

University of Missouri Technology Park

finished to tenant requests, when possible. Other than this initial anchor space, additional construction will be built to market demand rather than speculation.

Most building space subleases will be adjusted from a base of \$15 per square foot. Other than the start-up year, this arrangement is expected to net the development partners (UMS/MTC) a range of 3.3 to 13.1 percent per year, depending on debt service and construction costs.

While the remote location of the Fort Leonard Wood business research park presents challenges, it is blessed with significant built-in demand from military contractors and suppliers to the post. It is also accessible by interstate, rail, and a regional airport capable of landing large airliners.

A business research park on post contains the following inherent advantages.

- All infrastructure available (gas, water, sewage, electricity, fiber optic network)
- Interstate, rail, and regional airport access
- Educated, available labor-force – spouses and young military retirees – at lower costs to

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While there are risks associated with the project, almost all can be mitigated. The most troubling is the planned reconvening of the Base Realignment and Closure Commission (BRAC) in 2003 and 2005. While this could partially or completely shut down military operations at Fort Leonard Wood, it could represent an opportunity rather than a threat if FLW demonstrates an ability to leverage private resources to enhance its mission accomplishments and can be awarded additional missions and commands.

There is no doubt that there is sufficient demand for a business research park at Fort Leonard Wood. Chances for successful development of this park increase if the following objectives can be achieved.

- No more than 15% commons area
- Existence of a park business developer
- Development of internal champion within Fort Leonard Wood to suggest and help develop tenants
- Development of close interaction between Fort Leonard Wood and the University of Missouri-Rolla
- Lowest possible financing interest rates
- At least a 40% equity investment by the university and the state of Missouri
- FLW should cease to offer space to contractors at no cost in military buildings
- Ability to lease space for an average of \$15 per square foot
- Preferred construction costs of \$75 per square foot, but no higher than \$90 per square foot
- Seek government subsidization or investments of government projects within the park

BUSINESS DESCRIPTION

The University of Missouri, in association with the state of Missouri through the Missouri Technology Corporation (MTC), plans to develop a 62-acre business research park on Fort Leonard Wood. The mission of the park will be to provide locations on the post to businesses, agencies, and organizations that support or enhance the missions, activities, and strategic goals of Fort Leonard Wood. The development will be known as the University of Missouri Technology Park at Fort Leonard Wood.

In order to meet initial demand and motivate quicker development, the university will construct an 18,000 square foot building that can be configured for office space. Two large areas will be left open to accommodate configuration to tenant requirements.

In the first five years, the university anticipates developing 100,000 square feet of office space. The most desired tenants for this space are businesses involved in applying technology and those that are technology-based. It will promote land leases to entities that may develop space to fulfill other demands in education, training, warehouse/ distribution, and light (non-polluting) assembly and manufacturing.

As originally conceived, the Army would lease between 200-250 acres to an outside developer to develop a business/research park, demolish World War II era warehouses, and build about 275,000 sq. ft. in total warehouse, administrative and workshop area for the Army to lease back as an Industrial Operations Center. The building would be done in phases. The outside developer would have been a new non-profit development organization formed and owned by the State of Missouri and the University of Missouri System.

The post's commanding general and Garrison Command, as well the Commanding General of the U.S. Army Corps of Engineers, fully support this proposed development and have championed its approval to the Secretary of the Army and the U.S. Congress. This approval is necessary due to the innovative nature of this project, which essentially locates a private business development project on the grounds of a fully operational military base. To our knowledge, this is one of only two business research park developments being considered for development on an active military base.

In 1999, the U.S. Army moved its Chemical School and Military Police School from Fort McClellan, Alabama to Fort Leonard Wood as a result of a 1995 Base Realignment and Closure (BRAC) -217.52TD12.72