Saint Elizabeths Redevelopment Initiative
LEVERAGING THE DHS CONSOLIDATION AT ST ELIZABETHS

DC INNOVATION STRATEGY

Partner Briefing, Spring 2012
SERI Project Components

- East Campus Redevelopment Planning
- Economic Development Strategy
- Transportation & Infrastructure Planning
- Ward 8 Holistic Community Revitalization
- Federal Coordination
Innovation Strategy Overview

- Key component of Economic Development Strategy for St Es
- Leverage consolidation of DHS in order to stimulate economic development
  - Promote innovation, entrepreneurship, workforce development and education
  - Link residents and local businesses to opportunities
- Supported by federal grant and led by OP and DMPED, in collaboration with:
  - Researchers and practitioners from Virginia Tech and Carnegie Mellon University
  - Agencies and partners (e.g. DHS, GSA)
  - Assistance from industry experts and input from private sector and civic stakeholders
# Innovation Research Tasks & Status

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<th>Strategies</th>
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<td>• Competitive position of District</td>
<td>Connection between Anchor &amp; Local Economy</td>
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<td>• Matching Ward 8 and DC assets with DHS assets</td>
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<td><strong>Task 2:</strong> Best Practices &amp; Hub Blueprint</td>
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<td>• Lessons to inform development of blueprint</td>
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<td><strong>Task 3:</strong> Opportunity Screening</td>
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<td>• Viability of incubation, commercialization, R &amp; D, workforce</td>
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<td>development, education opportunities</td>
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<td>• Action roadmap</td>
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- Stakeholder Engagement
Defining the Homeland Security Cluster

- DHS as anchor institution (procurer, funder, innovator, standard setter, policymaker, etc.)
- DHS as major employer and purchaser (directly and indirectly)
- Application and development of products and services (e.g. surveillance, detection, protection)

- Large Defense Contractors (IBM, Unisys, Accenture, SAIC, Boeing, etc)
- Early Stage Firms (e.g. SBIR-firms, VC-backed)
- Small Businesses (e.g. Minority-owned, HUBZone Business)
- Funders (e.g. In-Q-Tel, VC & Angel Investors, etc.)
- Homeland Security Technology Users (e.g. utility companies, state and local government)
- Research Organizations (e.g. Think Tanks, Federal Labs, Universities)
- Other Federal Agencies (e.g. Department of Defense, Department of Commerce)
- Service Firms (e.g. Lawyers, Lobbyists, etc.)
The Opportunity for Innovation

Innovation Marketplace
- Total DHS procurement in region over 5 year period = $37bn; DC captured 42%
- Top vendors in DC specialize in systems integration & solution, IT, cyber, infrastructure, emergency preparedness
- Regional strengths in defense, technology, federal contracting and corporate venture capital

Talent Base
- 14,000 DHS jobs relocating to St Es
- 93% DHS jobs require advanced degree and/or several years experience = talent attraction
- Highly educated and skilled workforce in region

Education
- DC and region’s STEM education pipeline is growing
- University presence in region, with academic expertise in homeland security
- Educational facilities and labs, with R & D capacity, intelligence infrastructure, biotech corridor
## Challenges for DC Innovation

### Innovation Marketplace
- DHS is funding small innovative companies, but DC has not received any DHS SBIR funding; lack of qualified firms and limited entrepreneurial infrastructure
- Patenting activity is very low in DC compared to region, region overall has relatively low commercialization rates
- Government procurement often slow and does not foster development of start-ups

### Talent Base
- Limited number of DC-based DHS jobs at lower skill levels
- Sharp contrasts within region in terms of skills
- Many under/unemployed DC residents not qualified or trained for the range of security and innovation jobs (current and future)

### Education
- Secondary school curriculum not tied closely enough to job market demands, few targeted HS programs in DC
- Overall educational attainment rates east of river are low
- Limited university-based incubation and commercialization; need to improve linkages with industry
Solutions

