

UNIVERSITY OF RHODE ISLAND, RESEARCH & TECHNOLOGY PARK



FINAL PRESENTATION

Prepared for:
UNIVERSITY OF RHODE ISLAND,
TOWN OF SOUTH KINGSTOWN, RIEDC

October 16, 2007



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AGENDA

- 1. Project Overview:
 - A. What is a Research Park?
 - B. Research Park Feasibility Scope of Work
- 2. Key Findings
 - A. University Resource
 - B. Regional Technology Base
 - C. Lessons from the Best Practice Parks
 - D. Market Forecasts
 - E. Site Analysis and Selection
 - F. Preliminary Site Planning
 - G. Financing Options & Financial Feasibility
- 3. Implementation Recommendations



A. WHAT IS A RESEARCH PARK?

- Importance to the University
- Importance to the Community
- What does the University have to offer?
- What does the Community have to offer?



WHAT DOES IT DO FOR THE UNIVERSITY?

- Enriches the Intellectual Environment
- Improves Recruitment of Faculty and Students
- Increases Private and Total Research Funding
- Increases University Financial Support
- Brings Community Leadership Support



WHAT DOES IT DO FOR THE COMMUNITY, STATE & NATION?

- Technology is the Foundation of the U.S. and Regional Economies
- Essential Response to National and International Competition
- Business Depends on Universities for Cutting Edge Research Which is the Foundation for Technology Development
- Key to Expansion and Attraction of Quality Jobs
- Retaining and Attracting College Educated Youth
- Substantial Increased Governmental Revenue



WHAT DOES THE UNIVERSITY HAVE TO OFFER?

- Work Force Development At All Levels
- Intellectual Capital Development
- Strong Technology Marketing Image
- Cutting Edge Technology
- Specialized Equipment and Facilities for Existing Business
- Strategic Utilization of University Land Resources



WHAT DOES THE COMMUNITY, STATE AND NATION HAVE TO OFFER?

- Strong and Efficient Competitive Operating Environment
- Effective Work Force Programs
- Active Outreach Marketing Efforts
- Financing Assistance for Park Infrastructure
- Incentives to Help Attract Established Technology Companies



PURPOSE OF THE FEASIBILITY STUDY

- The purpose of the Research Park Feasibility work is to analyze the technology resources of the University and Region, forecast the likely floor space leasing success and recommend the optimum financing, organization and implementation strategy



B. SCOPE OF WORK

- Phase I. Resource Assessment Market Forecast
 - Resource Assessment
 - ✓ University
 - ✓ Technology Industry/Community
 - Best Practice Comparables
 - Forecast 10-year Private Market Leasing Potential



B. SCOPE OF WORK (cont'd)

- Phase II. Site Selection & Site Planning
 - Identification of Potential Sites
 - Analysis and Ranking of Sites
 - Recommendation of Preferred Site
 - Preliminary Site Planning



B. SCOPE OF WORK (cont'd)

- Phase III. Financial Feasibility and Implementation Planning
 - Financing Approaches
 - Optimum Role of an Incubator
 - Financial Feasibility/Business Plan
 - Organization and Governance
- Implementation Recommendations



2. KEY FINDINGS



A. URI RESEARCH STRENGTH AREAS

- \$60M+ In Research Expenditures
- Oceanography
- Environmental & Life Sciences
- Chemical, Electrical, Mechanical, Industrial Engineering
- Pharmacy
- Cancer Prevention Research Center
- Sensors & Surface Technologies, Nanotechnology
- Biotechnology
 - Genomics
 - Proteomics
 - Bioinformatics



B. REGIONAL TECHNOLOGY INDUSTRY STRENGTH

- Strong Regional Technology Industry Base
 - 1-hour Drive time = 58,000 Tech Employment
 - 2-hour Drive time = 440,000 Tech Employment
- Important Life Science and Technology Company Presence
 - Health and Health Sciences
 - Communications and IT
 - Industrial Products and Manufacturing
 - Marine and Environmental Industries
 - Defense & Homeland Security



C. INSTRUCTIVE UNIVERSITY RESEARCH PARKS

- Criteria for Selection
 - Similar level of research expenditures
 - Active and successful university-related research park
 - Geographic similarity
 - Did not have a medical school at the campus identified



C. INSTRUCTIVE UNIVERSITY RESEARCH PARKS

- Rensselaer Polytechnic Institute (RPI)
- University of Delaware
- University of Maryland, Baltimore County
- University of Oregon



