

## INSIDE Industrial and office parks

# Research parks support universities and businesses

By Arjun Kashyap

University research parks bring academia and business together in a symbiotic relationship where both benefit from pooling of resources and capabilities.

While acting as sites for startups, these parks also might provide office space for multinational corporations. A university research park provides an ideal training ground for a university's students, many of whom intern or get on board as full-time employees.

The companies, on the other hand, utilize university resources such as academic expertise, research facilities and fresh talent to grow their businesses.

**The Center for Applied Research and Technology**, for example, is a joint venture between CMU, Mt. Pleasant and **Middle Michigan Development Corp.**

The park was created in 1982-83, a result of a drive by then-Gov. William Milliken to get the state's universities involved in community development. It led to the 350-acre park being built on a plot of unused land owned by the university, according to George Dunn, president and

CEO of the MMDC. The park has been managed by MMDC since its inception.

"They believed that if they could attract companies that could give internships, it would attract more students to the university. And, the companies could share technology and other resources with the university at no cost," Dunn says.

The park is one of the eleven designated SmartZones in the state, and cost \$6 million to develop. The land was provided by CMU, while the money came from state and federal grants.

The not-for-profit **Central Michigan University Research Corp.** operates a business incubator there.

Sixty percent of the space at CMURC is yet to be sold, and efforts are under way to market the unoccupied lots.

The park has been slow in developing, Dunn says, because of "very tight restrictions in terms of what kind of companies we need here, and then we got a couple of bad economic runs."

The restrictions involve the park's exclusion of companies in the manufacturing sector in favor of high-tech companies.

Moreover, the university's



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Photo by Jeremy W. Steele

leadership hasn't always been supportive of the park, although the present president has been very aggressive in promoting it, Dunn says.

But, with a strong local economy that Dunn calls "recession

proof," he says the university has the luxury to wait for the right companies to come along.

For an annual cost of \$2,000 per acre that's adjusted every five years, the park offers access to all academic research, advanced research laboratories, high-speed Internet and super-computing capacity. The park has created more than 800 jobs that pay well over the average pay scale, Dunn says.

CMURC's strategy to sell space includes targeting trade shows and members of the **Michigan Venture Capital Association**.

"We don't have thousands of dollars for our marketing budget. So, it's really getting out there and letting them know what we do," Dunn says.

Another case in point is **Michigan State University's** Corporate Research Park, established in the early '90s.

Located next to the Forest Acres Golf Course and the University Club in East Lansing, the 120-acre park has four buildings — one of which is owned and occupied by global plastics giant Basell Polyolefins. The other three buildings house about 10 companies, and are owned and leased out by Lansing-based **Granger Construction Co.**

MSU, which owns the land, has leased it to the companies at an annual rate of about \$12,000 per acre, according to George Benson, executive director of the

**MSU Foundation** and managing director of the research park.

The policy is to keep the rates as close to current market rates as possible, Benson explains.

The stimulus behind the creation of UCRP was Basell's decision to locate near campus and its 80,000 square-foot building was the first to go up. "It was only subsequently decided to branch out to include multi-functional companies," Benson says.

"The idea is to have common interests and capitalize on intellectual property within MSU," adds Glenn Granger, president of Granger Construction.

The foundation, which manages the park, now holds the land and has invested more than \$2 million in its infrastructure — most of it in the first two years of inception, Benson says.

UCRP's strategy has been to attract companies that are self-sustaining, but early enough in their development to be a renter rather than an owner, Benson says. The average space required by startup companies at the park is about 10,000 square feet.

Companies in the information technology sector will be the main target market for the foundation, which is also involved in discussions with Lansing-based **MBI International** to attract biotech companies to the park.

The game plan is to bring in new enterprises that graduate out of MBI's incubator facilities into UCRP, Benson says.

Plans for the next phase of expansion include new facilities required to accommodate biotech companies, Benson says. The proposed expansion site will be located north of MBI, and south of the park's multi-tenant development.

It will be built around the research park, and will have a capacity to house 40,000 to 80,000 square feet of building space, Benson says. Meanwhile, the current facility still has about 12,000 square feet of available space.

The UCRP is also pushing hard to promote the park through a combined effort from the Foundation and Granger Construction, although direct contact with technology companies is most effective, Benson says.

Both parks are designated state SmartZones, which adds tax and other advantages to their appeal.

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