

Inventive Growth

South Bend Developing a High-tech Future

By Candace Gwaltney

Innovation is more than a buzzword for the city of South Bend. It's part of its history and culture.

As home to the University of Notre Dame and other higher education institutions, the city produces countless original thinkers and inventors. Historically, the Industrial Revolution led to new inventions from local giants The Studebaker Automobile Company and the Oliver Chilled Plow Works.

Now, South Bend is preparing to experience a new revolution – one defined by scientific discovery, new technology and, of course, innovation. The city, universities and industries are working together to make South Bend a vibrant center for discovery.



The City of South Bend is exploring ways to streamline and prioritize services as it faces decreased property tax revenues, notes Mayor Steve Luecke.

South Bend's first certified technology park, Innovation Park at Notre Dame, will open this fall.

Transforming ideas into commerce

The state's fourth largest city will open its first certified technology park, called Innovation Park at Notre Dame, this fall. The three-story, 54,000-square-foot facility will be adjacent to the university. A second tech park, known as Ignition Park, will be located at the former Studebaker factory site. While the two parks will work closely together, they each serve a different purpose, says Dave Brenner, president and CEO of Innovation Park.

Innovation Park will serve as a transitional space as researchers and entrepreneurs transform ideas into commercial applications.

Ignition Park will serve as a landing space for these newly developed companies. Innovation Park is owned by Notre Dame, while Ignition Park is owned by the city of South Bend.

"The task in the Innovation Park is to help get these businesses started and into a position where they can then move to Ignition Park and really begin to expand and grow," Brenner relates. "And that's where the community will begin to see the more direct impact as these businesses move through the transformational stage and then start to grow, create jobs and really take off."

With the fall opening, Brenner is now accepting applications for clients at Innovation Park.

"We are really looking for start-up ventures and established companies that are already starting to have some traction, but they see an opportunity for engagement either directly



through university research, faculty, students or others (and) where that will help them go to the next level," Brenner offers.

Types of clients that could land in the technology park are those exploring nanotechnology, medical devices and other life sciences ventures. Brenner also is seeing interest in energy, wireless activities and bioengineering.

He notes the blurring line between science and engineering as new technologies continue to leverage both fields. "That's where innovation comes in."

South Bend Mayor Steve Luecke views the technology park as the next big development with the most potential for long-term impact.

"First, it's just exciting to me the partnership that we've developed with the University of Notre Dame," he relates. Other local universities and colleges such as the Indiana University School of Medicine will also be involved at Innovation Park.

"To capitalize on the intellectual property on campus and the ingenuity and creativity, to see some of that transform into ideas that commercialize and become new products and new companies here in our community, I think will help us to set our local economy and regional economy on a new course," Luecke asserts.

Brenner expects Innovation Park will house as many as 20 companies at a time. The site is designed to add as many as three additional buildings as the park gains momentum. The Ignition Park site is 83 acres, so it could also accommodate many companies, he shares.

Scholarly ventures

Last year, Notre Dame was named home of the Midwest Institute for Nanoelectronics Discovery (MIND). It is one of four centers funded by the Semiconductor Research Corporation's Nanoelectronics Research Initiative (NRI).

The goal of the NRI centers is "to discover and develop the next nanoscale logic device – one with performance capabilities beyond conventional devices, enabling it to become the basic building block of future computers," according to Notre Dame's MIND web site. Specifically at Notre Dame, researchers are working on energy-efficient devices and systems.

Because of this designation, nanotechnology could be a significant component of what's developed at Innovation Park, notes Robert Bernhard, vice president for research at Notre Dame. Still, he says that is just one aspect of the university's interest in the two-site technology park.

"We have many faculty members who are interested in having an impact; for some of them having their work find



The University of Notre Dame is at the center of economic development initiatives in the city through its involvement in the new technology park and other city projects.

commercial application is having impact," he offers. "They are looking forward to getting their work out of the university and into the South Bend economy as (soon as) possible. Innovation Park represents the first step in that."

He continues: "We are interested in Ignition Park because we have a big stake in the community here. It is important to us that the South Bend community be a thriving, exciting, interesting place to live."

Bernhard estimates about one-third to one-half of potential clients at the technology park will be people from the university looking to commercialize a new development. The other half or so will be clients who are interested in using the university as a resource.

Notre Dame will see additional benefits from the technology park.

