

## **State, private sources to fund first university-related research park in South Dakota**

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Swedish statesman Dag Hammarskjöld once wrote “Only he who keeps his eye fixed on the far horizon will find the right road.”

A portrait of Teresa McKnight will find someone gazing well beyond her footsteps. The director of the developing Innovation Campus at SDSU is in charge of turning the research park into a reality. Ground was broken September 18, 2006, and pipe work has started for the infrastructure. But the laying of pipe for a lift system is halted and the blueprints are not yet completed.

There’s good reason for that. “We want to make sure we’ve made good decisions for the future of the project,” says McKnight, who was hired less than a month after the groundbreaking and began work December 11. “Our big push right now is to finalize the infrastructure master plan.

“When we look at infrastructure, we have to look at the entire project. How will Phase I connect with the future?”

The Innovation Campus at SDSU is the first university-affiliated research park in South Dakota. It will be located east of 22nd Avenue and south of the U.S. 14 Bypass in the northeast corner of Brookings. The land is owned by the South Dakota Board of Regents and secured by a ninety-nine-year lease to the SDSU Growth Partnership.

#### Phase one details

Initially, infrastructure on the first twenty-five acres of the 125-acre site will be developed, but that must align with infrastructure needs for the entire site, McKnight says.

She adds, “We’re working with First District Associations of Local Governments on requests for proposals for infrastructure and the buildings.”

The initial buildings will be a 30,000-square-foot welcome/incubator building and a 70,000-square-foot seed technology building. Governor Mike Rounds revealed financing for the seed technology building at the groundbreaking. He made a \$3-million-commitment from the state. Agricultural groups committed another \$4.25 million. Work on both buildings as well as roads in the research park are to begin in the spring.

The incubator portion of that building will not be finished so future tenants can customize their spaces. Therefore, that building is expected to be ready for occupancy in seven months. The seed technology building is expected to take eleven to fifteen months to build, depending on how extensive the labs are designed. Design work on those buildings is being handled by Banner Associates, a Brookings engineering firm.

Eventually, technology companies will fill nineteen buildings covering more than one million square feet with private investments of more than \$200 million. The business incubator is for professors, students, and local residents who have technology-related business start-ups.

McKnight has plenty of experience in turning ideas into businesses. She came here from northern Utah, where she worked at the Utah State University Innovation Campus for fourteen years, advancing to director.

In addition to being an employee of the Utah research park, McKnight also was once a tenant there. In 1996-97, she was owner of River Park Instructional Technology, a software development company. She was responsible for all business, marketing and financial affairs of the company, which had gross sales of more than \$500,000 in its first year, McKnight reports.

That experience in transferring technology out of a university into a private company will serve as a strong asset in her new position, she says.

#### Research park history

Moving the concept of the university research park from the coffee table to the contractor's drafting table dates to May 2003, when the initiative was announced at a news conference. It took five years of research and partnering to bring the initiative to that point.

It is expected to take twenty years from now before the Innovation Campus will be fully developed. It's obviously evidence for the adage "Good things come to those who wait" — and plan.

McKnight has seen it before.

#### The Utah State example

Ground was broken for the Utah State University Innovation Campus in 1986 with a vision of locating twenty companies, twelve buildings and 2,000 employees on thirty-eight acres. The campus now is expanding to 173 acres and has more than forty-five companies, 2,103 employees (nearly 1,000 of which are Utah State students), sixteen buildings, and almost 500,000 square feet of office and lab space.

Annual reported earnings in 2005 for those companies was \$132 million. Based on the standard economic multiplier of three, the campus turns \$396 million back into the state's economy, McKnight says.

#### Projected tenant mix

Brookings sits at the midpoint of the industrialized I-29 corridor between Omaha, Nebraska, and Fargo, North Dakota. Agricultural and engineering research already under way at SDSU figures to lead private investors and entrepreneuring faculty members into the SDSU Innovation Campus.

Retired entrepreneur Bob Miller, husband of former SDSU president Peggy Gordon Miller, guided the research park's early efforts. He observes, "About a third of the growth in a typical research park comes from these kinds of start-up organizations. Another third is from the University itself, characterized by the seed technology research facility that will be the second building.

"The other third of the occupants are corporations who want to have a presence close to the scientists with whom they are working."

The research park is overseen by the SDSU Growth Partnership, a nonprofit organization with representatives from the City of Brookings, Brookings County, the state legislature, the SDSU Foundation, and the Brookings Economic Development Corporation. Bylaws state that the SDSU president, now David L. Chicoine, will head the Growth Partnership board.