INNOVATION INDUSTRIES IN TOD ZONES

Opportunities on State Lands

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Objectives of Study

- Describe, identify and map potential sites and projects which support innovation industries on state lands near rail stations for incorporation into State TOD Plans
- Identify development phases and infrastructure and circulation needs for these innovation projects so that this information can be incorporated into State TOD Plans
- Document and describe the research identifying TOD-related ”innovation districts” and “innovation hubs” outside Hawai‘i and provide recommendations for O‘ahu
- Provide general recommendations to support innovation industries on O‘ahu
Scope of Work

Includes:

- Interviews with stakeholders
  - Landowners (TOD-zone State lands)
  - Agencies involved in economic development
  - Major nearby landowners
- Interviews with participants in Hawaii’s innovation industries
- Comparative research on “innovation districts” in selected US cities
Potential Sites and Innovation Projects in TOD Zones

- **FIRM/PIPELINE INNOVATION PROJECT PROPOSALS:** A few firm or “pipeline” Innovation projects are proposed for State-owned TOD lands
  - Kakaʻako Sandbox and eventual Innovation Hale
  - FTZ sites in use now for Creative Industries and training
  - UHWO Creative Media Center and new Film Studios proposed for UHWO lands
  - Workforce development: Integrated Industrial Technology training at LCC (with HART rail yard nearby); Facilities Maintenance BA at UHWO

- **EVENTUAL PROJECTS/OPPORTUNITIES:**
  - Proposals for potential projects identified through interviews
  - Projects are conceptual or in early planning. Infrastructure and circulation needs will be based on future master plans
Kakaʻako Sandbox and Eventual Innovation Hale

HTDC projects on Lot “C”
• Sandbox for entrepreneurs under construction (to open July 2019)
• Additional offices, parking to come in next phase
• Collaboration: HTDC, HCDA, and Stanford Carr Development
FTZ (Channel St., near Civic/Kakaʻako Stations)

- FTZ No 9
  - Warehousing
  - Clustering of maritime services
    - Information services for shipping
  - Creative Media
    - High bandwidth “pipe”
    - Offices for projects, training
  - Import/Export mission = support economic growth
University of Hawaii West Oahu Master Plan

UHWO is developing:

- Creative Media Center, including workforce development space
- BA degrees for skilled technical personnel

UHWO is allocating space for:

- Film studios (Kapolei side of campus)
- An innovation center
- Other private sector development
Projects/Opportunities by TOD Zones

**Districts** - Kaka’ako and East Kapolei
- Incubators, start ups
- Commitment to innovation
- Vibrant culture and venues; community
- Districts can see spillover impacts

**Potential Hubs:**
- Halawa: Sports, entertainment
- Iwilei/Kapalama: manufacturing

**Opportunistic Development, e.g.:**
- Pearl Highlands: UH Agriculture site
- Airport/JBPHH: energy, communications, military projects
- Incubators on lands for State redevelopment
- New school sites (Hoʻopili, Kakaʻako)
Selected Mainland Comparisons

What is an “Innovation District”?

- Mix of firms and research organizations, along with start-ups, incubators
- Clustering and “convergence” of industries
- Cultural qualities to attract innovators and keep them communicating
- Capital support
- Planning for development and implementation
- Leadership to maintain momentum

From St Louis:

CORTEX IS MORE THAN JUST BUILDINGS: It’s an innovation community strategically built around the idea that together we can do more. Here, you have access to the most important resource of all: a diverse community of people who are big thinkers and risk takers.

From Chattanooga:

“I also called some friends in the VC world, and one of them said, ‘Super fast Internet and a great coffee shop is all you need,’ ” -- Mayor Andy Berke
Innovation District cases

- Saint Louis MO
- Denver CO
- Fremont CA
- Baltimore MD

Others not discussed today: Philadelphia, Chattanooga, Riverside
St. Louis MO: Cortex District

- Research base, agreements for access to research facilities - biomed
- Transit ties to Universities
- 501(c)3 – 2002
- City and State granted Cortex right of eminent domain, tax abatement (200 acre area)

- St Louis now has 79,000 plant/life science jobs
- Spillover to other tech: New Microsoft tech center + regional HQ
Denver CO

