

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Economic Development Activities of the Regent Universities
Date: September 15, 2003

Recommended Actions:

1. Receive the update on the Regent universities' economic development activities in response to the Grow Iowa Values Fund.
2. Support the submission of a coordinated set of applications from the three Regent universities to the Grow Iowa Values Board that embody the mission-appropriate projects described in this memorandum.
3. Return to Regents for implementation of proposals.

Executive Summary:

The Regent universities benefit Iowans statewide and help improve economic growth in the state through their economic development activities, programs, and services. The Board of Regents has a strong role and interest in these endeavors because of its commitment to public service and effective stewardship of resources according to Iowa Code Chapter 262, which grants the Board its statutory authority, and Iowa Code Chapter 262B, which requires the Regent universities to use their expertise to expand and stimulate economic growth across the state.

With passage of the Grow Iowa Values Fund during the 2003 special legislative session, the Regent universities can further fulfill the Board's commitment to service and economic development in the state. The fund includes not less than \$25 million for appropriate economic development proposals by the Regent universities.

Applications for fund monies are reviewed and approved or denied by the Grow Iowa Values Board, which consists of eleven voting members appointed by the Governor and confirmed by the Iowa Senate. Leaders of the Iowa General Assembly select its four ex officio, non-voting members. Board staff and university leaders have met in recent weeks with state officials about this process.

Discussions about possible Grow Iowa Values Fund projects among the three universities, an ad hoc Regent group, and the Board Office have been frequent and ongoing. Refinement of specific proposals is under way to meet the requirements of the fund, comply with procedures of the Grow Iowa Values Board, and fulfill the priorities of the Board of Regents.

With review by and support of the Board of Regents, the Regent universities will submit a coordinated set of applications to the Grow Iowa Values Board that embody the projects summarized below.

Strategic Plan: The key roles of the Regent universities in Iowa's economic growth activities are consistent with the Board of Regents' current strategic plan. These roles emerge from the universities' three-part mission of teaching, research, and service, and support the Board's commitment to collaborative efforts with a range of public and private sector groups.

In addition, providing needed service and promoting economic growth in Iowa are among the four approved priorities of the Board's 2004-2009 Strategic Plan, along with high-quality education, discovery, and public accountability.

Background: Of the \$503 million in the Grow Iowa Values Fund, \$27 million would be distributed over four years to universities and colleges to be used for "multiuse, goods manufacturing processes approved by the food and drug administration of the United States department of health and human services, protein purification facilities for plant, animal, and chemical manufactured proteins; accelerating new business creation; innovation accelerators and business parks; incubator facilities; upgrading food and drug administration drug approval laboratories in Iowa City to a larger multiclient, goods manufacturing processes facility; crop and animal livestock facilities for the growing of transgenic crops and livestock, protein extraction facilities, containment facilities, and bioanalytical, biochemical, chemical, and microbiological support facilities; a national center for food safety and security; and advanced laboratory space."

If the Regent universities' applications meet the requirements of the Grow Iowa Values Board, not less than \$25 million of these funds shall be awarded to them for public and private joint ventures: \$10 million to the University of Iowa; \$10 million to Iowa State University; and \$5 million to the University of Northern Iowa. The Regent universities may also apply for other resources of the fund.

The universities' proposed projects respond to the goals of the legislation and reflect the missions of the three institutions.

Proposed Projects The University of Iowa's two-part project is designed to accelerate growth of the biotechnology industry in the state.

- Biotechnology Incubator ("BioTIC"): new cost-effective laboratory and related space, in high demand by new biotechnology companies, with shared core laboratory amenities and business support services
- Good Manufacturing Practices (GMP) fermentation facility and services in the Center for Biocatalysis and Bioprocessing: facility for FDA-compliant fermentation and scale-up of proteins for purposes of preparing pure material for development of human pharmaceutical agents.

Iowa State University's project is designed to meet the state's need for a technical facility needed by the high-return industrial/pharmaceutical sector of the growing plant biotechnology industry.

- Biologics Facility and associated technology business incubator: production site for a variety of plant proteins directed toward the

extraction and purification of proteins used for pharmaceuticals, neutraceuticals, and industrial enzymes.

The University of Northern Iowa's project is designed to support identified state needs to assist early-stage companies and facilitate commercialization of university innovations.

- Innovation Accelerator and associated technical services: interactive center offering business acceleration expertise, faculty expertise, incubation/acceleration facilities, technical services, business support services, and technology to private-sector entrepreneurs, faculty, staff, and regions statewide. Also included is an incubator for student-owned business ventures.


Barbara D. Boose

Approved: 
Gregory S. Nichols