



SME4SMARTCITIES

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Executive Summary

This guide is a toolbox for establishing innovation zones in cities, as a focused scope endeavor that allows to materialize and boost the existing potential of areas in the city with feasible, low-investment and easier to execute initiatives with a large impact for the city, the local business sector and the local community.

Its purpose is to achieve a high impact and value while remaining low on required resources and time, using largely existing resources and avoiding any massive building and re-design requirements.

As cities face many challenges¹, they can solve many of them with the local creative community already in place. They can also go beyond providing solutions to these challenges by becoming attractive to business and talents, developing wellbeing and sustainability and by creating a competitive advantage.

This toolbox provides a practical step-by-step approach and methodology and a case study of an actual project – The Herzliya Innovation Zone, that was created using this guide and toolbox. The attached Playground Guidelines document and the Design Playbook expand on this outline and extend on activities, ideas and good practices.

The guidelines and practices in this document can act as both a blueprint and as a source of inspiration. More ideas and good practices are presented in Part 2 of this guide - The Innovation Zone Playground Guidebook

The Design Playbook expands on this outline with visual guides and design tools.

Introduction

The innovation zone is a local area designated to demonstrate and facilitate community involvement in innovation and sustainability. The innovation Zone offers opportunities for experiencing and developing the full urban ecosystem collaboration of the local government, SMEs, academic institutions, NGOs, schools and the local resident community.

This is especially relevant for the smart cities market as the commitment of the regional stakeholders and the close cooperation with local governments will allow SMEs to develop solutions more suitable to the real needs of cities.

Therefore, an “Innovation Zone” should be understood as a friendly ecosystem that supports SMEs creation and capacitation towards smart cities solution innovation. It will serve as a pilot action in the field of smart cities innovation and of co-creation and co-innovation based on transnational cooperation.

The planning and design of the innovation zone toolbox builds on previous work undergone through the project, the studies and work with both cities and SMEs and on the resulting deliverables of the SME4SMARTCITIES project and it increases their impact - A3.1.3 Urban Challenges and Readiness Study, A3.1.6 Report on the opportunities for SMEs to participate in the market of smart city solutions, 3.2.2: Diagnosis of the existing & needed support services for innovative & technological SMEs in the MED region and A4.1.1 online smart cities course. This toolbox is also integrated with A4.1.9 Sustainable Innovation Support Toolbox.

This toolbox is a methodological framework applicable for cities across the Mediterranean region and for going beyond individual cities, establishing transnational knowledge sharing and cooperation.

¹ Municipal Innovation and Sustainability Readiness—Results from a Study of Mediterranean Cities, <https://grf.bgu.ac.il/index.php/GRF/article/view/602>



Purpose and Objectives

In recent years, city leaders have been attracting talent through the transformation and sustainable development of public buildings, institutions, streets, and even whole districts that were getting old, outdated, and little used.

This has been done on various scales of size. From single buildings, such as empty historical buildings, through schools that ceased operation because of changing demographics, to abandoned industrial sites up to a large-scale renovation of a whole district. In this review, we will look at some case studies of various scales of size.

Using the innovation zone toolkit, Mediterranean cities can develop a pilot action in the field of smart cities innovation and of co-creation and co-innovation based on transnational cooperation. They can create a local area designated to demonstrate and facilitate community involvement in innovation and sustainability, based on the existing potential, buildings, organizations and human capital already in place, with minimal resources required and no new construction except for the establishment of a meeting and co-work space in an existing public building.

The innovation zone offers opportunities for experiencing and developing the full urban ecosystem collaboration of the local government, SMEs, academic institutions, NGOs, schools and the local resident community. It will create an opportunity for small and creative businesses in the city to create a business network, a friendly and synergistic ecosystem that will connect businesses, and from it will emerge opportunities for co-creation for the innovative development of smart city solutions, which can also be implemented in the host local authority as a beta site.

The innovation zone will also enable networking between the businesses and the local community, building involvement, strengthening local pride and positive communication to the place and the local authority. He will be a well-publicized example that can generate international cooperation.

Examples for some of the benefits:

Developing the potential of a street segment in the city, on the existing basis and without the need for development and construction investments - to experience and develop cooperation of the local government, small and medium businesses, academic institutions, non-governmental organizations, schools and the local resident community.

Allow small and medium-sized businesses to develop solutions that are more suitable for the real needs of the cities, thereby enhancing the value contribution of the city in the smart cities market.

Enable the creation of a success story of innovation zones that will be communicated and will be a model for other cities in the Mediterranean region, leading eventually to a growing network of cities.

Scope – What is an Innovation Zone

An Innovation zone is an existing stretch of a major street in a city, a 1~2 KM section of the street and areas extending up to 500 meters on each side of the street. It is a community building and synergy creation initiative which brings together existing business, public organisations, academic and learning institutions and the resident community, to develop and build on the existing potential of the existing intellectual assets, community assets, urban infrastructure and environment to facilitate increased collaboration, innovation and wellbeing for all stakeholders.

Therefore, an Innovation zone is an urban development initiative based on the intersection between entrepreneurship, local government, community and environment to facilitate sustainable innovation in the



public sphere. Since it is based on existing assets and infrastructure it does not require construction works or any disruption to the fabric of the urban ecosystem, only the setting up of a meeting hub and community space, preferably in an existing public building.

Innovation Zone vs Innovation District

While an Innovation Zone is centred around a single existing street section and is based on existing human capital and existing urban infrastructure, an Innovation District is a large-scale reconstruction of an entire neighbourhood or a usually run-down or derelict urban area. As explained by Brookings Institute, Innovation Districts have anchors that include research institutions, high-growth firms and start-ups in “well-designed, amenity-rich residential and commercial environments.” ... “These districts build on and revalue the intrinsic qualities of cities: proximity, density, authenticity, and vibrant places. Given the proximity of many districts to low-income neighbourhoods, their intentional development can be a tool to help connect disadvantaged populations to employment and educational opportunities” ([Brookings Institute - Innovation Districts](#)).