IMPORTANT LESSONS FROM THE COMPARABLE PARKS

- Importance of State financial participation
- Use of value-added relationships and linkages to attract tenants
- Importance of proximity to major metropolitan markets
- Potential leverage of local financial institutions
- Leverage of creation of new biomedical anchors when this was not a traditional strength



IMPORTANT LESSONS FROM THE COMPARABLE PARKS

- Leverage of full and vigorous university commitment
- Strong technology focus and image
- Creative financing of facilities
- Have successfully combined technology transfer administration with research park management
- Research Park becomes an important part of the continuing University mission



D. MARKET POTENTIALS FORECAST

➤ Methodology

- Logic: When we analyze the actual private space marketing experience of best practice comparable parks, we find that relative research park marketing success can be best predicted based on the relative strength of the actual absorption to the technology resource base and then applied to the research base of the subject university.



PRIVATE MARKET FORECAST FACTORS

- Research Expenditures
 - Indication of the Faculty Research Activity
 - Important Indicator to Prospective Business Partners
- Tech Transfer Achievement
 - Indication of Start-up Company Potential
 - Strong Disclosure and License Activity a Major Positive for Company Expansion/New Locations
- Private Technology Company Activity In the Region
 - Technology Companies Locate Where Market is Proven
 - Look for Locations a Strong Existing Workforce



FORECAST SUMMARY

- 10-year Average Annual Forecast
 - Private Forecast 16,200 SF/year
 - Public/Univ. Forecast 4,050 SF/year
 - TOTAL Forecast 20,250 SF/year

- Ten-Year Forecast
 - First Five Years 92,250 SF
 - Second Five Years 113,250 SF
 - Total Phase I & II Absorption 205,500 SF

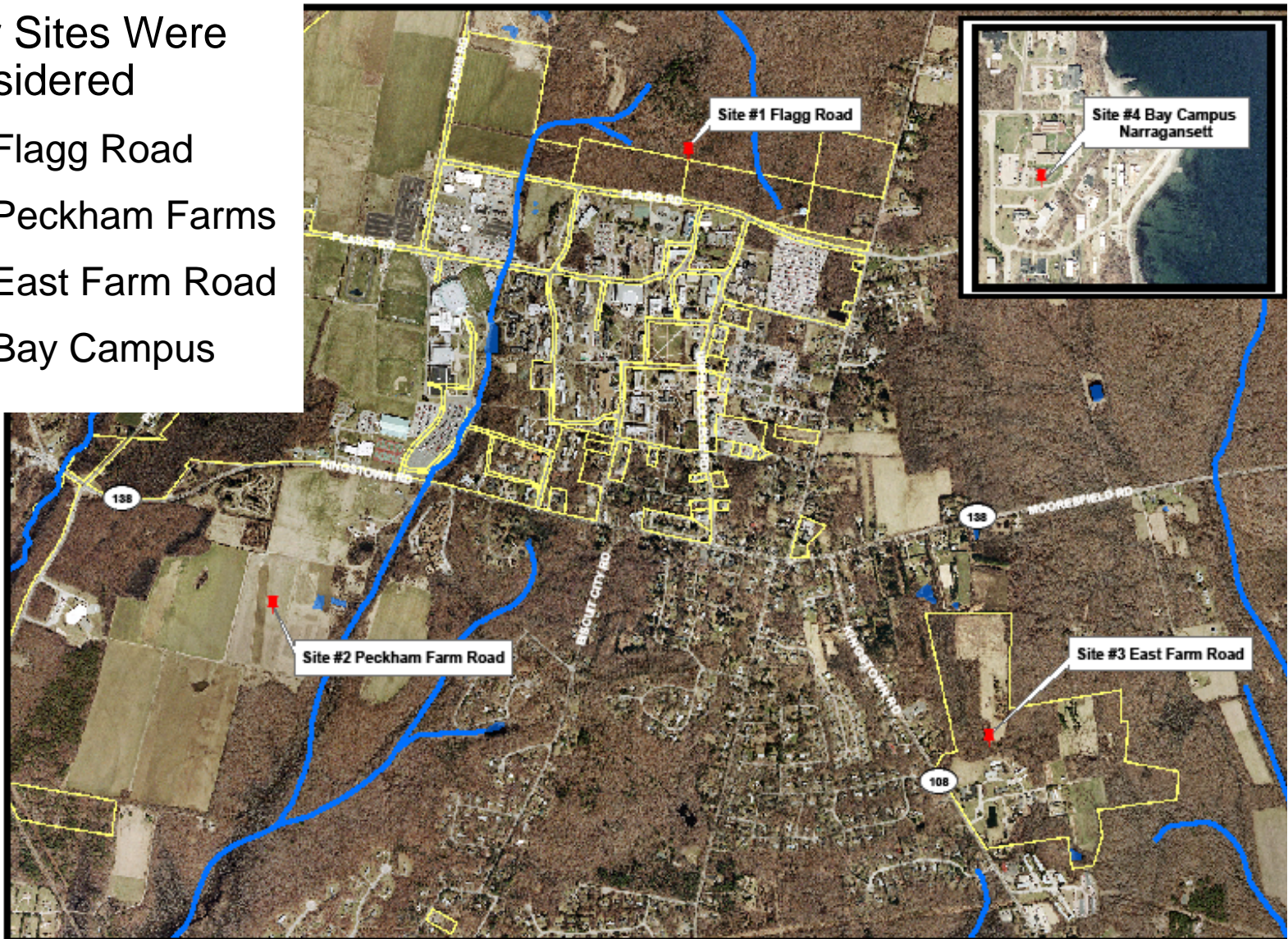
- Plus Major Public/Private Anchors and Facilities
 - 30,000 SF- 50,000 SF In Most Parks



