

Emerging Framework for a Request for Proposals for an Innovation-Based Economic Development Strategy for Holyoke and the Pioneer Valley with concentration on design and development of an Innovation District in Holyoke

Introduction

On June 10, 2009, the Governor of Massachusetts; the Mayor of Holyoke; the Presidents of Boston University, MIT, and the University of Massachusetts; and the Chief Executive Officers of Cisco and EMC made an historic announcement of their intent to enter into a partnership to create a green high performance computing center (GHPCC) to be located in the City of Holyoke. While this partnership was unprecedented and significant in its own right, the vision that was articulated of the potential catalytic role that the GHPCC and other innovation-based growth activities and processes could play in the revitalization of the City of Holyoke and the economy of the Pioneer Valley initiated a dialogue that has the potential to be transformative at several levels. More recently, it should be noted that the higher education consortium has expanded to include Northeastern University, and the Governor has announced a planned commitment of up to \$25 million of state funds to be invested in the GHPCC project in Holyoke.

The availability of cost-competitive and clean energy is one of the key factors that led to Holyoke's selection as the site for the GHPCC. Currently, Holyoke offers some of the lowest Commercial/Industrial electric rates in the region, and the carbon content of the electricity is less than one-third that of the average New England Utility. Holyoke Gas & Electric's (HG&E) competitive advantage is largely due to the low-cost hydro-electric power generated in Holyoke. Cost-competitive, clean energy will also be a key factor in attracting additional development to the city and, given the practical limitation of developing additional cost-competitive renewable energy in Holyoke, it is important to understand how much economic development growth Holyoke can accommodate while maintaining its competitive advantage on both price and carbon content. HG&E has developed a preliminary energy scaling plan based, in large part, on consultant recommendations, to meet the GHPCC load and additional projects within the Innovation District that can drive job formation and economic growth.

Concurrently, the City of Holyoke and the Holyoke Redevelopment Authority (HRA) are in the process of developing a vision for their upcoming Urban Renewal Plan and will include an Innovation District as one of their core elements of their urban planning and redevelopment initiatives. The Pioneer Valley Planning Commission (PVPC) in concert with the City of Holyoke has established an Innovation District Task Force to consider how best to leverage the establishment of the GHPCC as a catalyst for economic growth in Holyoke and in the region. The Massachusetts Technology Collaborative (MTC) has been tasked by Governor Patrick and Secretary of Housing and Economic Development Bialecki to work with the city and the PVPC to fund and support the development of regional and cluster-based strategies. This Request for Proposals (RFP) for strategic consulting services is a key element in the overall plan to develop those strategies.

This project is being initiated at an exciting and auspicious time for the city and the region, as manifested by the convergence of different initiatives and activities underway, including:

- The City of Holyoke created a Redevelopment Authority authorized under MGL Chapter 121B on November 4, 2008

- Last fall, the City of Holyoke and the HRA released Holyoke's Center City Vision Plan, prepared by its consultant Vanasse Hangen Brustlin, Inc. (VHB) through a civic engagement process as the vision to be used for the creation of an Urban Renewal Plan.
- On October 21, 2009, the GHPCC Partnership announced the completion of initial due diligence and its intent to proceed with the site selection and design of a facility to be located in the Canal District in the City of Holyoke.
- The HRA has hired VHB to develop a comprehensive Urban Renewal Plan that will focus on the lower four census tracts where the GHPCC is likely to be located.
- On January 28, 2010, the US Department of Transportation announced a \$160 million project to upgrade high speed rail between New Haven, CT, and St. Albans, VT, which will include a \$70 million major reconstruction and upgrading to the Pioneer Valley's main north-south rail corridor and the creation of a future rail hub along this corridor in Holyoke.
- On February 10, 2010, the City of Holyoke and Cisco announced the signing of a Memorandum of Understanding that establishes Holyoke as Cisco's first Smart and Connected Community in the U.S. As part of this initiative, Holyoke and Cisco intend to develop projects focused on smart housing, healthcare, public safety, education, and energy.
- Holyoke has committed to adopt the necessary criteria to become a Green Community in compliance with the state's Green Communities Act.

Important initiatives have been taking place within the Pioneer Valley region.

