

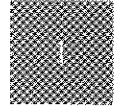
**The Milwaukee County Research
Park/University of Wisconsin-Milwaukee
Accelerator Initiative**

John F. Weishan, Jr.,

Milwaukee County Supervisor 16th District

TABLE OF CONTENTS

INTRODUCTION	1
BACKGROUND	2
NEED	4
SOLUTION	5
PROPOSAL	6
ACCELERATOR BUILDING PRO FORMA	8
SITE PLANS/RENDERINGS	APPENDICES



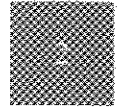
INTRODUCTION

Developing the employment opportunities of the 21st century in Milwaukee County and the entire Milwaukee metro area will require a major commitment to research facilities and support programs for entrepreneurs.

There have been many proposals over the years to meet this need, with the most recent being the University of Wisconsin – Milwaukee’s real estate foundation’s proposal for Innovation Park. As our community has come to a consensus on the need to create and expand research and entrepreneurial support, the location and funding for this effort has stalled.

The new collaborative effort between the University of Wisconsin – Milwaukee (UWM) and the Milwaukee County Research Park (MCRP) will allow for the construction of a 30,000 square foot Engineering and Applied Science Accelerator facility on the current research park grounds at NO local taxpayer expense along with providing additional new amenities for academic and entrepreneurial spinoffs.

In the following proposal you will find answers to many of the problems that have plagued previous plans. The way forward does not have to come at the expense of the city of Wauwatosa taxpayer or needlessly expose taxpayers to perilous market conditions.

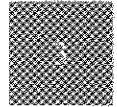


BACKGROUND

The **University of Wisconsin–Milwaukee** (also known as **UW–Milwaukee** or **UWM**) is an urban public research university located in Milwaukee, Wisconsin. UWM is one of two doctoral granting public research universities in the state. It is also the second largest university in Wisconsin, with a total student enrollment of 30,455 (25,239 undergraduates and 5,216 graduate students) and 1,349 faculty members. Located in Milwaukee's upper East Side close to Lake Michigan, the University is home to 14 schools and colleges, 70 academic centers, institutes and laboratory facilities. It offers a total of 166 degree programs, including 87 bachelor, 51 master and 31 doctorate degrees.

To meet the diverse needs of Wisconsin's largest metropolitan area, the University of Wisconsin–Milwaukee must provide a wide array of degree programs, a balanced program of applied and basic research, and a faculty active in public service. Fulfilling this mission requires the pursuit of mutually reinforcing academic goals that include:

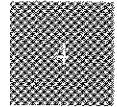
- (a) Engaging in a sustained research effort which will enhance and fulfill the University's role as a doctoral institution of academic and professional excellence.
- (b) Development of a balanced array of high quality doctoral programs in basic disciplines and professional areas.
- (c) Attracting highly qualified faculty and students who demonstrate the potential for intellectual development, innovation, collaboration and leadership for their communities.
- (d) To promote public service and research efforts directed toward meeting the social, economic, technological, and cultural needs of the state of Wisconsin and its metropolitan areas.



The **Milwaukee County Research Park Corporation (MCRPC)** is a non-profit organization created in 1987 by the Milwaukee County Board to manage the development of a university-related research and technology park on 175 acres of Milwaukee County owned land in Wauwatosa, Wisconsin. The Research Park nurtures technology-based companies, strengthens Milwaukee County's business base, creates new employment opportunities, and facilitates technology commercialization. This objective is being accomplished by bringing together the substantial academic, intellectual, business, and entrepreneurial resources of the metropolitan Milwaukee area in a physical environment conducive to such activities.

The basic objectives outlined for MCRPC as set forth in the Blue Ribbon Task Force Report dated September 23, 1985 are as follows:

- To develop a high quality research and technology park on the County Grounds for the purpose of creating jobs, stimulating new enterprises, and encouraging balance and diversity in the regional economy.
- To be a center for encouraging entrepreneurship motivated by the opportunity to generate profit, offer employment, and stimulate ideas.
- To pursue innovation and development of research products for the benefit of the Milwaukee Regional Medical Center, area universities and technical schools, as well as area municipalities, the City of Wauwatosa, Milwaukee County, the Milwaukee Metropolitan region, and the State of Wisconsin.
- To support research facilities, business incubators, pilot plants, and prototype production facilities that require a high degree of scientific input, together with related professional support activities, offices, and conference facilities as may be required.