Innovation districts facilitate the creation and commercialization of new ideas and support metropolitan economies by growing jobs in ways that leverage their distinct attributes.

Innovation districts can completely transform urban areas, bringing remarkable business, learning, social and environmental benefits for the city and drawing in both local and international talent, as well as major organisations and enterprises.

They may be based on a renovation and rejuvenation effort of a declining district which has lost its appeal, or on ambitious construction projects in already thriving areas and they can also be based on existing infrastructure and buildings. There are opportunities in many locations waiting to be rediscovered, either with a major redesign or a subtle rejuvenation of existing assets.

the 22@Barcelona Innovation District

In Barcelona, the 22@Barcelona Innovation District has started as a governmental initiative to transform an old industrial district into an innovation zone. By developing a synergy of an attractive living environment with an advanced work environment, the 22@Barcelona district has become a center for SME companies surrounded by museums, galleries, bars and restaurants. The district has an area of 4,000,000 sqm of offices, commerce and research, 220,000 sqm of green spaces, residential and social housing buildings.

The district drives technological and economic innovation by bringing together innovative companies, universities, learning centers and research centers. It attracts local and international talent. By 2020, the district had more than 93,000 people in 9,000 companies and 25,000 students at the local universities. 16% of the residents are from other countries around the globe.



The 22@Barcelona district. Source: [More than Green](#)

An innovation zone has similar objectives yet at a much modest and smaller scale, in an existing street space.

Both Innovation districts and Innovation zones build on and revalue the intrinsic qualities of cities: proximity, density, authenticity, and vibrant places. Their secret of success is in community building and in creating new opportunities and collaborations, engaging multiple and diverse stakeholders - local residents, students, entrepreneurs and artists, business, culture, science, learning, social and health establishments and organisations.

They also need to create convenient, pleasant and green places for meetings and a healthy, comfortable environment that will attract both local and international talent to commit to long-term sustainable engagement.

Amsterdam's Knowledge Mile

The Knowledge Mile in Amsterdam is a remarkable example of a collaborative local area project, a business and innovation district that runs through 2 streets in central Amsterdam (Wibautstraat and Weesperstraat).

This area in the heart of the city was facing challenges such as heavy traffic, air pollution, and flooding. Since its inception in late 2017, a diverse community is working to solve these issues by sharing knowledge, driving innovation, establishing connections, and creating partnerships. It has a community of 30.000 residents, 60.000 students, 735 organisations, municipal institutions and 3 universities located in the vicinity - the Amsterdam University of Applied Sciences, the University of Amsterdam, and Amsterdam University of Arts.

The business, social, and knowledge institutions located at the Knowledge Mile have united in a business investment zone (BIZ) that is becoming increasingly intertwined with the development of the area between



Amstelplein and City Hall, working to sustain a green, safe and networked business area. This is a great example of experiencing and developing the full urban ecosystem through a collaboration of the local government, SMEs, academic institutions, NGOs, schools, students, and the local resident community.

In 2019, the municipality of Amsterdam started the Knowledge Mile Park project to work together with the community and other partners on greening public space and building facades. Solar panels and water storage facilities were also installed to better manage abundant renewable natural resources.

The design of the district was also based on local stakeholders' engagement. The design team has conducted over 150 interviews with local stakeholders and more than 50 meetings with residents in the area. Beyond business development, the project was designed to create a vibrant innovative community, nurturing leisure and social activities and drawing in talents.



Baxter Building



Academie voor Theater en Dans



Academie van Bouwkunst



**BIZ Knowledge Mile
Herstemming: 2022 - 2026**



Wijkagenten



BHV-training en AED's

Multiple projects at the Amsterdam Knowledge Mile

(Source: <https://knowledgemile.amsterdam/s/projects>)



Greening Amsterdam's Roofs - A mission to install 10,000 SqM of blue-green roofs

source: [De Amsterdamse dakenrevolutie](#)

A large number of participants in the Knowledge Mile business investment zone have joined forces in a collective waste contract, for clean collection and sustainable processing of waste and raw materials. This reduces the amount of polluting transport movements, resulting in lower CO2 emissions and better traffic flow. The Knowledge Mile is therefore close to Zero Waste status.

Action plan

This action plan is a step-by-step plan for establishing an innovation zone framework and making it ready to conduct actual activities, events, meetings and co-creation, business community and full stakeholders community activities

1. **Compile Innovation Zone Thematic Plan** –The plan will encompass the required criteria for choosing the location based on the readiness and suitability of urban space, target audience, scope, outputs, potential opportunities for municipalities, , SME involvement, potential benefits for climate and innovation and estimated investment required.
2. **Establish steering committee and Identify Municipal Partners** – bring together a steering committee to identify partnerships, establish diverse point of view, engage existing knowledge and experience and guide together the actual activities going forward.
3. **Establish criteria and choose location based on the criteria** - The first step in developing an Innovation zone is choosing the most appropriate street area that already has the right infrastructure, facilities and blend of multiple and diverse stakeholders - local residents, students, innovative SMEs, businesses, artists, culture, science, learning, social and health establishments and organizations. This initial setting conditions for engagement and synergy building with as low initial ground laying work as seemingly possible.

The criteria that will be established and decided after a vote of the steering committee will be the basis for evaluating proposals and choosing the most appropriate location. It is best to suggest, evaluate and compare 2-3 alternative city locations, to find the most suitable location based on the predefined criteria.



4. **Establish City Partnership** – In the example case study of the Herzliya innovation zone, The TAU SME4SMARTCITIES team published an open call for cities in Israel that participated in the project's cities support group. Following replies and proposals by municipalities to participate in this endeavor, a task team was established with the chosen municipality. A municipal manager was assigned to lead the task team. Managers in the municipality such as the CEO or Director General, Sustainability, environment, innovation and businesses engagement managers should be core members of this task team, and with support of logistics departments will lead the actual implementation. The task team will compile the partnership agreement, work plan and set up the timeline and requirements for the project.
5. **Set Up, Adapt the program to the city** – this phase is the actual execution of the physical aspects of the pilot, including the following activities:
 1. coordinate initiative with relevant municipal entities – attain the required permits, align plans with urban planner, architect and landscape architect, ecological survey, etc.
 2. Establish the key stations of the Innovation Zone, which will include the meeting hub demonstration space, co-working space, appropriate signage and linkages throughout the zone.
6. **Engagement** – establish the multi-stakeholder engagement aspects of the project. Activities will include community mapping, SME engagement, public engagement, setting up meeting facilities in an existing public building such as a library or a community centre (NO construction, only interior design and garden landscaping), initiating meetings, events, establishing an online community and bulletin board, etc. In order to create growing collaboration between the city, SMEs, local learning organisations, and the local community.

