

Neighborhood Innovation District Committee

Report & Recommendations

As submitted to Mayor Martin J. Walsh

September 2015

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I. Executive Summary

The idea of Neighborhood Innovation District is based on the belief that **sustainable opportunity will be created by empowering the entrepreneurial talent that already exists in every Boston neighborhood**. The success of the innovation district on the South Boston waterfront demonstrates that a forceful public commitment to place-making investments can transform an area. While the Innovation District offers many lessons for place-based urban development, its beginnings on an underutilized set of land parcels is only a partially instructive guide for the economic development of existing neighborhoods. This report designs an Innovation District that would be located in, and operate in concert with, an existing neighborhood.

The idea for an “Innovation District” in a Boston neighborhood was literally crowd-sourced. It was the most popular economic idea to come out of the Walsh Administration Transition Town Hall held in December 2013 at Roxbury Community College. A committee was formed over the summer of 2014 and brought together a wide range of community members, thought-leaders and public servants to study the idea and make proposals. The committee divided its work among four subcommittees: Inclusion, Neighborhood Choice, Infrastructure and Encouraging Entrepreneurship.

The Neighborhood Innovation District is designed to include the neighborhood and to provide widespread employment opportunities, not merely to provide good physical space for internet entrepreneurs. It will recognize that entrepreneurship and innovation come in many forms, and that under-resourced neighborhoods are already hubs of creativity, whether or not that creativity has been fully transformed into economic wealth. The Neighborhood Innovation District Committee convened several times during the fall of 2014 and offered four lead recommendations to inform present and future designs for a proposed series of Neighborhood-based innovation districts. These lead recommendations are as follows:

1. Focus on investing in people. We strongly recommended new forms of vocational training and we are enthusiastic about experimenting with entrepreneurship training. The Inclusion subcommittee highlighted core skill areas needed for entrepreneurs and innovators to be delivered through three interventions -- mentoring, entrepreneurship boot camp and targeted vocational training.

2. Rethink and streamline the public role in entrepreneurship. Instead of a largely regulatory government that typically sees itself as saying “no,” government should instead aim to say yes more quickly and to urge entrepreneurs onward. The case for saying yes is particularly obvious when entrepreneurs are operating in under-resourced neighborhoods where they may be faced with a talent pool of long-time unemployed workers. Key roles for the public sector are to appoint an innovation district organizer, provide entrepreneurship training, and streamline government.

3. The development process for the district must be inclusive. A neighborhood innovation district cannot be designed in City Hall. The neighborhood itself must control the course of the process. Further, as part of an inclusive process, the District’s design must ensure that the area has enough new housing and commercial space to ensure that demand doesn’t radically outstrip supply. It should experiment with tools that will provide resources to longer term residents who are at risk of losing their space due to rising rents.

4. Match the physical infrastructure with the human needs of the neighborhood. The District should provide affordable space for entrepreneurs, allow ready access to robust transit, and provide world-class high-speed internet connections.

At the end of its planning timeline, the subcommittee coalesced around the idea of the Dudley Square-Uphams Corner Corridor as the initial area to pilot the viability of a series of Neighborhood Innovation Districts. The Dudley-Uphams Corridor was selected with the clear goal that the pilot area will inform the creation of future Neighborhood Innovation Districts and for city-wide policy.

The report is split into two primary sections with a hinge between them. The first section addresses recommendations that are not specific to any particular location. The hinge details the Neighborhood Subcommittee's recommendation for the Dudley-Upham's Corner Corridor. The second section then discusses recommendations that are specific to this corridor.

While the steps contained in this document cannot guarantee success, they offer a promising road map towards a city that is more inclusive and more equal. We are confident that Boston can continue to lead with public innovations and that these innovations will empower all Bostonians towards a brighter future.

II. Introduction

Boston, like many successful American cities, is a place of profound inequality. The city thrives because it provides an economic home for idea-rich entrepreneurs, but it also houses many underemployed citizens eager to join the innovation economy. An average worker in finance and insurance in Suffolk County in 2012 earned over \$150,000, but 29 percent of Boston's children live in poverty. The challenge ahead is to ensure that the city continues to be a hive of economic ingenuity and that the benefits of that success are spread more widely throughout the city.

The idea of a Neighborhood Innovation District stems from the belief that sustainable opportunity will be created by empowering the entrepreneurial talent that already exists in every Boston neighborhood. The city lacks the legal power to raise taxes on its wealthy, and even if it did, such taxes would run the risk of chasing the prosperous away to nearby towns. Another approach to promoting equity is to focus on expanding entrepreneurship in lower income areas.

The Innovation district on the South Boston waterfront serves as an example of how a strong public commitment to place-making can transform an underinvested area. Yet, while the current innovation district benefits the city as a whole through tax revenues and expanded economic activity, it does not address place-based investment needs of surrounding neighborhoods. This

report designs an Innovation District that would be located not on an empty harbor, but in a vibrant, existing neighborhood.

The Neighborhood Innovation District will be designed to recognize the strengths and needs of the neighborhood and to provide widespread employment opportunities for current residents, not merely to provide good physical space for resource-seeking internet entrepreneurs. The District design will recognize that entrepreneurship and innovation comes in many forms, and that Boston's established neighborhoods are hubs of creativity, even if that creativity has not yet been fully transformed into economic wealth.

Why form a district? Why not just change policies on a city-wide scale? On one level, the decision to focus on a district reflects an understanding of the local nature of creativity. New ideas are spread across space and clusters often naturally develop to enable the sharing of common infrastructure and new ideas.

But there is a stronger reason to use a district when we seek knowledge. The positive effects of local entrepreneurship are well known; it is less clear which public policies will inculcate entrepreneurship. **The great value of a district is that it is a physical space to learn what works. Good policies that work on the district level can then be scaled to the city level.**

Ultimately, a more equitable and exciting Boston requires more than just a few centers of entrepreneurship. The city should be a place where all citizens feel empowered and able to innovate in any area that matters to them. The case for an entrepreneurship district is that it can be a place to experiment with innovations that encourage entrepreneurship and can provide a model for the city as a whole. Just as an entrepreneur may not go to scale immediately, an entrepreneurial government seeks opportunities to try new ideas before making them jurisdiction-wide.

Central to the Committee's definition of an entrepreneurship district is that it must not be measured based on the entrepreneurs it attracts from outside the area, but instead on the

entrepreneurs that it empowers within the core zone. The goal is not to displace existing residents, but to further enmesh them in the greater Boston economy. The district should welcome outside employers who may come in and bring ideas and new jobs with them, but care must be taken to ensure that their success does not come at the expense of current area residents.

The Committee Process

The idea for an “Innovation District” in a Boston neighborhood came out of the Walsh Transition Town Hall held in December 2013, and as such, it was literally crowd-sourced. Gilad Rozensweig (of Smarter in the City) was responsible for putting the idea on the board. When it came to voting, the Neighborhood Innovation District was the most popular economic idea at the meeting, and it resonated with people inside and outside of the Walsh administration.

A committee was formed over the summer of 2014 and brought together a wide range of community members, thought-leaders and public servants. The Committee itself was co-chaired by John Barros and Edward Glaeser. The Committee convened three public meetings and organized its work across four subcommittees:

- Encouraging Entrepreneurship
- Inclusion
- Infrastructure
- Neighborhood Choice

The subcommittee chairs were Gregory Bialecki, Alex Oliver-Davila, Sheila Dillon, Linda Dorcena-Forry, and Mel King. They were ably assisted by four vice-chairs Kathryn Benesh, Katherine Craven, Nicole Fichera, and Meghan Haggerty. The full membership of the committees and subcommittees are listed in Appendix A. In addition, Steve Poftak and Kathryn Benesh, assisted by committee members, conducted a listening tour meeting with community residents in over 15 neighborhoods.

