

Technology Park Location– A Site to Explore in the University District
Statement by
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to the
Board of Visitors
University of Arkansas at Little Rock
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Tomorrow I am scheduled to address the Little Rock Technology Park Board. The University of Arkansas at Little Rock is one of the three sponsors of the tech park along with UAMS and the City of Little Rock. At that meeting I will be addressing the university's interests in the tech park and UALR's research strengths of significance for the tech park.

Today I want to announce that UALR is beginning a series of meetings and conversations with neighbors who live in an area immediately adjacent to the east side of campus, a 20-acre area in which UALR has been buying and plans to continue buying properties as they come on the market.

We want to talk to our neighbors about the desirability of offering to sell our properties to the tech park board for the location and development of the technology park.

We will engage in discussions with the residents in the University District as well as all other stakeholders.

My campus colleagues and I have not viewed any of the potential sites for the tech park that are now under review as an optimal site. We have identified another site for potential consideration.

The blocks in question [map] are bound on the south by 27th Street, on the east by Fair Park Boulevard, on the north by 24th Street, and on the west by Coleman Creek and Fillmore Street.

All of this area is identified for eventual acquisition by the university in the UALR campus master plan. The university already owns more than half of the acreage. You will see that the northwest portion of the marked area is the very underutilized north section of Parking Lot 14. In the remaining area, there are 65 properties. UALR owns 28 of them. Of the remaining 37, 20 are rental properties, and 17 are owner-occupied.

At this point I want to offer what I will call stipulations so I can put them aside for broader remarks.

--One condition of an offer to the tech park board would be a commitment by the Board to comply with the Federal guidelines for acquisition of residential property for public purposes. These guidelines assure fair treatment of property owners and of residents.

--We contacted Methodist Family Health which manages the Methodist Children's Home, which is located on the north edge of the UALR campus. We thought a joint offer to the tech park board might be possible. They told us they were not interested in selling that property.

--Let me repeat what I have said publicly before: I am going to be a cheerleader for whatever site the tech park board eventually selects. That remains my position. This means I am not going to offer a critique of the potential sites now under consideration. Instead I will comment on crucial characteristics of a tech park site. You will see why in the judgment of my colleagues and me this site would give the tech park the best chance of success.

Now let me turn to the question that I think will be uppermost in your minds.

WHY?

Why is the university initiating these conversations? And why at this time?

My worst nightmare the last two years has been a failed tech park.

The people of Little Rock took an extraordinary step—a bold and forward-looking step—when they voted to invest \$22 million to develop a technology park in the city. That decision can give the city a brighter future.

Although the two universities did not put the tech park proposal on the ballot, I believe the voters supported the proposal mostly because of confidence in UALR and UAMS. Therefore, I want our city's tech park to succeed so that in coming years the attitude of the citizens of Little Rock will be, "We took a chance on them, and they did not let us down." My worst nightmare is that citizens will say instead, "We took a chance on them, and that tech park project fizzled."

Further, the development of a tech park is a long road at best. It takes more than a few years. In terms of public perceptions, it is important that the tech park be located where it can develop at a faster pace rather than a slower place.

My colleagues and I had been hoping that another site might emerge between here and UAMS as originally recommended in the Angle Technology Report, but that has not happened. The site identified today is, however, almost literally next door to one of the original three sites identified for consideration by the tech park consultant.

The location of a tech park is a high-stakes matter for the City of Little Rock, and there will be only one chance to get it right.

With all of these thoughts in our minds, we decided that UALR should try to step up and identify a site option with better chances of success.

The option that emerged had substantial merit, but it was one that clearly would require UALR to give up something of considerable value.

Because this potential sale of university property would be a departure from UALR's campus master plan, I met with University of Arkansas System President Donald R. Bobbitt and also with my predecessor, former UALR Chancellor Charles E. Hathaway, both of whom were strongly supportive of the idea.

WHAT DOES UALR GET IN RETURN?

This is an easy question.

The city wins if there is a successful tech park. That is what it is all about. Cities build tech parks for the people of the city—as a means of getting the benefit of new businesses and more jobs, jobs that span the spectrum from low end to high end, but particularly more high-end jobs than most businesses provide. Cities don't build tech parks for the university. But you cannot have a tech park without a university. It is a prerequisite. Little Rock has the distinct advantage of having two research universities.

If the city wins, UALR also wins. We know that if the city prospers, the university prospers. If the city suffers, the university suffers.

The University District wins. The public and private investment in this part of the city would contribute to the revitalization efforts of the University District. If the University District wins, the university wins. The University District is the university's neighborhood.

The university wins. With the tech park next door to the university, the university can contribute more to its success. One thing UALR offers the tech park more than any other organization in the city is students, both undergraduate and graduate, in the disciplines of science, technology, engineering, business...and more. (I will say more about students a little later.) Proximity makes student and faculty involvement with businesses in the tech park much easier. UALR also offers faculty in those named disciplines...and more. The tech park also becomes a stronger asset when recruiting faculty because of the prospect of space for incubating a new business and for commercializing research done on campus. The university also wins because all of the energy expended by students and faculty in the tech park-based efforts to solve problems and innovate feeds back into the campus culture and activities that stimulate thinking and enrich classrooms.

