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Conversation with Steve Anderson, Managing Director, InfrastructureUSA

Smart Cities: Harnessing Technology with Purpose

There are so many technological advances happening in every walk of life. To a large extent, we're starting to see more and more of those affect the way that we live and experience the city each and every day. Sometimes those are all to the good, and sometimes they have unintended consequences. I think the core of smart cities and good urban planning in general, even before all this technology happened, is really thinking about what those opportunities are, using them to the greatest extent possible and then mitigating unintended consequences. Whether it's in traffic and congestion or public safety, there's a lot more that cities and municipalities can do to harness the potential of that technology and innovation in a way that's a little bit more, perhaps, purposeful and thoughtful than just "more technology is always good."

Deciding What Data Is Actionable

Having the real-time adjustments is critically important, but I also think that there's another side of that, which is, in the era of big data, actually figuring out what data you can act on and what's just interesting data, but that you can't possibly actually implement a solution towards. On a smaller scale here at the Yard [Brooklyn Navy Yard], as we've tried to get smarter in the way we run what is, basically, a city within a city, we're finding that there are lots of applications and lots of opportunities to gather data. It's a really important filter to put on it asking, "what am I actually going to do with this data?" and how is it going to affect the way we operate this place tomorrow, not 10 months from now or two years from now.

Brooklyn Navy Yard: A Mini City Dedicated to Technological Advancement

The Navy moved out in 1966, the property is now owned by the city of New York, but leased to us. We are a mission-driven not for profit whose goal is to create and preserve high-quality middle-class jobs largely in the manufacturing and industrial sectors. The Yard's got an extraordinary history, but we're in the process of really reinventing it for the modern era of manufacturing and asking ourselves and the city and the country and posing the question, "what does a really equitable economy look like in an urban setting?" Important to note, we're pretty big. We have 300 acres, which for Brooklynites, that's about half the size of Prospect Park. It's about a third of the size of the Central Park, and we've got about 60 buildings and about 4 million square feet of real estate here at the yard. While we're a drop in the bucket when it comes to New York City's real estate world, we are the scale of many downtowns around the country. It creates an interesting opportunity because we're under one ownership structure and so we're really responsible not just for what normal landlords are responsible for, i.e. the buildings, but we're also responsible for the roads and the lighting and the transportation network within and even connecting us outside the Yard, so we're a little mini-city. When it comes to smart cities, something that we're focused on, we're working on this now. We're really trying to use the Navy Yard as a test lab for new technologies. We've got miles and miles and

miles of streets here–what looks like streets, but they're actually private property–and so the regulatory regime here is much more limited. Basically, if you get our permission you can deploy new technologies here in our streets or in our light posts or whatever within a matter of days, not in the months and years that it can sometimes take to deploy in public streets anywhere outside the Yard in New York City or other cities. We give companies the opportunity to experiment cheaply and fail cheaply and quickly, and then rejigger their technology and try again, and it's something that we're starting to see more and more here in the yard.

Offering Stability to Encourage Business Growth

We like to refer to ourselves as an incubator for life. Your traditional incubator is really for very small companies and is generally sharing desks, the very first stage of somebody trying to see whether their company has legs and can really make a go of it. We have incubators here. We actually don't operate them. We have private companies who operate a number of incubators here on the yard in partnership with us. But we then, like I said, have four million square feet of space with companies who range from small to medium-sized companies to larger employers who have 300 or 400 employees at a time. What we really offer those companies is a stable real estate answer that is often hard to find in New York, particularly if you're not a law firm or bank who can afford Manhattan lands. A lot of small businesses struggle to find a home in New York that they can not only afford but also where they can be long-term stable, where their landlord is not, two years later, going to throw them out or raise their rents dramatically. We really set up a situation where our tenants know that they're going to have a long-term future here and that importantly allows them to continue to invest in their intellectual property, in their people, in their equipment, and continue to innovate, which for any company in New York City is extraordinarily important, because to make it here you've really got to be at the forefront of your industry**.**

Economic and Social Sustainability: the Next Challenge for Cities

If you think about the world, think about the way you work at your desk every day, how much that's changed in the last five to 10 years. On the flipside, ask how much has city infrastructures around the country changed, and there's pretty clearly more room for cities to evolve and there are reasons, there are very good reasons why cities go slowly and wait to make sure that the technology is proven before they jump in. I don't think cities should be necessarily early adopters, but there are certainly more and more changes coming. We think that it's important for us, here at the Yard, to be thinking a couple years out and asking ourselves, "How are we going to run this place smarter? How do we work smarter, not harder?" Our infrastructure is a core piece of that. Something that we really focus on, in a lot of smart cities, is around sustainability. I think the thing that people think of first when they think about sustainability is flood resistance or natural disasters. There's another element of sustainability, which we think is just as important, which is around economic and social sustainability. A lot of cities around the country have become extraordinarily good at producing very high paid, very high skilled jobs. Along with those high skilled, high paid jobs come along retail and hospitality and other service sector jobs in service to those high-paid jobs. I think that's a lot of why you see this pulling apart of the economies in our city where you've got extraordinarily high earners and then folks in the retail industries who struggle to make a middle-class wage. When we think about what we're doing here, it's around building a different kind of infrastructure, a different kind of sustainability for New York City and one that's really asking, "Okay, how do we build and create those jobs in the middle?" It's the middle class. It is the glue to any city and any society. I think that that's really– more so than traffic, I think for cities in the next 20, 30 years, that's the existential question. How

do we create a city and an economy that's truly long-term sustainable and stable, and provides everybody in the city an opportunity to make their way and climb the social ladder? Unfortunately, in a lot of cities, in a lot of industries, that's becoming less and less clear.