

# Northern Colorado BUSINESS REPORT

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*Kate Hawthorne, Northern Colorado Business Report*

**NEW HOME FOR INNOVATION** – The Rocky Mountain Innosphere building on East Vine Drive greatly expands the space available for startups and cutting-edge technology companies looking to take off in Fort Collins.

## Incubator movin' on up with new space

By Joshua Zaffos

FORT COLLINS - Less than two years ago, Forston Labs launched as a small chemistry analysis company, working out of typically modest digs.

"We started out in the quintessential garage," recalled Steve Zelenak, Forston Labs president. Zelenak and two other founders are veterans in the fields of water chemistry and environmental analysis, and they've developed an accessible software package

and interface that allows for easy testing of water, soil and air quality, and gas concentrations. The LabNavigator, the company's prominent instrument, is a handheld device used by environmental consultants around the world and even in California wine country.

The company got a leg up with its business acumen after participating in a program through the Rocky Mountain Innovation Initiative. Now known as the Rocky Mountain Innosphere, the incubator organization has bolstered startup tech companies with business skills and other support. With the opening of a sharp, new, green-designed building at 320 E. Vine Drive, garage days are a thing of the past.

Forston Labs is among the first 15 tenants occupying the relatively swanky offices and lab spaces, designed to meet LEED green-building standards and serve as a showcase of energy efficiency and waste reduction. The lighting, temperature, airflow and water resources are all automated. Fifty kilowatts of solar panels on the building's roof and carports, installed and managed by Wirsol, another Innosphere client and building tenant, provide much of the energy. The interior, which purposely includes lots of open and common spaces, is even decorated with used furniture to uphold its green-chic standards.

"The building is optimized to create a lot of informal interaction," said Mark Forsyth, Innosphere CEO, on a recent tour of the building.

"When we're talking about the Innosphere, we're not just separate companies," Zelenak added. "There's a knowledge base we can all draw from."

### State-of-the-art opening

The state-of-the-art facilities, designed by architect Olexa Tkachenko of Preview Architecture + Planning in Fort Collins, and built by Dohn Construction, also of Fort Collins, opened Jan. 5 with great fanfare. Outgoing governor Bill Ritter attended an event with many local movers

and shakers to launch the Fort Collins Renewable and Distributed Systems Integration pilot project. The RSDI demonstration is a centerpiece of the Fort ZED initiative, which is benefiting from a \$6.3 million U.S. Department of Energy grant. Its goal is to create a zero-net-energy district in the city's downtown using smart-grid technology.

Spirae, an Innosphere-supported company that specializes in distributed energy integration, hosted the event. The firm is also leading the new Center for Smart Grid Advancement and will occupy nearly 5,300 square feet in the new building. With the move, the company plans to invest more than \$1 million in equipment and systems development over the next two years, supported in part by a matching grant of \$150,000 from the state Office of Economic Development and International Trade.

All of the tenants have participated in RMI entrepreneurial programs, and Forsyth expects regular turnover as firms expand and need larger work areas. Many of the companies formerly grabbed space in the old RMI2 offices, along West Mountain Avenue in Old Town Fort Collins. The buildings, owned by the city, provided some cheap square footage, but weren't specifically suited to tech firms with special requirements for labs and computing equipment. When the city announced plans to develop the space as a performing-arts center, staff began looking for permanent and dedicated offices. Tenants in the new building are paying 70 percent to 100 percent more than they did previously in the city-owned space, but Forsyth said the costs are still below market rates.

After first setting sights on existing buildings and then measuring different proposals, staff selected the Vine Drive location with aspirations for the ultra-green facility and operating systems. RMI built its new facility for less than \$7.3 million, and was able to take advantage of tax-increment financing because of the location in the North College urban renewal area. Investment funds of \$2 million came from U.S. Bank and its New Markets Tax Credits program, which will help pay off the transaction costs and eventually give the equity to RMI. A loan from the city of Fort Collins supported the remaining costs, and Forsyth said the organization is still lining up grants to help with the loan payments.

While the structure and layout are organized to be "utilitarian," the building design is unconventional, with curving walls and exposed structural steel on the inside, providing a highly aesthetic and organic flow through the corridors and offices.

"We didn't want the building to have an institutional feel," said Bryan Dennis, an RMI consultant and facilities manager. The design maximizes natural light and openness with floor-to-ceiling windows, creating a unique office atmosphere.

Forston Labs is one of several companies occupying the first floor, dedicated mostly to bioscience technology. The businesses share wet laboratories, and the entire building is designed around the common spaces and meeting rooms meant to be shared and to encourage collaboration between employees of the numerous tech firms.

Zelenak said the transition from garage to cramped quarters to brand-new labs and offices provides companies like his with a "sign of stability" that boosts individuals' and investors' outlooks on business. Forston Labs had delayed hiring new staff until the company moved into the Innosphere building, but has recently added a software engineer and an applied chemist.

And from the perspective of a principal trying to win over prospective clients, "this gives us a layer of credibility," Zelenak said.