This report reflects the joint work of the group and many other citizens of Boston more widely. Each subsection reflects the work prepared by individual sub-committees. There was broad consensus across the committee supporting almost all of these recommendations.

A Roadmap for the Report

The report is split into two primary sections with a hinge between them. The first section addresses recommendations that are not specific to any particular location. The hinge details the Neighborhood Subcommittee's recommendation for the Dudley-Upham's Corner Corridor. The second section discusses recommendations that are specific to this corridor.

Our decision to split the report into two reflects a desire to separate out those ideas that should be part of any Neighborhood Innovation District from ideas that are specific to one neighborhood in Boston. We hope that the first section of the report may be helpful for other similar efforts elsewhere and in Boston. We acknowledge that the second section is deeply specific in nature.

III. General Proposals – Encouraging Entrepreneurship

Many of America's former manufacturing cities, like Boston, have been able to reinvent themselves because eager entrepreneurs figured out new ways to use old urban spaces. As Figure 1 illustrates, between 1977 and 2010, the most entrepreneurial metropolitan areas in the U.S. experienced employment growth rates that were three times higher than the least entrepreneurial places in the U.S. Yet, while the academic literature supports the idea that entrepreneurship is valuable, this literature is less instructive for how to inculcate local entrepreneurship. The limitations of our knowledge become even more obvious when we turn to encouraging entrepreneurship in under resourced neighborhoods and for less wealthy people.

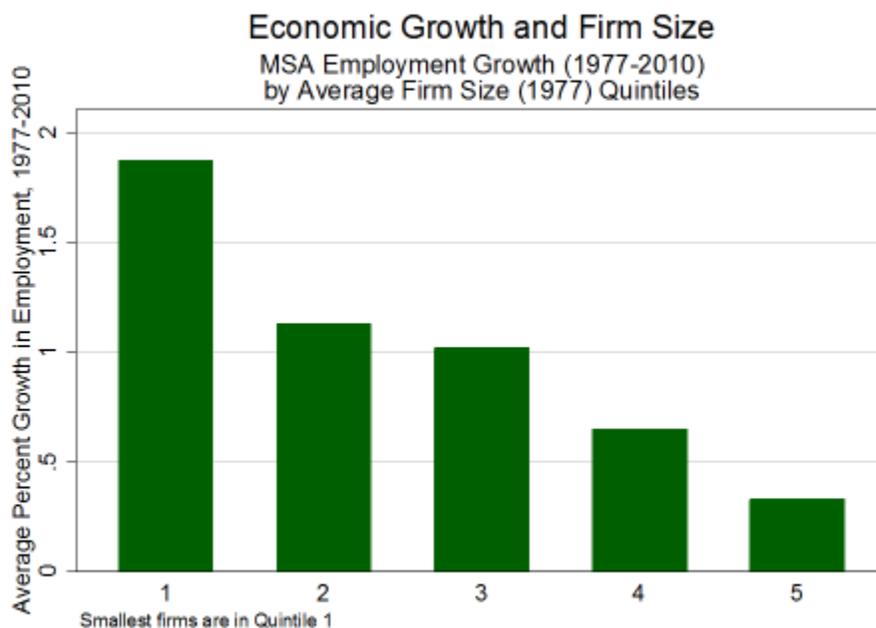


Figure 1

Yet Boston, like many of America’s more unequal cities, desperately needs entrepreneurship that will benefit everyone. The heart of this proposal is to design a learning district that can be used to try out approaches that have proven effective elsewhere. This subsection focuses on providing support for new entrepreneurs in a neighborhood; the next subsection focuses on ensuring the inclusiveness of any entrepreneurship that does occur. We begin with a conceptual discussion of entrepreneurship. We then detail our core proposals: an innovation district organizer, entrepreneurship training, strengthening new firm finances and streamlining government.

Defining Entrepreneurship

The word entrepreneur often conjures up images of Steve Jobs and Mark Zuckerberg, but entrepreneurship is about far more than technology, and even about far more than just for-profit businesses. This report is focused on innovation and entrepreneurship in their broadest forms.

Figure 1 This Table uses the average establishment size with entrepreneurship, which is relatively common in the literature. An alternative measure is the initial share of employment working in new firms as of 1977 and that shows similar results.

The new American who starts an ethnic restaurant is every bit as entrepreneurial as the tech wizard who starts a software company. The community leader who starts a neighborhood organization is also an entrepreneur. The artist who produces music that lifts the heart is also an innovator.

Our definitions of entrepreneurship and innovation are not bound by industry, enterprise-form or scale. A great, but small, local eatery should be just as strong a source of pride as a large internet company. Nonprofits entities can be just as entrepreneurial as large public firms.

Yet all forms of innovation have common needs. They all, ultimately, require good ideas and a supportive local eco-system, technical competence, financing, and an open regulatory structure. The public sector can be supportive in all of these areas. Good entrepreneurial ideas don't come from the government alone, but the public sector can help encourage the flow of ideas across entrepreneurs with the right forms of social and physical infrastructure. Technical competence can be built in schools and with publicly supported mentoring. The government is already in the financing and regulation business. The four ideas that follow relate these four basic needs.

IIIa. Creating a Supporting Innovation Eco-System: The Entrepreneurship Community Organizer

Ultimately, a Neighborhood Innovation District will need leadership on the ground. There must be a person who is dedicated to connecting entrepreneurs with each other and solving their problems. There must be a dedicated community-maker, who is supported by at least one strong community organization, with a home in a defined physical locale.

The community organizer has two clear roles. First, she or he must be an ombudsman who has core responsibility for the success of the district. Second, she or he must be particularly focused on being the social glue of the district, which means both connecting entrepreneurs with each other, forming spaces in which entrepreneurs can learn from one another, and connecting those

entrepreneurs with the outside world. The last role explains why connections with a strong community organization are particularly vital.

What should be the skills and authority of the Entrepreneurship Community Organizer? The person must combine three defined capacities:

1. The organizer must be able to build networks within the community.
2. The organizer must understand the entrepreneurship process and have ties with the entrepreneurial community.
3. The organizer must have enough knowledge of government to help with the public hurdles that face new businesses and to provide a reasonable interface with the Mayor's administration and the City Council.

In order to ensure that the organizer has the trust and connections to work within the community, significant support from local community groups are vital. This could take several forms. In some cases, community groups might be sufficiently strong and entrepreneurship-oriented so that the organizer would have a natural partner within the community. In other cases, the community groups might exist but they may have a dispersed set of objectives that are only tangentially related to entrepreneurship. In this case, it may be best to bring together the relevant organizations to form a community alliance around the entrepreneurship objective.

But the organizer must go beyond deep ties to the community. The organizer must have the social skills to actually create an entrepreneurial community. The organizer must enjoy talking with entrepreneurs and connecting them with one another. The person must be the social hub for the Entrepreneurship District.

The organizer must be a bridge, which is why knowledge of the entrepreneurship process and government are also musts. The organizer must be able to link local entrepreneurs with outsiders, who can provide mentorship or at least good examples. The organizer must know enough to be able to help brainstorm about which ideas are likely to be more fruitful.

Finally, the connection with government is critical. The Innovation District is a political creation. If the organizer is leading the district on the ground, then that person must be able to effectively lobby for the needs of the district in City Hall. Moreover, since government also determines public services and policing, it would be helpful to have an organizer who could help negotiate the maze of City Hall.

