

# Drawbridge to build wet labs in Austin

## Drawbridge eager to buy, build more startup space

*Premium content from Austin Business Journal by Sandra Zaragoza, Staff Writer*

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[http://www.bizjournals.com/austin/print-edition/2011/11/11/drawbridge-to-build-wet-labs-in-austin.html?ana=e\\_ph](http://www.bizjournals.com/austin/print-edition/2011/11/11/drawbridge-to-build-wet-labs-in-austin.html?ana=e_ph)

A San Francisco-based developer with a track record in Silicon Valley is building a wet-lab incubator in Central Austin — near the University of Texas — that it hopes will attract engineering, biotech and alternative fuel startups from UT and California.

Drawbridge Partners LLC will redevelop an 18,000-square-foot, three-story office at 3208 Red River St. into a wet-lab incubator, company co-founder [Mark Pearson](#) said. Preliminary plans call for each of the 6,000-square-foot floors to be divided equally into office and wet-lab space. The incubator — which will have special work benches, sinks and ventilation that enable startups to do biology, microbiology, chemistry and engineering — will be the developer's first project in Austin, and Drawbridge has plans to further invest in existing and new offices, with a particular interest in those near downtown Austin.

Drawbridge has been scrutinizing Austin for several years — drawn by UT's commercialization efforts and the influx of Silicon Valley startups moving here.

If the city's rezoning of the property from office to research uses is approved, Drawbridge expects to get started on the Red River project in January for a June delivery date, said Frank Hartmann of CresaPartners, which is representing Drawbridge in its Austin efforts.

Drawbridge hired DGA Architects of Mountain View, Calif., to design the project and Landmark Builders of San Francisco as general contractor. Subcontractors have not yet been selected.

Hartmann said Drawbridge jumped at the chance to create wet-lab space within walking distance of the university.

"Based on what we've seen in Silicon Valley, these labs tend to be near to a university," Hartmann said.

While there are some outdated wet-labs near UT, this will be the first new wet-lab incubator to be built in Central Austin in some time, experts said.

### *Other wet labs on the way*

Regionally, the only comparable incubator is the Texas Life-Sciences Collaboration Center in Georgetown, which is about 45 minutes north of downtown Austin. The Georgetown complex is adding a second phase to bring even more wet-lab space to the area, but it's geared toward post-incubation biotech companies.

In Austin, Drawbridge will have a large head start on the Austin Technology Incubator's proposed \$60 million to \$80 million wet-lab incubator that will likely be built in the Mueller neighborhood north of downtown.

ATI envisions a major incubator for life sciences startups that would be close to UT and medical centers. If funding is secured, the project would be built in phases, with the first containing about 13,000 square feet of wet-lab space. But ATI's wet lab would not be ready for occupants until 2015 at the earliest, an ATI official said.

In contrast, Drawbridge's Red River project could be ready for occupancy in eight months, Pearson said. The company is in talks with several potential tenants, but it declined to name them. The wet-lab incubator is being built speculatively.

Pearson would not disclose how much will be paid for the building or the cost to convert it into wet-lab space. Generally, it costs \$600 to \$800 per square foot to build.

### *A place for startups*

Initially, Hartmann believes the incubator will primarily attract engineering and alternative fuel startups, industries that are strong in Texas. And he sees the potential for biotech tenants also.

A future medical school in Austin would be a boon to the incubator, Hartmann said. Medical schools are known to spin out as much commercialization as a research university.

"We'll have the facility that will be a go-to, as far as biotech is concerned," Hartmann said.

Drawbridge has developed several incubators in Silicon Valley, Pearson said. And it is positioning itself to become a private real estate investment trust as it is raising funds to invest in the western United States.

Pearson is also a managing partner in Annex Ventures, a venture capital firm that provides financing for startups.

"We do feel that there is a need for funding for startup companies in Austin," Pearson said.

During the third quarter, local venture capital investing was down notably from a year ago, and this month 16 Austin startups traveled to New York City to pitch to several VC firms at once.

[Richard Miller](#), chief commercialization officer at UT, said an incubator such as Drawbridge's could entice investors to look closer at Austin startups.

"The idea is that you can start working [in wet labs] tomorrow without a big investment, and that is going to attract investors and stimulate the whole environment," Miller said.

Miller believes that, over time, the incubator will breed competition because the "better companies with the better investors will get the space."

The competition for Drawbridge's wet-lab space could already be brewing.

Pearson said that his future incubator is piquing the interest of cash-strapped Bay Area startups.

"They are very interested because it's very expensive in Silicon Valley, especially now," Pearson said. "There are booming rents. As long as they can get the venture capital, they will move to Austin."