



UNIVERSITY OF ILLINOIS  
URBANA-CHAMPAIGN • CHICAGO • SPRINGFIELD

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
4. Prairieland Energy, Inc.
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 21<sup>st</sup> Century Land-Grant Mission:

## Research (Innovation) Driving Economic Development

							
<b>2000</b> Economic Development added as fourth pillar of the University of Illinois	<b>2000</b> University of Illinois Research Park, LLC Incorporated in the State of Illinois	<b>2000</b> Chet Garner named Vice President for Economic Development and Corporate Relations	<b>2001</b> David Chicoine named Vice President for Economic Development and Corporate Relations	<b>2003</b> New name: Office of the VP-Technology and Economic Development IllinoisVENTURES GP Formed	<b>2004</b> Both Chicago and Urbana Offices of Technology Management transferred to VPTED	<b>2009</b> Avijit Ghosh named Vice President for Technology and Economic Development	<b>2011</b> 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

University of Illinois Research Park

# History and Facts

**NOW LEASING SPACE**

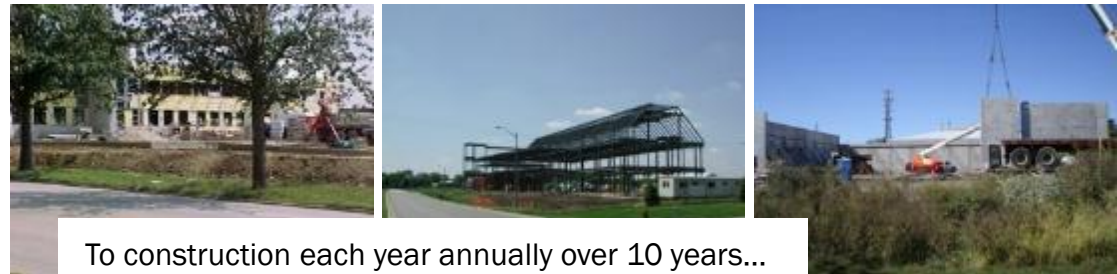
**351-1430**

**Fox/Atkins Development**

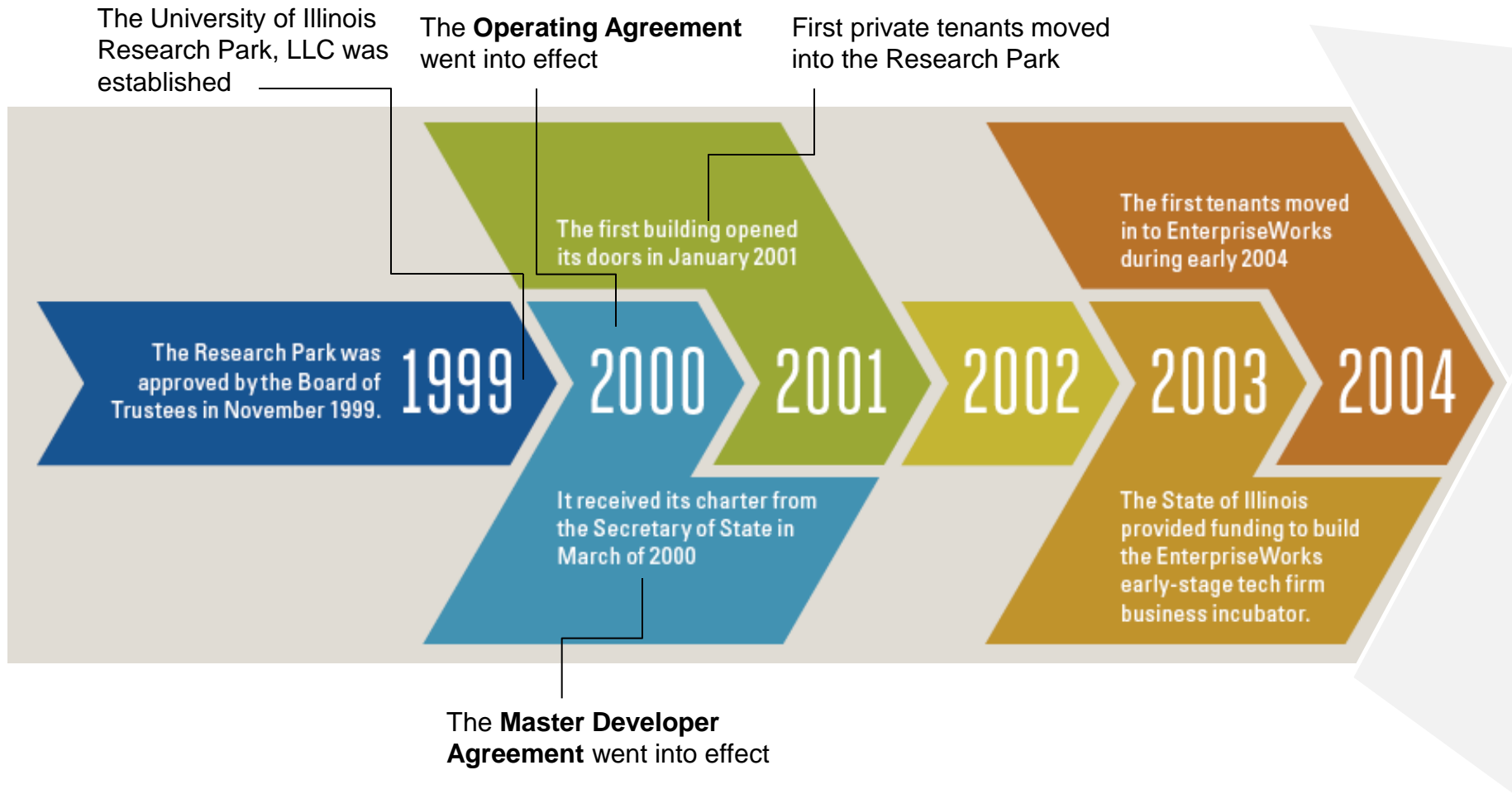


UIUC Research Park photo from early 2000s.

# The Research Park has Transformed the UIUC South Campus over the Past 10 Years



# Two key agreements have been part of Research Park Development



# The UIRP, LLC provides UIUC Research Park resources

## and flexibility to grow and develop with the market

### Key Components

UIRP Personnel Are  
University  
Administration Staff

UIRP Operates  
Incubator Facilities

UI Transfers Land to  
UIRP

UIRP Subleases Land  
to Developer

### Impact

- University provides support & services to UIRP
- University maintains oversight and control of the Research Park
- UIRP is independent of any academic department
- The University has a dedicated channel for technology commercialization
- The incubator provides a stream of prospective permanent Research Park tenants
- 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 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

