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

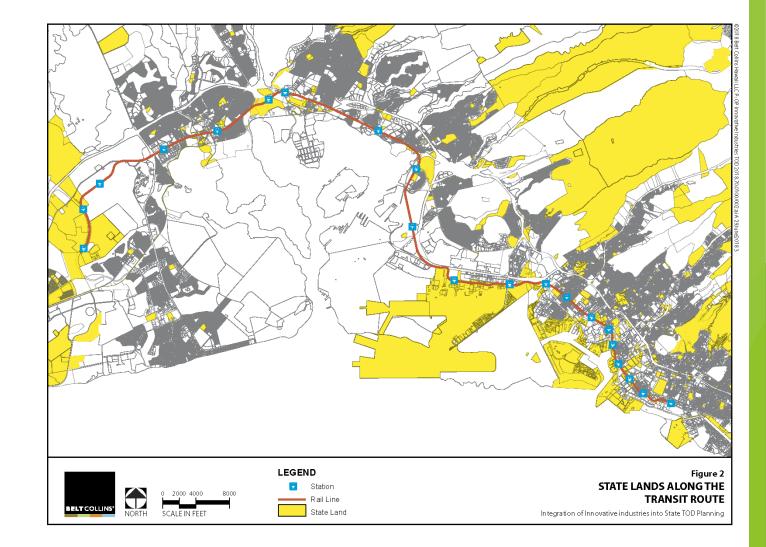
- Incubators, start ups
- Commitment to innovation
- Vibrant culture and venues; community
- Districts can see spillover impacts

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 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

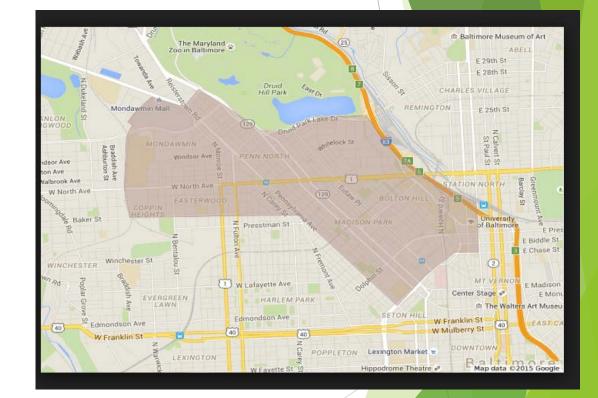


► BART line

- 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



West Baltimore Innovation District

East Baltimore

EBDI Parcel Map - March 2017 TRF/Praston Place, Awarded 100 Rowhomas to be restored for ented Pisce, Awarded, 100 Rownouses to be rentered for www.ship (5) and rental (95); 56 rentals completed with 6 unde ction. 13 for sale units projected. Tadeuse & Associates/McDonogh Square at Eager Park. Awarded. 10 for sale historic selabs; 7 complete; 3 under construction. MSVG, LLC. Awarded 5 for-sale historic rehabs. 4 sold and 1 under TRDI Mandon ale transpolevaber tra Eager Park Properties I LLC/Eager Park West. Awarded, 20 for-sale historic Rowhomes; 20 sold. Completed 2016. Windoman Parland Temphamas Under Construction 49 nor nmenced 12/15. 47 of 49 sold. Comp A&R Development/The Townes at Eager. Completed. 5 for-sale Shelter Development/Ashland Commons and Park View at Ashland Terrare. Completed: 154 low ancome units in two buildings – workforce and sensor bonsing. FC-NESP. Future parking garage, potentially mixed up Maryland Public Bealth Lab. Completed. 235,000 sq. ft. office lab FC-NEBF, Awarded, Future office/lab building LSH (Goteway LLC) Marriot Residence Inn at the Johns Hopkins Medic Campus. Under Construction. 194-room extended stay horel with 20,00 sq. R. of relail; Under construction. (potential Fatness Center sale). Completion Fall 2017. JHU/Deering Hall. Completed 14 FC-NESP/1812 Ashland Awarded. Completion July 2016. Starbuck: opening March 2017. 15. FC-NEBP. Awarded. Future office/lab building 6. - 20. EBDI. Future housing sites. Pennrose/Chapel Green. Completed. 63 affordable apartments and rewhouses. Penarose Eager Square. Awarded. 244 unit market rate sportment building on the north and south sides of Eager Street, pending PILOT approval

approval. 13. EBD1929. Completed. 321 unit/571 bed apartment/building for JHU graduate students. 14. Forent Cuty. Completed. 1,490 car pathing garage and Walgreens.

- PC-NEBP. Rangos Building. Completed. 281,000 sq. ft. office, retail, Anwater's and Fast Forward.
- 26. EBDI Vacant Lot. Food trucks temporarily; 27. JHU/Baltimore City-owned block. Future office/biotech
- 28. FC-NEBP. Future office/biotech building.
- 29. Future Housing Site. 45 subdivided lots.
- Tu Casa/Residences at Washington Place. 5 historic rehabs for sale.
 3 occupied 2 under construction. Construction Complete in Spring 2017.
- 31. EBDI. Future housing site. Clean site.
- 32. EBDI. Future housing site. 33. Raltimera Citel "Mandow Site." classed on var MDF
- Baltimore City/ "Meadow Site," cleaned up per MDE standards, fenced an owned by the city.
- EBC5, Inc. /Henderson-Hopkins School. Completed.
 EBDI/Madeira Future Housing Site.
- EBDl/Madeira Future Housing Site.
 Eager Park Under Construction. April 25th completion date



- 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!