E. SITE SELECTION

➤ Four Sites Were Considered

- Flagg Road
- Peckham Farms
- East Farm Road
- Bay Campus





E. SITE SELECTION

	Possible Research Park Sites	Flagg Road	Peckham Farm (2 sites)	East Farm	South Ferry Industrial Park (Bay Campus)
SITE LOCATION CRITERIA	Major Roadway Proximity	3	3	3	1
	Road Capacity/Quality	3	3	3	1
	Utility Capacity	4	4	2	2
	Site Prep Cost/Suitability (Soils, Slopes, Wetlands)	4	3	1	3
	Proximity to University Research Anchors	4	3	2	2
	Sufficient Total Park Size	4	4	1	4
	Surrounding and Potential Supportive Uses	3	3	1	1
	Acquisition Costs	3	4	1	3
	Regional Research Park Competition	4	4	4	1
	Potential Curb Appeal & Entrance Image	4	3	3	1
Total	36	34	21	19	

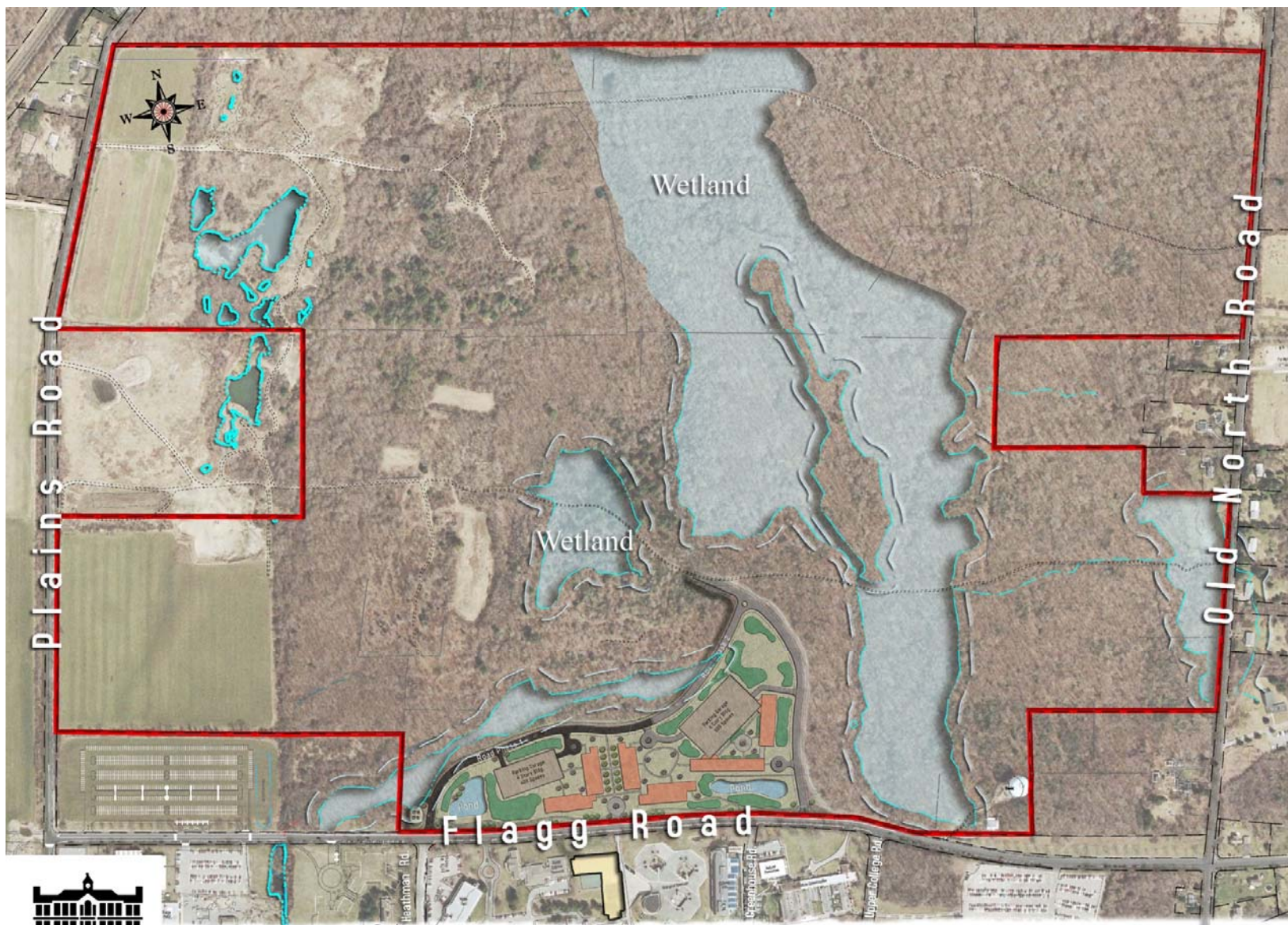


E. SITE SELECTION

- Flagg Road Site Selected
 - The abundance of useable land for both the research park and other ancillary uses
 - Proximity to the highly productive technology transfer research anchors
 - Proximity to the new Pharmacy building and potential Life Sciences Core