- Collaboration: Panasonic with City, Airport, State
- Near term: transportation systems, lighting, data
- Develop Pena Station, “Smart City” neighborhood
- Long term: driverless vehicles and smart highways
Denver: Key actions linking economic development and TOD planning

- Public and private partners advocated for economic and workforce development in TOD planning
  - Mile High Connects & Jobs Access Initiative
  - Research: GIS analysis; A Station Area Typology of Economic Opportunity Report/Recommendations
  - Involved economic development agencies and businesses
  - Business development strategy
- 2014 Denver selected over 22 other U.S. cities as site for Panasonic’s main U.S. Innovation and Sales Hub. Enterprise Solutions Base at Pena Station
- Contracts with Panasonic that make collaboration a long-term basis for data, testing, and profitability for the firm
Fremont CA

- BART line
- Auto Plant (4 mil sq. ft.) vacant 2010
- Balance of jobs and housing
- Innovation focus
- City reaches out to developers, simplifies permitting, promotes the district brand
Baltimore MD

- Two major areas:
  - East Baltimore: 88 ac., starting with Johns Hopkins (JH) expansion
  - West Baltimore: 3+ sq. mi. area identified after Freddy Gray protests. City and some community groups support. University partners do not have research activity, capital

- Light rail, bus to both areas, but planning emphasizes jobs and homes for neighbors
East Baltimore

- Began with redevelopment around JH
- 2003: E. Baltimore Development Inc. founded to relocate, manage change
- 2011: Forest City/EBDI “re”visioning
- Mix biomed research, residential, school, park; both new and rehab housing
- Emphasis on wellness (for both JH staff and neighbors) - combining inclusion and focus on biomed
Lessons from these Mainland cases

- Innovation Districts need research, corporate, political support and clear vision/objectives
- Both long-term growth and agile response to opportunities demand leadership, collaboration and available capital
- Catalysts for development can promote districts:
  - Run-down sites that will show improvement with redevelopment
  - Demand for social inclusion + means to make it happen effectively
  - A good story!
- Role of TOD: varies. Important for St Louis, Denver, Fremont. Small districts need access, may not be by rail.
Key Initiatives

- By cities and communities:
  - Planning for district development around TOD (Fremont, Denver)
  - Outreach to industry; Incentives for developers: streamlining (Fremont)
  - Broad support for economic development/innovation agency (municipal or non-profit) can include delegation of govt. powers
  - Collaboration with Community Development Corporations to address issues of inclusion (Baltimore)

- By research institutions: Capital and staff commitment (Denver), agreements to open facilities (St Louis)
Concerns Heard in Honolulu Interviews

- Need capital to support incubators, start-ups, next stage development
- Cost of living, doing business is high
- Manufacturing often more feasible elsewhere
- Given challenges of capital and manufacturing support in Hawaii, why stay here?
  - Most common answer: we like to live here
  - POSSIBLE: Industry depends on local resources, not found elsewhere (e.g., sun, seawater, military demand, tourism industry and training)
  - POSSIBLE: Contacts, staffing, training: Honolulu has the people we need to grow
General Recommendations to Support Innovation Industries in Hawaii

- Potentials for both clustered and opportunistic growth need to be seized:
  - Involvement of private sector needed from planning through implementation
  - Include economic development in TOD goals, specifically supporting innovation districts and, elsewhere, opportunistic combinations of economic development with agency mission goals (e.g., DHHL incubator in East Kapolei)
  - Sustainable development standards (LEED silver or equivalent)
  - Energy: renewable energy and storage integrated into new development
  - Close collaboration of research, training, commercial firms needed
  - Any innovation district or hub needs champions in community and Legislature -- including agreement among agencies to support common objective

*If Panasonic (or similar corporation) came to Honolulu, who could coordinate a welcome ... a response ... commitments?*
Specific Recommendations for “Hubs”

- Identify economic opportunities linked to your mission
- Review incubators, maker space in terms of agency objectives, not just as a way to generate revenue
- Involve commercial and workforce-development partners in planning
- Infrastructure: Assume growth in energy demand and broadband usage will continue
Questions and comments?

This is a partial, in-process summary of ongoing research. Please help us improve on the work to date!

Mahalo!