Those include more opportunities for research funds as the university becomes a subcontractor for clients; sustained and improved research facilities as research park clients pay to use the amenities; and the opportunity to compete for larger grants. Many federal grants require translation of research into commercial applications, which is what will be happening at the technology park, Bernhard explains.

A gathering place

South Bend's vision not only includes developing a center for research and business ventures near Notre Dame, but also a place to meet for lunch or raise a family.

Eddy Street Commons is a mixed-used development being built adjacent to both Innovation Park and the university. The city has been working on the project with residents in the neighborhood as well as with the university, local businesses and hospitals.

"This is about a \$200 million development that will bring commercial, retail, two hotels and about 400 residential units into the area," Luecke notes.

The development is part of a larger revitalization effort on the city's northeast side. Eddy Street Commons will be a place to meet and for "town and gown to come together," he adds.

Innovation meets medicine

At South Bend's Memorial Hospital, innovation is a part of its culture. The medical center's Innovation Café trains employees and visiting groups on how to think differently.

"Innovation is a competency; it's something you have to learn. You're not just born with it," states Phil Newbold, hospital president and CEO.

What was once a deli next to the hospital became Innovation Café. At first glance, it still looks like a sandwich



Memorial Hospital President and CEO Phil Newbold transformed a former delicatessen into Innovation Café. The meeting area is used to train employees and visiting groups to become innovators.

shop. Look closer at what's behind the counter and instead you find things such as "Basic Ingredients for Innovation."

When working in the medical field, it's pounded into employees to do it right the first time; there's no room for mistakes. Being innovative proves to be a "real culture clash" in hospitals, Newbold surmises.

That's why he created the café – a place where innovation is welcomed and employees change their way of thinking. The training has changed the hospital's culture and vocabulary, he says. Instead of hearing "that's a crazy idea," "it will never work" or "we tried that three years ago," Newbold hears encouragement and "wow!"

"People don't fight the 'crazy ideas,'" he says.

Newbold's recipe for innovation has garnered attention from *The Wall Street Journal* and *HealthLeaders* magazine. Innovation Café welcomes groups from the community and across the country to get a taste of how to think big.

Recently, the café hosted an "innovation speed dating" session that allowed Notre Dame researchers to mingle with entrepreneurs and clinicians from the community. The two groups had 15-minute, one-on-one sessions to find ways to

connect what each individual has to offer, Newbold explains.

Sustaining a city's vibrancy

In the last decade, South Bend's downtown district has continued to become a destination for dining and culture. The renovated Morris Performing Arts Center, which attracts national touring acts, consistently ranks in the top 50 for ticket sales among venues its size, Luecke shares.

"There's a real liveliness to downtown" that will help attract additional businesses, retail and residential opportunities, he adds.

The city is also making South Bend more pedestrian-friendly as it adds 50 miles of bicycle trails and lanes. The trails, especially along the riverside, have become popular for both families and people interested in living a healthy lifestyle, Luecke relates.

"It really all ties together when you look at creating, supporting and sustaining creative culture in a city," he notes. "That will be important to entrepreneurial development, and that is important to keep young professionals here in our community."

While Luecke is optimistic about the direction of the city with the research parks and other initiatives, he says the national economy presents challenges. He points to neighboring Elkhart County with the highest unemployment rate in the state and its impacts on St. Joseph County residents and businesses.

Another challenge facing the city is the property tax caps enacted by state government.

"Because those restrict the amount of property tax we are able to collect, South Bend anticipates seeing a reduction in our property tax revenue of \$8 million this year and \$18 million in 2010," Luecke shares. "That becomes a real challenge for us to be able to continue to provide key services and have the quality of life amenities that people expect from a regional center such as South Bend."

To deal with decreased revenues, the city is looking at options such as streamlining services, prioritizing delivery of services, partnering with other units of government and the community, and discussing additional local income taxes.

"I think most critically (though is) continuing to focus on economic development efforts in trying to sustain jobs that already exist here, support those companies and jobs, but look to attract new jobs and new private investments in the community as well," Luecke concludes.

INFORMATION LINK

Resources: Robert Bernhard, University of Notre Dame, at www.nd.edu/~research

David Brenner, Innovation Park, at 574-631-8825 or www.innovationparknd.com

Steve Luecke, City of South Bend, at (574) 235-9261 or www.southbendin.gov

Phil Newbold, Memorial Hospital and Health System, at <http://www.qualityoflife.org>