CONCEPTUAL MASTER PLAN



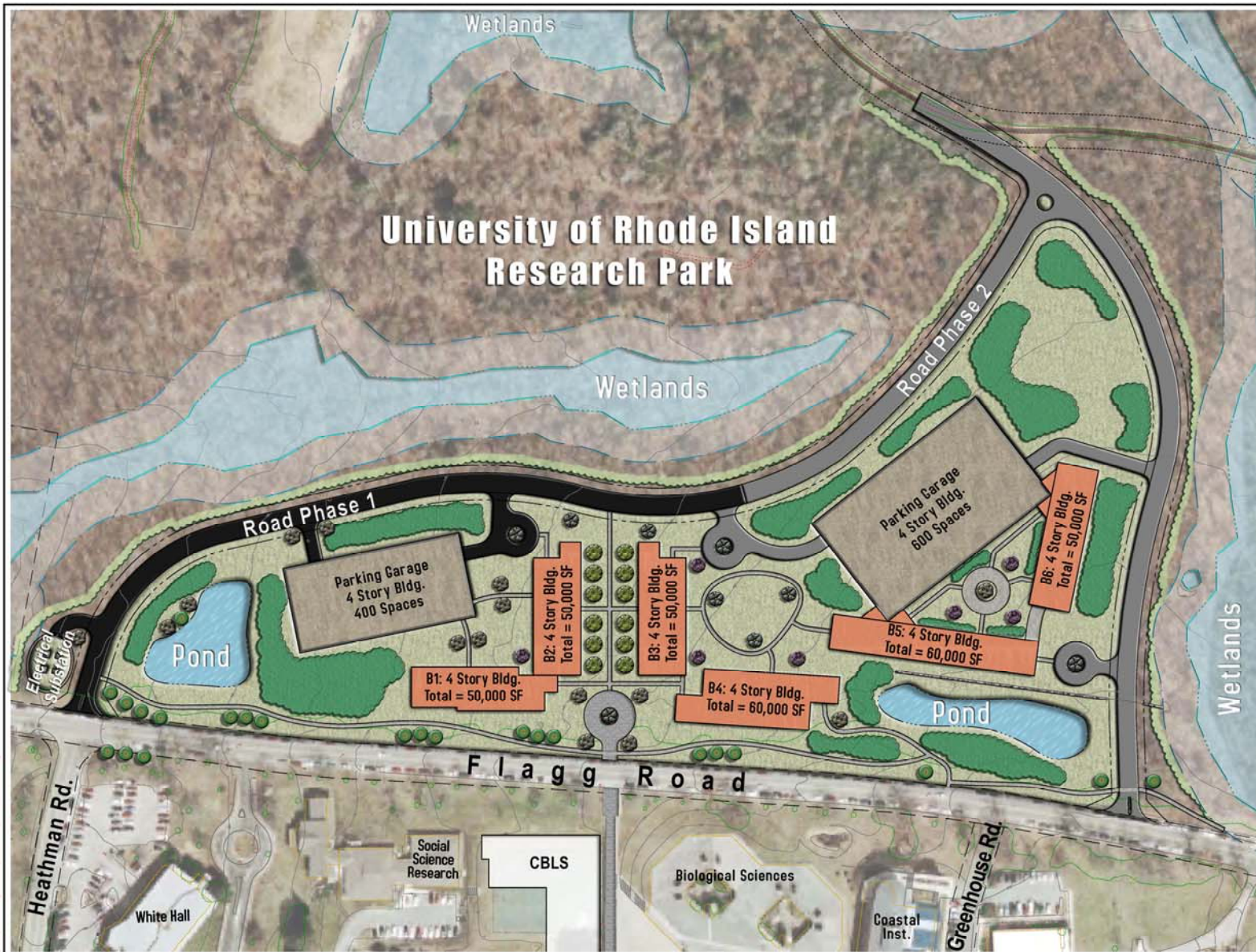


F. SITE PLANNING

- Important Site Planning Goals
 - Sufficient Land Area
 - Density of Development
 - Quality Research Park Atmosphere
 - No Incursion on Wetlands
 - Strong Links to the Main Campus & Research Anchors
 - Ties to University Transportation and Parking Systems
 - Proximity to Route 138 / Route 95
 - Campus roadway network
 - Traffic circulation
 - Parking
 - Utilities



CONCEPTUAL MASTER PLAN



Engineered by:
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Subconsultant:
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Disk Consulting, Inc.
 &
 DC Lyndon and Associates

Client:

 University of Rhode Island
 South Kingstown, Rhode Island

Project:
 URI Research Park
 Area 1

Title:
**Conceptual
 Master Plan
 Phase 1 & 2**

Revisions	No.	Description	Date

File: 243A Area 1.dwg
 Drawn By: SLZ
 Dept. Chk. By:
 Project Chk. By: JMA
 Job No: 243A Date: 9/13/07

North Arrow

Scale
 0 50 100
 SCALE IN FEET: 1"=50'

NOT FOR CONSTRUCTION

Sheet No:
1
 Plot Date: Sept. 13, 2007

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G. FINANCING OPTIONS

- Use of Funds
 - Planning and Startup
 - Infrastructure
 - Multi-tenant Space
 - Incubator Facilities and Planning
 - Ongoing Park Operations
- Sources of Funds
 - Public: Community, State and Federal
 - Private Developer Partners
 - Anchor Tenant Participation
 - Key University Role



G. FINANCIAL FEASIBILITY

➤ Models Tested

- Alternative 1. University Park Entity: Land Lease Model