- Federal funding has been secured and construction is underway in order to lay fiber optic cables along Route I-91 between Springfield and Greenfield, passing through Holyoke.
- In 2004, the PVPC completed and released a major-ten year update of the region's strategic economic plan commonly referred to as the "Pioneer Valley Plan for Progress."
- In January 2008, the PVPC released a Clean Energy Plan, which includes first steps to articulate a regional cluster development strategy for the Clean Tech sector.
- In Fall 2008, UMass Amherst and the City of Springfield established the Greater Springfield – UMass Amherst Partnership, designed to revitalize Springfield's economy and position the city in the long term as a center for environmentally beneficial green industries and boost the city's arts and creative economy.
- In September 2007, the PVPC completed and released the Valley Vision II document that serves as the Pioneer Valley's regional land use plan for sustainability and smart growth, which has been cross-accepted by 40 of PVPC's 43 member communities including the City of Holyoke.

Both in Holyoke and in the broader Pioneer Valley, there are key assets with important potential to be mobilized strategically and contribute to this process. These assets include:

- Holyoke Gas & Electric, a municipally-owned utility, that provides electricity, natural gas, district steam, and fiber optic internet services to over 18,000 customers in the area.
- The precision manufacturing industry concentration in the Pioneer Valley that has recently come together to form the Precision Manufacturing Regional Alliance Project to undertake initiatives to enhance competitiveness, expand markets, and develop the next generation of skilled workers.

- A concentration of higher education institutions in the Pioneer Valley, including Holyoke Community College, the Springfield Technical Community College, and in close proximity the University of Massachusetts at Amherst and Amherst, Hampshire, Mount Holyoke, and Smith Colleges (the Five Colleges). In fact, the “Knowledge Corridor” boasts over 100,000 students attending 29 public and private higher education institutions along the Connecticut River Valley from Hartford, through Springfield and to the Massachusetts-Vermont border.

Objectives of the Innovation District Strategy Development Project

1. Articulate an action-oriented agenda, including a range of specific policies, programs, tactics, strategies, and investments that will leverage the resources, assets, and processes that have mobilized to bring the GHPCC to Holyoke to develop and catalyze broader innovation-based economic opportunities in the city and region. This agenda will help launch the initiatives for an innovation-based economic development process in Holyoke, while building on the main factors that originally attracted the GHPCC project, including lower-cost and renewable energy, access to broadband, enhanced rail connections, and sustainability. What opportunities, complementary and independent of the GHPCC, do these assets represent in terms of making Holyoke an attractive place to work, live, and play? The strategy includes, but is not limited to, planning for the emergence of an Innovation District that will serve as a focal point, socially and intellectually, of an economic reinvention process for the city of Holyoke by being attractive to economic activity and community. Conceptual integration with existing urban revitalization plans underway in Holyoke is expected.
2. Articulate a comprehensive and detailed industry cluster development strategy that will assist regional economic development players to trigger new business formation and attract companies to the region. This strategy will consider leveraging existing industrial and economic assets in the region.
3. Articulate a strategy for a broader regional innovation-based economic development strategy for the “knowledge corridor” that crosses state boundaries and follows the economic development opportunities along the north-south axis running next to the Connecticut River Valley, with Holyoke as one of the corridor’s key hubs.
4. Articulate the messaging and marketing campaign that will help attract investment to Holyoke, building on existing and envisioned assets that, in addition to renewable energy and the precision manufacturing industries, include access to broadband, enhanced rail connections, and creative use of the Pioneer Valley’s higher education resources afforded by institutions such as Holyoke Community College, Springfield Technical Community College, and the University of Massachusetts Amherst, among others.

Priorities and Timelines

The respondent to this RFP ought to consider the objectives stated above as organized within a framework of priorities and timelines in terms of “concentric circles”:

1. The center of these concentric circles is the proposed GHPCC and the assets, especially clean / cost-effective energy, that have made Holyoke a desirable location for the GHPCC and the epicenter of interest in the implementation of an innovation-based economic development strategy for the Pioneer Valley. (The development of the GHPCC is outside the scope of this RFP.)
2. Moving outwards from the center, and of highest priority and expected impact in the shorter-term for the stakeholders involved, is how to leverage the GHPCC, the availability of energy and other baseline conditions (i.e. transportation, telecommunications infrastructure, and others) to develop an Innovation District in the City of Holyoke. The tasks and deliverables associated with the Innovation District Design and Development ought to be considered by the respondent as the element of this RFP with the highest level of priority.

3. The third concentric circle refers to the City of Holyoke. This concentric circle contains the tasks and deliverables associated with (1) how the broader City of Holyoke, beyond the GHPCC and the Innovation District can become more attractive for business formation and location and (2) how to create opportunities for the citizens of Holyoke to benefit from the presence of the GHPCC and the envisioned revitalization anchored by the Innovation District. The strategies associated with this concentric circle are associated with a longer timeframe but are considered a high economic development priority.
4. The fourth concentric circle is the Pioneer Valley region and the Knowledge Corridor. It includes the tasks and deliverables associated with an innovation-based economic development strategy for the region. This concentric circle refers to the longer-term vision of the potential impact of the GHPCC and the emergence of an Innovation District in Holyoke.

