

CITY OF MERCED
Planning & Permitting Division

STAFF REPORT: #12-04

FROM: Kim Espinosa,
Planning Manager

**BELLEVUE CORRIDOR COMMUNITY PLAN
AD-HOC CITIZENS ADVISORY COMMITTEE**

MEETING DATE: November 1, 2012

PREPARED BY: Bill King, AICP
Principal Planner

SUBJECT

This report provides a brief overview of what is meant by an Innovation Hub and its relation to the *Bellevue Corridor Community Plan* effort.

REQUESTED COMMITTEE ACTION

This report is associated with Agenda Item C of the *Bellevue Corridor Community Plan Ad-Hoc Citizen Advisory Committee* October 2012 meeting, and is provided as an informational item.

INNOVATION HUB

The addition of UC Merced to California's San Joaquin Valley is hoped and expected to expand local economies through what is commonly called "spin-off industries." Yet, a research university is only one part of a larger system that is needed to generate such growth. This system is commonly referred to as an innovation hub, or innovation ecosystem. Communities with research universities, such as Merced and the surrounding areas, have some form of this system. The key question is how can a community grow and enhance its Innovation Hub?

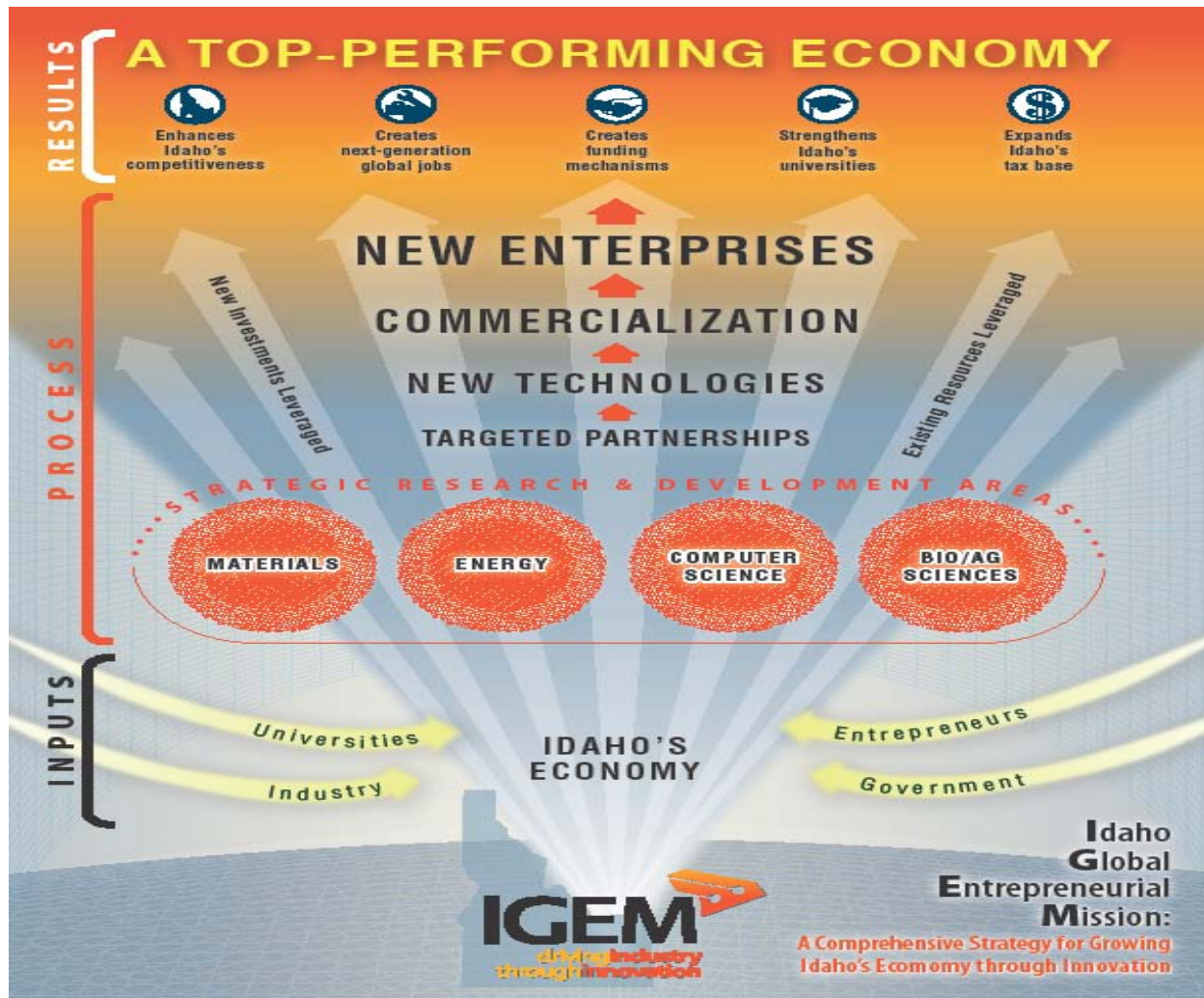
In cooperation with UC Merced's *Resource Center for Community Engaged Scholarship* (ReCCES) program, undergraduate students have conducted research about Innovation Hubs and its relevance to the greater Merced Community and the *Bellevue Corridor Community Plan* area.