Establish steering committee and Identify Municipal Partners

As a first step to creating an innovation ecosystem of stakeholders in the planned innovation zone, it is advisable to create a steering committee or an advisory board with a broad view and representation and identify partnerships. It will be a budding ecosystem in itself – municipal managers such as CEO, city engineer, environment, innovation and similar relevant roles, relevant academy scholars and experts, innovation centers, businesses development unit and city managers in similar roles from other cities. based on the objectives and criteria defined in this document. The steering committee / advisory board (choose the title that best suits your project) will advise on setting objectives, defining criteria and eventually on creating and executing actual activities together.

As the Innovation zone project progresses, the steering committee / advisory board should be engaged in planning and making decisions, learning from the experience of other cities, engaging stakeholders across the municipality department and the local business and resident community, participating in major milestones and events and facilitating actual activities and initiatives as the innovation zone matures on the long run.

Criteria for Establishing an Innovation Zone

The first step in developing an Innovation zone is choosing the most appropriate street area that already has the right infrastructure, facilities and blend of multiple and diverse stakeholders - local residents, students, innovative SMEs, businesses, artists, culture, science, learning, social and health establishments and organisations. This initial setting conditions for engagement and synergy building with as low initial ground laying work as seemingly possible.



The criteria are based on the readiness and suitability of the urban space, target audiences, scope, outputs, potential opportunities for municipalities, involvement of small and medium-sized businesses, potential benefits for the climate and innovation, and the estimate of the required investment.

Begin by mapping and studying the potential urban area. Here are some suggested criteria that can be used as a basis for planning in your own city:

Nr	Criteria	Weight
1. Urban landscape and Infrastructure		
1.1	There is a street section of 1-2 km in length, served by crossing or parallel streets at least 500 m on each side ("Innovation zone area")	
1.2	There is an easy accessibility by public transportation – bus stops with a bus at least every 15 min. or train station no more than 300 m away (Required to ensure the area is accessible and can grow without causing traffic congestions)	
1.3	An urban area that has been identified as a heat island or environmental hotspot requiring intervention to improve environmental conditions	
1.4	Area contains demonstration sites for sustainability, climate adaptation and innovative technologies or practices	
2. Local Community & Businesses		
2.1	There are current offices of at least 10 legally constituted SME (micro, small and medium-sized enterprises), as per the definition provided by the European Union ^[1] , in the Innovation zone area	
2.2	There is availability of existing office locations for SMEs to move to the innovation zone area	
2.3	There are learning institutions and academic establishments in the Innovation zone area	
2.4	There are apartments and homes for a local resident community in the Innovation zone area	
2.5	There are current cafes and small shops in the Innovation zone area	
2.6	There are urban challenges faced by the community such as density, walkability, lack of connection and cohesiveness	
3. Municipal commitment and services		



3.1	The municipality appoints an employee from a relevant department as a focal point and liaison to facilitate the Innovation zone project set-up and implementation	
3.2	The municipality can provide space for a meeting centre in the designated street section (to serve as a meeting hub and community space)	
3.3	The space for the meeting centre has enough built area for a reception desk, a meeting rooms for at least 20 people and a co-working area for at least 10 persons	
3.4	The space for the meeting centre does not require any new building construction work, except for possible room design or division by modular walls	
3.5	The municipality provides funds for long-term implementation and operations of the Innovation zone project	
3.6	The municipality commits to communicate and promote the Innovation zone project and its activities	
3.7	The local infrastructure allows for environmentally sustainable facilities (e.g. large windows, green building standards, waste recycling bins, use of renewable energy, trees, garden or patio area)	

[1] COMMISSION RECOMMENDATION of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (notified under document number C (2003) 1422) [JO L 124 20.5.2003]

In addition to these criteria, it is advisable to conduct a SWOT analysis of the area and an impact vs. effort matrix.

Set Up the program for the chosen location

Coordinate initiative with relevant municipal entities

1. Attain the required permits for use and minor redesign of rooms in a public building or community center
2. Align plans with urban planner, architect and landscape architect
3. Ecological survey
4. Coordination with all relevant departments

Establish the key stations of the Innovation Zone

In the detailed planning, establish some key locations where meeting places, demonstration sites, displays and other actual components will be created, This will create a guiding route along the innovation zone street and



adjunct spaces and buildings, will provide space for casual activities, such as a shaded area to have lunch outdoors or for community activities such as meetings and seminars. These should include the meeting hub, co-working space, environmental information station (heat, humidity, air quality) and appropriate signage.

The Innovation Zone Meeting Hub

Design and create the Innovation zone meeting hub – a meeting and demonstration space, co-working space, with appropriate signage and linkages throughout the zone to direct to the location of the Innovation zone meeting hub.

The meeting hub is the physical hub for meetings, events and activities, for visibility and communications visibility. It will allow to host events and to bring together SMEs, entrepreneurs, academy researchers, municipal staff, public organizations and NGOs and the general public for events, hackathons, co-creation meetings and other collaborative initiatives.

The meeting hub will be established as a Hosting Municipality-Cities Support Group- SME4SMARTCITIES collaboration. It will be directed and facilitated by a liaison from the municipality and a liaison from the SME4SMARTCITIES team.

Activities and events can be initiated by the Innovation zone facilitators or by participating stakeholders from the business, academy/schools and civic communities.