While we anticipate that the organizer will be mobile, and often attend community events and connect with community members more widely, it is important that the organizer also have a physical home, a space which is identified with the organizer and with a cluster of entrepreneurial activity. The model for this space is District Hall in the Innovation District, but the organizer's space need not be as resource-intensive or new.

The need for space reflects the vital role that the organizer will play enabling the flow of ideas. A core guiding idea behind innovation districts is that they enable creativity by linking people with common interests who can learn from one another. The organizer's physical space should also place such a role, just as District Hall does in the current Innovation District. That space will allow the organizer to provide meeting space and work-sharing space for nascent entrepreneurs. The identification of the organizer with a particular location will also provide them with a more obvious identity within the neighborhood.

The Entrepreneurship Community Organizer will fall under the portfolio of startup services, and, as such, will work in conjunction with the City's Startup Manager and the Mayor's Office of Economic Development.

IIIb. Promoting Entrepreneurial Human Capital

Mentoring

Entrepreneurship doesn't work unless the entrepreneur both spies an opportunity and has the skills to make good on that opportunity. The power of entrepreneurial human capital helps

explain why the children of entrepreneurs are so much more likely to become entrepreneurs themselves. The Inclusion Subcommittee highlighted six core skill areas needed for entrepreneurs and innovators:

1. Basic business and workforce readiness skills;
2. Problem solving and design thinking;
3. Project-based skills including capacity for coordination and teamwork;
4. Financial literacy;
5. Sales and coordination skills; and
6. Computer science and coding skills.

We suggest three different related interventions, aimed at supporting the growth of entrepreneurial human capital at different ages and levels of development: 1) mentoring, 2) entrepreneurship boot camp and 3) targeted vocational training. We will discuss the targeted vocation training in the next subsection on inclusion, as widespread skill accumulation is also part of insuring that the neighborhood innovation district will bring benefit to a wide swath of the population.

Mentoring

The least experimental approach is mentoring. District Hall has a strong mentorship program, which involves its own mentors and hosting external mentoring programs. Boston is well endowed with successful entrepreneurs who are generous with their time. They provide a strong base for providing guidance and ideas to would-be entrepreneurs in the Neighborhood district. While there are many flexible models, one approach would be to follow a hybrid, office hours model. In this model, experienced entrepreneurs agree to hold office hours at central locales at a designated meeting place – presumably a public space like District Hall. It might be helpful for the Innovation Community Organizer to sign up a small number of experienced entrepreneurs personally, partially to build direct connections with the entrepreneurial community. But it is also natural for the mentoring to be organized by existing organizations.

For mentoring programs to be sustainable, they need to be self-funding. This is best accomplished when mentors themselves serve as volunteers and enlist additional support for incidentals and space needs from the philanthropic community. Should the mayor chose to publicize the need for mentoring support, we have no doubt that Boston's community of successful entrepreneurs will step up to the task.

One important aspect of mentoring is the need to ensure that talent is drawn from industries that will be well matched with the aspirations of district. For example, in many areas there is a great deal of excitement around music entrepreneurship and it would be helpful to connect with Berklee's music entrepreneurship program. Retail entrepreneurship is another sector with strong local interest and should be mined for willing mentors.

The mentoring program should also be connected with the outreach activities of the Entrepreneurship Community Organizer. Getting into the community is important both in learning what areas of entrepreneurship are most relevant and also for spreading the word about mentoring. Ideally, some records will be kept about interest and attendance at mentoring sessions that will make it easier to target resources in the future.

Entrepreneurship Boot Camps

While mentoring sessions and office hours are appropriate for individuals who have started seriously thinking about their own business, it is important to have other interventions that can work at earlier stages. One possibility might be a six-session entrepreneurship boot camp, which can be offered in classrooms and community centers. Whereas mentoring involves one-on-one discussions tailored to the needs of a specific would-be Entrepreneurship, Boot Camp would feature a standard one-to-many teaching style and a fixed curriculum. The idea is to connect with people at an earlier stage, both to get them thinking about entrepreneurship and to give them rudimentary basics about what it would take to put together a business plan.

One potential structure for Entrepreneurship Boot Camp would offer a common three class introductory platform that all students would take, followed by an industry-specific targeted module. All classes would combine live instruction, probably by teachers who were not necessarily entrepreneurs themselves, mixed with video lectures given by experienced founders of successful start-ups. The Kauffman Foundation has long been engaged in developing entrepreneurship curriculum and would be an ideal partner in this process.

We will discuss efforts to boost financial literacy more widely in the next subsection, but as long as these efforts are imperfectly successful, financial literacy training will have to be a significant part of Entrepreneurship Boot Camp. A successful entrepreneur must understand the profits and losses, as much as they must have an idea for a new product. Moreover, it may often be easier to teach basic financial literacy than to teach creativity. If other efforts make financial literacy more widespread than the Boot Camp can more swiftly move onto other topics.

The specialized modules could again be in areas like music entrepreneurship and retail that are targeted to specific areas. It could easily make sense to farm out the development of particular modules to specialized providers with expertise in that particular area. Ideally, the modules would evolve over time in response to participant feedback and a growing knowledge base.

As we do not know whether this bootcamp system works, we believe that randomization and evaluation are essential to quantifying the effectiveness of this approach. Tweaks to the curriculum can be brought randomly into some boot camp sessions and not others. The longer term careers of the boot camp graduates would need to be regularly measured to assess whether the intervention has been a success or a failure.

Vocational Training

Purely vocational training represents the third relevant source of human capital. It helps to know how to cook before you think about starting a restaurant; it helps to know how to be a carpenter before you start up a general contracting shop. Entrepreneurs need applied skills themselves but

they also need employees with applied skills. We will discuss delivering those skills in the next subsection.

We recognize that these are experiments and there are no guarantees that everything will work. It may not but the point of an Entrepreneurship District is to try to learn what does really make a difference, so experimentation is crucial. We now turn to policies related to physical capital.

IIIc. Financing Creativity: Financial Capital and Physical Capital

Entrepreneurship typically needs physical capital as well as human capital. Venture capital and bank financing are standard parts of new business formation, but we want the phrase physical capital to mean more. We mean it to include the publicly provided physical capital that is also helpful to the innovation process. While the bulk of the physical capital discussion will be covered by the infrastructure subcommittee report, we mean to highlight one particular type of physical capital—the need for a central location where entrepreneurs feel that they can come to share an idea, ask questions, or get feedback and reassurance. The central location will also be the home base of the Entrepreneurship Community Organizers.

Financial Capital

On the financing side, there are already several public programs aimed at providing support for new businesses in low-income areas with high-unemployment. A partial survey of these programs is attached as Appendix II. Yet the range of these programs can seem dizzying and it may be difficult for many would-be entrepreneurs to determine what works best for them.

While there could be a permanent funding ombudsman who specializes in this activity, we suggest that the Entrepreneurship Community Organizer work together with volunteers to develop a template for would-be entrepreneurs seeking to access these funds. The goal is to provide a roadmap, which targets entrepreneurs towards the appropriate funders and provides information about what will be needed to produce a successful application.

One could imagine a world in the future in which the myriad public funds that support new start-ups were combined into a single entity. That entity could then be properly evaluated and learn consistently from its successes and failures. Yet in the absence of a single public funding entity, then at least a simple portal allowing people to find their way through the public system may be the second best thing. This portal could be developed within the Entrepreneurship District and then exported.