What is an Innovation Hub

An innovation hub models the relationships that are formed between community members, and enables technological development through innovation. These relationships occur geographically, whether at a local research university, nearby neighborhoods, in government offices and throughout the environmental, social, and economic sectors of the community. It's a process occurring between people in their community. As a community member, how can you lead or support the formation and growth of our local Innovation Hub?

Innovation Hubs are generally known in the economic sector. One of the best ways to spur job creation and economic growth is by facilitating more efficient translation of budding innovations from the research economy into the commercial sector.

A conceptual model of the Innovation Hub in Idaho is presented below:



Essential and Supportive Traits/Inputs of an Innovation Hub

The inputs of an innovation hub include:

Research University - A research university generates knowledge and ideas, facilitating innovation. Researchers ponder big questions. How would you improve cancer treatment? Can solar power be produced more efficiently? Why can't X-rays be taken with smaller devices? And sometimes they come up with the answers. When that happens, the *technology transfer offices* at the university can then help them "spin-off" their research into businesses that create jobs or other societal benefits.

According to the *USC Stevens Center for Innovation*, innovation can come from the arts and social sciences as well as engineering or medicine. It can take the shape of new products or services; new ventures, ranging from venture-backed startups to non-profits; as well as new organizational models. Innovation can be any groundbreaking approach or advancement that changes the way we live, work, and play. All forms of innovation should be encouraged to provide a wide array of benefits.

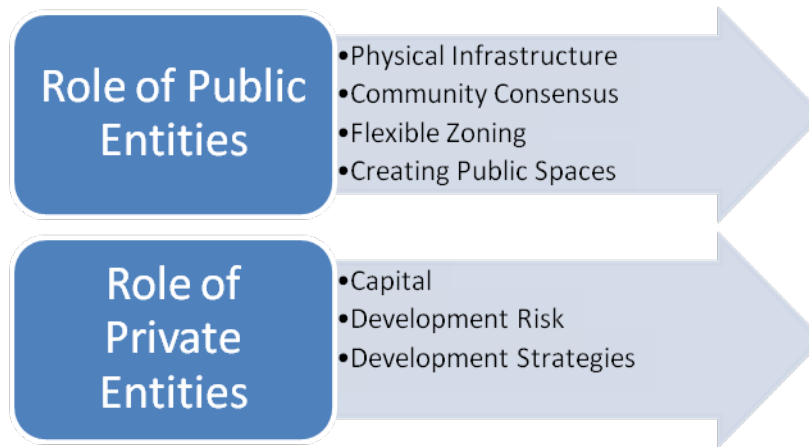
Industry - Industry can help create, support, and grow an environment conducive for innovation by:

- Supporting the development of key technology clusters;
- Investing resources in industry-higher education partnerships in key technology sectors;
- Committing to the investment of start-up funding for these industry-higher education initiatives - particularly early stage; and,
- Committing to supporting the seed capital and venture capital continuum to ensure there is sufficient funding at each stage in the cycle to promote market worthy opportunities .

Entrepreneurs/Talent – According to Krisztina Holly of the *USC Stevens Center for Innovation*, innovation starts with the "understory" of the economic food chain: the entrepreneurs. In this group are diverse and future-oriented thinkers that have the potential to advance an economy despite times of struggle; entrepreneurs gives us the mutations - the radical changes that enable groundbreaking ideas to enter the ecosystem if they are worthy. Supportive traits for entrepreneurs include places to meet and network, and housing.

“A rich pool of talent with diverse experience and skill-set can bring about market-place disruptions. Academia, another stakeholder, plays a big role in developing such talent. Today’s business environment requires creating a mindset shift from the traditional career paths to encourage risk-taking, challenging status quo, ability to think differently and be more adaptive. University and colleges have a significant role to play in shaping this kind of talent base.” Tathagat Varma, Sr Director-Business Operations, Yahoo! Software Development India.

Local Government/Community Understanding and Involvement - Understanding the roles that different partners contribute to the process of developing an innovation hub is the final key input. Michael Cohen, Partner of the Strada Investment Group, summarized the Public—Private partnership as follows:



Bellevue Corridor Opportunities

While the entire San Joaquin Valley and points beyond will benefit from the research, innovation, and new technologies from UC Merced, the local community and development pattern of lands near the university will influence the success of the *Innovation Hub* in Merced. The *Bellevue Corridor Community Plan* can contribute the following:

- Attract new researchers, and sustain current graduates and their research;
- Attract entrepreneurs and small businesses;
- Identify future sites for research and development parks for UC Merced Spin-Off Development;
- Create a gateway community to UC Merced; and,
- Tech-firms value public realms that foster a melting pot of ideas. Through planning and community design, create a living environment for entrepreneurs and the work force to work, live, and play/network (See Attached article from the Wall Street Journal).

Attachment

- A) Wall Street Journal article “For Creative Cities, the Sky Has Its Limit,” (July 27, 2012),