technological advancements will underpin everything about how a city is designed, how it is constructed, and managed. There has been a major movement over the past decade or so called “smart cities.” Cities are organizing themselves around new technological platforms that allow them to be more efficient, effective, and competitive. Some have asked, is it possible for technology to go to far? To strip away the essence of human connection? Of our relationship with nature? I think it’s right to ask these questions but, on the other hand, technologies will come and they will change our societal fabric.

**So, I have to ask, how many women are playing a visionary, leadership role at the global scale in this field?**

Without question some countries are more challenging for me to work with given how they view or value women in their society. And while I work mostly with men, I am also pleased to find a number of very strong women in leadership positions: driving impressive real estate portfolios for universities, serving as Mayor of a rising city, and leading large government agencies. I find it helpful to have women in the room as I find they often raise the important – but hard – issues we really must discuss.

**What is next for you?**

The level of demand from emerging innovation districts has led me to conclude that we need to create a nonprofit dedicated to support and advance innovation districts across all global regions. While I am based in Switzerland, I have pulled together some of the top researchers and practitioners in the field globally. Early next year, we will launch the Global Institute on Innovation District in collaboration with Columbia University in New York. The Global Institute will not only provide cutting-edge research specifically for districts, it will create a global network to connect like-minded thinkers and actors. Recent research in western Europe alone identified at least

60 innovation districts – with some being quite mature and others only just emerging. The level of future investment in these geographies will add up to billions of dollars. And while this is a provocative picture, the bigger story is how these districts can funnel innovation and investment to grow the regional economy, including growing local residents directly into the innovation economy. This signals that districts must undergo important diagnostics and implement tailored strategies to leapfrog ahead.

*By Dina Aletras*

Julie was co-author of the research paper “The Rise of Innovation Districts: A New Geography of Innovation in America”, which observes how new geographies of innovation are emerging in response to broad economic and demographic forces that value specific place-based attributes and amenities. Julie has written articles on the new geography of innovation for the *Harvard Business Review*, *Fortune Magazine*, *Quartz* and *The Guardian*. She also co-authored several papers regarding the changing role of innovation and place including “Innovation spaces: The new design of work”, and “Advancing a new wave of economic competitiveness: The role of mayors in the rise of innovation districts”.



District Hall in Boston has become the “hot spot” for entrepreneurs, companies, and the public – and a strong example of how new networks are forged in the 21st Century. Photo © Gustav Holland.