

Urban Innovation with Dan Doctoroff (CEO of Sidewalk Labs): Catalyzing Growth and Securing Data in Modern Cities

Daniel L. Doctoroff is Chairman and CEO of Sidewalk Labs, an Alphabet company that is seeking to develop a new district that would serve as the global model for the 21st century city, integrating great urban design with cutting edge technology.

From 2008 to 2014, Dan was President and Chief Executive Officer of Bloomberg L.P., the leading provider of news and information to the global financial community.

*Prior to joining Bloomberg L.P., Dan served as Deputy Mayor for Economic Development and Rebuilding for the City of New York. With Mayor Michael R. Bloomberg, he led the city's dramatic economic resurgence, spearheading the effort to reverse New York's fiscal crisis after 9/11 through a five-borough economic development strategy. Dan also oversaw the creation of PlaNYC, New York's pathbreaking sustainability plan. He recently published *Greater than Ever: New York's Big Comeback*, a memoir-manifesto about his experience in City Hall.*

Before joining the Bloomberg Administration, Dan was Managing Partner of the private equity investment firm Oak Hill Capital Partners. While at Oak Hill,

Olympic Games to the city.

Dan serves on the Boards of the University of Chicago and Bloomberg Philanthropies. He is the founder of Target ALS, which raises funds for and has established a new model of collaboration to advance ALS research. He is a founder and chairman of The Shed, an innovative new cultural institution on Manhattan's Far West Side.

Dan is a graduate of Harvard College and The Law School at the University of Chicago. A native of Michigan, Dan has lived in New York for the past 35 years with his wife Alisa.

Business Today (Grace Hong): What I find most interesting about your career is that you started out in finance, and then you suddenly you had an itch to bring the Olympics to New York, leading to your position as Deputy Mayor of the city. In that initial venture into the Olympics, what was your motivation? How did you become fascinated with cities, and what led you to take on a public-facing role?

Dan Doctoroff: I wouldn't say it was my fascination with cities—it was a fascination with New York. I'm actually an immigrant to New York. I never wanted to come here, but I came because my wife took a job and I dutifully followed. Over time, as I lived here, I began to appreciate why it is such an important place in the world. On some level, New York is the world's second home. If we think about what we hope the world will be, as it gets smaller and smaller as communications bring us closer and closer together, here you have a city where people from everywhere are living and working together and getting along. That, to me, was very powerful.

SOCCER game back in 1994. When I walked into the stadium and saw the Italian-Americans and Bulgarian-Americans with their faces painted and waving flags and screaming wildly during the entire game, I realized that you can play that game in New York with any two countries in the world. I started asking why the most international event—the Olympics—had never taken place in the city that is, in some ways, a microcosm of the world. And so, it was really about my belief in New York and what it means symbolically that led me to pursue the Olympics.

Once I started looking at the Olympics, trying to understand what it would take to bring the Olympics to New York, I had an insight: the greatest thing about an Olympics is that it can be a catalyst to getting things done which people have been talking for generations but could never muster the political will or financial resources to do. The Olympics were unique in that bidding for and hosting them occurred on a series of deadlines. I asked: “How could you use them here? What has to happen here? What have people been trying to do?” I didn’t know a whole lot about the city, but I recruited a really great team to help me think through those questions. Out of that, the Olympic plan was born, and out of that was born the agenda that we executed while Michael Bloomberg was mayor.

BT: Moving on to the topic of cities in general, what are the key features that make cities adaptable to the future? What are the key features across policy, technology, or even diversity that make cities resilient?

DD: The most important thing about cities is that they’re dense. They bring lots of people together in a relatively small space. When you do that, people collide against each other, producing real energy. To me, that’s what makes cities great.

or years ago. It's called *Greater than Ever* and describes my personal journey and philosophy of cities. I've always believed in the "virtuous cycle of successful cities," which basically means that the goal of a policymaker is to help a city grow, in terms of the numbers of residents, jobs, and visitors. When cities grow, they produce extra revenue which can be reinvested into improving quality of life—the way people move around; affordability, safety, fun, healthy living, sustainability, opportunity, and fairness. When you do that successfully, you draw more people to further perpetuate the cycle.

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BT: You mentioned all these high growth cities, which brings us to the recent phenomenon of winner-take-all cities in which growth and capital are very concentrated. In the rest of the US, there are regions that are falling behind and, in some sense,

going through a perpetual cycle of population loss. How do we prioritize these different regions and balance growth evenly across the nation?

DD: It's hard at a national level to do that. It's up to individual cities to discover what potential they offer that is unique to whom. Cities are not unlike companies.

They have strengths; they have weaknesses. Hopefully, what they will do is to leverage their strengths and minimize or structure around their weaknesses. You can't have a national policy for evening out growth.

LEADERS WHO ARE THINKING CAREFULLY ABOUT THEIR CITIES' FUTURE.

It is interesting that what we're now starting to see in those superstar cities is that growth is starting to slow. We're also now starting to see greater growth in so-called second-tier cities, in part because coastal cities and superstar cities are becoming too expensive. That is in the natural order. If I were Mayor of New York—and Mayor de Blasio is doing a good job on this—I'd be working really hard to make New York more affordable so it can continue to grow. However, it needs to accommodate additional growth without undermining the quality of life. There's no one-size-fits-all strategy, other than to realize that for every city, growth actually matters.

