

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.

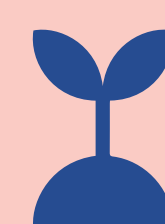
Setting a foundation through the infrastructural investment, the city government actively **promoted opportunities** for businesses to invest or relocate to the area. They engaged with roughly 300 companies or business associations through 22 meetings.

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.