Viewpoint: Make downtown San Francisco an official innovation hub. Here's how it would work.

Sean Randolph and Jim Wunderman – March 6, 2023

Could an innovation hub in downtown San Francisco be modeled after a Canadian city?

Downtown San Francisco is feeling the effects of the pandemic's aftermath more than any other U.S. city. While there are signs of life and the city clearly has a pulse, its empty feel conveys a lack of energy at odds with its role as a global innovation center where the world meets, new ideas are born, and transformative change happens.

The catalyst is remote work: With its large tech and professional workforce, San Francisco has more remote-eligible workers than other leading cities. Hybrid work is the new reality and even when employees return to work companies tell us it won't be every day. The ripple effects extend to street-level retail, hospitality, entertainment, commercial real estate and transit. With fewer people taking BART and Caltrain to San Francisco, our transit agencies face a fiscal cliff.

The Bay Area Council applauds the [initiatives announced by Mayor London Breed in February](#) to bring San Francisco's downtown back to life: conversion of empty office space to residential or [biotech use](#), more public events to draw people in, reduced costs for business through lower taxes and more user-friendly permit fees all will help — though the tax proposals don't go far enough. Safety is important too; people won't come if they don't feel safe, on the streets or in BART. That means addressing crime but also homelessness.

But let's think even more creatively: How can we make San Francisco a true innovation hub that depends less on office workers?

Toronto offers a model. In 2000 the city and private partners created the MaRs Discovery District, an innovation zone in the heart of downtown. Its goal is to commercialize publicly funded medical research and other technologies with the help of private enterprise. About 1,400 science and technology companies have participated so far, with a focus on health, cleantech, fintech and enterprise software.

The District reports that 22,000 people have been employed and $7.8 billion in revenue generated. As North America's largest urban innovation hub, MaRs now occupies 1.5 million square feet in Toronto's downtown, with 120 tenants including research labs and global companies. The MaRs Waterfront Innovation Center, a new 400,000-square-foot work and event space, partners the District with the University of Toronto.

San Francisco could do the same. New biotech space in Mission Bay is in short supply — the neighborhood is mostly built out and growing biotech companies will need to go somewhere. In the last decade tech companies have concentrated large numbers of employees downtown but not R&D — that could change.

There's room for universities, too. While the Bay Area is a major global R&D center, downtown San Francisco isn't but could be. The region is home to hundreds of globally based innovation and research offices — could more be located in the heart of San Francisco? The city could also work to bring manufacturing downtown. That may seem a surprising idea, but 3D printing has moved from boutique status into the manufacturing mainstream, attracting record levels of venture investment. Unlike traditional manufacturing 3D printing (additive manufacturing) doesn't require large floorplates and can be accommodated in relatively compact spaces.

The revitalization of downtown is important to the city for its tax base, but it's important to the region as well. The mayor is on the right track in her thinking on what needs to be done. Filling the city's near-empty towers is a difficult challenge but offers a clean slate for how the city can be remade. The city and the region's brand is built on innovation. It's time to get creative.

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