ECONOMIC DEVELOPMENT
UNIVERSITY RELATED ORGANIZATIONS (UROs)
Presentation Goals

Rationale and History  |  First ten years  |  Future Plans and Implementation
Current U of I UROs

1. University of Illinois Alumni Association
2. University of Illinois Foundation
3. UI Singapore Research, LLC
5. Wolcott, Wood and Taylor, Inc.
6. University of Illinois Research Park, LLC
7. IllinoisVENTURES, LLC
UROs: What and Why?

- Board of Trustees is sole member
- VPR serves as the “Principle of the Sole Member”
- Must be in compliance with the *General Rules Concerning University Organizations and Procedures*
- Subject to Section VI of the *Legislative Audit Commission Guidelines*
- Must follow Illinois Procurement Code
- Responsible for overseeing the mission, leadership and operations
- Establish and enforce policies
- Appoint individuals to URO’s Board of Managers
The UI 21st Century Land-Grant Mission:
Research (Innovation) Driving Economic Development

2000
Economic Development added as fourth pillar of the University of Illinois

2000
University of Illinois Research Park, LLC Incorporated in the State of Illinois

2000
Chet Garner named Vice President for Economic Development and Corporate Relations

2001
David Chicoine named Vice President for Economic Development and Corporate Relations

2003
New name: Office of the VP-Technology and Economic Development
IllinoisVENTURES GP Formed

2004
Both Chicago and Urbana Offices of Technology Management transferred to VPTED

2009
Avijit Ghosh named Vice President for Technology and Economic Development

2011
New Name: Office of the VP for Research
Larry Schook named Vice President
UROs Reporting to the Office of the Vice President for Research

University of Illinois Research Park, LLC (UIRP)

To develop dynamic research parks that support our campuses:

- Research Park in Urbana
- Chicago Tech Park (CTP)
- Other sites across the state

IllinoisVENTURES

- Encourage creation and accelerate development of technology-based companies
- Emphasis on research conducted at the UI and other regional research institutions
History and Facts

UIUC Research Park photo from early 2000s.
The Research Park has Transformed the UIUC South Campus over the Past 10 Years

From Greenfield Sites and Fish Ponds in 2000...

To construction each year annually over 10 years...

The RP now includes 13 Buildings and 90 Companies
Two key agreements have been part of Research Park Development

- The University of Illinois Research Park, LLC was established in November 1999.
- The Master Developer Agreement went into effect in 2000.
- It received its charter from the Secretary of State in March 2000.
- The Operating Agreement went into effect in 2001.
- The first building opened its doors in January 2001.
- First private tenants moved into the Research Park.
- The first tenants moved into EnterpriseWorks during early 2004.
- The State of Illinois provided funding to build the EnterpriseWorks early-stage tech firm business incubator in 2003.
- 2004
## Key Components

<table>
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<tr>
<th>Activity</th>
<th>Description</th>
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| UIRP Personnel Are University Administration Staff | - University provides support & services to UIRP  
- University maintains oversight and control of the Research Park  
- UIRP is independent of any academic department |
| UIRP Operates Incubator Facilities | - The University has a dedicated channel for technology commercialization  
- The incubator provides a stream of prospective permanent Research Park tenants |
| UI Transfers Land to UIRP | - The University demonstrates its commitment to the Research Park by dedicating land and resources for development  
- Block transfers of land reduces administrative work and allows UIRP to plan with agility |
| UIRP Subleases Land to Developer | - UIRP can work directly with the developer and prospective tenants to plan and identify areas of development  
- The University is still involved with development activity and decisions due to provisions within the master lease |

## Impact

- University provides support & services to UIRP
- University maintains oversight and control of the Research Park
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The RP Developer Agreement ensures park development while maintaining University oversight

<table>
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<tr>
<th>Administrative Components</th>
<th>Developer Requirements</th>
<th>Covenants</th>
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<tbody>
<tr>
<td>• RFP process to select developer</td>
<td>• Staff a Marketing Director and implement the Marketing Plan to market the Research Park nationally</td>
<td>• Designate permitted uses, signage requirements, telecom arrangements</td>
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<tr>
<td>• Enter into a 10-year exclusive contract</td>
<td>• Build and maintain a minimum average of 120,000 square feet of leasable floor area every three years</td>
<td>• Establish annual assessment provision and process</td>
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<td>• Designate land pricing and infrastructure support arrangements</td>
<td>• Lease to tenants for research and technology-oriented uses and with a desire to maintain a relationship with the University</td>
<td>• Provide for common facilities and access</td>
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<td>• Lease individual parcels at a 50-year lease</td>
<td>• Revenue sharing agreement upon sale of buildings</td>
<td>• Include design guidelines</td>
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<tr>
<td>• Provide land rent agreement that incents development</td>
<td>• Infrastructure planning, budgeting, administration</td>
<td>• Maintain the University’s client approval rights</td>
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<td>• Infrastructure planning, budgeting, administration</td>
<td></td>
<td>• Outline the design review process for new development</td>
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Currently 13 buildings are the result of public and private development efforts.