- Alternative 2. University Entity as Site and Building Developer, with Private Developer Participation
- Alternative 3. University Entity as Full Park Developer

➤ Key Variables Tested Within Each Model

- Infrastructure Costs
- Research Park Entity Costs
- Parking Structure Development Cost Covered By Outside Funding Sources



G. FINANCIAL FEASIBILITY FINDINGS

- Alternative 1. University Park Entity: Land Lease Model
 - Low Risk, Low Reward
 - Break Even Difficult without Major Grants
- Alternative 2. University Entity w/Private Developer Participation
 - Modest Risk, Modest Reward
 - Fully Leverages the University and Private Developer Resources
- Alternative 3. University Entity as Full Park Developer
 - Highest Risk, Highest Reward
 - Requires State Subsidy, Especially in the Early Years



3. IMPLEMENTATION RECOMMENDATIONS



IMPLEMENTATION RECOMMENDATIONS

- Step 1. Form a 501(c)(3) Park Development Entity / Research Foundation
- Step 2. Select the Board for the Entity
- Step 3. Hire/Select a Park Director and Needed Staff
- Step 4. Draft Permitted Uses and Architectural Standards Statements
- Step 5. Finalize the Phase I Site Plan
- Step 6. Achieve Firm Anchor/Tenancy Commitments



IMPLEMENTATION RECOMMENDATIONS

- Step 7. Secure Infrastructure Funding Commitments
- Step 8. Put Out a Developer RFP
- Step 9. Negotiate Development Agreement(s)
- Step 10. Joint Marketing of the Building Space
- Step 11. Install the Necessary Infrastructure
- Step 12. Monitoring Compliance and Success



Q & A