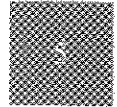


NEED

Based on areas of compatibility and mutual interest as outlined in the previous section, UWM and MCRPC believe that there is a need for a state-of-the-art engineering and applied science facility that will serve as an accelerator and provide pre-incubation services for university faculty and industry collaborators wishing to pursue research initiatives that have a high probability of spawning start-up technology-based companies. They recognize that opportunities exist to build new companies around platform technologies and discoveries. UWM is in competition with other leading institutions in recruiting high caliber faculty to the university. The capability to commercialize technology and a facility in which to do it is high on the list of incentives that will attract top quality researchers to UWM.

There is also a need for a location with close proximity to the Medical College of Wisconsin to foster innovative research and collaboration with the region's other academic centers of innovative research and with close proximity to potential corporate partners such as GE Healthcare, which has a major presence in the research park.

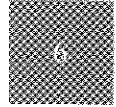
Lastly, because of the urgency of finding solutions to UWM's requirements, a site is needed that presents a minimum of development challenges and is already served by utilities, public roadways, and other infrastructure elements such as storm water retention systems, activity trails, and other amenities.



SOLUTION

While there are proposals for accelerator facilities in other parts of the Milwaukee metro area, it has been determined that a location other than the Milwaukee County Research Park could prove to be detrimental to the interests of both UWM and MCRPC. In fact, the acquisition of a fully developed and available site in the Milwaukee County Research Park is the only solution that meets all of the criteria set forth by UWM. In addition, MCRPC has a highly competent staff with extensive and comprehensive expertise in incubation program management, as evidenced by the success of the Technology Innovation Center, an award winning 138,000 sq. ft. business incubator; research and innovation park development; infrastructure construction; public financing; and entrepreneurial support.

The building at the research park will house laboratories; exhaust and make-up air systems; emergency generator with stand-by power to each laboratory; some shared equipment in a central location; conference rooms; office space for research staff; high speed Internet connectivity; and engineering, prototype manufacturing, and light assembly space.

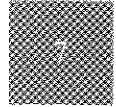


PROPOSAL

The Engineering and Applied Science Accelerator Initiative (EASAI) would be a collaborative effort between UWM and MCRPC. A 30,000 square foot facility would initially be developed on an existing fully developed 2.1 acre lot in the Research Park. Vacant land currently exists for other facilities, should the first one prove successful, and MCRPC is willing to embargo a certain amount of land to meet UWM's future needs. For the first project, two buildings were investigated: a 30,000 square foot building and a 60,000 square foot building. At the present time the smaller building looks more feasible because (1) it would be easier to finance, (2) would adequately met the needs of UWM, and (3) entails less risk in a very uncertain economy. The following site plans, schematic designs (of comparable 24,000 sq. ft. and 56,000 sq. ft. buildings for comparison) and pro forma further describe the project, which could readily be modified to meet any number of marketing, functional, or financing criteria. The key to proceeding with the project at this time is the identification of creditworthy users for the facility and commitments from them for the leasing of space and a master lease for a suitable length of time from UWM for the entire building. UWM (and/or Medical College of Wisconsin) may use the building for multiple academic purposes until such a time that it is converted to engineering and applied research uses by faculty entrepreneurs.

The Milwaukee Regional Innovation Center, Inc. (MRIC), an entity created by MCRPC for such a purpose, would develop, own, and manage the building. MRIC was organized exclusively for charitable, educational and scientific purposes. The mission of MRIC includes but is not limited to:

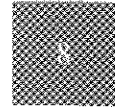
- (a) Creating a center for encouraging entrepreneurship motivated by the desire to generate new employment opportunities and stimulate technology development.
- (b) Pursuing innovation and development of research products for the benefit of the Milwaukee Regional Medical Center, area universities and technical schools, as well as the Milwaukee area, the state of Wisconsin and the region.



(c) To support and house new and developing businesses engaged in technology development, scientific research and related activities, and build, modify, and/or rehabilitate technology innovation center facilities to further these purposes.

SUMMARY - UWM INNOVATION CAMPUS AT THE MILWAUKEE COUNTY RESEARCH PARK

Facility	Building Size (SF)	Lot Size (Acres)
Technology Innovation Center	85,000	6.3
Accelerator 1	30,000	2.1
Accelerator 2	60,000	5.9
Campus Amenity - Café, etc. (M-10)	8,050	1.5
Campus Amenity - Commercial	4,000	1.7
Total	187,050	17.5



