

September 2011

Innovation District Builds Momentum

70 new firms have located in the Innovation District since January 2010

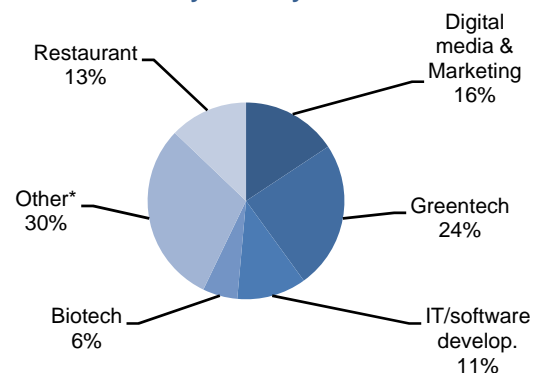
The Innovation District, announced by [Mayor Menino](#) in January 2010, is a new iteration of the City of Boston's efforts to develop the 1,000 acres of land along the South Boston Waterfront. This new development strategy focuses on leveraging the region's human capital and urban density to create economic growth in Boston. The District has recently been building momentum, particularly among startup companies that are attracted to collaboration opportunities with other firms in that area.

Strategy for the District is rooted in the cluster theory of economic development, which calls for government to work with existing networks of firms that have already strategically located themselves in a geographic area. With an existing community of technology firms prior to 2010, the South Boston Waterfront fit this criteria. Barcelona, Spain is an example of a world-class city that has successfully used this approach to convert a former industrial waterfront into a high technology district. Similar to Barcelona, Boston's plan for the District calls for workforce housing, strategically luring larger firms and universities to anchor the area, and the creation of incubators.

Between January 2010 and August 2011, the Innovation District attracted 70 new companies to the South Boston Waterfront, a 5% increase in the number of firms according to 2009 Census estimates. Boston Redevelopment Authority surveys estimate that these companies have created 2,000 jobs in that time. The new firms represent a broad range of industries, but the bulk are in green technology (24.3%), information

technology/software development (11.4%), and digital media and marketing (15.7%).

**New Innovation District Firms
January 2010-August 2011
by Industry**



Source: Boston Redevelopment Authority, Mayor's Office

*Includes Architecture and Design, Engineering, E-commerce and Nonprofit

Several large companies have announced their plans to relocate to the Innovation District, including Vertex Pharmaceuticals, Brightcove (a video platform company), the Boston Herald, and Babson College. Development projects are underway such as Seaport Square, a 23-acre development project which will include a public innovation center and 2,500 residential units, and 19 A Street and Melcher Street which are workforce housing projects.

The test for the District will be its sustainability for startup firms, as some new companies will ultimately fail. What also remains to be seen is whether infrastructure investments in areas such as upgrading broadband will be made. The City is currently working with providers to bring faster internet service to the District.