Scope of Services

The purpose of this RFP is to identify and select a qualified consultant or consultant team to develop strategies to support the deployment of an innovation-based economic development strategy and the establishment of an Innovation District within the City of Holyoke which can be leveraged to revitalize the economy of Holyoke and the region. This scope of services describes in detail the expected tasks and deliverables. Some of the tasks and expected deliverables overlap all concentric circles outlined above, (i.e. GHPCC, Innovation District, City of Holyoke, and Pioneer Valley/Knowledge Corridor Region), while some are specific to each concentric circle. It is expected that the respondent will provide a hierarchy of tasks and priorities based on the concentric-circle framework.

The selected consultant will be expected:

- To engage with the Innovation District Design and Development Task Force (the “Task Force”). The Task Force represents key stakeholders in Holyoke and the broader Pioneer Valley who have convened for the purpose of advancing and implementing a vision for the future of the region, to successfully conduct and complete a scope of work that will allow the full benefits of an Innovation District to be realized over the short, mid and long-term. The Task Force is comprised of officials of the City of Holyoke and the Holyoke Redevelopment Authority, Holyoke Gas & Electric, Pioneer Valley Planning Commission, Western Mass Economic Development Council, University of Massachusetts Amherst, Holyoke Community College, Springfield Technical Community College, Western Massachusetts Cover Technologies, Holyoke Works, Peoples Bank, the Holyoke Chamber of Commerce, the Western Massachusetts Latino Chamber of Commerce, representatives from the offices of State Senator Michael Knapick, U.S. Congressman John Olver, State Representative Michael Kane, U.S. Congressman Richard Neal, and representatives from state economic development entities including MassDevelopment, the Franklin Regional Council of Governments, Pioneer Valley Connect, Western Massachusetts Regional Office – Small Business Development Center, Regional Employment Board of Hampden County, Springfield Office of Planning and Development, Massachusetts Office of Business Development (MOBD), the Executive Office of Housing and Economic Development (HED), and the Massachusetts Technology Collaborative.
- To engage with key community and regional stakeholders, as well as the academic and industrial partners, who are coming together to undertake the green high performance computing center project.
- To build synergies and avoid redundancies with ongoing planning efforts within the City of Holyoke and the Pioneer Valley. In particular, the selected consultant will be expected to engage in the dialogue regarding the City’s Urban Renewal Plan.

The Respondent will outline a detailed series of tasks to be undertaken in developing an innovation-based economic development strategy for the region with highest priority on design and development of an Innovation District in Holyoke. The work plan must be responsive to a strategic framework that has spatial (Innovation District, community, and regional) and temporal (near-term, mid-term, and long-term) dimensions. The work plan must also be responsive to a strategic framework which addresses the needs of urban planners, business and civic leaders, and the community at large, inclusive of state, regional, and local planning and economic development agencies and officials

1. Tasks and Deliverables

The work plan must, at a minimum, address, and provide separate budgeting for the following:

1. Task 1 – Prioritization and Preparatory Activities

- a. Kick-off meeting - based on the concentric-circle organizing framework outlined above, the respondent will review the proposed work plan with the Task Force and establish a common set of priorities based on expected impact and time horizon.
- b. Communications and stakeholder engagement strategy, including a strategy to leverage web-based engagement (e.g., via surveys) with key stakeholders.
- c. Expansion of a web-based portal for communication with stakeholders to increase the level of transparency in the process, utilizing the existing website www.innovateholyoke.com.
- d. Targeted outreach efforts specifically designed to enlist and engage the input of individuals and groups whose comments and suggestions can be valuable to this planning effort. Examples of such include young entrepreneurs, small business owners, ethnic or minority groups, etc.

2. Task 2 – Analysis of Baseline Conditions and Opportunities

- a. Identify and assess opportunities and constraints to leverage the current convergence of factors and mobilization of regional actors, as manifest in the effort to establish of the Green High Performance Computing Center that could facilitate the emergence of an Innovation District in Holyoke and, in the longer term, catalyze a broad-based process of innovation-based economic development in the region.
- b. Identify key assets that could be leveraged to facilitate the emergence of an Innovation District in Holyoke, and that could then facilitate leveraging this Innovation District to catalyze an innovation-based economic development process built on a regional competitive advantage. The identification and articulation of areas of opportunity to upgrade these assets and/or build synergies among them is expected. Assets to be incorporated include:
 - i. Baseline physical infrastructure
 1. Cost-effective, renewable energy resources, particularly as represented by Holyoke Gas & Electric and other energy players in the region (See Task 4 below).

