**15**

Board Meeting

September 18, 2025

ROLL CALL

## APPROVE DEVELOPMENT AGREEMENT FOR THE UNIVERSITY OF ILLINOIS RESEARCH PARK, URBANA

**Action:** Approve Development Agreement for the University of Illinois

Research Park

**Funding:** No New Funding Required

### Brief History of Research Park Development Agreements

In January 2000, the Board of Trustees authorized the formation of the University of Illinois Research Park, LLC (UIRP) to assist the University in developing and operating the Research Park to foster new start-up companies, to bring innovative research to the marketplace, to retain top University talent, to attract research units of major corporations, to create jobs, and to spur economic development. The Board of Trustees of the University of Illinois is the sole member of the UIRP. A Services and Management Agreement was entered into between the University and the UIRP to define the responsibilities of the UIRP for the operation of the Research Park and the incubator (EnterpriseWorks). The Services and Management Agreement authorized the UIRP to enter into a development agreement with a developer and establish a declaration of covenants for the Research Park in Champaign. A 10-year development agreement was entered into with Fox/Atkins Development, LLC on May 3, 2000, and then again on May 11, 2011, which has expired. Currently, the UIRP is seeking a developer for specific projects in the southern portion of the Research Park, known as Zones 1 and 2.

### Selection Process for Next Development Partner

The UIRP published a Request for Proposal (RFP) on February 19, 2021, through the Illinois Higher Education Procurement Bulletin for specific land development proposals within Zone 1 and Zone 2 of the Research Park boundaries designated for the following potential uses:

* Graduate student and/or professional market-rate housing projects (not undergraduate targeted housing projects)
* Mixed-use development, including residential, office, or retail uses
* Commercial office development (developer-owned)
* Office/research development of owner-occupied buildings (subdivide land)
* Research facilities
* Medical-related facilities and associated uses
* Other uses that are consistent with the Research Park mission as may be determined by UIRP and the University

UIRP may, but shall have no obligation to, request the selected developer to complete development opportunities on other land located within the Research Park.

The Research Park RFP Committee was established for technical evaluation. Four development teams submitted proposals in response to the RFP. The RFP Committee completed a thorough, strategic, and objective review of the proposals, based on the optimization of the land use, consistency with the Research Park Strategic Plan, and financial sustainability. From this group two teams were selected to engage in detailed negotiations regarding a potential development agreement. The results of these negotiations were reported to the UIRP Board of Managers for final developer selection.

### Preferred Developer Team

In August 2021, the UIRP Board of Managers approved recommending to the Board of Trustees of the University of Illinois a proposed development between the UIRP and a joint-venture, limited partnership comprised of local real estate developers. The Board of Trustees approved that recommendation. UIRP received notice in August 2022 that the development plans for Zone 1 and Zone 2 had been terminated by the selected development group. In September 2022, UIRP reengaged Woodbury Corporation and Greystar Real Estate Partners, which was another finalist development team of record from the RFP process. The development team expressed a willingness to pursue the project further, contingent upon identifying a strategy aligned with current market conditions that would ensure its viability and secure necessary financing. The team evaluated many scenarios for the project and decided to shift their strategy toward Woodbury, leading with Greystar as a preferred property manager. In 2025, JLC Infrastructure, an equity investor formed by Loop Capital Markets, LLC and Magic Johnson Enterprises with offices in Chicago and New York City, joined the project to provide financing as an on-campus higher education collaboration. The development project is now organized as Woodbury and affiliates, led by Woodbury Corporation (Research Park developer), Pinnacle Real Estate Development Group (P3 real estate consulting), and JLC Infrastructure, with plans to contract Greystar as property manager and a local general contractor. Volz Group completed an independent housing study to confirm unit mix, lease rates, and amenity preferences; and to validate project viability.

### Project Description

A new housing development (Project) is planned to create a lifestyle area that enhances a live-work-play environment, thereby increasing density/traffic in the Research Park. The location adjacent to the UIUC campus is designed for local professionals working at the University and UIRP and will also serve graduate/professional students seeking modern new apartments. The project includes nine multi-family residential buildings with a total floor area of 265,000 gross square feet, including 15 studios, 145 one-bedroom/one-bathroom units, 145 two-bedroom/two-bathroom units, and 15 three-bedroom/two bathroom units (the residential buildings) with the actual program and unit count and mix to be modified as needed with architectural design progress. The Project further provides space on the site plan for one mixed-use commercial building. The commercial building or the residential buildings shall include amenities for the tenants such as a fitness center, meeting rooms, study/workspaces, and other recreational opportunities. The Project shall include surface parking lots, stormwater detention designed as a water feature, landscaping improvements, and amenities designed to create a park-like setting.

### Proposed Development Agreement – Key Terms and Conditions

### The proposed development agreement recommended to the Board of Trustees would be in force for three years plus two, three-year options based on performance. A term sheet has been executed by the UIRP and Woodbury that outlines the project and the key business terms for development. The key terms and conditions of the proposed development agreement are as follows:

* Term of development agreement: Three years plus two three-year options
* Length of lease for land parcels: 50 years with ability to renew for 25 years at developer’s option
* Initial ground rent: $10,500 annually per acre commencing at substantial completion
* Ground rent increases: Adjusted every five years based upon Consumer Price Index increase during any 5-year period
* Housing impact fee: One percent of rents to UIRP commencing on the earlier to occur of 80 percent occupancy or the second anniversary of the ground lease
* Financing: Financing and construction of the project using equity and debt obtained by Woodbury without any financial participation, assistance, or security from UIRP or the University of Illinois
* Right of first opportunity on sale of buildings: UIRP maintains a first right of opportunity on the sale of any developer building
* Infrastructure: All at Developer cost
* Utilities: All at developer cost
* Design standards: Buildings must meet defined design review criteria.
* Marketing: The UIRP and University will assist in marketing the residential development to University of Illinois graduate and professional students, University of Illinois employees, Research Park tenants, and professionals.
* Schedule: Construction commencement in 2026 with completion aimed for 2028
* Additional development opportunities: UIRP may, but shall have no obligation to, seek other proposed Research Park development projects from Woodbury Corporation within the term of the development agreement on property outside of Zone 1.

### Recommended Action

The University of Illinois Research Park, LLC Board of Managers voted to approve the developer selection and project in July 2024 and recommends the Board of Trustees of the University of Illinois approve the proposed development agreement between the University of Illinois Research Park, LLC and Woodbury and Affiliates.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The president of the University of Illinois System concurs.