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GLOBAL ENTERPRISE

## Barcelona Success Yields Model For Boston Innovation District

### Brains In Spain Thrive In Entrepreneur Eco-System

BY MICHAEL LAKE AND ROBERT BUCKLEY  
SPECIAL TO BANKER & TRADESMAN

The Boston region has the opportunity to leverage the development growth at Kendall Square and Longwood Medical area while building the South Boston innovation district and, accordingly, shape the future of our region's innovation economy.

The challenge lies in how to most effectively attract and retain talent in order to create a thriving entrepreneurship ecosystem. To succeed, we need to look at successful projects around the globe utilizing innovation-related practices.

Recently, 11 business, civic, and academic leaders from Greater Boston traveled to Barcelona and Madrid as part of the World Class Cities Partnerships' Inaugural Policy Exchange Mission. The delegates explored Barcelona's unique strengths, which have developed and fostered innovation in that city, with a focus on talent attraction and retention. What they found was a well-branded innovation district with government support for entrepreneurs.

#### New Jobs In Barcelona

Over a decade ago, Barcelona planners began to define the geography of innovation in their city. The historically industrial neighborhood of Poblenuou had become obsolete. The abandoned factories that remained were transformed into 22@Barcelona. Similarly to Boston's Innovation District, this was not accomplished without overcoming certain permitting issues. Stretched over 115 blocks, 22@Barcelona is an extensive economic redevelopment site and innovation district that today showcases new public facilities, homes, green space and businesses. There are currently 7,000 companies in 22@Barcelona with 130,000 new jobs and 1,500 new housing units.

This transformation would not have been possible had it not been for the support from the local development agency, Barcelona Ac-

tiva. The first of its kind, Barcelona Activa uses government funds to invest in the local knowledge economy. It also helps entrepreneurs align their business goals with the economic development strategies of the city. The agency houses 16 projects in its state-of-the-art facilities, each of which aids in the mission of stimulating human capital, entrepreneurship business, employment and technology.

#### Haifa Holds Promise

In 2010, a Boston fact-finding delegation visited the innovation hub of Haifa, Israel. Haifa recognized a strong university presence in its city and leveraged the scientific knowledge and technology transfer opportunities to build its innovation economy.

Like Barcelona, the public sector in Haifa supports entrepreneurs. The Israeli government created a venture capital fund to directly assist entrepreneurs, and built the Hi Center, an extensive incubator space, to house these startups. Building an innovation-based economy began with the construction of MATAM, a business park that houses companies such as IBM, Microsoft and Google.

Unlike Barcelona and Haifa, which have strong public sector support, Boston's innovation-related development is being funded by the private sector. Here, developers need capital before they can build, and the demand needs to be real.

#### Boston Branding

To create such a demand, Boston's innovation district must be branded and consistently marketed as a place-making space. It should be attractive to entrepreneurs. For most, attractive is synonymous with affordable. Like 22@Barcelona, on-site housing should be built side-by-side with incubator space in order to maintain an entrepreneurship ecosystem. Recent efforts to create micro-units for housing should be applauded. However, the price point has

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to be far lower than the proposed \$1,500 per month to attract or retain the desired talent.

There are interesting models around the world, such as Amsterdam's conversion of shipping containers into modular housing units. Imagine the opportunity for developers in the Seaport district able to make greater use of underdeveloped land by temporarily supplying housing units consisting of stacked shipping containers. Could this be our opportunity to create a living laboratory, experimenting with innovative housing models in the Seaport District or other underdeveloped land in Cambridge, Somerville and other surrounding communities?

To further brand the district, Boston should host its own big event: an Innovation Expo that calls global attention to the district as an entrepreneurship hub. Finally, because we are relying on private finance with limited demand driving development, we need to be careful not to fill the district with only larger companies that can afford to build. We need to reserve a place for entrepreneurs to fill and fuel the innovation ecosystem. ■

*Michael Lake is executive director of the World Class Cities Partnership at Northeastern University. Attorney Robert Buckley is a senior partner in real estate at Riemer & Braunstein, Boston.*

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