2. Competitive analysis of commercial and industrial real estate costs and their effects on the location decisions of new businesses.
 3. Telecommunications infrastructure, particularly as represented by the fiber optic network running through the I-91 corridor and efforts to expand it throughout the region.
 4. Transportation, both road infrastructure and the opportunity presented by the planned upgrade and re-routing of high-speed rail through Holyoke
- ii. Global context and linkages
 1. Key trends in the regional, national, or global economy that align with, or can be leveraged to support a comprehensive and multifaceted regional innovation-based economic development strategy.
 2. Key linkages (local, regional, state, global) that can create synergies to enhance innovation-based economic development.
 - iii. Local and regional socio-economic environment
 1. Educational and income level of the population that could be directly impacted or benefit from the emergence of an innovation-driven segment of the economy in Holyoke.
 2. Factors influencing the quality of life in the city and region such as housing, cultural facilities, open space, and recreation, etc.
 - iv. Key leadership/institutions for collaboration in the City of Holyoke and the region at large.
 - v. Key institutional infrastructure for innovation in the City of Holyoke and along the “Knowledge Corridor”
 1. Higher education and research institutions
 2. Other research-oriented institutions
 3. Major innovation economy employers
 4. Local and regional attraction amenities such as key arts and cultural institutions, recreational facilities, natural resource assets, and historic structures.
- c. Identify key gaps in the innovation ecosystem and/or competitive challenges that must be addressed to support a comprehensive and multifaceted innovation-based economic development strategy for the region, with particular emphasis on gaps and challenges that must be addressed to support an Innovation District in Holyoke.
 - d. Identify opportunities to leverage the interests and capacity of the academic and industrial partners currently involved in the GHPCC initiative to support a broader agenda for innovation-based economic development in the City of Holyoke and the Pioneer Valley.

- e. Present relevant lessons from comparable examples of regional innovation-based economic development initiatives including, to the extent appropriate, those that have involved:
 - i. High performance computing centers
 - ii. Innovation districts
 - iii. Strategies to reinvent regional and/or urban economies
 - iv. Successful efforts in comparable small cities and medium-sized metropolitan regions
3. Task 3 – Energy Strategy Development
- a. Provide a comprehensive strategy to enhance and leverage the competitive advantage that the low-cost and sustainable energy infrastructure available through Holyoke Gas & Electric (HG&E) represents for the region.
 - i. Review HG&E's preliminary energy scaling plan and determine the reasonableness of HG&E's ability to scale to meet potential increased loads while maintaining a competitive advantage in the region with respect to cost and carbon-content.
 - ii. Consider how the assets and capacities of HG&E (e.g. ownership of Holyoke Dam and canal system; jurisdiction of fully integrated energy system; pre-permitted hydroelectric locations; available real estate and economic development mandate, etc.) can provide the framework for supporting the formation and attraction of clean and alternative energy firms to Holyoke and the region.
 - iii. Consider how existing hydroelectric and other assets of HG&E can serve as a demonstration location for universities and industry to test and validate new and emerging energy technologies.
 - iv. Recommend business support strategies for development of an indigenous clean energy industry. This strategy should consider the following non-exclusive list of interventions: business incubation; energy demonstration center; business finance support; and development of formal and informal energy business networking services.
4. Task 4 – Industry Cluster Strategy Development
- a. Identify and map existing assets in the city and region that are well positioned as stand-alone foundations (e.g. Holyoke Gas & Electric, Holyoke Community College, I-91 High Speed Broadband Fiber etc.) or as part of key industry cluster value chains.
 - b. Based on asset and value chain mapping, recommend target existing or emerging industries, first in Massachusetts, then nationally and internationally, that could be targeted for growth in Holyoke, with the Innovation District as the epicenter for growth and co-location, and articulate prospects for expansion to the larger Pioneer Valley.
 - i. Identify industries amenable to an endogenous growth strategy.

- ii. Identify industries amenable to a strategy based on the transplantation (attraction) of assets and companies currently located elsewhere, or that are in the process of making location decisions.
- iii. Identify target companies that could establish and have a presence in Holyoke and serve as “anchor tenants” for a broader small and medium-sized business presence to emerge in the Innovation District and the broader region, leveraging clean and cost-effective energy and in synergy with the proposed GHPCC.
- iv. Articulate a strategy that would leverage the presence of the GHPCC, clean energy, new transportation modes and intermodal connections, and an expanding broadband infrastructure to spur the emergence of industry cluster formation processes in Holyoke and the Pioneer Valley.
 - 1. Identify synergies with existing businesses, universities, and colleges to devise a plan to promote entrepreneurial activity in ways that leverage the GHPCC.
 - 2. This plan includes the envisioning of a space within the Innovation District for emerging entrepreneurs and young businesses.
 - 3. Identify opportunities to attract major industry players to the region, leveraging the GHPCC and the availability of clean, cost-effective energy.
- c. Identify where these assets align (or could evolve to align) with perceived growth opportunities in the innovation economy.

