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## Nitze-Stagen, Daniels starting venture capital company



Photo courtesy of Nitze-Stagen Capital Partners

Kevin Daniels, left, and Peter P. Nitze (center) and his son, Peter A. Nitze, are starting Nitze-Stagen Capital Partners, a venture capital firm that will invest in green building products and services. The men were photographed last month at Stadium Place, a project that Daniels is developing in Seattle just north of CenturyLink Field.

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Nitze-Stagen and Daniels Real Estate on Tuesday announced they're launching a venture capital firm in Seattle to invest in sustainable products and services used in the building industry.

Nitze-Stagen Capital Partners will focus on "early-stage proprietary co-investment opportunities," the company said. Kevin Daniels and Peter A. Nitze, president of the new company, said they think they may be among the only venture capital firm in the country to focus on sustainable building products and services.

Nitze-Stagen Capital Partners wants to invest in advanced building materials, energy-efficient lighting, environmental control systems, security systems, green roofs and walls, and innovative waste water technologies.

The launch constitutes a new chapter for Daniels, one of Seattle's most active real estate developers, and the Nitze-Stagen brand, which has pulled off some of Seattle's biggest property developments.

Investing in green building techniques and products is a natural extension for the companies, and Seattle — known for technological innovations and passion for environmental sustainability — is a logical place to do so, said Nitze and Daniels. They plan to test the innovations of companies in which they invest in their buildings.

“That’s where I think there is a real opportunity for mutual re-enforcement,” said Nitze, whose father, Peter P. Nitze, founded Nitze-Stagen & Co., with Frank Stagen (who passed away a year ago) in 1970 on a one-room office in Rockefeller Center.

The company expanded to Seattle where it repositioned Sears’ 2.1-million-square-foot distribution center into Starbucks Center. The company hired Daniels, an accountant who worked his way up through the ranks.

Daniels launched his own development company several years ago, but remains president and CEO of Nitze-Stagen & Co. Daniel Real Estate is developing several projects, including Stadium Place, a large project just north of CenturyLink Field.

Peter A. Nitze trained as an engineer and has operated companies that make high-speed machine tools, navigation systems, optical communications and other high-tech products. Before starting Nitze-Stagen Capital Partners, he was chief operating officer of Martek Biosciences, a startup that grew into a global company. A Dutch conglomerate bought Martek for \$1.1 billion in 2011.

Nitze-Stagen Capital Partners initially will seek out investments and invest the money from a “broadly defined friends and family group” of six to 12 people, not all of them local, Peter A. Nitze said.

“It’s not a big splash,” he added. “It’s not go out and raise \$200 million. It’s a quality thing.”

Daniels said there is no fund or target amount of money to raise. This is "venture investing deal by deal," he said. "Like in our real estate investments, we will put in whatever equity is needed when it's needed."

Nitze-Stagen Capital Partners does not yet have a lead investment. But, “Even without aggressively beating the bushes we have a couple of prospects,” said the younger Nitze, who thinks the company will have something to announce in six months.

“We are going to have a small number of companies in which we’ll be actively engaged,” he added.

Community building is a key component for the new company, which sees the new venture as an opportunity to help cement Seattle's place as a center for green-building technology.

Daniels points to the Bullitt Center, the new Seattle building that bills itself as the world's greenest commercial building. "That's just a phenomenal demonstration project," he said.

While materials for the Bullitt Center were sourced from companies that are relatively close to Seattle, the technology behind many of the products came from elsewhere.

It would have been better for the local economy, and the environment, if more of the technology and the products had been developed and manufacture here, Daniels said.