# The RP Developer Agreement ensures park development while maintaining University oversight

## Administrative Components

- **RFP process** to select developer
- Enter into a **10-year exclusive contract**
- Designate **land pricing and infrastructure support** arrangements
- Lease **individual parcels at a 50-year lease**
- Provide **land rent agreement that incents development**
- **Infrastructure** planning, budgeting, administration

## Developer Requirements

- Staff a **Marketing Director** and implement the **Marketing Plan** to market the Research Park nationally
- Build and maintain a minimum average of **120,000 square feet of leasable floor area every three years**
- Lease to **tenants for research and technology-oriented uses** and with a desire to **maintain a relationship with the University**
- **Revenue sharing agreement** upon sale of buildings
- **Infrastructure cost share**

## Covenants

- Designate **permitted uses, signage requirements, telecom arrangements**
- Establish **annual assessment** provision and process
- Provide for **common facilities and access**
- Include **design guidelines**
- Maintain the **University's client approval rights**
- Outline the **design review process** for new development

# 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

## Current Facilities & Resources

- 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

## Awards & Recognition

- 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

## Impact

- **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: History and Facts

# 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 IllinoisVENTURES, 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)
- July, 2004
  - 3<sup>rd</sup>-party co-investment in companies exceeds **\$100M**
- February, 2008
  - Second venture fund conducts first closing (IEFT II, \$25M)
- December, 2009
  - First exit occurs - sale of **iCyt** to SONY of America
- March, 2010
  - IllinoisVentures funds **50th** company
- December, 2011
  - IllinoisVentures exceeds:
    - ***\$65M assets under management***
    - ***\$40M invested in 65 companies***
    - ***\$500M of 3<sup>rd</sup> party co-investment***
    - ***500 jobs created***