The District also provides an ideal opportunity for benevolent corporate funding or angel investing. One possibility is to pool some of those funds into an angel investment fund, with a leadership team that would evaluate projects and provide capital to worthy teams in the form of convertible notes. These notes would convert to equity even if the company achieved outsized success and the equity would continue to be owned by the non-profit investment fund. As such, the outsized success of any one firm would help fund new projects within the District. The fund would be seeded with donations from wealthy individuals and private investors.

A third major source of funding is the traditional banking sector, where community banks typically specialize in the type of local knowledge needed to fund local start-ups. The banks need to be brought into the discussion early, and working together with the community organization or convening board (discussed in the administrative section above) solutions need to be found for better assessment of local start-ups and hopefully more funding of local entrepreneurs.

Physical Capital

As much as firms need private physical capital, there is also a need for public physical capital, specifically the sort of capital that leads to an increased flow of ideas between private entrepreneurs. District Hall and the Cambridge Innovation Center provide models of physical spaces that provide a largely informational advantage. The exchange of ideas generated by bumps in the corridor can often be the life's blood of new start-ups.

There should be “Spaces to Connect” (e.g. a District Hall, cafes or a part of local library), “Spaces to Create” (e.g. affordable high speed broadband; accessible co-working spaces; technical space such as maker spaces or food incubators), and “Spaces to Celebrate” (e.g. outdoor advertising that celebrates individual entrepreneurs).

Ideally, the new “Space to Connect” will provide opportunities to collaborate network, and get advice. It can provide physical spaces for events, formal workshops and the office hours of the mentors. It can also be the home base for the Entrepreneurship District Coordinator.

This space can also house new entrepreneurs, but it cannot be the only such space. Small, flexible spaces for start-ups are vital. For retail operations, underutilized space can be found in lobbies or even – during summer months—outside. There is every reason to be creative, and permit the use of new forms of retail space, such as the shipping containers being turned into stores in Christchurch, New Zealand (after the earthquake) or Las Vegas.

Finally, physical space is not the only element in “spaces to connect.” High-speed internet access is a significant problem and the public sector should support the spread of high-speed internet access throughout the city. This does not necessarily imply a subsidy, but rather a public sector that works with the private sector to ensure that there are no arbitrary breaks in high-speed access.

Finally, “Spaces to Celebrate” are also important. The Entrepreneurship District needs to be woven into the fabric of the neighborhood and this means physical outside reminders of locals who have made good. A rich neighborhood celebration of the power of creativity seems like a healthy attribute in any community.

III.d. A Government that Empowers rather than Restricts

We turn now to the regulatory role of the government. Typically, regulation exerts a relatively light touch over many technology companies, but food and retail is much more assiduously

regulated. Without full cost-benefit analysis, the committee did not want to suggest eliminating any particular regulations but rather it suggested two tools for addressing the regulatory burden. The first tool, a “Regulatory Hackathon,” is aimed primarily at the delivery of knowledge. The second tool, “One Stop Permitting,” is meant to create an institutional approach to regulation that is more responsible and approachable.

Regulatory Hackathon

The idea of a “Regulatory Hackathon” is that entrepreneurs from particular industries would assemble and discuss the regulations that give them the most trouble. A volunteer would be found to write up the primary complaints. These would then be forwarded by the “Entrepreneurship Neighborhood Organizer” to the Mayor, City Council and the state legislature for action.

These would provide a helpful sense of what entrepreneurs find most troubling and might also help to build a sense of community among the entrepreneurs. Ideally, these meetings might be held in the District, but open to entrepreneurs city-wide. Collectively then, this would be a bridging event, connecting the district with the city as whole.

One Stop Permitting

The second idea for regulatory change is more ambitious: one stop permitting. This institutional structure makes it far easier for would-be entrepreneurs to confront the regulatory process. After all, they only need to meet with one person. This also makes it easier to hold the regulator accountable for a speedy permitting process, since records would be kept on applications and the time needed for judgment.

The Devens Enterprise Commission has provided something of a model for permitting since 1996. When the Fort Devens military base was closed, Massachusetts searched for an alternative model for the area and imagined an economy rebuilt around freer markets. To that end, the

Enterprise Commission was established to provide speedy one-stop permitting to any business that wants to start in the area. The Commission has largely fulfilled that goal and the area has done relatively well despite its non-central location within the Boston metropolitan area (Devens Enterprise Commission, 2011).

Devens illustrates the twin advantages of a single centralized permitting agency: accountability and measurement. It is easy to tell if Devens is fulfilling its mandate to provide speedy one-stop permitting. If the Commission goes too far and permits a firm that does public harm that will be obvious as well. The Commission can still turn to the expertise of the fire department and other experts, but it cannot force them to take responsibility for delayed business permitting.

New York City has attempted to embrace a more transparent permitting process, with NYC Business Express and its New Business Acceleration Team. Business Express provides a single website where one can learn about the permits that are required to open a new business. The New Business Acceleration Team appears ready to help new restaurants negotiate the tricky regulatory terrain. These are admirable steps in the right direction, but the city's regulatory maze remains challenging with different departments maintaining uncoordinated control over different forms of regulation.

There are two distinct approaches towards reducing the regulatory burden in an entrepreneurship zone: one modeled on the Devens Enterprise Commission and the other modeled on the New Business Acceleration Team (NBAT). The first approach requires significant new legislation. The second approach merely requires private or public money.

The Devens approach, which would seem distinctly more likely to be effective, defines each entrepreneurship zone as a distinct legal entity. Within that zone, an independent commission maintains control over permitting. The mandate is to permit as quickly as safety allows and to gather data continuously about the speed and success of new business applicants. The commission will employ outside experts, but it will keep responsibility to itself.

The NBAT approach is simply to fund a one-stop shop for new business formation within the zone. In principle, this can be funded either by the city government itself or by an independent non-profit. There are advantages to the legitimacy conferred by public funding, but independent funding may allow for nimbleness and stronger incentives. It is then the job of the shop to handle all of the permits for the new business. The one stop shop's success can still be measured and its leadership can be held accountable, but it will be hard to blame the entity if outside regulatory are slowing it down.

In either case, the permitting entity can develop special skills both for interfacing with public bureaucracies and for connecting with the neighborhood itself. In many poorer neighborhoods, language becomes an issue and it is crucial for the entity to have good skills for interacting with non-English speakers, who can often be among the most entrepreneurial urbanites.

Summary

This subsection emphasized one central need for the district: **a designated Entrepreneurship District Organizer** and a location for meeting and connecting that would be that Organizers' home base. Ideally, this organizer would be a city employee, but for early stages, it would even be possible for the person to be paid by a non-profit foundation. The public space is probably best structured as owned by an independent non-profit.

Beyond the organizer, this subsection highlighted three central needs for entrepreneurs: human capital, physical capital and supportive government. In the area of human capital, the report recommended a strong Mentoring program, an experimental entrepreneurship bootcamp, and reformed Vocational Training which was tied more closely to the needs of prospective entrepreneurs.

In the area of physical capital, the report focused on streamlining access to the many public funds that already support start-ups, an angel investment fund, encouragement and connection with community banks, and the creation of a public space for connecting and housing start-up

entrepreneurs. Finally, in the regulatory space, the report recommended a “Regulatory Hackathon” aimed at exploring what regulations entrepreneurs most want to end and developing a one-stop permitting process that would make the process of getting a permit more transparent and easier to monitor.

IV. Inclusiveness

The core idea of the Neighborhood Innovation District is that current community members are part of planning the district and end up as the district’s primary beneficiaries. The word inclusion means both a process that respects the neighborhood’s current residents and ensures they will benefit.