MILWAUKEE COUNTY RESEARCH PARK
UNIVERSITY OF WISCONSIN - MILWAUKEE
ACCELERATOR BUILDING PRO FORMA

AS OF AUGUST 26, 2010

Building: 30,000 sq. ft.		Cost per sq. ft.
Land 2.1 acres x \$160,000 per acre	336,000.00	11.2
Soft costs - Legal, design, etc. \$15/sq. ft.	450,000.00	15
Building Shell - \$75/sq. ft.	2,250,000.00	75
Laboratory: 15,000 sq. ft. at \$100.00 per sq. ft.	1,500,000.00	100
Office: 15,000 sq. ft. at \$30.00 per sq. ft.	<u>450,000.00</u>	30
Total Cost:	\$4,986,000.00	\$166.2

Financing Assumptions

EDA Grant	2,493,000.00
Tax Exempt Bonds	<u>2,493,000.00</u>
Total Funding Available:	\$4,986,000.00

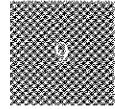
Annual Debt Service at 6% for 20 Years	\$214,327.52
--	--------------

Rentable Area (Gross, less 5%)

Laboratory	14,250
Office	<u>14,250</u>
Total	28,500

Pro Forma Rent (10+% Cash-on-Cash Return)

Laboratory NNN (Cost \$201.20/sq. ft.)	\$20.25 psf/yr.
Office NNN (Cost \$131.20)	\$13.25 psf/yr.

**Operating Expenses (per sq. ft./yr.)**

Insurance	0.25
Property Taxes (or PILOTS)	3.00
Utilities	1.00
Janitorial	1.00
Common Area Maintenance (Lab)	4.50
Common Area Maintenance (Office)	2.25
Incubation Program Costs	1.50
Total Laboratory	\$11.25 psf/yr.
Total Office	\$9.00 psf/yr.

Gross Rents

Laboratory	\$31.50 psf/yr.
Office	\$22.25 psf/yr.



11700 Highway 200
P.O. Box 100
Austin, TX 78761

AutoCAD



Sheet

Site Plan



Project

Proposed
Bio Tech
Spec Building

Worksheet: A1

Date:

August 26, 2009

Project No:

Sheet No:

