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How Dennis Lower – Cortex's first full-time CEO – created one of America's top innovation districts

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When Dennis Lower was first approached about becoming CEO of St. Louis' Cortex Innovation Community in 2009, he wasn't interested in the position. He was working at an innovation district in Louisiana and didn't want to relocate.

But he eventually came to view Cortex as a "success waiting to happen" and became the driving force behind that success over the past decade. Cortex — which hosts a mix of startups and academic and corporate innovation offices within its Central West End campus — has grown from housing 35 companies in 2010 to over 400 today. In 2018 alone, Cortex says the 6,000 employees working in the district created more than \$1 billion in direct economic activity in 2018.



DILIP VISHWANAT | SLBJ

Dennis Lower is retiring as CEO of Cortex.

"The last decade here has just been incredible. Of the three innovation districts that I've worked on, this is the one where there was a real convergence of people, assets, resources and commitment for the long haul," Lower said. "It takes 30 years to develop a full, robust regional ecosystem. We're now almost 20 years into that process for the region and we're now beginning to get traction."

Lower's tenure as Cortex president and CEO is nearing its end. He announced his retirement in 2019, agreeing to stay on board until a search committee found his successor. Simultaneous to that effort, Cortex is also embarking on a strategic planning initiative with the idea that its next leader can continue its evolution rather than maintaining the status quo. That CEO search is nearing its conclusion; the search committee is in the later stages of the process.

During his time, Lower — Cortex's first full-time CEO — has spurred a number of initiatives key to accelerating Cortex. Chief among them was broadening the district's focus, putting an emphasis on creating a mixed-use master plan and establishing innovation centers within the district. And it's not done implementing Lower-driven initiatives: Cortex later this year plans to break ground on 1.2 million square feet of building space and another 800,000 square feet of structured parking.

While Lower's work has been specific to building Cortex, he hopes his work over the past 10 years has reached beyond the 200-acre innovation district. He's often asked about where Cortex will be 20 years from now and his answer may surprise some.

"My response is, I hope that in some ways that the importance of Cortex itself has been reduced and that people talk about this as a St. Louis innovation community," he said. "That we will have gotten to that place where people look at St. Louis as an innovation community. As an innovation corridor, just like San Diego, San Francisco, Seattle, Boston."

Lower last week spoke with the Business Journal about his time as CEO and president of Cortex. The conversation has been edited for length and clarity.

How did the Cortex CEO job come about? In 2009, I was contacted in the summer by a colleague who I had worked with back on the East Coast and he said "you should really take a look at this. It's a great opportunity. You're already in the Midwest, sort of, in South Louisiana." And I said, "well, I'm not interested in moving." That was that. I didn't pursue it. Then I got a call six months later from the same friend saying that, "OK, they know that you don't want a job, but would you take a look at what they're doing and give them some ideas?" Sure. When I came up, I met with what I understood then was the search committee. We had a good three-hour conversation and I said, "OK, I've looked at your materials. This is what I think

would be a good roadmap to move forward on.” I had to stay overnight because there was an ice storm and I couldn’t get out. When I got to the hotel, there was a message for me to call this Boston search firm. I called and they said “hey, they liked what they heard. They want to make you an offer. Would you come back next week with your wife to talk with them?” I said, “Wow. That’s not what I came here for.”

What made you decide this was the right job for you? We came back and decided to investigate it further. We spent several days here, kicked the tires, looked at everything and it confirmed what ... well, I didn’t have a really good sense. I had a general sense when I came to talk with them, because I had looked at the materials, the website and things like that. But when I came up and spent three days in the region and saw all of the positives that were here and met with a number of people and queried them, to me, it became pretty clear that it was just a matter of connecting the dots. That got me pretty excited.

When you took over, what steps did you immediately take to accelerate development at Cortex? We did several important things in 2010 to reposition the business plan and the approach to developing the district. That included migrating from just being a biotech park to making it a place that would welcome and be open to all technology industries. That greatly accelerated the development of the district. That was an important pivot point. Also, focusing heavily on startup companies was really important — growing our own companies. The business model prior to that had been more trying to recruit established technology companies from across the country. That economic paradigm is used traditionally by all cities, all agencies, all states. It’s basically stealing somebody else’s cheese. That’s very difficult to do for tech companies who rely on tech talent and the people that are employed. You don’t just pick them up and move them.

How did you boost the number of startups? We put a lot of programming in place that would support those startup companies. In the last four years, large corporates are beginning to follow and move into the district to get close to the entrepreneurial energy those startup companies have. What’s also happened in the last decade is that every company, every established company regardless of who you are, has a focus on developing innovation within their companies. Because they recognize if they don’t innovate, they die. Now, we’re getting a number of more established companies moving into the district. It’s a lot of their innovation groups moving in to mingle with the entrepreneurial community that’s here. It not only supports the development of their own innovation, but it also supports talent recruitment for those companies, established companies that would perhaps want to be in a more urban environment and not in a suburban location.

Does the balance between startups and corporations naturally occur at Cortex? No, it doesn’t naturally occur. There are three cultures in innovation districts and you have to balance them. There’s an academic culture, a corporate culture and a startup culture. If either the academic or corporates become too dominant, it negatively impacts the startup culture. What you can see is it’s no longer the cool place to be. Too much of either corporates or of academics can chill the buzz. We have to say no to some companies that really don’t have a fit here and those that are more established. We have to make sure that they’re putting the right people on the ground and that they’re contributing to the innovation community and not just taking from the innovation community. That’s a challenge that we’re now having with success ... how do we ensure that we don’t lose that right balance?