It is not that under resourced neighborhoods with high-unemployment rates, in Boston or elsewhere, lack creativity. These neighborhoods are already full of innovation and insight. Yet, too often the innovation of these neighborhoods does not receive the recognition it deserves and does not yield economic success. A Neighborhood Innovation District is meant to provide the tools that will help make local creativity more powerful and financially remunerative.

There are three main principles to that anchor the inclusion agenda:

1. The planning process must be made more inclusive. The neighborhood must be brought to the table and must have ownership of the district.
2. There must be interventions to reduce displacement and to ensure that the benefits of land value appreciation are enjoyed more widely.
3. There must be a sustained mission to invest in the skills in the neighborhood. The previous section discussed the provision of entrepreneurial skills; this section focuses on more general forms of human capital.

IVa. Inclusive Community Planning

To increase the success of this initiative, an authentic and deep community engagement process is critical to ensure that the community is full and active partner in the development of the Neighborhood Innovation District. The “Somervision” process may produce something of a model. To produce this aspirational twenty-year plan for Somerville, there were over fifty free-wheeling meetings with robust discussion from a wide range of community members. One of the benefits of defining an innovation district around a particular geographic neighborhood is that the community can be brought together in ways that would be impossible on a city-wide scale.

The ultimate goal is to ensure that the district’s plans reflect the real and stated needs of the neighborhood, not the opinions of outside experts alone. A robust discussion is needed within any neighborhood-based public process since views and aspirations will differ among residents. The best process will generate common goals and enable participants to emerge with respect for one another and a willingness to drive the plan to fruition.

In order for this initiative to be truly innovative, it is essential to include the voices of those who are typically less likely to come out to planning meetings, such as mothers with young children, immigrants, students, and non-English speakers. The need to attract a diverse group will require effort throughout the process, reaching out to groups and bringing them to the table.

Incorporating a broader array of voices and communities is important because it ensures that any new spaces created (e.g. co-working spaces) are welcoming to everyone, not just the prototypical entrepreneur.

Hopefully, the planning process will be able to accept that not every ingredient in the Innovation District is beneficial to everyone, while ensuring that everyone gets something out of the district.

Several key steps need to be part of the inclusive planning process:

1. The city's leadership must articulate a clear message about why the Corridor was selected, particularly emphasizing the assets that give the neighborhood strength. Boston's wealth of neighborhoods offer a wide-ranging menu of local entrepreneurial possibilities and a vibrant model for cities near and far.

2. There must be a well-defined roll-out plan that will bring the key parties together into discussion. Community outreach is vital. Including local stakeholders is vital. The success or failure of the district may be determined by the diplomacy before any meeting takes place.

3. Dedicate a staff member so that there is at least one full-time person representing the city as project manager. This person might eventually become the Innovation Community Organizer discussed above. Funding for this person could either come from public funds or with the help of Foundation support. In either case, the person must be understood to speak for the city's government.

4. Identify the assets of the community and its potential supporters. One set of assets currently resides within the community, including its social organizations, current companies, libraries, schools and churches. A second set of assets reflects the external sources of funding that can help support the initiative. It will help the community level discussions to begin with a well-defined set of tools that can be used to build the district.

5. Emphasize communication through a variety of channels. There is a narrow slice of the population that can be reach through a targeted social media blast. The goal of the process is to engage a very broad slice of the community. To that end, old sources of communication, including flyers, ads in local papers, and word-of-mouth communication are also vital.

The planning process will determine the way in the district is initially perceived. It will also determine the way in which the district evolves. Planning should not be a one-shot business that is confined to a few months before any real action occurs. Instead, planning needs to proceed

parallel to the evolution of the district and a process of community engagement throughout is crucial to ensure that the district is always “owned” by its community.

IVb. Preventing Displacement

Unlike efforts to build areas on brownfield sites, such as Innovation District and District Hall, developing in residential neighborhoods creates great potential for displacement. The rising property values that come from economic success can mean suffering for long-term rental residents who end up paying more for the same apartment. If the district is successful, it risks becoming yet another example of gentrification where a place won but its people lost. This subsection discusses ways in which displacement can be prevented and the community can benefit from any gentrification that does occur.

Residents and neighbors of many neighborhoods are rightfully concerned about gentrification that will result in displacement. It is essential to ease concerns by alleviating some of those displacement pressures.

There are two primary strategies for avoiding the downsides of gentrification. First, and most importantly, is to ensure that the area has enough new housing and commercial space to ensure that demand doesn't radically outstrip supply. Second, the area should experiment with tools that will provide resources to longer term residents who are at risk of losing their space due to rising rents. It should be stressed that these worries are only relevant if the district succeeds in generating economic activity. If it fails, then there will be little need for such efforts.

IVc. Increasing Housing and Commercial Space

The starting point in the fight for affordability is a District Housing Plan. This plan should emerge out of the process discussed above and it needs to reflect the need to deliver the housing units that the community believes will be necessary. The plan should develop a values statement

for what an “ideal” Neighborhood Innovation District would look like in terms of residential and commercial real estate mixes.

A combination of zoning and tax incentives can be used to encourage developers and landlords to build and offer start-up friendly space and housing affordability. New units should ideally be located in areas that abut core areas of economic activity. Moreover, there should presumably be a mix of units, including space for families and micro-units for individuals who want to spend most of their lives devoted to their new business.

We imagine that in most settings the added space will be provided by the private sector responding to market incentives. It is easier to conjure the supply to deal with gentrification if demand is robust enough to cover the costs of developing new units.

Developers are potential lead partners and a critical piece of building an inclusive Neighborhood Innovation District, from both a residential and commercial perspective. The Low Income Housing Tax Credit provides one tool for subsidizing new development. The city and state could also consider temporary tax relief for new building.

There is no reason not to be creative about the tax treatment of new construction. For example, it would be possible to design a tax system that is tied even more tightly to property values. If property values stayed low, then developers could be excused from paying local property taxes, and in exchange, they might pay a premium tax if prices rise. In essence, the city would become their partner sharing some of the downside and some of the upside from the new construction.

On the commercial side, there is a growing list of examples of ways to provide commercial rent affordability. In Kendall Square, there are requirements for the amount of start-up oriented space to encourage affordable rents for start-ups in an otherwise very expensive commercial real estate market. The Boston Innovation District likewise worked with developers to encourage more innovation space, including the successful District Hall, which utilized a 121B.

If the goal is to provide sufficient new space to blunt price increases, then it may make most sense to structure these requirements so that they are the price of up-zoning. In other words, there may be a set density at which developers can build without such set-asides, but if developers want to go further, they must build extra space for the community. Ensuring that both developers and community residents are part of the discussion can help ensure that new space helps bring value both the residents and to property owners.

IVd. Investing in People

Skills will determine whether the residents of the Innovation District can thrive in an innovative economy. Skills will also determine whether the District itself succeeds. There must be a robust and diverse talent pool so that growing companies can hire and expand.

This pool is not just a matter of individual education. Effective neighborhoods have community groups that provide education directly and that work with public schools to ensure top quality education. If education is just seen as a matter of the public sector delivering a service to poor children, then the community will never be able to hold schools accountable. The process of educational investment requires both schools and strong community organizations to work with those schools.

Today, in too many cities, there are roadblocks to acquiring those skills facing neighborhoods and individuals. For example, communities and individuals may not understand which skills will reap higher returns. Communities and individuals may lack the venues and organizations needed to improve public schooling. Despite a general desire to solve problems, communities may lack the capacity to identify which problems are soluble. A Neighborhood Innovation District can succeed, in part, by deliberately developing a talent pipeline, cooperating with educational institutions, businesses, community organizations, and the City of Boston.

