Mexico City, Mexico:  
Vallejo-i Industrial Zone and Innovation Centre  
Model: Enabling Innovation

Mexico City launched the Vallejo-i programme to transform the industrial zone of Vallejo into a green business and sustainable development hub through catalytic infrastructure and investment.

THE CHALLENGE

The industrial zone of Vallejo was established in the 1940s. Following years of declining output, large-scale intervention was needed for it to be productive; and this presented an opportunity to drive sustainable development.

HOW IT WORKS

From 2019 to mid-2023, the city invested US$57 million in infrastructure into the Vallejo area to create higher densities, mixed land use, public spaces, and affordable housing. The investment was based on a circular economy strategy, including the installation of renewable energy sources and a sustainable waste management and recycling plant.

Setting a foundation through the infrastructural investment, the city government actively promoted opportunities for businesses to invest or relocate to the area. They engaged with roughly 300 companies or business associations through 22 meetings.

By mid-2023, private investment had reached roughly US$800 million, with both small and large companies moving their operations to Vallejo.

Within Vallejo-i, the city also created a Center for Technological Development and Innovation (CDIT). CDIT supports start-ups, provides training on relevant technology, and provides a platform for the public and private sector to innovate collaboratively.

For example, CDIT co-organized an energy transition ‘ideathon’ in 2023, selecting eight start-ups to join a summer accelerator programme. Similarly, CDIT invested in a joint project with an electric motor company and the National Autonomous University of Mexico on electric truck parts and batteries. This led to the first electric trucks produced in Mexico.

LESSONS

Cities can maximise investments through catalytic programs. As with Vallejo-i, a city can create the conditions for innovation and broader investment under a common vision.

In that vein, place-making or urban redevelopment can be a great opportunity to bring businesses together, build trust, and enable innovation.

The Mayor’s expertise on climate change and political will was important in setting the project in motion. Once established, the project’s focus on innovation allowed it to address multiple sectors.