Resulting future activities

After the innovation zone plan, components and the key stations are established, a broad array of activities and engagements can follow. The following are some examples to illustrate the recommended follow-up activities after the center is established.

1. **Meetings between local entrepreneurs and SMEs** whose offices are located in the innovation zone area - to introduce themselves and look for ideas for collaboration, such as combining products of several companies to offer a comprehensive solution, presenting together at exhibitions etc.
2. **Facilitating co-creation ideation and co-business development initiatives**, at the shared facilities provided by the municipality. The MIT U.Lab / Theory U methodology² for leading emerging future innovation can be applied to direct the co-development initiatives
3. **Sharing resources** - for example if a company is hosting guests from abroad or is planning a lecture and is looking for an appropriate large meeting room or gathering place for this purpose
4. **Meetings with residents** to present the local companies, these meetings can contribute to a sense of community pride, create new relationships, recruit employees and make use of the wisdom of the crowd for feedback or "citizen science" activities and testing and testing of new products
5. Meetings to encourage **local businesses' feedback and brainstorming for the development of the area** that can lead to joint initiatives such as the presentation of the work of local artists in the offices of development companies, "lecture at the bar" meetings in a local cafe and other initiatives
6. **Creating street signage** leading to sites of interest, corporate offices, local businesses and community centers in a unified design of the "Innovation Belt"

² Theory U - Leading From the Emerging Future, <https://www.u-school.org/theory-u>
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7. **Encouraging a circular economy** and "industrial symbiosis". Products that are considered "waste" of one company can be raw materials for other companies, local artists or creative workshops in the local community center
8. **Lectures** on technological issues for municipal representatives and lectures on procurement processes and tenders for entrepreneurial companies. One of the barriers identified in the project were knowledge gaps on these topics between the 2 groups
9. **Meetings** on "How to make our street the most innovative and "green" area in the city
10. **Signing a charter of the plan** to make our street the most innovative and "green" in the city
11. **Workshops** for school students in the area led by experts from the local innovative companies, guidance of projects in schools
- 12. Innovation Hackathon / Sustainability Hackathon**
13. **Initiating a local happening** that prominently shares and communicates values of innovation, environment and quality of life and more of an atmosphere that connects business and community (example: [Knowledge Trail in Amsterdam](#))
14. **Initiatives** with the participation of all the parties in the urban space for "zero waste" and other initiatives such as green facades, planting trees, reducing the use of plastic, reducing waste, encourage walkability, with the participation of all the parties in the place - companies, businesses, students, artists.
15. An **exhibition** of the past, present and future of the street segment, as an example of the [innovation mile exhibition initiative in Amsterdam](#)

These are a few examples that can be a source of inspiration. More ideas and good practices are presented in Part 2 of this guide - The Innovation Zone Playground Guidebook

The Design Playbook expands on this outline with visual guides and design tools.

The Herzliya Innovation Zone

The Herzliya Innovation zone is an actual implementation of the SME4SMARTCITIES Toolbox. It was established in collaboration with Herzliya municipality and the Hi-Tech district council. It is a designated city street area, functioning as an Innovation hub – with demonstration sites, meeting spaces, collaborative activities and signage. The resulting design of the Herzliya Innovation Zone is in the [Innovation Zone Playbook](#) guide.

The Herzliya Innovation Zone (IZ) was set up as a living lab project to establish the Innovation Zone branding, framework and infrastructure in Herzliya. It intends to create opportunities for experiencing and developing the full urban ecosystem - collaboration of the local government, SMEs, academic institutions, NGOs, schools and the local resident community. It will create an opportunity for small and creative businesses in the city to create a business network, a friendly and synergistic ecosystem that will connect businesses, and from it will emerge opportunities for co-creation for the innovative development of smart city solutions, which can also be implemented in the host local authority as a beta site.

The innovation zone will also enable networking between the businesses and the local community, building involvement, strengthening local pride and positive communication to the place and the local authority. It will be a well-publicized example that can generate international cooperation.

Benefits

Developing the potential of a street segment in the city, on the basis of existing facilities and stakeholders and without the need for development and construction investments - to experience and develop cooperation of the local government, small and medium businesses, academic institutions, non-governmental organizations, schools and the local resident community.

Allow small and medium-sized businesses to develop solutions that are more suitable for the real needs of the cities, thereby enhancing the value contribution of the city in the smart cities market.

Enable the creation of a success story of innovation zones that will be communicated and will be a model for other cities in the Mediterranean region, leading eventually to a growing network of cities.

The [Innovation Zone Toolbox](#) was developed by Tel Aviv University as part of the [SME4SMARTCITIES](#) project. The pilot project demonstrates the toolbox, and creates tangible tools, which can be used later by other cities around the Mediterranean.

Setting up the Pilot Project

The project team issued a call for proposals to the partner Israeli cities and established a steering committee to evaluate the proposals. The cities submitted proposals, detailing:

- The site for the Innovation Zone site
- The municipal team set to manage the site
- Activities proposed for the Innovation Zone

The city of Herzliya was selected as the host city for the Innovation Zone pilot, based on the evaluation below:

Nr	Criteria	Weight	Score	Weighted score	Notes
1.1	Area contains demonstration sites for sustainability, climate adaptation and innovative technologies or practices	0.87	8	6.96	
1.2	There is an easy accessibility by public transportation – bus stops with a bus at least every 15 min. or train station no more than 300 m away	0.87	10	8.7	Numerous bus lines and major train station at 12 min. distance
1.3	The location is in a city already associated in the SME4SMARTCITIES project and its' Cities Support group	0.78	10	7.8	
1.4	There is a street section of 1-2 km in length, served by crossing or parallel streets at least 500 m on each side ("Innovation mile area")	0.76	10	7.6	
2.1	There are apartments and homes for a local resident community in the Innovation mile area	0.71	8	5.68	
2.2	There is availability of existing office locations for SMEs to move to the innovation mile area	0.69	10	6.9	