Good schools need neighborhood social capital, both to work with schools and to provide training directly. As part of the planning process, it is vital that any new Neighborhood

Innovation District produce a thorough survey of existing organizations and partnership in the area that are providing skills training. With this survey, it will be easier to see the gaps that currently exist. Some skills might just be absent. Other skills might be ineffectively taught.

Remedying the existing shortcoming might take the form of encouraging existing programs with experience in the neighborhood and with the target population to expand. Alternatively, groups that already work on a certain skill with a certain age in other neighborhoods might expand into the new Neighborhood Innovation District. It is clear, however, from this how essential it is for all partners to be communicating with one another about their mission, services, needs, and future plans. These conversations may occasionally be difficult, but working with existing organizations in the Neighborhood Innovation District, as well as utilizing social networks (e.g. looking at Kickstarter campaigns by zip code) could be creative solutions.

There has been an explosion of evaluation in education over the past 30 years, and evaluation seems critical within the Innovation District context as well. The public sector needs to know what programs work and which ones don't. The gold standard for program evaluation is the Randomized Control Trial in which some students are given access to a program and others are not, essentially by lottery. The lottery approach is particularly suitable and fair when demand for a particular program outstrips supply. A commitment to consistent evaluation will make it far easier for any Innovation District to become a place to learn what works.

The Inclusion Subcommittee highlighted six core skill areas needed for entrepreneurs and innovators: basic business and workforce readiness skills; problem solving and design thinking; project-based skills including capacity for coordination and teamwork; financial literacy; sales and coordination skills; and computer science and coding skills.

Clearly, not all entrepreneurs master all skills (coding *and* business development *and* finances), but a growing business requires finding talent with those various skill sets. Furthermore, there are multiple touchpoints where these skills can be taught and to multiple audiences.

The innovation sub-committee found it helpful to focus on four different delivery systems for skills: standard schooling for Kindergarten – 12th grade; post-secondary schools, including both classes and apprentices; outside of school programs for students including summer jobs; and programs for non-students including vocational training for drop-outs and post-secondary training. Ideally, all of these areas should be strengthened, but in many cases, the desire to effect change in the short-term may direct which areas are selected.

We hope that a renewed Madison Park High School will play a major role in delivering these skills, but we suspect that in many areas, such as coding software, external providers would also be sensible. As such, we suggest that within the zone, on a largely experimental basis, there begins a process of experimentally with externally provided, competitively sourced vocational training in particular areas.

Code is a strategic place to start. By offering a coding class outside of school (either after school or on weekends), students (and non-students) in the neighborhood can be taught how to deliver value to a computer technology firm. Code is particularly natural because computer technology is changing quite rapidly and it is often hard for traditional educational institutions to keep up. Code is also natural because it allows speedy evaluation. With clear expectations about the ability to program quickly, the impact of the programs can be readily evaluated online by testing whether code is being quickly and accurately written.

In principle, this would allow a learning process where student outcome are constantly evaluated, successful programs are expanded and unsuccessful programs are shut down. Students could be randomized into one program or another and this would enable the larger community to learn what works. While this may be particularly easy to imagine in the world of software production, competitively sourced, regularly evaluated training in plumbing and carpentry is also extremely possible.

IVe. Building Accountable Partnerships

Due to limited resources and areas of expertise, leveraging and building partnerships will be essential to the success of the Neighborhood Innovation District. In discussions, the subcommittee identified many partnerships to explore and learn from.

The issue that the subcommittee identified is not only finding strong partners, but rather designing agreements that are accountable and measurable. It's important that partnerships can be held accountable and that the neighborhoods have some control over them. The process of designing these agreements also surfaces important conversations about what metrics do we actually want to measure. The subcommittee points to the recent multi-partner agreement between the Office of Workforce Development, the Boston Redevelopment Authority, Local 26, and the BEST Corp as a best practice.

Furthermore, there are several partners who are already particularly active in the business support space, e.g. Main Streets. However, the Main Streets Program is tasked to focus on existing retail businesses, as opposed to the full spectrum of the kinds of businesses that the Neighborhood Innovation District seeks to develop. However, Main Streets will likely be one of the strongest partners in developing the Neighborhood Innovation District, as well as future Neighborhood Innovation Districts.

Finally, as businesses grow in the District, other established brands and chains will certainly begin to locate there as well. These businesses also represent an important job opportunity for local residents and workers and the subcommittee recommends the creation of center (similar to Brigham & Women's hiring center) where individuals can bring their resumes and businesses can look for local talent. The subcommittee points to Whole Foods at being especially successful at hiring locally. We now turn to the physical side of the Innovation District.

V. Infrastructure

Human capital may be the ultimate source of any neighborhood's strength, but that human capital still requires the right physical capital as support. Physical capital can be split into two broad categories: space and connectivity. Space includes both work space and housing, which provides the room in which to innovate and live. Connectivity includes both transportation and communications: the infrastructure that enables the people in the district to connect both with each other and with the outside world.

The South Boston Innovation District began with reasonably good connectivity, at least in terms of transportation, but little physical space. Building that district primarily meant investing in new physical space. That new space is expensive, but a blank slate made it possible to build whatever the market could carry.

A neighborhood innovation district faces different challenges. Infrastructure already exists. There already is housing and some work space. Yet in some cases, that space will not be well suited to the needs of a more entrepreneurial economy. The problem will be reuse and renewal, in a way that is sensitive to the local community, rather than building from scratch.

The Inclusion Section above has already discussed the process of community engagement that is needed to get to an appropriate planning process. That section has also made it obvious that developers will need to be partners, since public funds cannot be relied upon to build every new structure or piece of infrastructure. In this section, we will focus more on broad guidelines around space and connectivity needs. There is somewhat less that can be said about infrastructure in general, as opposed to vocational training, and as a result, more will be said after the choice of specific locale.

Va. Spaces for the Work of Innovation

Work space needs start with an understanding of what entrepreneurship looks like: (1) it starts small; (2) it starts without much cash; (3) it is unpredictable; and (3) it loves company. Starting small is both a matter of necessity and choice. Few entrepreneurs have the resources to rent a million square feet, and few entrepreneurs would want to begin with such a big footprint, when they barely know how their business will work. Entrepreneurs also need cheap space, because most of them won't start with abundant venture capital. As Jane Jacobs so eloquently argued, new ideas need cheap space and in many cases, cheap space means old space.

Unpredictability is a central element in entrepreneurship. The trajectory of any individual entrepreneur is hard to know and it is even harder to know which members of a collection of entrepreneurs will emerge with the greatest space needs. Since entrepreneurs set off chains of invention, it is not as if a group of entrepreneurs averages out all that uncertainty. The social connections between entrepreneurs helps explain why some places become hubs of creativity and others do not, and it always explains why co-working spaces have become so popular. New start-ups need to be able to learn from one another.

These needs suggest that the innovation district needs to supply a portfolio of space, and ideas the mix in that portfolio can change over time. Hard-wiring particular uses will make it harder to adapt to as the district evolves. Moreover, ideally the space can be affordable and easy to subdivide. co-working spaces offer most of those attributes and therefore provide a natural core space use.

The spillovers of ideas associated with co-working may be so important that public support may even be appropriate to ensure that some co-working space exists in any Innovation district. For example, for the Neighborhood Innovation District to have adequate space to allow the free exchange of ideas, the City of Boston might provide incentives to ensure there is a co-working space in every neighborhood or might re-imagine the network of public libraries to house maker spaces. co-working spaces are not just for start-ups, but also the individual entrepreneurs,

professionals, and remote workers who are also an asset for every neighborhood. Creating spaces (e.g. co-working spaces) that encourage their connection to each other and to the neighborhood is also important.