5. Task 5 – Innovation Ecosystem Strategy Development

- a. Name, specify, and prescribe strategies for enhancement, growth, and collaboration in and between players in industry, academia, and government, building on insights generated as part of analysis of baseline conditions and opportunities that will:
 - i. Enhance the innovation ecosystem, attract new businesses, strengthen existing businesses, and support the emergence of an Innovation District within the City of Holyoke.
 - ii. Enhance the innovation ecosystem, attract new businesses, strengthen existing businesses, and support economic growth within the Pioneer Valley region.
 - iii. Help upgrade workforce skills, establish alternative career ladders, and otherwise provide economic opportunity for disadvantaged and minority populations in the City of Holyoke and the Pioneer Valley.
- b. Present a time-based work plan to execute the above strategies.
- c. Provide explicit recommendations about how the recommended efforts should be implemented, in a manner consistent with the economic development objectives, the order of priorities established by the concentric-circle framework, and that balances community and regional interests.

6. Task 6 – Public Input

The project will include several levels of public input throughout the process. It is estimated that there will be one large public charette during the process, and smaller stakeholder interviews with key sectors throughout the process.

- a. Prepare a plan to engage stakeholders throughout the exercise to ensure the development and validation of shared understandings.
- b. Proposed inputs and expected participation include the Innovation District Task Force, the City of Holyoke, the Pioneer Valley Planning Commission, community residents, the Massachusetts Executive Office of Housing and Economic Development, MTC personnel, and the GHPCC consortium, among others.
- c. The consultant will be expected to be in regular communication with the city's consultant completing the Urban Renewal Plan and other information gathered through that process. The consultant will also be expected to share information gathered through this process with the consultant completing the Urban Renewal Plan.

7. Task 7 – Reporting and Dissemination

- a. Prepare a final report suitable for dissemination to key stakeholders and the public at large.
- b. Prepare a communications plan designed to broadly and effectively disseminate the final recommended strategy, which is devised by the consultant or consultant team who is selected to work in concert with the Innovation District Task Force. Identify the creative means to execute the communication plan so as to achieve broad public awareness, understanding, and support for the successful implementation of the recommended Innovation District Strategy ultimately assembled under the auspices of this project.

In addition to addressing the tasks, considerations, and work products cited above, the Respondent will provide:

- A written process and plan to manage the overall project activities.
- A process and plan to engage stakeholders throughout the exercise to ensure the development and validation of shared understandings.
- Proposed inputs and expected participation from the Innovation District Task Force, the City of Holyoke, the Pioneer Valley Planning Commission, and MTC personnel.
- Proposed deliverables.
- Schedule and milestones.
- Key assumptions that form the basis for the proposal.
- Appropriate time horizon, as well as the rationale behind it.

Eligibility

Respondents may elect to assemble a team to address all requirements of the Technical Consulting Services if they are not available within a single organization. In such case, individual team members must demonstrate knowledge and experience in performing the services required. If a team or joint venture approach is proposed, the respondent must identify the legal entity which shall sign and be obligated to comply with the terms and conditions of the Master Agreement.

In order to be considered, respondents must, at a minimum, demonstrate:

- An understanding and knowledge of innovation-based economic development theory and practice;
- Demonstrated knowledge and expertise in clean energy industry related strategic consultant services (i.e. this expertise should, at least in part, be obvious within the consultant team).
- Demonstrated experience, within the last 5 years, with the design and implementation of regional innovation-based economic development strategy in context with similar challenges and opportunities to those presented by Holyoke;
- A demonstrated capacity to approach the tasks at hand in an interdisciplinary way, with methods and conceptual frameworks relevant to practice in the specific context under consideration;
- Experience working with multiple stakeholders in industry, government and academia;
- Excellence in written communication and experience in the public dissemination of outcomes for general audiences;
- Ability to come up to speed quickly on new industries and markets, understanding the business logic in new / evolving segments;
- Substantive knowledge of regional economic development and its relationship to industrial innovation and the location decisions of firms.
- Ability to work effectively within the context of a government agency;
- That the rates proposed for these services are competitive with the rates provided to other clients for similar services; and
- A track record of completing work on schedule and within assigned budgets.