A Convergence of Opportunity

Leadership Meeting
September 25, 2018
Inter-institutional Collaboration

Partners May Share:
- Programs
- People
- Facilities

Mutual Benefit to:
- Students
- Faculty
- Industry
- Society
NIU is an Attractive Partner

NIU is taking advantage of relationships as resources. Our willingness to collaborate is a strength that positions us for future success.
University-Industry partnership

Recognized and captured by Nick Karonis. Collaboration realized through efforts of many—would not have happened without Karinne Bredberg

Professional development/employment opportunity for ~40 undergraduate student coders per semester to work for Discover on the NIU campus in Founders Library
Leadership Roles in Inter-Institutional Collaboration

• Defining purpose and success criteria
• Defining organizational form and decision processes
• Making sure that things happen
• Communicating
Opportunity of Opportunity Zones

- Significant tax advantages
- Opportunity to attract unlimited investment funds
- Competitive advantage for NIU

https://www.illinois.gov/dceo/Pages/OppZn.aspx
The Tax Cuts and Jobs Act created significant tax advantages for taxpayers who reinvest capital gains in Opportunity Zones.

Opportunity Zones are statutorily-designated areas ripe for investment, nominated by the Governor of each State and approved by the IRS.

Beginning in 2018, a taxpayer who sells appreciated property for cash, and reinvests the gain in a Qualified Opportunity Fund with 180 days, can receive the following benefits:

- **Deferral of Gain** until December 31, 2026
- **Reduction in Gain** by up to 15%
- **Permanent Exclusion of Further Gain** if the taxpayer holds the investment for at least ten years.

Qualified Opportunity Funds will be certified by the IRS to invest in Qualified Opportunity Zones.

An investment must be an improvement (renovations, new buildings, new infrastructure...).
If you
• make a $100M improvement in an Opportunity Zone, and
• after ten years sell for $200M you pay no tax on the additional $100M.
NIU is an Opportunity Zone!
What Are We Doing about 0-Zones?

- Leadership has met with financiers
- Opportunity Zone Taskforce has been chartered
- Development on the West campus and elsewhere
- Projects under consideration include:
  - Community revitalization
  - Manufacturing
  - Health care
  - Food systems
Discovery Partners Institute

• Interdisciplinary public-private research institute
• Led by the University of Illinois System with partners across the state
• Primary hub of the Illinois Innovation Network
• $500 million state appropriation in FY19 budget
Key Focus Areas
Illinois Innovation Network

Set of virtually connected hubs

- **Chicago**
  - Drug Discovery and Innovation Pavilion and Computing Design, Research and Learning Center

- **UIUC**
  - Data Science Center and expansion of existing Research Park

- **UIS**
  - Innovate Springfield, a downtown Springfield innovation and business incubator

- **NIU**
  - First non-U of I affiliated hub
NIU Opportunity: DPI/IIN Hub

Stakeholder meetings and discussions

- NIU faculty and staff
- Regional business and community partners
- DeKalb Area Agricultural Heritage Association (DAAHA)
- University of Illinois College of Agriculture, Consumer and Environmental Sciences (ACES)

August 27 – NIU President Lisa Freeman testified at Illinois Senate hearing in support of DPI/IIN
Responding to the changing climate
Preparing for changing demographics
Leading the evolution of technology
Interpreting our changing world

Preparing Northern Illinois and the Nation for a Century of Change

NIU Hub
Building on existing strengths and strategies
NIU Hub

Building on existing strengths and strategies

- Opportunities for sharing expertise and resources
- Enhancing partnerships
- Meaningful engagement with multiple stakeholders
The Research and Engagement Opportunity

- Local communities face unprecedented challenges
- Increased collaboration is needed
The Northern Illinois Center for Community Sustainability (NICCS)

- **DPI Themes**
  - food and agriculture
  - environment and water

- **Three inter-related areas**
  - Food systems innovation
  - Water resources stewardship/development
  - Climate change adaptation

- Facilitate development of an environmental policy effort and legal clinic
Anticipated impacts of DPI hub

- Provide global leadership in food systems, water and climate change research and innovation
- Attract new sources of funding for research and policy development
- Create new methods of interdisciplinary research on sustainability issues
- Engage and educate Illinois residents about food, water and climate and how they can make a positive impact
Anticipated impacts of DPI hub

- Help Illinois communities plan and prepare for sustainable futures
- Develop a talent development pipeline for all aspects of community sustainability
- Promote environmental sustainability as one of the economic engines for Illinois, increasing new company formation and job creation
- Spur economic development and job creation in a rural Illinois community
Proposed Facility and Location

- Staged facility reaching 30,000 square feet
  - Laboratory
  - Instructional
  - Conference
  - Office space
  - High bay
- Green houses and field sites
Funding

- DPI will provide significant funding with the expectation a match will be provided.
- Funding will be split between facilities and equipment.
- Additional sources of capital
  - Investment (back to the O-Zone)
  - Philanthropy
  - Public-Private Partnerships
Anticipated Next Steps

**Short Term**
- Budget/Schedule to DPI this week
- Organizational leadership structure for oversight, facility and program
- Finalize location
- Engage A & E firm
- Formal announcement

**Long Term**
- Develop NICCS program
- Raise funds via investment, philanthropy and public-private partnership
- Break ground Spring 2020
- Begin on-site operations Fall 2021
Discussion