2.3	There are learning institutions and academic establishments in the Innovation zone area	0.69	10	6.9	Most SMEs are Hi-Tech start-ups and development companies
2.4	There are current cafes and small shops in the Innovation mile area	0.67	10	6.7	
3.1	The municipality commits to communicate and promote the Innovation Mile project and its activities	0.96	10	9.6	
3.2	The municipality appoints an employee from a relevant department as a focal point and liaison to facilitate the Innovation Mile project set-up and implementation	0.93	10	9.3	
3.3	The municipality can provide space for a meeting centre in the designated street section (to serve as a meeting hub and community space)	0.84	10	8.4	
3.4	The municipality provides funds for long-term implementation and operations of the Innovation Mile project	0.82	10	8.2	
3.5	The local infrastructure allows for environmentally sustainable facilities (e.g. large windows, green building standards, waste recycling bins, use of renewable energy, trees, garden or patio area)	0.8	8	6.4	0.8
Total	(perfect score is 104)			99.14	

Establishment of an Innovation Zone in the City of Herzliya

The Herzliya Innovation Zone is designed to be a hub for businesses, organizations, and individuals working to promote Innovation, co-creation and sustainability. The Zone is located in the area surrounding Maskit Street, a central street in the city's central business district, and will connect a diverse range of businesses and associations. The Zone features public spaces that encourage walkability and promote the agenda of sustainability, environmentalism, walkability and engagement in the open spaces.

The Zone also serves as a platform for networking and collaboration between businesses and organizations. By working together, businesses and organizations can make a significant impact on promoting sustainability in the city and beyond.

The project will create several benefits:

- It will create a central hub for businesses and organizations working to promote sustainability.
- It will provide a platform for networking and collaboration between businesses and organizations.
- It will help to raise awareness of sustainability among businesses and the public.
- It will encourage businesses to adopt sustainable practices.
- It will make the city more attractive to businesses and residents.

The project is well-supported by the Herzliya Municipality and the businesses in the central business district. The municipality has been working to create an ecosystem and network businesses with the community, and the municipal bodies, with an emphasis on preserving the quality of the environment, introducing advanced



and green technologies, and transforming the public space to be more accessible, attractive, green and walkable. The businesses in the central business district are diverse and include small businesses, restaurants, large office buildings and tech startups. The businesses support the project and see it as an opportunity to collaborate and promote sustainability.

The Herzliya Innovation Zone is a unique and innovative project that has the potential to make a significant impact on the city and other cities.

The City of Herzliya

Herzliya, Israel, is a city of approximately 180,000 people located just north of Tel Aviv. In recent years, Herzliya has emerged as a leading innovation center in Israel and around the world. The city is home to a growing number of startups, multinational corporations, and research institutions. Several factors have contributed to Herzliya's success as an innovation center. These factors include:

- **A strong talent pool:** Herzliya is home to a highly educated and skilled workforce. The city is also home to several universities and colleges, which produce a steady stream of graduates in STEM fields. According to the 2022 Herzliya Municipality Annual Report, the city has a higher percentage of residents with a bachelor's degree or higher than the national average.
- **A supportive government:** The Israeli government has been a major supporter of innovation in Herzliya. The government has provided funding for startups and research institutions, and it has also created a regulatory environment that is conducive to innovation. For instance, the Israeli Innovation Authority provides grants and other support to promising startups, while the Office of the Chief Scientist of the Ministry of Economy and Industry offers funding for research and development projects.
- **A vibrant entrepreneurial ecosystem:** Herzliya has a thriving entrepreneurial ecosystem, which includes a number of incubators, accelerators, and co-working spaces. This ecosystem provides startups with the support and resources they need to succeed. Organizations like the Hicity Entrepreneurship and Innovation Center, the HAC Herzliya Accelerator Center, and the Reichman University Innovation Center offer mentorship, networking opportunities, and access to funding for startups at various stages of development.

Herzliya has a strong focus on specific industries, such as Cybersecurity, Fintech, and Cleantech. This focus has helped to attract leading companies in these industries to the city. Herzliya has become a hub for cybersecurity companies, with over 100 companies operating in the city, including global players like Symantec, Check Point, and Palo Alto Networks. The city is also home to a growing number of Fintech companies, such as PayPal Israel, Pioneer, and eToro. In the cleantech sector, Herzliya is home to companies like BrightSource Energy, SolarEdge, SolFocus, and UBQ.

Innovation has had a significant impact on Herzliya. The city has experienced strong economic growth in recent years, and it has become a more attractive place to live and work. According to the 2022 Herzliya Municipality Annual Report, the city's unemployment rate is lower than the national average, and the average salary is higher than the national average. Innovation has also helped to improve the quality of life in Herzliya, by creating new jobs and opportunities, and by improving public services. For instance, the city has implemented smart city initiatives such as smart parking sensors and a network of electric vehicle charging stations.



Image 1: Herzliya central business district - Hi-Tech buildings (images: Wikipedia)

The Innovation Zone

The Herzliya Innovation Zone area is a core part of the city's business district, located in west Herzliya (also called Herzliya Pituach), between Israel's central coastal highway and the Mediterranean coast, on an area of about 0.65 square KM. The Innovation Zone area is a rectangular polygon of about 0.1 square KM, running along the two main streets of the central business district (CBD): Maskit and Galgalei Haplada:



Image 2: The Herzliya Central Business District and the Innovation Zone areas

The industrial area of Herzliya, also known as Israel's high-tech capital, is a unique complex with a supportive and active business community, which is on a growth and momentum trend and serves as home for tens of thousands of workers per day. Today, major corporations are located there, such as Microsoft Israel, which recently opened a large development center in the industrial zone, Formula, Matrix, and others. Altogether, approx. 1,500 companies operate in the central business district with 50,000 employees. There are also more



than 100 restaurants, cafes and bars and numerous showrooms, especially for leading cars and electronics companies.

A business hotel is being built on Abba Even St. and another hotel is planned nearby. Other major hotels are located along the Mediterranean Sea beach promenade.

Since the founding of the city, this was an industrial/business area, located outside the main residential area, with factories and small industries. Since 2000, the area underwent a major change from a heavy industrial area to a business, high-tech and entertainment area. The names of the streets are a recollection to old times: "Galgalei Haplada" – wheels of steel and "Maskit" – the name of Israel's leading fashion company in 1954-1994.