A10

Existing
Webco
Building

Parking - 68 cars

Proposed
Bio Tech
Building

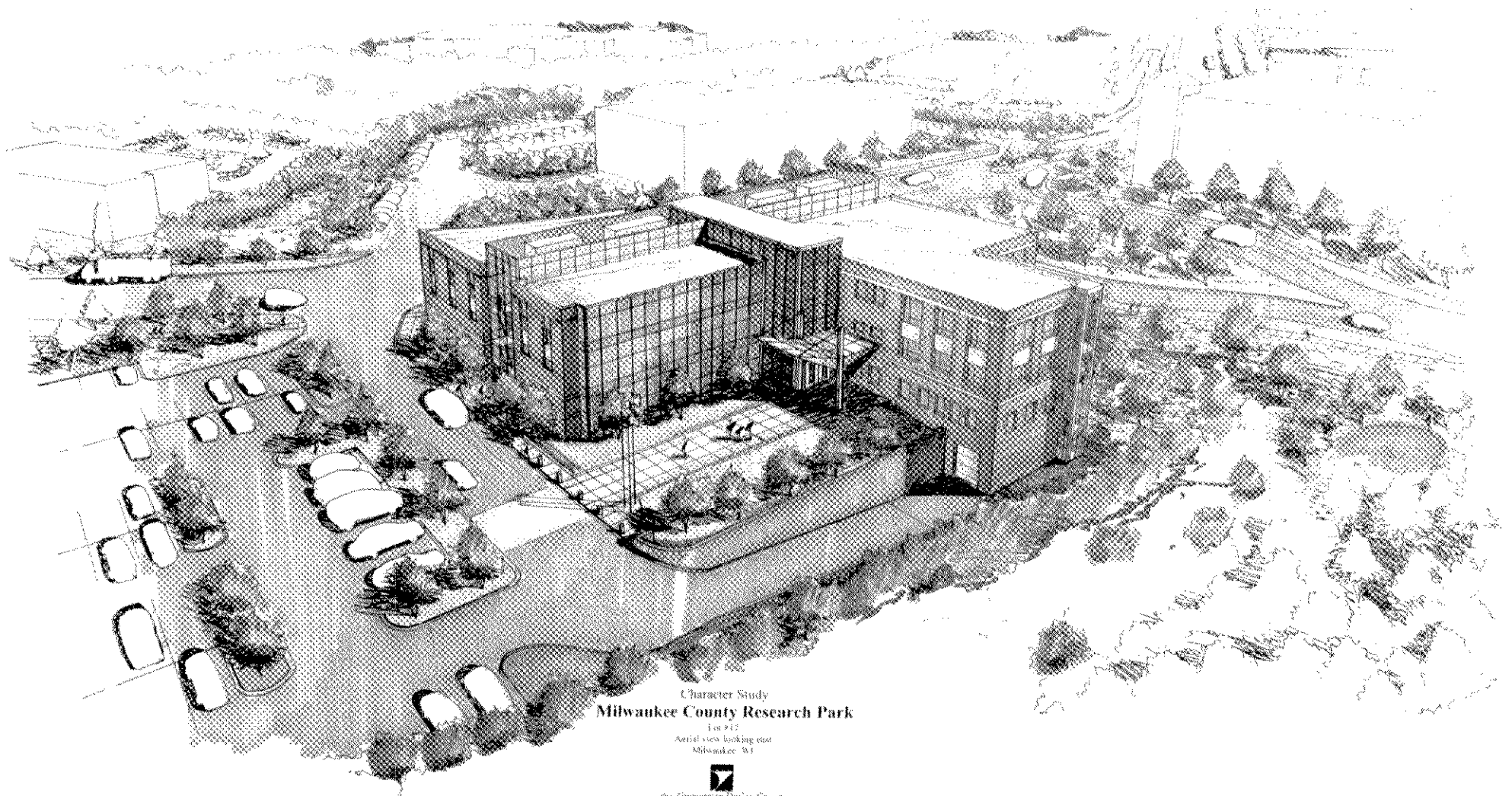
Innovation Drive

Existing
Incubator
Building

Setback Line

Property Line

4/1/2010 1:48:43 PM C:\Users\jordan\Documents\A10.dwg

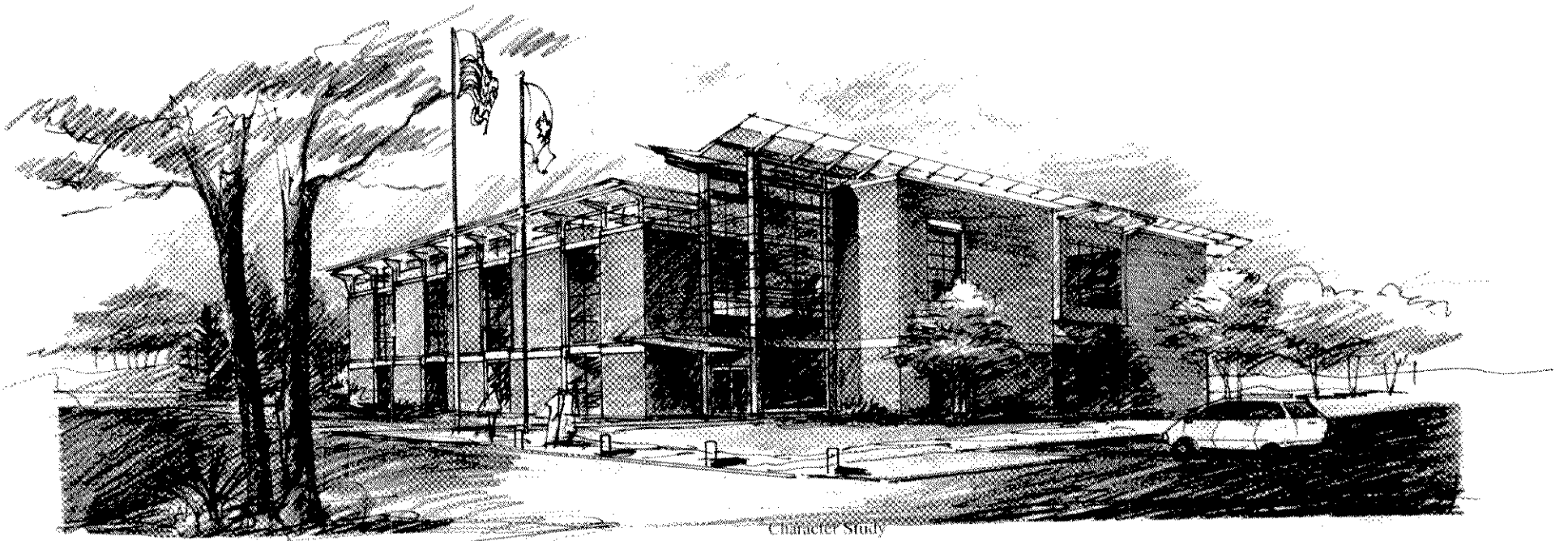


Character Study
Milwaukee County Research Park

Lot #12
Aerial view looking east
Milwaukee, WI



the Zimmerman Design Group



Character Study
Bio Tech Spec Building
View of entry looking southeast
Milwaukee, WI



the American Design Group