UO plans to build research facility

The university will seek $19.25 million for new space at Riverfront Research Park

The first new building in almost 10 years could rise at the University of Oregon's Riverfront Research Park starting next year if the 2007 Legislature approves financing for the $19.25 million project.

Plans call for the new building to be constructed in vacant space on Millrace Drive between two existing 55,000- to 60,000-square-foot structure would house offices and laboratories as well as additional incubator space for new high-tech spinoffs.

The UO also wants to purchase the park's flagship building, 1600 Millrace Drive, from a private developer; it plans the Legislature for $14.37 million to buy the three-story, 60,000-square-foot building. Talks on a possible purchase are still in the early phase and no agreement has been reached with the building's owner, Research Park Associates of Salt Lake City.

Tenant rents from the two buildings would be used to retire the state bonds financing the deals; no taxpayer revenue would be used.

If successful, the move would make the university the landlord for the majority of space in the research park, a from the original model that called for the UO to lease land to private developers who would build and own Changes in the high-tech marketplace and in university needs prompted the UO to look at a different approach, said research park director Diane Wiley.

With the university in charge, it can design a building tailored more closely to its vision of the research park having a substantial amount of laboratory space, something that is expensive to construct and typically d much private investment.

"We hope to step in and fill a niche that likely would not be served by the private sector," Wiley said.

Also, more UO science programs are setting up space in the research park and must pay rent in the privately owned buildings. That cost would be lower if the university owns the buildings.

The new building would be located on vacant space between existing buildings, so it wouldn't expand the or push development closer to the Willamette River. That could prevent major opposition to the project by
who strongly fought approval of the park’s master plan and conditional use permit, which allows buildings railroad tracks and close to the river.

Nothing has been built on that side of the tracks yet and nothing is on the horizon, Wiley said. When expansion takes place, the most likely place for it will be in what is known as the “Gateway Sector,” the area immediately EWEB’s property.

When that might happen is uncertain, but Wiley said the research park has recovered from the sharp downturn in the tech industry.

The more than 100,000 square feet of space in the park has been virtually full for most of the past two years, and Wiley said it is now better situated to handle fluctuations in the market.

"When that bubble burst, we got hit," she said. "What we've done in the last three or four years is we've broadened the tenant base. So the next time there’s a course correction we'll be much better positioned to go forward."

Wiley said the construction plan doesn't mean the university is abandoning the idea of leasing land to private developers. She said they're still interested in those opportunities as long as they meet the master plan’s focus on research rather than make the park too heavy on office space.

And university ownership of research buildings is not unusual. Nationally, 44 percent of the buildings at 87 research parks are owned at least partially by a university-affiliated, nonprofit entity; 39 percent have university ownership, according to a survey by the Association of University Research Parks.

The UO park provides incubator, start-up and lab and office space for high-tech companies spun out of UO as well as other companies looking for space to develop new products.

In addition to 1600 Millrace Drive, the park has a second multistory building at 1800 Millrace Drive as well as the Oregon Innovation Center, a 4,000-square-foot incubation center for new companies.

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