

# 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

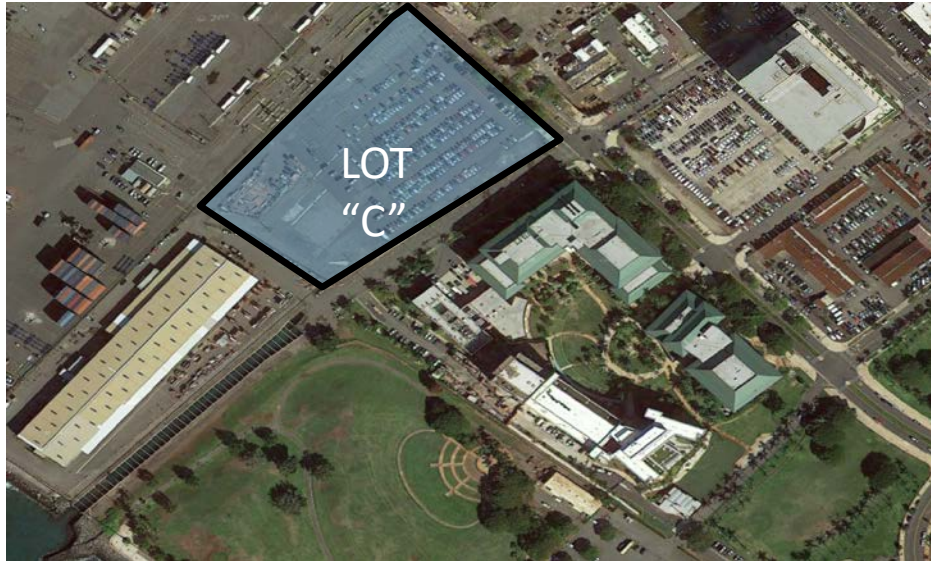
Includes:

- ▶ 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
  - ▶ Kaka’ako 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

# Kaka'ako 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/Kaka'ako 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

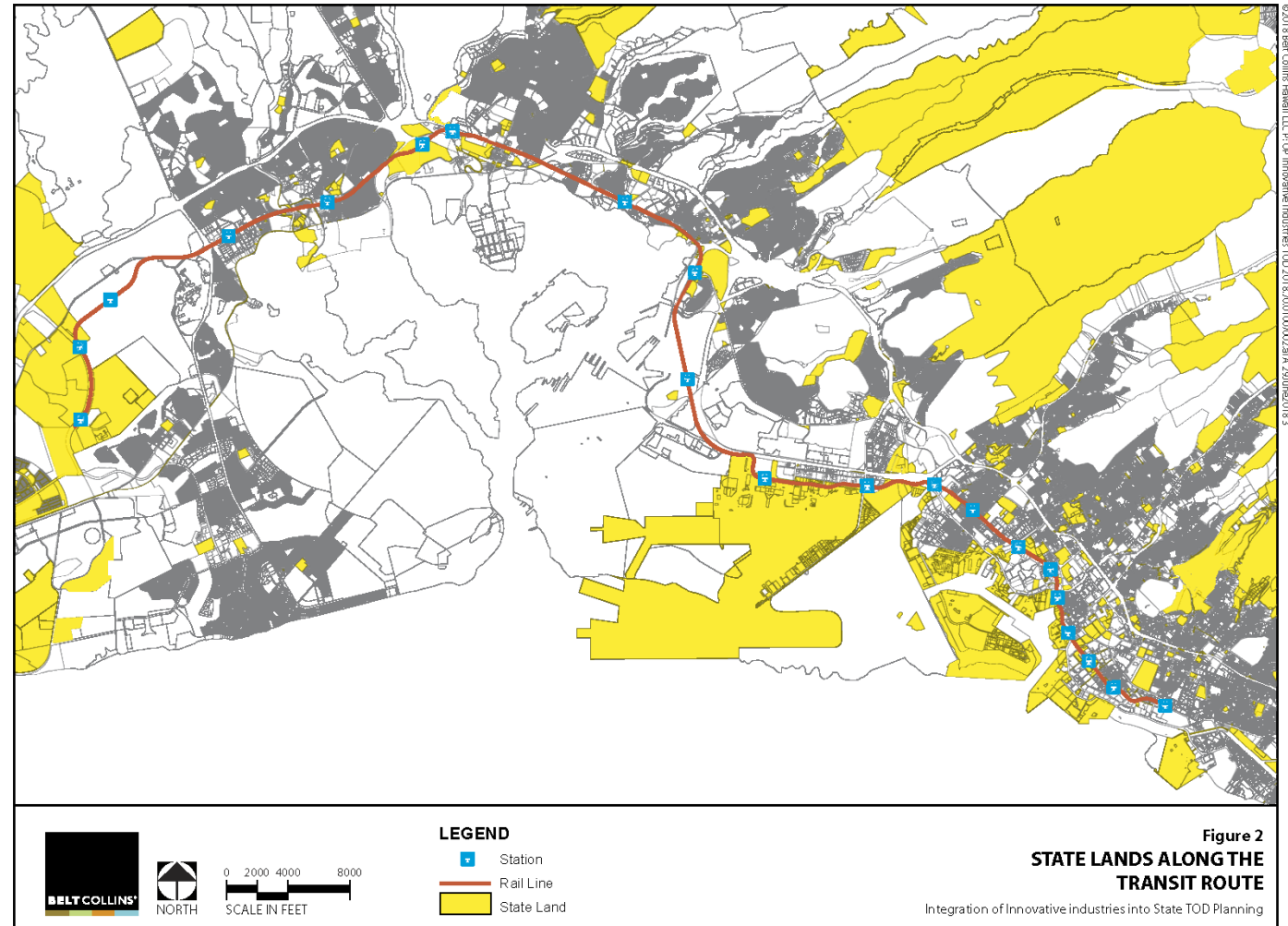
- Incubators, start ups
- Commitment to innovation
- Vibrant culture and venues; community
- Districts can see spillover impacts

