

**THE UNIVERSITY OF TEXAS LAW SCHOOL**

**LAND USE CONFERENCE**

**APRIL 5-7, 2017**

**INNOVATION DISTRICTS AND CREATIVE SPACES**

Ed Walts

Senior Real Estate Officer/Semior Attorney

The University of Texas System

Note: This paper was converted from a scanned image. The conversion has been reviewed for accuracy; however, minor spelling or text-conversion errors may still be present.

## TABLE OF CONTENTS

	Page
1. Stanford Research Park and Triangle Research Park - a little history	4
2. The Battelle Report	5
3. Parking	9
4. Financing of Research Parks/Innovation Districts	12
5. Financial Dimensions of Districts/Parks	13
6. The 2014 Brookings Study and Tools for Building Successful Districts/Parks	14
7. The 2015 Brookings Study	16
8. Creative Spaces	17
9. Conclusion	23

EXHIBIT A - List of some coworking spaces in Austin, Dallas, Fort Worth, Houston, San Antonio and New Braunfels with pricing information

EXHIBIT B - List of 31 rules for coworking spaces

EXHIBIT C - Pennovation Membership Agreement confidential information provision

## **INNOVATION DISTRICTS AND CREATIVE SPACES**

This paper will focus on two current trends in encouraging in software technology, bioscience, and collaborative business endeavors. The paper will describe the industrial/suburban research parks generally as “parks” and the more urban research parks as “districts” to reflect current thinking. Sometimes both words will be used. The “creative spaces” refers to the coworking spaces being built and operated in many cities.

In the 1950s, universities, state and local governments created parks to encourage technological innovation with a view to enhancing local and state economies. In two of these parks, Stanford Research Park and Research Triangle Park in North Carolina, the model used to guide land use was the then dominant suburban office park. Since the 1950s, research parks have been created all across North America. The Association of University Research Parks lists 174 such parks. In central Texas, Texas State University has an approximately 50 acre innovation district known as Texas Star; the City of Austin and others, including UT Austin, plan to construct a research park adjacent to the UT Austin Dell Medical District. The Texas Medical Center in Houston proposes to develop TMC3, a collaborative translational research center, in cooperation with U.T. M.D. Anderson Cancer Center, U.T. Health Science Center in Houston, the Texas A&M Health Science Center and Baylor College of Medicine. Baylor University houses the Baylor Research and Innovation Collaborative at Waco. The University of North Texas operates Discovery Park on approximately 500 acres about 5 miles north of its main campus. Texas A&M and the University of Houston also have research parks. There are others.

While many of these parks start as a university and/or governmental initiatives, private sector involvement is common, and, to achieve programmatic and financial goals of the parks, frequently necessary. The paper will examine a little of the history of these parks and current thinking about what can make them successful today. If

your city manager or developer client comes to you with an idea about research parks or industrial parks that need anew purpose and seeks your thoughts, this paper, while not exhaustive, has resources that should permit you to advise your client.

The second trend that the paper examines are the co-working facilities springing up everywhere. Coworking arises from cultural, economic and technological impulses that impact the build-out and leasing of existing buildings. Older buildings that cities and developers may have considered past their useful life may acquire new life as a coworking facility. Even if it's old and beat-up space, it may still be attractive so long as one can get high-speed internet service. This paper will not review this phenomenon in detail, but parallels exist between the build-out of coworking facilities and the office portions of research parks. This is probably because the same grad students and younger researchers occupy both product types.

### **1. Stanford Research Park and Research Triangle Park - a little history.**

Stanford Research Park, built in 1951, was originally named Stanford Industrial Park. Stanford's Dean of Engineering, Frederick Terman, saw potential in a research and development business park that generated income for Stanford and the surrounding community. Since the Stanford park is regarded as the first, it is noteworthy that economic development motivated its creation. According to the Stanford Research Park website, "Dean Terman envisioned a new kind of collaboration, where Stanford University could join forces with industry and the City of Palo Alto to advance shared interests. He saw the Park's potential to serve as a beacon for new, high-quality scientists and faculty, provide jobs for University graduates, and stimulate regional economic development." I have been told that in 1951 Stanford wasn't as wealthy as it is today so the economic development motive was very important. The park is built on a suburban office/industrial park model.

Varian Associates broke ground as the Stanford Industrial Park's first company in 1951. Hewlett-Packard, Xerox, Lockheed, Facebook, Tesla and VMware have operated and in some instances still operate within the park. Obviously, Dean Terman's vision and economic development motivation have been realized and richly rewarded.

Research Triangle Park was created in 1959 by the State of North Carolina, local governments, Duke University, North Carolina University, North Carolina State

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

Title search: Innovation Districts and Creative Spaces

Also available as part of the eCourse

[2017 Land Use eConference](#)

First appeared as part of the conference materials for the  
21<sup>st</sup> Annual Land Use Conference session

"Innovative Districts and Creative Spaces"