The central business district is highly accessible to both public transportation and private cars, the northern train line is within walking distance and there are many bus lines passing through Highway 2. There is heavy traffic through the day, resulting in air pollution and heat increase; surveys indicate that a majority of the area's employees and users prefer private transportation to walking or public transportation.

Municipal Involvement

The municipality established a dedicated municipal administration to develop and promote the collaboration between the businesses and the municipality. The administration seeks to integrate and improve the relationship between all the entities that operate in the central business district, and to promote and strengthen the relationship between the companies and the municipality. The municipality sees small and medium-sized businesses as an important municipal asset and an engine of economic growth for the entire city. The administration's actions support the local businesses through promoting events, ventures and collaborations, aiming to increase sales potential and business prosperity. The administration calls innovative companies to see Herzliya as a supportive beta site for development. It provides assistance and access to services to all entities operating in the area, aiming to integrate cultural and leisure events, to turn the area into a lively attractive district.

A survey conducted by the municipality found that only 30% of the employed there are residents of the city of Herzliya, 30% are residents of Tel Aviv And the rest are divided between other towns and villages in the Central and Sharon regions. The municipality aims to increase the consumption of services in Herzliya (commerce, society, culture, etc.) and to work to create a lively life in the place even after working hours.

In addition, the municipality recently approved a master plan that turns the central business district into a mixed-use neighborhood and adds thousands of housing units, public institutions and open spaces.

Setting up the Innovation Zone Pilot

Following an open call to cities, the SME4SMARTCITIES project selected the proposal of the city of Herzliya as the site for the Innovation Zone pilot (June 2023). On the municipal side, the Central Business District Administration was responsible for the pilot. The action plan is a step-by-step plan for establishing an innovation zone framework and making it ready to conduct actual activities, events, meetings and co-creation, business community and full stakeholders' community activities.

The pilot intended to establish the platform for the Innovation Zone, through five key outputs:

1. **Municipal mechanism** – establish the municipal partnership to manage and support the activities of the zone.



2. **Mapping** – surveying and establishing a database for the stakeholders of the innovation Zone.
3. **Branding** – create a distinct visual identity for the Innovation Zone to be displayed on the street.
4. **Establish three anchors for innovation activities** in the zone:
 - a. Indoor meeting spaces
 - b. Outdoor meeting spaces
 - c. Knowledge points
5. **Activity Plan** – a detailed activity plan for the municipal administration to engage and support the varied stakeholders for the Innovation Zone - The “Playground” plan.

Municipal Mechanism

The central business district administration was set up as the focal point for the Innovation Zone, both in relation to the municipal entities and the varied stakeholders:

1. **Establishing a steering committee** – the steering committee is headed by the city CEO and includes relevant department heads and representatives from the SME4SMARTCITIES project.
2. **Establishing City Partnership** – once the municipality was assigned, it needed to build the task team and recruit municipal partners. Managers in the municipality are the core members of this task team. The Municipal Environmental Unit is a lead partner, from their point of view, the Innovation Zone program creates an opportunity to focus on Climate Readiness activities for a critical urban space and also to explore collaboration with companies in the central business district for environmental and climate solutions.

Mapping

The mapping action identifies the potential for actions that the Innovation Zone has to offer and helps to identify challenges and opportunities in the space. The map is created using several tools, including:

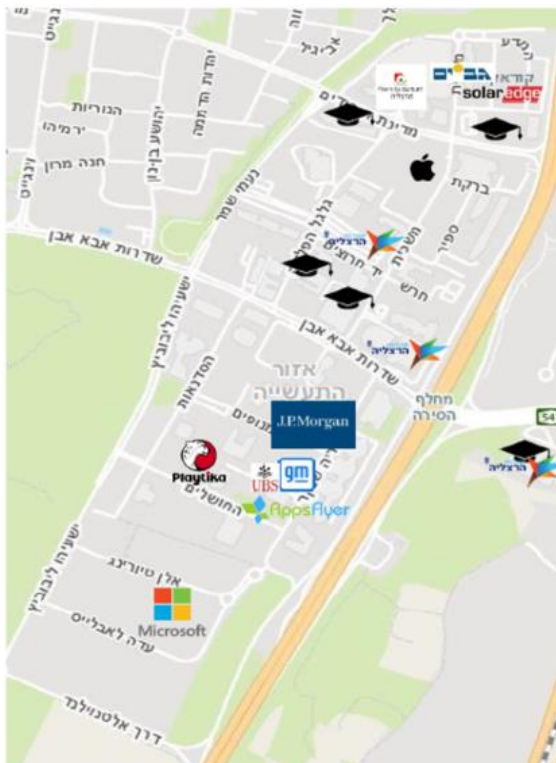
- Interviews with key stakeholders
- Surveys – to identify needs and perceptions
- Observations – scoping and assessing the physical space of the area
- Mapping – actual spatial maps, utilizing varied mapping tools.

Anchor Organizations

The three maps below demonstrate the mapping and density of entities that can become anchors in innovation networks.



