



Community and Economic Development in North Carolina and Beyond Blog: Re-visioning the Research Triangle Park: How Innovation Districts Are Inspiring New Approaches to Local Economic Development

By CED Program Interns & Students

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North Carolina recently received attention in Tom Ashbrook's *On Point* segment discussing

“innovation districts”. In this episode Bruce Katz, vice president at Brookings, references the Research Triangle Park's Master Plan when describing this newly-coined approach to endogenous economic development. In *The Rise of Innovation Districts: A New Geography of Innovation in America*, a new report from the Metropolitan Policy Program at Brookings, Katz and co-author, Julie Wagner, explain social and economic imperatives, contemporary models, and implementation strategies for designing these places, which leverage homegrown economic, physical, and networking assets to foster entrepreneurial economic development. This blog will explore what innovation districts are, unpack some of the factors behind the new development strategy guiding the next 50 years of RTP, and pose considerations for making innovation districts work in North Carolina.

An Overview of Innovation Districts

According to Katz and Wagner, innovation districts are “geographic areas where leading-edge anchor institutions and companies cluster and connect with start-ups, business incubators, and accelerators” and are characterized as physically compact places that offer a mix of housing, office, and retail uses that are connected to technological and transit infrastructure. While Ashbrook featured the Cortext Innovation Community of St. Louis, Missouri, these districts are diverse and are cropping up in cities across the country. They vary in size (the Cortext complex spans 200 acres, while Boston's South Waterfront Innovation District is roughly 2000 acres) and in sectoral focus (e.g. industrial design, nano-technology, information technology), but these districts are defined by how they configure local assets to converge and produce synergistic relationships between residents, businesses, and place. Over time, innovation fostered through these relationships will be realized through local economic development activities, such as commercialized innovation, increased housing values, and greater demand from existing residents, businesses and individuals seeking to locate in the district.

Examples of Innovation District Models

The 50-year Master Plan for Research Triangle Park (RTP) is significant for its approach to augmenting the Park's development strategy to respond to near- and long-term challenges to RTP's competitiveness as a hub for innovation. As



detailed in Katz and Wagner's report, younger and more cosmopolitan workers (and therefore, large companies) find traditional suburban office parks to be isolated, less conducive to productive collaboration, and out of step with their preferences for active pedestrian lifestyles and transit-accessible places to work. Stewards at RTP recognized that its development program, which emphasizes employer-ownership of large parcels, posed barriers to attracting start-ups that prefer the flexibility of leasing laboratory and office space. In addition to increasing connectivity within the Park and between tenants, the Plan also encourages fostering linkages to area universities by providing program space and expanding existing joint research centers and educational programs. The development of up to 1,400 multifamily units also suggests that the next phase of the Park will become more amenable to workers seeking a place to live, work, and play. RTP's Master Plan exemplifies this new model of *urbanized science parks*, which are dense and offer a mix of uses, including retail and residential options.

While the RTP retrofit represents a distinct approach to cultivating innovation districts, the authors describe other types of districts around the country that demonstrate how place-based assets can be structured to promote commercial advancements. One version typically featured in downtowns is the *anchor-plus* model, where the development of start-up-friendly office spaces, smaller residential offerings, and neighborhood-serving retail options are clustered around and connected to research institutions and cutting-edge companies. The Midtown Innovation District in Atlanta, Georgia taps assets such as Technology Square—a mixed-use building that houses five Georgia Tech research centers and offers research, office, and conference facilities—as well as other area colleges, Emory's Midtown teaching hospital, and a forthcoming Panasonic Automotive Innovation Center to capitalize on investments in broadband and wireless infrastructure as part of the District's broader technology production goals.

Another category of innovation districts is designed around attracting firms and anchor institutions to underutilized areas proximate to downtown. These *re-imagined urban areas* typically have historic, industrial buildings stock that has potential for redevelopment with the assistance of public and private investment in transit and other infrastructure improvements. For example, the authors highlighted the foresight and leadership of key stakeholders, such as Mayor Nickels and the Vulcan development company in the development of the South Lake Union district, a life-sciences hub in Seattle, Washington. What started as a five-acre plot of Navy-owned land has now attracted the University of Washington's School of Medicine, numerous research institutes, and, most recently, Amazon's global headquarters. According to an economic impact report from the City, between 2004 and 2010 alone, the neighborhood has gained more than 13,000 permanent jobs, generating an average of \$5 million in additional annual tax revenues.

Conclusion

The proponents of innovation districts on *On Point* emphasized the sustainability advantages of this approach to urban economic development—such as the efficient use and re-purposing of existing transit and structural assets and the greenhouse gas mitigation benefits associated with promoting denser residential and employment patterns. However, some callers expressed notable concerns associated with subsidizing/incentivizing development in the district, displacement caused by gentrification, and skepticism about the potential for low-to-moderate income workers to gain access to higher-paying jobs created within the districts. Assessing these potential trade-off, in addition to other local capacities (availability of capital, risk tolerance among investors, leadership, the existence of supply chains necessary to bring ideas to market, etc.) seems like a natural first step to determining whether cities have the ingredients to bring innovation to bear.

Aside from RTP, are there innovation districts in NC that the Brookings report overlooked?

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