But co-working spaces are hardly the only work-related space need. The Innovation District should strive to offer: (1) Co-working space, (2) Technology Incubator space, (3) Retail incubator space, (4) Food Incubator space, (5) Light Manufacturing incubator space, (6) Maker space, and (7) Convening space. In an effort to support a broad range of businesses, a broad portfolio of spaces is desired.

Co-working space provides a base for a variety of white-collar businesses, both in technology fields and otherwise. Technology incubator space is more focused with room for nascent companies, including prototype manufacturing and access to similar firms. Retail incubator space is envisioned as multiple storefronts in a single location (possibly with a public entity holding the master lease). The retail incubator is intended to bridge the gap between brick-and-mortar stores and individuals operating very small scale business. A food incubator space provides a shared industrial kitchen that permits currently home-based food entrepreneurs to take on larger jobs and scale their businesses without incurring large fixed costs.

Light manufacturing space allows for firms in these fields to have affordable space, possibly share common equipment, and access expertise. Relatedly, maker space provides a space that includes some characteristics of light manufacturing but is characterized by shared equipment, community programming, and the potential for individuals to prototype creative ideas. Lastly, the need for convening space, distinct from all the other spaces, allows for a variety of fields to meet, network, and cross-fertilize ideas. We have already discussed how the District Organizer needs to have the ability to control and program a convening space.

Each space in the above list serves a different audience, but the vision is that the district will be stronger if it has a full menu of different options, at least initiation. When it is unclear which businesses will thrive in the District, it becomes particularly important to allow for a large range

of business types. We expect that the District may develop some elements of a cluster (or perhaps several types of clusters) but our initial approach would be to provide supports for a variety of businesses, rather than select a desired cluster in advance. While it is desirable to have a wide range of space to allow for a maximal amount of experimentation, we anticipate that the demand for different types of spaces will wax and wane over time and it is crucial that these different forms of space are able to adjust as conditions change.

It is important that land use controls do not lock in particular workplace functions. It is also important that developers be nudged towards flexibility. Presumably private incentives should also ensure a desire to be able to react to changing circumstances, but local planning agencies, such as the Boston Redevelopment Authority, should also support construction that can be re-imagined in future years.

Ideally, these spaces should be affordable, so as to include as much of the community as possible. That affordability requires either the district to be located in a sufficiently low cost area, or for land use planning to make building or reconfiguration easy or some form of public subsidy. Certainly, it is possible that older spaces that are re-used may provide much cheaper space than anything newly built.

There is also a great advantage in ensuring that spaces should be managed by third parties, thereby relieving entrepreneurs and small firms of the burden of office and property management. New entrepreneurs have enough on their plates without also requiring them to manage a real estate portfolio. The managers of each space should strive to have a diverse set of tenants, particular in terms of business type, in order to provide tenants with access to complementary businesses, service providers, and cross-pollinating ideas.

All of these spaces have a variety of potential operators -- public, nonprofit, or for profit. The RFP process for the Roxbury Innovation Center, managers of existing spaces, and the Committee hearing process has provided clear evidence that a variety of skilled operators exist for these

spaces. The committee makes no judgment as to the proper manager for each space but, again, encourages a variety of structures.

Finally, the spaces should have intentional programming that connects entrepreneurs with the neighborhood. This programming should be culturally inclusive and designed to build community and facilitate networking. If these spaces receive public subsidies, then the programming is, in a sense, the price of the subsidy. Certainly, District Hall has shown what can happen when a building's events are well curated.

Beyond formal spaces designed to encourage businesses, two other important 'spaces' were identified -- 'third spaces' and open space. Third space was defined as non-work, non-home space that allows for informal interactions. It might include restaurants, coffee shops, and public space. Open space that permitted leisure activities was also cited as important. In addition to ensuring that young people can learn critical skills, as discussed in the inclusion subsection above, it is important to have spaces that ensure enough interactions to support the flow of skills and ideas across would-be entrepreneurs and their employees.

Vb. Housing

For any Neighborhood Innovation District to become an integral part of an existing neighborhood or set of neighborhoods, there must also be a housing strategy. As discussed above in the inclusion section, new housing is one means of assuring that the success of the district doesn't harm longer-term neighborhood residents. Moreover, any entrepreneurs who come to the district from outside will be more likely to connect with the district if they end up living there as well. This argues for the provision of living spaces that are targeted towards the entrepreneurial community.

What tools does the district have for promoting affordable housing? Most powerfully, there are land use controls which can permit the development of creative solutions to housing needs. There are also existing sources of public funds, such as the Low Income Housing Tax Credit,

that can be used to support new construction in the area. In some cases, there may be city or state funding to support affordable housing construction.

Affordable housing must be an important component of the vision for a Neighborhood Innovation District. One means of promoting affordability for new entrepreneurs is to allow the development of micro-units if the market is interested in building such units. Another tool is with affordability requirements tied to new construction, but these are a double-edged sword, since more onerous requirements will reduce the desire to build, which may end up leading to less, not more, supply of housing. Certainly, the District should be monitored on a regular basis to determine if displacement is taking place and more stringent steps need to be taken if displacement is occurring.

In addition, increasing the rate of homeownership for existing District residents is an important goal. The District implementation plan should include the identification of partners who are willing to acquire market-rate housing with deed restrictions that can be converted into affordable housing. Generally, energizing the nonprofit sector to focus on the need to ensure that affordable housing is provided seems crucial.

Vc. Transportation

We now turn from work and living spaces to the tools of connectivity: transportation and communication. No Innovation District is going to succeed if it is an island. It needs to attract workers who come from elsewhere. Its entrepreneurs will need to connect with venture capitalists or engineers elsewhere in the city. For retail entrepreneurs, a flow of customers coming through the area provides a ready market. Good access to public transportation seems essential to the Neighborhood Innovation District, and that argues both for choosing a district with strong access to public transit and for ensuring that there will be improvements in the transit situation over time.

The Committee noted that reliable transit service was a foundational element for the Neighborhood Innovation Districts. As such, ongoing conversations with the MBTA will be crucial to ensure reliable, safe, and modern public transit.

When choosing the district, this argues for strong preference being given to communities with access to the subway, bus rapid transit (the Silver Line) or commuter rail. A big transit hub is particularly appealing. After selecting the district, the City should engage with the transit authority to augment transit to the designated Neighborhood Innovation District, with improved bus service as one possibility.

Buses are a particularly natural tool for experimentation in transportation since routes can be changed far more cheaply than train routes. One possibility is to have a regular process of consultation with entrepreneurs and community members about their transportation need and to assess whether some experimental bus service is warranted. It may also be sensible to explore a further role for private provision of bus or van service.

Boston, like many cities, has experienced a remarkable boom in transportation technology (e. g. Uber, Lyft, Bridj), but the question remains as to whether these benefits are shared equitably across neighborhoods. These innovators should be engaged to participate in providing for the transportation needs of the District. As these entities presumably have an interest in encouraging the use of their services, they should have motivation to help.

Vd. Communication

If the Neighborhood Innovation District is going to succeed in technology entrepreneurship, then it will need fiber or other similarly high-speed connection. Poor connections to web are just not acceptable in the modern marketplace. Other cities, such as Kansas City, are selling themselves based on their widespread access to Google Fiber. No other technology issue has experienced nearly the amount of concern as the provision of fiber to all District businesses.

Yet the difficulty is to determine a means of providing fiber, and presumably future breakthroughs in electronic connectivity, to the neighborhood in an economically feasible fashion. Certainly, if the city does not have the funding to build fiber on its own, it will need to attract an outside provider.

