

PUGET SOUND BUSINESS JOURNAL

'Innovation districts' may be good for the city, but suburban areas can also get in on the game

Marc Stiles
Staff Writer
Puget Sound Business Journal

A recent Brookings Institution study found that some of the most successful regions in the country are those that have become "innovation districts." Those districts typically have a major anchor tenant and a large number of other businesses and residential spaces that have grown up around them. The study highlighted Seattle's South Lake Union neighborhood as an example of an innovation district.

The PSBJ took a look at the region's innovation districts in this week's centerpiece story (subscription required).

To find out more, I interviewed Kris Richey Curtis and Kelley Sigl of Kinzer Real Estate Services, which has played a role in establishing the headquarters of some companies and groups – the Bill & Melinda Gates Foundation, Russell Investments and Starbucks, among them – in Seattle. Here's what they had to say:

Life science companies are flocking to or in the case of Novo Nordisk, expanding in South Lake Union. What's the benefit to these groups clustering together?

Richey Curtis: They want to be located in South Lake Union to be close to anchor institutions like UW Medicine, the Hutch and Seattle Children's Research Institute, which are talent rich and frequently collaborate to spin out new companies.

Seattle also provides access to ven-

From left, Kelley Sigl, associate at Kinzer Real Estate, and Kris Richey Curtis, vice president at Kinzer Real Estate, visit Occidental Park in Pioneer Square which is slated to become Seattle's next Urban Corporate Campus with Weyerhaeuser moving the building in mid-to-late 2016.



ture capital companies, intellectual property attorneys, incubators and industry associations like the Washington Biotechnology & Biomedical Association.

But there's a bigger play. There's the opportunity and demand for increased collaboration across companies and disciplines. Over time, I think we will see more robust life science incubator and shared facilities to enhance collaboration and efficiencies, which are more important than ever in this difficult public funding climate.

What would you recommend cities like Federal Way, which is losing Weyerhaeuser, do to remain competitive?

Sigl: My advice would be to create a mini innovation district. If they're able to create live-work situations in downtown Federal Way, where they can promote mixed-use development that has access to restaurants, work

spaces, apartment buildings and good transportation. It's about expanding so they're attractive to today's young workforce.

Richey Curtis: You need an anchor, too, whether it's a research institution or a tech anchor tenant. You need something to spur that momentum. I would look hard for a driver.

Land costs and rents are higher in cities than suburbs. Is there a tipping point where companies will elect to go with the lower cost alternative?

Richey Curtis: We're typically looking at the bigger picture. It's not just driven by the cost. You are looking at all the qualitative factors that impact your culture, your brand, your business strategy, and what you have to do to entice the talent. You have to look at the total economics to really understand what the best decision is for your company.