



Research, sciences subdistrict envisioned near The Domain

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A new city initiative aims to champion the development of research and science facilities in a rapidly changing portion of North Austin near The Domain.

City Council wants to amend the [North Burnet/Gateway Regulating Plan](#) to create a new research and sciences mixed-use subdistrict. The goal is to pave the way for the University of Texas' J.J. Pickle Research Campus – and potentially others – to develop new health sciences facilities focused on innovation.

The hope is that labs and biomedical facilities will blossom just south of The Domain, a development many call Austin's second downtown due to its office and residential towers.

A [resolution](#), approved on consent by City Council during its Nov. 9 meeting, directs the city manager's office to process the code amendments needed to establish the district and return to Council with a draft ordinance by Feb. 29.

The exact details of how these changes will promote specialized research and lab facilities remain undetermined, said Council Member Leslie Pool, who represents the area.

"I think we're at a tipping point," Pool said. "I want to be sure that we lay the groundwork for this innovative sector, particularly in an area that's so well positioned for growth."

Although the exact details of the subdistrict have yet to be drafted, Pool said there may be opportunities for others outside of the research campus to take advantage of the incoming regulations.

"We are tagging it for the UT campus, specifically," Pool said. "Whether there might be a different property elsewhere, that would also want to make use of that element of the subdistrict, they would be able to share in that."

Representatives of UT did not immediately respond to the ABJ's requests for comment.

The J.J. Pickle Research Campus, split between two properties divided by MoPac Expressway, is home to a variety of the university's research initiatives. That includes the Applied Research Laboratories, which is focused on defense research; the Texas Advanced Computing Center; the **Bureau of Economic Geology**, which is focused on energy resources; and the Nuclear Engineering Teaching Lab — home to a functioning nuclear reactor.

The proposal comes as local life sciences employment has expanded nearly 74% between 2020 and 2022 and is expected to continue to climb at a rate of 6.5% per year through 2025, according to [Newmark Group Inc.](#), a New York-based commercial real estate advisory and services firm. Opportunity Austin, a regional economic development group, aims to build out the industry as part of its [next five-year strategic plan](#).

"We are projected to be a national leader in the life sciences sector," Pool said.

More than 18,000 people work already in life sciences in the region at nearly 300 companies, according to data collected by the [Austin Chamber of Commerce](#).

During the most recent South by Southwest conference, Austin-based investment firm Santé Ventures shared insight into the [growth potential](#) of the industry.

"These are big names in health care that are building a presence here in Austin," said Dennis McWilliams, a partner at Santé. "Being health sciences, we have always kept our head down and done our own thing, but now, to have a community around us, it has been nice."

The push for such innovation zones isn't without peril. For instance, the health care-focused 324,000 square-foot Innovation Tower near downtown is still [standing vacant](#) more than a year after being ready for tenants. It's part of Austin's new "innovation district" near the new teaching hospital.

Still, many share the opinion that much more space is needed to accommodate future growth, especially specialized [mid-level lab space](#) that could accommodate startup businesses.

"I think we are in a rare pause in Austin real estate," Pool said. "But with everything I'm reading and hearing on life sciences, I certainly want to be prepared and forward-focused for the rise in this sector. With UT bringing this to that part of the city – bringing life sciences to Austin – that will trigger that additional focus and interest. Both downtown and the North Burnet/Gateway area offer medical hubs for providers and patients, but I think the Pickle campuses are delivering on research and development growth in a unique way, just in terms of physical space and workforce talent."

The new resolution marks the continued transformation of the busy North Austin submarket, which is home to Q2 Stadium and other major projects including Brandywine Realty Trust's Uptown ATX development.

The proposed science-focused district follows several changes made to the North Burnet/Gateway in recent months including policies to encourage [denser development](#) in the area by increasing the [maximum building height](#) allowed in the district.

The decision by the City Council also follows the September announcement that UT's Discovery to Impact program will establish its first [off-campus wet lab space](#) for life science startups, investing in a 10,000-square-foot space at Karlin Real Estate's Parmer Austin campus.

Bart Olds, managing director of Karlin Real Estate's Parmer Innovation Centers, has also [said](#) Austin is on its way to "becoming a global player in the life sciences industry."

Other recent life science-focused real estate deals include New York-based Related Fund Management LLC's [\\$65 million plan](#) to build a 310,000-square-foot cold storage facility in Lockhart, which could be used to store medicine. The company aims to open the cold storage facility in early 2025 and employ at least 100 people at the 53-acre site north of State Highway 130 along Farm to Market Road 2001.

In Cedar Park, Triple Temp Cold Storage LLC officially opened [its cold storage facility](#) on Nov. 2 for companies in need of climate-controlled storage including the life sciences sector. Developed by Investex II LLC, the project represents a \$14 million investment creating 60 jobs.

In October 2022, Alexandria Real Estate Equities Inc., a firm that primarily operates in the life sciences and technology sectors, announced that it purchased the Austin headquarters of the Teacher Retirement System at 10th and Red River streets in downtown Austin for [\\$108 million](#).

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