



*Lincoln*



*Omaha*



*Kearney*



*Medical Center*

## **Phase I Development – Nebraska Innovation Campus**

The Nebraska Innovation Campus Development Corporation (NICDC), as authorized by the University of Nebraska Board of Regents, signed an agreement on Feb. 24, 2011, with Nebraska Nova Development LLC to develop Phase I of Nebraska Innovation Campus. The managing partner of Nebraska Nova is Woodbury Corp.

Nebraska Nova will initially develop infrastructure (roads, sewers, etc.) for Phase 1 of Innovation Campus. NIC facilities are expected to include the Life Science Research Collaboration Center, a public/private multi-tenant office/lab building, the 4-H Center, including conference and office space and parking, United States Department of Agriculture/Agricultural Research Service facility and other future buildings. Total development costs for Phase I are estimated at \$225 million.

Nebraska Nova will complete a site plan and obtain any required third-party approvals, leasing commitments for the proposed building projects, and tax increment financing to assist in the construction of needed infrastructure improvements. The initial building project is likely to be a renovation of the existing 4-H building.

This agreement will greatly accelerate development plans for Nebraska Innovation Campus by providing the needed infrastructure to begin construction of the other facilities in Phase 1. If the legislature approves the appropriation of \$25 million in state funds to Innovation Campus, as proposed by the Governor and the Appropriations Committee, those funds will be used to leverage an additional \$40 million in developer-financed investment to build out the west wing of the 4-H building and the Life Science Research Collaboration Center.

Under the terms of the agreement, Nebraska Nova is a non-exclusive developer that has agreed to finance the infrastructure improvements and to build or renovate facilities based on leasing commitments for 50 percent of the space obtained from the developer, NICDC or the University. This arrangement allows start-up, infrastructure and site prep costs to be allocated to each site, including those that may not be built out by the developer. Examples might be the USDA ARS facility or the proposed state-supported portion of the 4-H building renovation.

The NICDC will be entitled to 10 percent of net rent for each site development lease. Before any closing, the NICDC will have the ability to review and approve both prospective tenants and preliminary design of the buildings and related improvements.

### **Planned funding sources for Phase I**

Infrastructure: \$14M – community development/TIF

USDA/ARS: \$39.9M – federal, donor and/or university funds

Life Sciences Research Collaboration Center: \$45M – state funds (\$15M) and developer financed (\$30M)

Public/private office and lab space: \$25M – developer financed

4-H Conference Center - \$10M – state funds

4-H office/lab - \$10M – developer financed

4-H parking - \$1.5M – community development/TIF

Future Phase 1 buildings - \$79.7M – developer financed

### **Q&A**

#### **When will development begin?**

The approval process (i.e. zoning, permits) will begin immediately. Site preparation activities will begin in the summer - fall of 2011, with initial site development targeted for spring 2012.

#### **Why is Nebraska Nova "non-exclusive" – what does that mean?**

The University or other interested tenants can build their own facilities in Phase 1. Lease agreements would be approved by NICDC. Nebraska Nova has assured the NICDC that it is committed to Nebraska and will use Nebraska contractors and builders for site development utilizing an equitable and cost-effective process.



Figure 1: Phase I Development footprint

**What is the University paying Nebraska Nova to do this development?**

There are no direct fees for services. Nebraska Nova is compensated by closing each site development lease.

**What's the status of the USDA/ARS facility?**

A proposed \$4 million federal earmark to go toward a federal agricultural research center to be built at Innovation Campus was included in the federal omnibus appropriations bill last year. This bill failed to pass the Congress and all projects, including the ARS facility, did not receive funding. The University remains optimistic that an ARS facility will be located at NIC in the future.

**Have any private tenants been identified?**

Private tenants have not been identified but would likely be in the west wing of a renovated 4-H building. The University and the developer are willing to talk to interested tenants, especially those that align with the University's research strengths in food, fuel and water.

**What would the State's \$25 million investment allow the University of Nebraska to do at Innovation Campus?**

The investment recommended by the Governor would go toward two important facilities at Innovation Campus: \$15 million would support the Life Science Research Collaboration Center, and \$10 million would support a conference center in the renovated 4-H building. This one-time state investment would be leveraged into an additional \$40 million in private-sector funding to jump-start development of Innovation Campus. The sooner infrastructure is in place and facilities are renovated or built, the sooner businesses can begin investing in Nebraska and creating jobs. A state investment in Innovation Campus at this critical time would be the spark that moves the project forward so Nebraska can begin experiencing its economic benefits more quickly.

## Nebraska Innovation Campus Milestones

2005	President Milliken’s installation speech: “Leading economic research points to universities as important hubs of creative activity that spur technology and innovation-based development. This is the case in California, Massachusetts and North Carolina. For Nebraska to be competitive, it must also be true here. ... We must maintain our cherished agricultural heritage and at the same time develop new industries, new technologies ... new opportunities that will expand Nebraska’s economy and allow us to be competitive.”
Nov. 2006	Lincoln business and civic leaders form Vision 2015 to develop plans that will “strengthen research and education, create jobs and provide new entertainment and cultural opportunities for Lincoln and Nebraska.” Among the organization’s priorities are to strengthen R&D at UNL and support a research and development campus.
Feb. 2007	Governor Heineman and President Milliken visit North Carolina research campuses that could serve as models for Nebraska Innovation Campus.
May 2007	2015 Vision and University leadership visit North Carolina research campuses.
Nov. 2007	Regents visit North Carolina research campuses.
Dec. 2007	President Milliken’s testimony at Ag Committee hearing on State Fair Park—“We believe this is the right time to take advantage of the strengths of the University and invest in a public/private initiative that leverages our strengths for the benefit of Nebraska. . . . We think the choice is clear: the best use of State Fair Park is for the Nebraska Innovation Campus.”
April 2008	LB 1116 Approved by a vote of 44-3-2; LB 1116 authorized the transfer of State Fair Park to the University for \$21.5 million and moved the State Fair to Grand Island.
April 2009	UNL names SmithGroup/JJR to serve as Innovation Campus master planner and Noddle Companies to craft a business development strategy.
Sept. 2009	Chancellor Perlman State of the University address: “Innovation Campus is far more than a piece of land-it is an idea, an attitude, a catalyst that should alter the DNA of the entire University. “
Nov. 2009	Board of Regents approve Master Plan and Business Plan for NIC ; consultants estimate that when fully developed over the next 20 to 25 years, Innovation Campus could create 5,525 new jobs and grow Nebraska’s annual payroll by \$267 million.
April 2010	Board of Regents appoints Nebraska Innovation Campus Development Corporation Board of Directors with five private sector and four university representatives.
June 2010	Inaugural NICDC Meeting - The goal of the NIC is . . . "to encourage and incent the greatest amount of private/public research and economic development . . . allowing this site to become a preferred location for significant job creation in Lincoln and the State of Nebraska.... this development will also enhance the University’s research competitiveness and lead to additional commercialization of University research.”
Jan. 2011	Gov. Heineman recommends \$25 million state investment in Nebraska Innovation Campus.
Feb. 2011	Appropriations Committee supports Governor’s recommendation of funding for NIC.
Feb. 2011	Phase 1 Development Agreement signed.