Findings highlight the need to -

- Focus on the broader **innovation** sector (not just security/federal)
- Build an environment that grows the **entrepreneurial** and **talent capacity**, particularly east of the river
- Establish **partnerships** and **networks** with private, public and non profit sectors that can help **launch** and **connect** business and talent programs
- Leverage visibility of DC as a place for **demonstration**, showcasing and testing of ideas
Components of an Innovation Hub

Community Empowerment
- One-stop for employment & procurement opps
- Business facilities (e.g., Co-ops)

Research & Education Campus
- ‘Security’ University, Community College

Talent Development

Economic Empowerment Center

Shared Office Facility

Business Incubator

Proof of Concept Center

Showcase & Demonstration

Innovation Marketplace

Programs
- Technology transfer, small business assistance, virtual incubation, early stage financing
- Federal procurement & SBIR coaching
- STEM programs & career path development, university-industry collaboration
- Mentoring & internship, employment matching
Master Plan inclusion of Innovation Hub

Private Sector & Commercial Uses
- Large-scale office space
- University
- Research institution
- Small-scale office space
- Start-ups & Incubators

Support Functions
- Hotel
- Conference center
- Retail

Production
- Technology transfer
- Commercialization
- Small-scale production & assembly
- Technology testing & evaluation
- Prototyping
- Proof-of-concept center

Community Technology (CT) Village – linking community to innovation
- Entrepreneurship, small business support services, business start-up assistance
- Talent development, job training, placement & internships
- Education, Community college, University

Diagram:
- Map of the Innovation Hub with sectors and buildings labeled.
- Key areas include: Tech Park, Community College, University, and Innovation Hub.
# Strategies – Overview

## Innovation Marketplace

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<th>Goals</th>
<th>Sample Strategies</th>
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| Encourage entrepreneurship and small business development            | • Virtual and physical business incubation, Small Business Technical Assistance Center, Strategic partnerships, Mentoring  
• Early-stage financing, Gap Fund, Business associations             |
| Promote access to Federal contracting opportunities                  | • SBIR coaching and training, Procurement workshops         
• Informal networking and exchange                                   |
| Develop facilities that foster collaboration and networking around technology | • A “Security University,” Proof-of-concept and prototyping center, Technology testing and evaluation center  
• Venues for networking, conferences, tech-based laboratories        |
| Support a regional innovation cluster                               | • Federal proximity preference in contracting               
• Designated Innovation Zone                                          |
## Community Empowerment

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| Build local workforce and entrepreneurial capacity           | • Economic Empowerment Center  
• Entrepreneurship and workforce training programs               |
| Promote entrepreneurship                                     | • Microfinancing, Cooperatives business strategy, Community development financial institutions and programs  
• Shared kitchen workspace and culinary incubator               |
| Support economic and neighborhood revitalization             | • Internships for business school students  
• Mixed-use urban center                                        |

## Talent Development

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| Post-secondary and career pathway programs                   | • Community College satellite location, ‘Security University,’ Internship programs, Industry-school partnerships, Workforce training  
• K-12 career and summer/after-school programs,               |
| Streamlined employment matching                               | • ‘Employment Opportunity Clearinghouse,’ Integrated workforce development and job training |
| Workforce retention and skill-building initiatives            | • Certificate and retention programs, Continuing education                         |
Strategy Screening Criteria

- Existing Programs Leveraged
- Funding Sources for new Programs
- Cost Category
- Impact
- Suggested lead and partner orgs
- Barriers to Implementation

Programmatic or Physical

Prioritization & Phasing
Strategy review – stakeholder approach for Tasks 3 & 4

- Local Govt
  - Service Providers in Ward
  - Private Industry
  - Foundations
  - Education Institutions
  - Community

- Advisory Board

- Federal Partners, incl. DHS

- OP & DMPED

Incorporate feedback into final draft of strategies

30-day public comment

Final Report
Next Steps

• Review of strategies, including local and federal government, Advisory Board, private and non-profit sectors
• Identification of pilot and phase one projects
• Producing implementation roadmap & final report
Discussion Questions for Next Meeting

• Which strategies would you prioritize?
• Which strategies are ‘low hanging fruit’ i.e. can be undertaken quickly?
• Are there gaps in the strategies?
• What is your organization’s potential role in implementing strategies?