BT: With regards to growth, do you imagine those actors are coming from the public sector—at the local government level—or are they private entities?

DD: I think it's both, but I do believe that government's job is to create the conditions for the private market to flourish. There are times when government has to do everything. For example, New York spent billions of dollars on neighborhoods that had not received investments for decades. With a strong push and investment from government—not just in terms of spending money,

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We were successful in doing that in lots of different kinds of neighborhoods: Williamsburg and Greenpoint on the Brooklyn waterfront, or Bedford-Stuyvesant and parts of Harlem. That’s not to say we completely managed that growth perfectly—we didn’t—but what ended up happening was that we helped to spur new markets and then massive amounts of private capital flooded in and helped improve the neighborhoods.

One additional thing for which there is concern but very little evidence is that growth ultimately forces out longtime residents. There was recent research published by NYU’s Furman Center that demonstrated that in neighborhoods that were gentrified there was no more displacement of existing residents than in neighborhoods that weren’t. I believe that investment in a community, often first stimulated by the government but hopefully then spurring the private sector to act, is almost always a very good thing.

BT: Moving into Sidewalk Labs’ work, you are redeveloping the waterfront district in Toronto. It’s received some pushback from residents, in part due to concerns around privacy and data collection. How do you go about responding to these critiques, especially because you’re trying to find that fine balance as a private company that’s embarking on the public sector? How do you establish trust with those citizens?

have wrestled with the most up in Toronto. After listening to thousands of people and facing a lot of criticism, we finally proposed an approach that I think will be a roadmap for how to deal with these things in the future. How data is collected and used in semi-public or public spaces really ought to be done under the auspices of government, ideally managed by an independent urban data trust.

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We do not want that responsibility; we will abide by whatever rules that the government or trust comes up with. It will be up to us to show the government and everyone else who wants to use this data how we’re collecting the minimum necessary and why the costs of whatever is collected are dramatically outweighed by the

benefits to society. If they say no, then we’re perfectly happy with that. The idea of taking it out of our hands and putting it into an independent third party or government has largely quieted the opposition. Importantly, our approach has received lots of attention around the world.

BT: I think that’s really important to consider, given the growing relevance of technology and society in smart city development.

DD: It’s a foundational issue as you think about the future of urban environments, particularly where data can play such an important role in

can cross the street safely, you want to manage stormwater tanks so they require less energy and less water. Data is the way to do it, but you don't actually need data from individuals. The vast majority of applications do not require personal information.

BT: You've once described cities as fifty-sided Rubik's Cubes. How do you break down a city into layers and layers to become digestible projects to send to your team and how do you prioritize these?

DD: We really do think of cities as interconnected layers. At the core is infrastructure, then the roads, the open space, the buildings, and now the digital layer that underlies all of it, and social infrastructure which enables ties among people. If you think about those layers and analyze them individually, then you begin to understand the interconnectedness of them. You can at least begin to put the pieces together in a form that ultimately makes sense, but more importantly, they help you understand where technology can play an important role and make people's lives better. That's the exercise that we have gone through over the last few years. We sought to understand those layers, understand that interconnectedness, and put it all together to think of a place as a whole. It is complicated because there are all these different layers and systems, and in that sense, it's like a fifty-sided Rubik's Cube.

BT: With all that complexity, how did you build out your team when you started Sidewalk Labs?

DD: The first thing we did was to look at every other historical attempt to create a smart city or urban innovation district. Almost all were either failures or disappointments. When we tried to understand why that was, we came to a really interesting realization. In each one of these attempts,

projects. There were urbanists who would plan and build cities, and then there were technologists who were developing and implementing innovations in an urban environment. In every case, the technologists and urbanists couldn't communicate with each other—it was like they spoke completely different languages. What we tried to do from the very beginning was to bring those two sets together and teach them to work with a common language and culture. It hasn't been smooth or easy, but I think we've made a lot of progress. If we bridge the urbanist and technologist divide, then we have a much better chance of success.

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these different concepts?

BT: Continuing on that point, what is your advice for undergraduates who are interested in urban innovation but don't necessarily have a lengthy background in the industry or understand urbanism and all

DD: I do believe that people who have an exposure to both the urbanist side and technologist side are extremely rare. I would encourage someone coming out of college to go work for the government for a couple years and then potentially go work somewhere you have exposure to technology. Ideally, you would be in companies that deal with urban problems and seek to apply technology to them, but oftentimes, you can't get both in the same job. There's nothing wrong with trying to accumulate a unique set of skills by going to more than one place early in one's career.

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BT: Is there any piece of advice you’ve come back to time and time again that you’d like to share?

DD: It’s not specifically related to what I’m doing or urban innovation, but the most important lesson that I think many overachieving college students don’t learn is how to take risks. For me, throughout much of my life and career, I was always afraid to fail. That is something that holds you back, and ultimately it wasn’t until I failed [when I lost the Olympics bid]

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that I realized that nobody really cared about me as much as I did. Understanding that was liberating and enabled me to hopefully take better and smarter risks.

That said, I still worry about what people think and fear failure, but it’s really important for everyone to recognize that they’re not the center of the world and what they do isn’t the most important thing. When you put yourself in that mindset, you’re free.