Businesses, Local Government, Academia



1. Microsoft
2. Solaredge
3. GavYam
4. APPEL
5. PLAYTIKA
6. Hertzeliya Outlet
7. General Motors
8. UBS
9. JP MORGAN

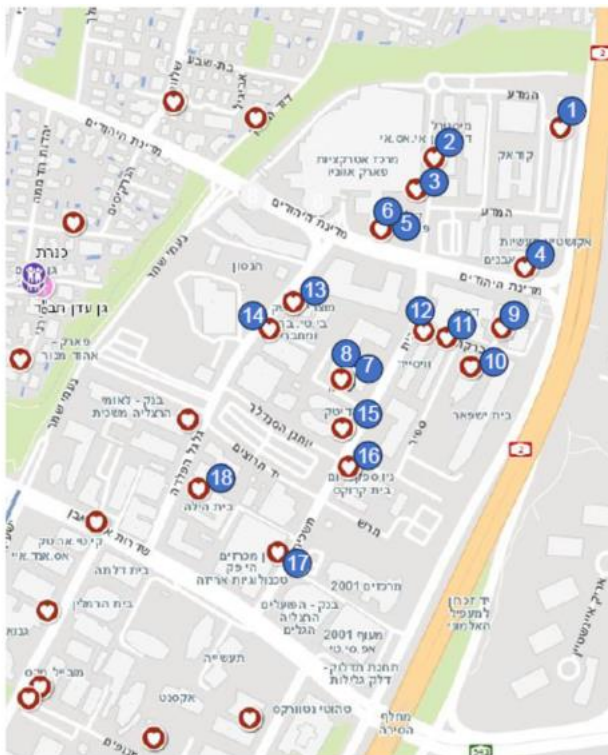
Municipality:

1. Area Administration Office
2. Public Parking designated for re-planning as a public space
3. Hertzeliya Theater

Academia:

1. HiTECH College
2. GAYA College
3. SEPERIA College
4. Kernelios Cyber Course
5. Yitzhak Shamir School

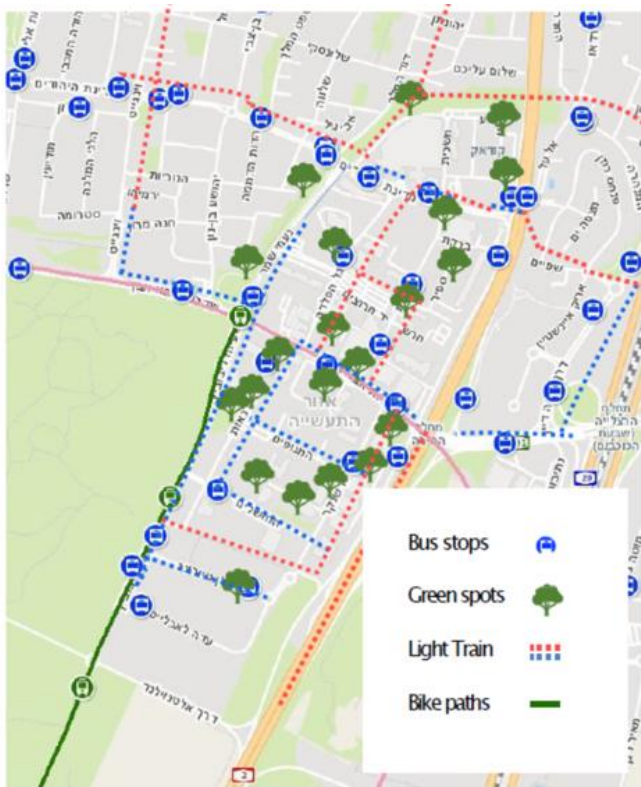
Public centers



1. Cultural and Art Center
2. The Israel Grid Technology Association
3. JCS
4. Gandir Foundation
5. The Organization for Financial Education
6. Pisgat Amir
7. Menomadin Foundation
8. Mitrelli Group
9. Friends of Atidim
10. Organizaiton for Brian Cancer
11. GAVYAM Social Change
12. Hertzeliya Theater
13. Israel Venture Network
14. The Israel Arab Economic Development Center
15. Born for Life
16. The Organization for Lost Property
17. Economic Consultants Association
18. The Congress for Judaism and Democracy
19. Jacobzson Foundaiton
20. Delek Foundation
21. Haim Israeli Foundaiton



Green Spots



Maschit Street and its surroundings lack open public spaces. However, there are about 20 – Open Private Spaces, built as extensions of renovation plans. These are well-kept and pleasant corners that allow a quality stay in the space and provide a good solution for employees and users in the innovation zone.

Branding

The design process of the Innovation Zone began with determining the branding aspects, based on principles from the SME4SMARTCITIES project together with local foci.

The leading qualities were identified through a brainstorming activity with the municipal staff, the following qualities were set:

- Young and vibrant
- Less formal
- Designating the public space as exciting and lively, enabling people to connect and collaborate.

The design palette emphasizes contemporary colors that allow for a variety of options and high playfulness. The idea behind the graphic language is that it is a flexible platform, allowing cities to design their own brand, combining different texts and uses.



Image 3: Branding of the Herzliya Innovation Zone

For more information and examples, see the [Innovation Zone Design Playbook](#).

The work plan of the Herzliya Employment Zone Administration

The Herzliya Innovation Zone activity plan was compiled in collaboration between the IZ pilot team and the TechForGood organization. Founded in 2015, TechForGood provides impact innovation services to corporates, governments, and entrepreneurs in their journey to capture opportunities for generating profitable social and environmental impact.



A guide for the work plan and activities is outlined in the [Innovation Zone Playground guidebook](#).

The work plan of the Herzliya innovation zone was based on the vision and goals of the Innovation zone administration and incorporated values of co-creation, innovation and climate change readiness. The conceptual framework of the plan incorporated the goals of the administration's activities, taking into short, medium and long-term ranges, aiming to recruit additional staff and expand the activities.

Vision

The Herzliya employment area will be a space where a bustling and diverse business community operates with a deep connection to the place. The businesses and organizations operating there will maintain an ecosystem of synergy, mutual learning and cooperation with an emphasis on innovation and addressing climate change, which will be a model for Innovation Zones in Israel and around the world. The area administration will lead the implementation of the mix of uses in the IZ in an optimal way, in accordance with the municipal vision.

Objectives

1. Building and strengthening the local business community, connecting the various businesses in the area.
2. Strengthening the sense of belonging and connection of the businesses and their organizational identity to the area and the city of Herzliya, along with strengthening the connection of the employees to the physical space.
3. Connection to the issues of sustainability and climate change to provide an added value to all businesses operating in the employment area.
4. Redefining the goals of the administration and increasing the scope of its influence in the city.