As such, the provision of fiber, or other high-speed connections, becomes a matter of negotiation between the mayor and outside entities. We cannot guarantee that there is a deal for fiber that can be struck, but certainly Boston can improve its current level of connectivity. City leadership must treat electronic connections as a critical urban asset in the information age and continue to seek solutions that will increase connectivity.

Almost all of what has been said would be appropriate almost anywhere in Boston and in most of urban America. We now turn from the general to the specific and the transition is the section on neighborhood choice, which details how the committee came to its recommendation about Dudley/Upham's Corner. After that section, we turn to specific details of recommendations for Boston.

VI. The Hinge: Neighborhood Choice

Over the course of three months, the Neighborhood Selection committee convened to develop a process and selection criteria that would lead to a determination of which geographic area could be the first locus of investment for a Neighborhood Innovation District.

The subcommittee's main task was to select a neighborhood in which to pilot a neighborhood scale innovation district and several areas that would be succeeding candidates for investment. In order to decide which Boston neighborhoods have the most potential to become Neighborhood Innovation Districts in the near term, the group had to first define what an Innovation District is and then delineate the key characteristics of an Innovation District. A Neighborhood Innovation District is distinct from a more traditional Innovation District due to a strong leaning toward

economic empowerment in addition to entrepreneurship. For example, the group agreed that a Neighborhood Innovation District should be able to look toward non-technological innovation by potentially investing in shared kitchen spaces to foster specialty foods or catering companies. The subcommittee also decided that the target areas should include ethnically diverse communities and demonstrate a need for more economic empowerment.

Neighborhood selection criteria were developed from existing literature on Innovation Districts, notably the Brookings Institution's *The Rise of Innovation Districts: A New Geography of Innovation in America*, which identifies the key characteristics of traditional Innovation Districts. The subcommittee determined that **key characteristics of a Neighborhood Innovation District include transit access, land or space available for industrial development in addition to affordable office space, existing arts and cultural amenities, and existing civic or nonprofit groups with a mission to promoting local commerce.** The group first made a preliminary list of Boston neighborhoods with these characteristics that also were in need of more economic empowerment, and from there the exercise was to evaluate the neighborhoods based on the criteria and narrow the list.

The subcommittee had a rich discussion around the strengths of various neighborhoods. Much of the discussion focused on the tension between selecting an area with a strong supply of existing assets or focusing on an area in greater need. There were also discussions regarding the virtue of selecting only a single pilot versus multiple pilots or a broader approach, including possibly citywide planning.

In the end, the subcommittee coalesced around the idea of the Dudley Square-Uphams Corner Corridor. The Corridor was selected on basis of the above criteria with the clear goal that the pilot area will inform the creation of future Neighborhood Innovation Districts and for city-wide policy.

The Dudley Square-Uphams Corner Corridor was chosen on the basis of several strengths. It offered strong transportation nodes, including the Dudley Square Bus Depot and the Uphams

Corner stop on the Fairmount Line, across both transit and roadways. There was also available commercial space and strong potential partners among area non-profits.

The available public amenities were another favorable aspect of the corridor. Proximate public institutions like Roxbury Community College, Madison Park High School, O’Bryant High School, the Strand Theatre, and several libraries are potential assets. The relocation of the Boston Public Schools headquarters to Dudley Square also offers a potential foundational element to the district. Not only will the new headquarters provide a stream of potential customers for retail businesses, it also offers the potential to offer a unique environment to nurture educational technology firms.

In addition, the physical structure hosting the Boston Public Schools will also house the Roxbury Innovation Center, which will feature a community space hosted by the Venture Café Foundation and community programming produced by Skylab. The City of Boston, through the Boston Redevelopment Authority and other entities, has been engaged in the planning and redevelopment of the area, which provides a strong knowledge base of community needs.

The Corridor also fulfills the intent of the committee to select an area that would benefit from economic growth. As noted previously, the Neighborhood Innovation District is intended to be a pilot project with the intent to roll out successful policies in other neighborhoods. Many other neighborhoods offered similar (as well as unique) strengths as the selected area, but the subcommittee concluded that the Dudley Square-Uphams Corner Corridor was the appropriate site for the initial Neighborhood Innovation District.

VII. Specifics for a Dudley/Uphams Corner District

The highest priority recommendation of the Infrastructure subcommittee in relation to displacement is for the City of Boston to simultaneously develop a Dudley-Uphams Corridor Housing Plan in concert with the Neighborhood Innovation District. Furthermore, it would be helpful to develop a baseline and values statement for what an “ideal” healthy community looks

like for the Neighborhood Innovation District, and express the desire to keep the fabric and vibrancy of the existing neighborhood. This is important as when information and metrics are collected going forward (e.g. distribution of wealth, employment, % of type of housing), there is an awareness of how well or poorly we're doing. No one, not even the City of Boston, has ultimate control over the building within the District; thus, the baseline and values statement can ensure a mutual awareness. The City should insure that the District is integrated into the Boston 2030 Housing plan and that sufficient affordable housing resources are being directed to the area.

The subcommittee recommends that links (both physical and non-physical) be built between existing innovation hubs (e.g. Kendall Square, the South Boston Waterfront / Innovation District, Longwood Medical Area) to the Neighborhood Innovation District. Examples of potential means for connections include:

- Buses or transportation networks between innovation hubs (e.g. a bus from Kendall Square to Dudley Square)
- 24/7 video conferencing capabilities – permanent TVs set up between the different co-working spaces so you can “bump into” a wider array of people
- Progressives between the various co-working spaces – i.e. high quality programming that entices innovators and funders from different parts of the city to venture out beyond their current stomping grounds

Finally, in recognizing the potential of increasing connectivity between the innovation hubs, it is also important to ensure that everyone realizes that there each cluster has important lessons to teach. In other words, individuals from Kendall Square have just as much to learn from Dudley-Uphams as vice versa.

Conclusion

While we cannot guarantee that a Dudley/Uphams Corner Corridor district will become the hub of a great new innovation district that will immediately rival Kendall Square, we have tried to design a district that has economic viability and is attuned to the needs of local and long-term residents. The costs are low for most of our proposed interventions and this report has focused particularly on ensuring that the community will not lose out. The challenge before us all is how to protect the community from the accidental harm that may occur if the district succeeds. If the district doesn't attract much new economic energy, it will do little to the status quo.

The core of our strategy has four elements:

- 1. Focus on investing in people.** We strongly recommended new forms of vocational training and we were enthusiastic about experimenting with entrepreneurship training. Mentoring shows Boston at its best. One advantage to a people-first policy is that there are few downsides from delivering skills, at least if it can be done at modest cost.
- 2. Rethink and streamline the public role in entrepreneurship.** Instead of a largely regulatory government that typically sees itself as saying no, government should instead try to say more quickly and to urge entrepreneurs onward. The case for saying yes is particularly obvious when entrepreneurs are operating in high-poverty, high-unemployment environments.
- 3. Make the process inclusive.** A Neighborhood Innovation District cannot be designed by city hall alone. The neighborhood itself must control the course of the process. Entrepreneurs will determine the activities that succeed. A focus on regular engagement and constant evaluation is vital.
- 4. Match the physical infrastructure with the human needs of the neighborhood.** Plan for flexibility. Make it easy to provide affordable space. Ensure that there is enough housing so that

displacement is minimized. Experiment with buses to ensure enough connections. Increase the speed and availability of fast internet connections.

While these steps cannot guarantee success, they seem to use like a promising road map towards a city that is more inclusive and more equal. We hope that Boston can continue to lead with public innovations and that these innovations will empower all Bostonians towards a brighter future.