## 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 (Ho'opili, Kaka'ako)





# 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 Peña 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



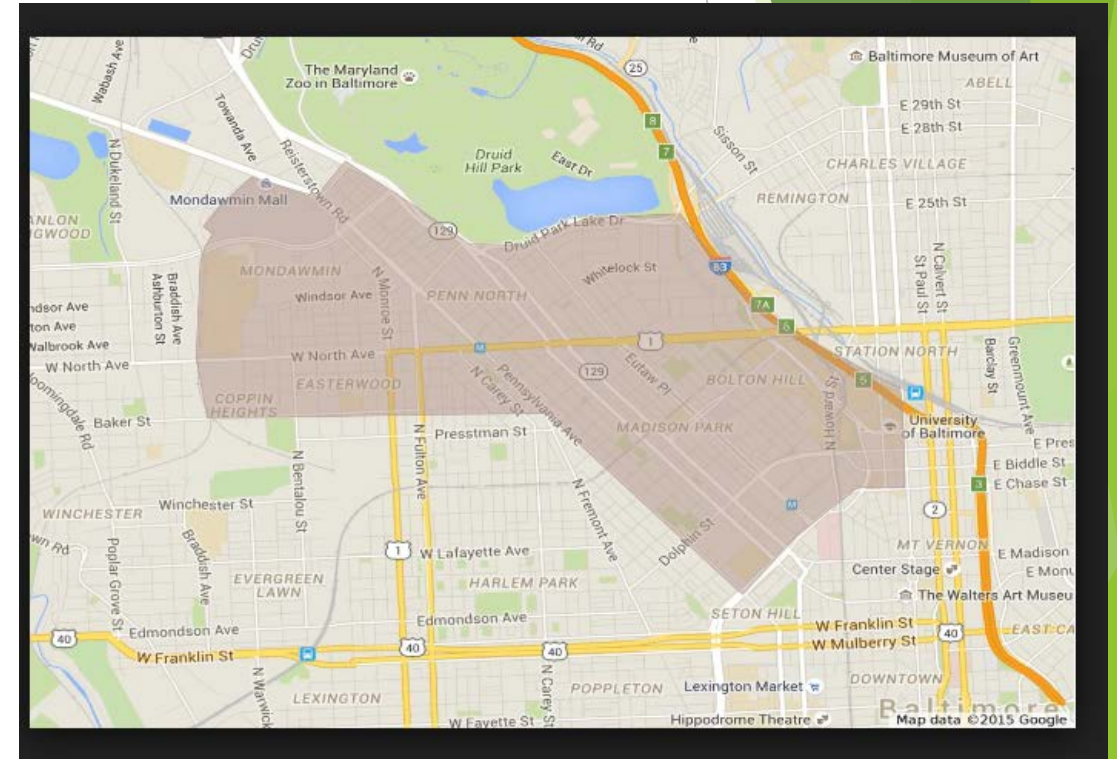
# Fremont CA



- ▶ 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



West Baltimore Innovation District

# 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, make 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!