80% occupancy rate has been typical.

Not pictured: the TDFCIII building on Hazelwood, expected to open in May 2012.
Since 2001, the Research Park has significant growth and economic impact

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<tr>
<th>Current Facilities &amp; Resources</th>
<th>Awards &amp; Recognition</th>
<th>Impact</th>
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</table>
| • Home to **90 companies** (including Fortune 100 and Fortune 500 firms) and **50+ start-ups**  
• Business incubator  
• Hosts networking, educational and entertainment programs for tenants and the community  
• Includes a **day-care, hotel, conference center** and auxiliary University facilities | • Association of University Research Park’s **2011 Outstanding Research Park**  
• Top 10 Start-Up Incubator to Watch by *Inc.com*  
• Ten Technology Incubators that are Changing the World by *Forbes.com*  
• State and federal grant funding for start-up and entrepreneurial development programs | • **1,300 employees**  
• **350 student interns**  
• Incubated **143 startups**, 69%- stayed in Illinois  
• Generated **over $406M in capital** by incubated companies  
• Estimated **economic output of over $170M**  
• Estimated **$4.1M in annual IL tax revenue**  
• Spurred an estimated **241 indirect jobs and 508 induced jobs** |
Today it is a vibrant tech community...
...that will continue to grow during the next decade

- Develop over 160 acres under 2011 Developer Agreement
- Extend South Fourth Street to Windsor Road
- Incorporate a variety of uses
  - Retail
  - Light industrial
  - Office
  - Mixed use
  - University facilities
IllinoisVENTURES: Key Charges

• Facilitates technology (IP) commercialization developed by UI faculty, staff and/or students (not limited).
• Attract and retain faculty through business ventures & commercialization.
• Provide resources, expertise to start-up companies:
  • form business entities
  • obtain business services
  • recruit management personnel
  • facilitate contracts for seed and venture capital funding
  • service companies who are current or prospective tenants in University incubator facilities.
The History of Illinois VENTURES, LLC

May, 2001
- State legislature mandates fourth mission of economic development for University of Illinois

October, 2002
- IllinoisVentures is launched with Managing Director hire

January, 2003
- First investment made

February, 2004
- Private venture fund conducts first closing (IEFT I, $27M)
- 3rd-party co-investment in companies exceeds $100M

July, 2004
- Second venture fund conducts first closing (IEFT II, $25M)

February, 2008
- First exit occurs - sale of iCyt to SONY of America

December, 2009
- IllinoisVentures funds 50th company

March, 2010
- IllinoisVentures exceeds:
  - $65M assets under management
  - $40M invested in 65 companies
  - $500M of 3rd party co-investment
  - 500 jobs created

December, 2011
IllinoisVENTURES Implications

Strong Local Economic Development Impact

• Illinois Ventures start-ups have created over 500 jobs
• Illinois Ventures clients represent:
  – 85% of all capital raised by OTM-licensed start-ups ($428.5M out of $505.3M)
  – 92% of all capital raised by UIRP companies ($429M out of $477M)
  – 67% of all EnterpriseWorks lease revenue, numerous nameplate graduates in park ($294.4K out of $428.4K)

Illinois Ventures Model is Recognized

• Most active in region by Entrepreneur Magazine several consecutive years
• “Trend setter, leader among University-related funds” - Innovosource
Created Industry Changing Companies

The largest content sharing platform

World’s most efficient solar cells

The standard in cell measurement

(Sold to SONY of America)
The Future is Bright!

ANDalyze
Real-Time Water Testing Powered by DNA

nuvixa
BE PRESENT

PIER
PHARMACEUTICALS

Diagnostic Photonics

Chromatin, Inc.

Autonomic Materials™

caterva

Valkyrie

Glyce

LocalOffer

NETWORK

Advanced Diamond Technologies, Inc.

Clearstream

eden park illumination

CELL HABITATS

OFFICE OF THE VICE PRESIDENT FOR RESEARCH

University of Illinois
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346 Henry Administration Building • 506 South Wright Street
Urbana, Illinois 61801 • 217.265.5440
Emerging Research Model

Current

Research → OTM (IP) → Royalties

Emerging

Research → OTM (IP) → Public-Private Partnerships

Need for new operational model
University/Industry Partnerships

• Energy Biosciences Institute (BP)
• Center for Nutrition, Learning, and Memory (Abbott)
• Carbon Sequestration Initiatives (ADM)
Future Plans and Implementation

• Build on successes and practices of the first decade
• Implement new IV and UIRP Operating Agreements
• Engage new UIRP, LLC Board of Managers
• Managing expectations (community, state, campus)
• FY13 Plans
  ▪ Strategic planning with campuses (OVCR and faculty)
  ▪ Begin implementation of UIUC Research Park Master Plan
  ▪ Develop Master Plan for UIC CTP (working with IMD Board)
  ▪ Establish EnterpriseWorks Chicago (Incubator)
  ▪ Discussions on IV BOM expansions and Fund III