You’ve mentioned trying to “break down some of the silos” locally. It seems the technology and innovation sector has worked well together on economic development. Why is that important? If you look at the existing tech hubs that are out there in first-tier cities, they all have success and they’re only about a half a dozen or so of them. They all have the same elements in common. There are about 20 to 25 different components that have to be located in the region in order for technology companies to flourish, take root and grow from cradle all the way through to maturity. When you don’t have those in the region, you get stymied and blocked. Each one of these major tech hubs have regional ecosystems. You have to think regionally as a strategy when you’re developing an innovation district, innovation community or an innovation strategy. When I came in, that was the experience that I brought to the table, that I recognize that no one can lift this alone. There are lots of vectors and lots of components that have to be orchestrated and brought together. And if I can use an analogy from Louisiana, it’s all about creating a great gumbo. With it, you got to start with a good roux. Then you have a lot of ingredients and that’s what creates great food in Louisiana. It’s what creates innovation districts. It’s what creates regional ecosystems.

Where is St. Louis at in terms of being a technology hub? Of the 25 elements that you need to have in a region to be a successful tech hub, in 2000, when this whole effort began in this region, we only had maybe six of those or eight of those present. We were weak or absent in 16 or 17 of them. I revisited that last year and we are now only weak in four of those.

What are those four? We need more Series A and Series B capital. We still need more serial entrepreneurs. We're getting there though. That happens over time. The others are affordable multi-tenant buildings and enough managers, STEM and production workers.

What's next for you? It's really funny because people have said, "Oh, I hear you're retiring." And I say, "Whoa, no, I'm reallocating my time." I'm stepping back from Cortex to do some other things on a part-time basis because I want more time for my family and myself. At most, I'll work half time, mainly in helping other cities figure out how to advance innovation districts. Also to the extent that I can continue to help in any way that the board would want me to to help support Cortex moving ahead, but on a limited basis.

What have you been focused on in your final months in this job? The second question people asked me after their retirement questions is "Oh, so you must be winding things down?" I said, "Well, you would think so, but guess what? It's just the opposite." What's happened this past year is that several new opportunities have emerged that we're really trying to advance both on the development side as well as new innovation centers. In addition to those three buildings that we're working on trying to advance and make sure we get through approvals, we also are trying to stand up two new district innovation activators. One is a global cybersecurity center and the second is a geospatial consortium here in the district. Those are two new initiatives that are focused on establishing focal points within the district where we can support those industries as they emerge here within the region.

Why is it important to Cortex to have a strategic planning process intersect with its CEO search? Because the next executive will need to be able to implement and roll out the best strategic path forward. There was an intentional effort to think about how we accelerate the impact we've had throughout the region. It doesn't necessarily mean that we will physically expand. We could programmatically expand to support folks downtown and support people in the county. There likely will be some physical, additional location where we will try to plant ourselves and take the learnings that we got from here that created success for us. Doing this simultaneously allows the search committee to be talking with with the candidates about letting them know that there's a likelihood over the next year that we'll settle upon a plan to do some expansion, either programmatically or physically or both, and that we've hired a consultant to help us think that through at this point. It's important that coincide with the CEO. You're not selecting a CEO just to take care of what we have. You're selecting a CEO that has enough of a toolkit that they understand different elements of developing it throughout the community.

In terms of the 200 acres here at Cortex, what's going to drive future physical development of this district? I think there'll be three things. I think the geospatial consortium and the cyber consortium could really attract a lot of startups and established companies. The neurosciences research center, which is 600,000 square feet, was a wonderful decision that was made by the Washington University medical school to bring that research into the district. I think that building itself is going to drive additional buildings adjacent to it, of companies that are in the neuroscience field who want to be co-located across the street next to that seminal basic research. There are two or three very strong and globally recognized research initiatives that Wash U has, and neuroscience research is right at the top. The opportunity to commercialize that research could really drive one or two new buildings and attract established corporations that want to be next to it. Also, it can drive new startup companies in the neuroscience area. Then of course, the companies that are already here, We have a lot of IT companies and they're going to continue to spin out new tech.

Inside the search – Finding the leader of 'Cortex 2.0'

The Cortex Innovation Community isn't looking to hire a new CEO that will simply seek the status quo. It's looking for someone that will write the innovation district's next chapter.

Cortex has paired a strategic planning process with its search for a new leader. The innovation district has started the planning process, and expects its new president and CEO to help complete it. As it looks toward the future, Cortex is asking itself big questions. According to the CEO/president job description, growth initiatives Cortex is considering include:

- Whether it should expand its footprint and even possibly create a second location
- Whether Cortex should further broaden the sectors of companies it helps create and house
- How it should best "engage additional anchor institutions beyond the region"
- Whether it should increase its focus on recruiting large corporations to the district

“One of the future directions that is going to be important to Cortex is going to be getting firms that are currently located in very, very high-cost areas on the coasts to recognize that there are economic advantages and a great human capital base in St. Louis,” said Hank Webber, chairman of Cortex and executive vice chancellor at Washington University. “This is going to be a major task of a new CEO.”

Cortex sees its CEO role as one with influence beyond the innovation district’s boundaries, with the job posting saying its new leader “will play a visible and transformative role in St. Louis’ future.”

“There are many ways in which the next CEO could take Cortex, carving out a unique opportunity for a new leader to design this new path for growth and development. This is a critical juncture for St. Louis, as the next CEO will shape what is to be Cortex 2.0,” said Julie Wagner, president of The Global Institute on Innovation Districts.

[Read about the role innovation districts play in urban areas and what might be next for Cortex.](#)

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