# Illinois VENTURES 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 standard in  
cell measurement

(Sold to SONY of America)



ShareThis

The largest content sharing platform



World's most efficient solar cells

# The Future is Bright!

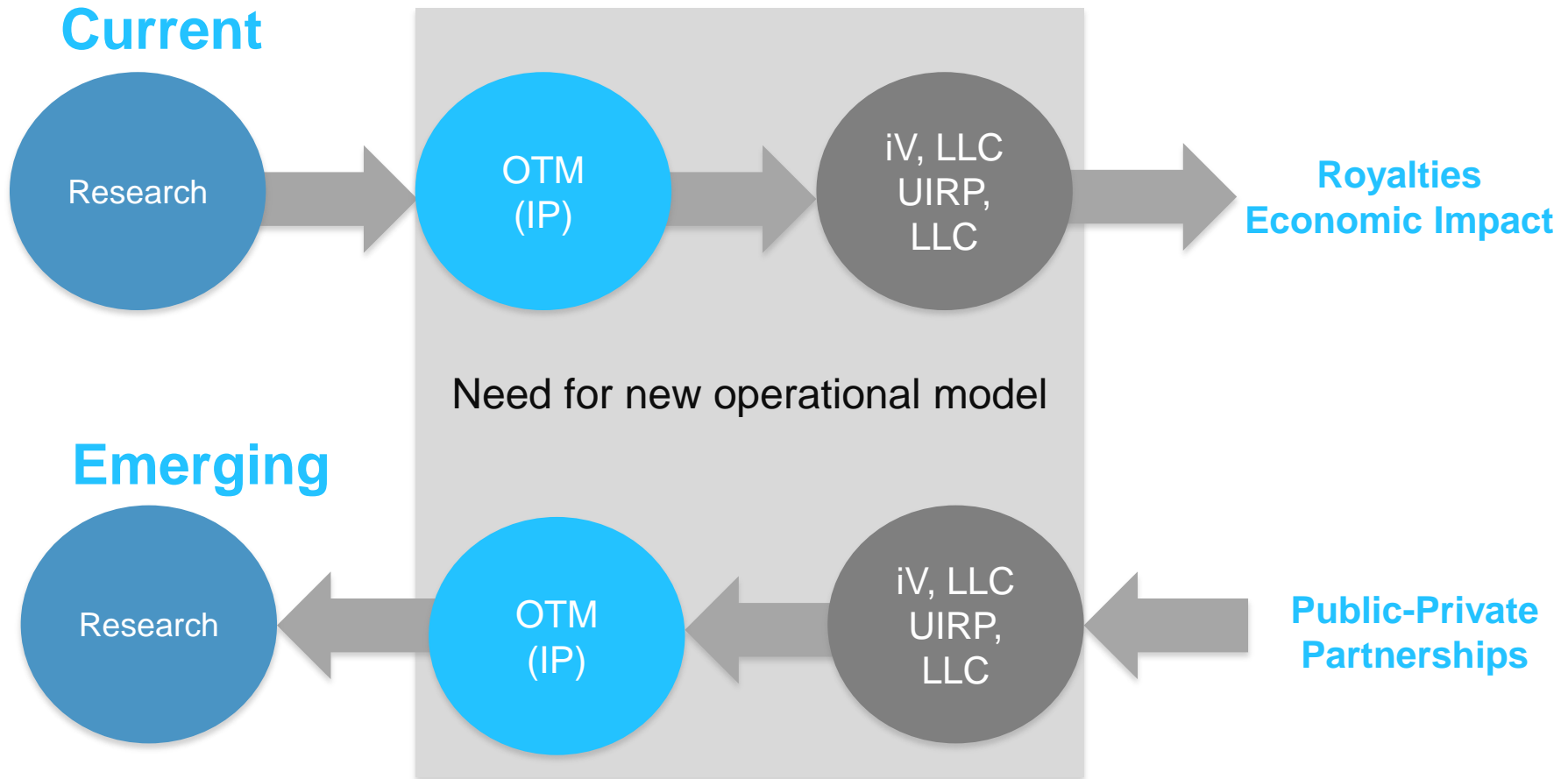


**VALKYRIE**

**Glyce**



# Emerging Research 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