The vision and goals were compiled into an operational activity plan for 2024. The main activities are presented below:

Goal		
Connecting the business community to sustainability and climate change to provide added value to all businesses operating in the IZ		
Partners		
<ul style="list-style-type: none"> ● Herzliya Economic Corporation ● Municipal Innovation Dep. 		
Target I		
Mapping companies from relevant fields: Cleantech, Climate Tech, Smart Transportation, Energy, etc.		
Activities		
<ul style="list-style-type: none"> ● Contacting the companies listed in Startup IL ● Identifying managers of relevant fields of leading companies ● Publication of a call for businesses in the IZ to join the co-creation community 		



Target II		
Establishing a peer learning group		
Activities		
<ul style="list-style-type: none"> ● Establishment of a multi-sectoral steering committee ● Construction of an outline and work plan ● Recruitment of participants ● Organizing 1-2 meetings per quarter ● Publishing and disseminating content to the general public 		
Target III		
Organizing a Climate and Innovation Hackathon event in the Herzliya innovation strip		
Activities		
<ul style="list-style-type: none"> ● Choosing a theme for the hackathon ● Locating partners, moderators and judges ● Organization and coordination ● The hackathon event ● Engaging the participants to continue collaborations within the IZ 		
Target IV		
Implementation of a selected pilot in the innovation strip area		
Activities		
<ul style="list-style-type: none"> ● Selecting a site for a pilot project with the steering committee ● Publication of a call for proposals ● Recruiting municipal partners ● Collaborative planning sessions ● Launch pilot project ● Publication of conclusions and outputs 		



The Design Process

Establish three anchors for innovation activities in the zone:

1. Indoor meeting spaces
2. Outdoor meeting spaces
3. Knowledge points

Knowledge Points - Data gathering stations

The Innovation Zone is also a type of Urban Lab, generating data and experimentation. The Herzliya IZ data point is a street meteorological station, placed on Maskit street. The Meteorological station generates live data to the environmental unit's dashboard, which is displayed in the IZ public room and will be shared with any interested stakeholder, in collaboration with the Municipal Environmental Unit.



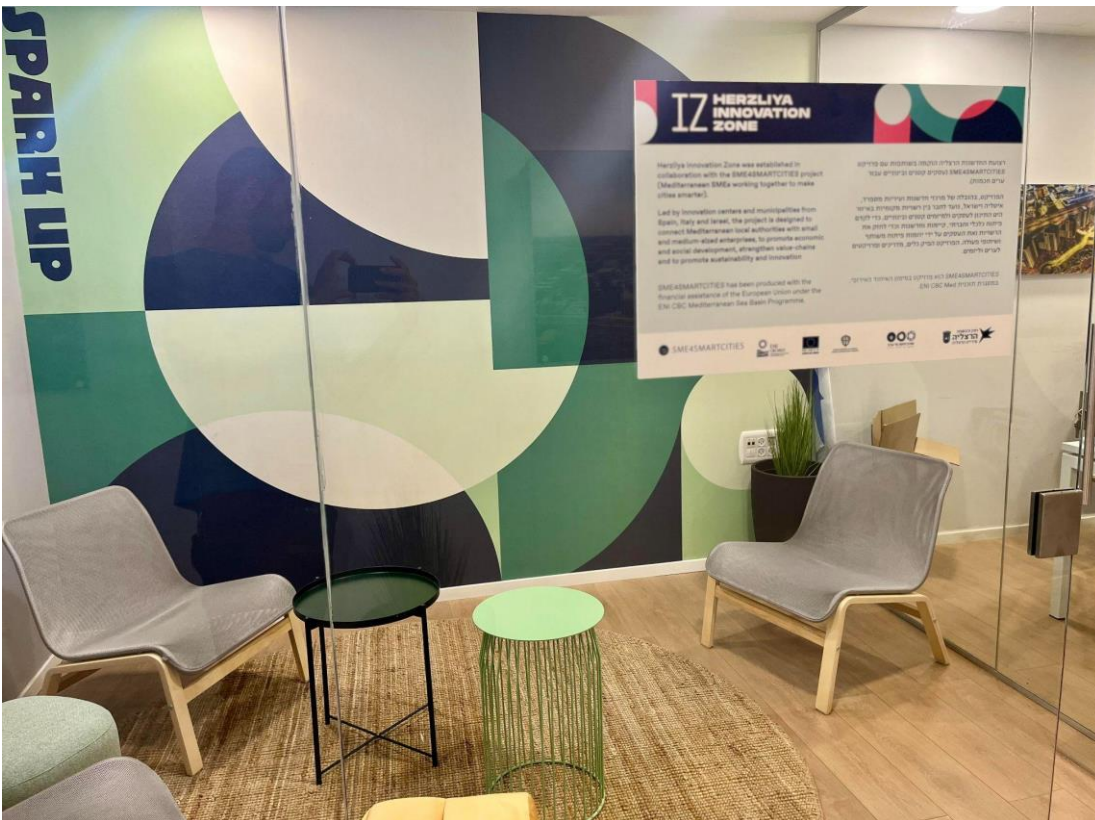
Summary

The Herzliya Innovation Zone is an actual implementation by the SME4SMARTCITIES project of the tools and guidelines in the Innovation Zone toolbox. It was established in collaboration with Herzliya municipality and the Hi-Tech district council. It is a designated city street area, functioning as an Innovation hub – with demonstration sites, meeting spaces, collaborative activities and signage. The resulting design of the Herzliya Innovation Zone is in the [Innovation Zone Design Playbook](#) guide and the [Innovation Zone Playground guidebook](#).

Images from the Herzliya Innovation Zone Inauguration











Conclusion

Establishing an innovation zone is a small scale build up on the basis of existing stakeholders and local potential. It is feasible to create the basis and execute within a few months period, followed by gradual growth and maturity. This approach enables to create a thriving local innovation ecosystem, facilitate co-creation, business co-development, sustainability and wellbeing for business and residents alike, with minimum interventions and without any large-scale and lengthy urban redesign and construction projects.

The step-by-step approach outlined in this toolbox allows us to work towards this goal as an emerging organic ecosystem creation process. The case study of the Herzliya Innovation zone provides a real-life example of the implementation of this toolbox.

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