WHY A TECH PARK?

One effect of the controversies in the site selection process is that the community may have lost sight of the forest for the trees. Let's look at the forest. What's so great about a tech park anyway? Let's look at three levels—national, state, and local.

National: National leaders got interested in tech parks because the results of promising Federally-funded research frequently ended up gathering dust in a report on the shelf of a Federal agency. There were no good mechanisms for moving research results from the laboratory into some application or product that benefited the people. In more recent years, this Federal interest has been amplified by the globalization of the economy and the more intense competition that now comes from all around the globe. Research and innovation have come to be seen as keys to the future competitiveness of the United States.

State: Interest has grown among governors and legislators who recognize that each state shares in the national interest in innovation and future competitiveness. But beyond that, they do not want to be left behind in the competition among states for successful businesses, particularly high tech businesses. Further, they have begun to understand that in the absence of an innovation ecosystem at home (that includes tech parks), the research findings and innovations of their universities will be licensed to investors on the east coast and the west coast with the resulting new businesses growing there—though based on research and development efforts in heartland states, such as Arkansas.

Local: The interest of local leaders is simple: tech parks are a source of new businesses and new jobs, a range of jobs, many of them upper-end jobs. Further, local leaders have noticed that home-grown businesses are much more likely to stay in the community over the long run. In Arkansas, Wal-Mart, Tyson, Stephens, and Acxiom are all examples of this point. Home-grown businesses, particularly in the early years, are what tech parks are all about. North Little Rock leaders of the Argenta Innovation Center in North Little Rock have said, if we can start 250 small companies that employ four persons each, that is a thousand new jobs. And at least a few of those small companies might become big companies and employ hundreds.

In summary, successful tech parks are powerful assets to a local community—while at the same time serving significant state and national interests.

WHAT ARE LOCATION REQUIREMENTS?

In purchasing a site for any enterprise, there are standard questions that have to be addressed. Does the site have electricity, gas, sewers, streets, and roads. Does the topography work? What improvements will be necessary in order for the location to serve its intended purpose?

For a tech park you would add other considerations—web connectivity including broadband access. But none of these factors may be enough for success. When we say that the three keys to the success of a business are “location, location, location,” we mean, will the right people come in sufficient numbers to make the enterprise viable? Unfortunately, it is not always possible to answer that question with certainty in advance. From time to time even McDonald’s opens in a place that does not work. Unlike a tech park board, they have the option of closing down and moving on to another location.

In the case of a tech park, the people you need to have coming and going from the premises are university scientists and engineers and students. And just as important, you need tech park personnel moving back and forth between the tech park and the campus, taking advantage of all the university has to offer in terms of equipment and expertise.

An easy, fluid relationship between the tech park and the university is the most important consideration in locating a technology park. The first prerequisite in choosing a site should be to select one that is most likely to maximize the participation of the university faculty, staff, graduate students, and undergraduates.

Your tech park may draw well-established businesses to the city and the tech park, but that is likely to be in later years. The first goal is to hatch your own local businesses. Once a number of them succeed and you have a cluster, they will become a magnet for similar and related businesses.

Why are universities the key ingredient? Because universities are primary places where the hard, rigorous work of scientific research happens, where intellectual property is developed, intellectual property which seeds innovation and progress—discoveries, ideas, inventions, gadgets, patents, copyrights, and more. It is also a place which values and nurtures creativity, breaking the mold, trying something different. No wonder high tech entrepreneurs like to be nearby and connected to the university.

People have no difficulty imagining a faculty member coming up with a new idea and trying to start a company. They overlook the fact that students do that too and are a vital part of an innovation ecosystem.

I want to underscore my point about students by telling you about a group of UALR students I saw last week. [Refer to list of EIT Super Scholars and their projects.] These were all *undergraduates*.

These students are creative, they are problem solvers, they love the challenges, they work early and late, they like it even after coming to understand such work is often slow and tedious. They are innovators. One young man in the group I met plans to be a millionaire by 30 or 32.

Not surprisingly, they make valuable interns—a source of relatively inexpensive labor for a fledgling business that is struggling to pay the rent. They are bright! There is one more significant reason for high tech businesses to involve them as students—it is a means of establishing relationships and enhancing the prospects of being successful in hiring a qualified workforce year after year.

For good reason high tech companies want to involve such students in their work, and being close to the university facilitates that.

CONCLUSION:

It is crucial that people be very clear about the central role the university, or in our case, the universities, play in the life and success of tech parks.

So the first question in choosing a site for a tech park should be—what is the impact of its location on interaction of the tech park with the universities? In my judgment the board should work to find a sites, not that “should work,” but one that will maximize the participation of university faculty, staff, graduate students, and undergraduate students.

When I address the tech park board tomorrow afternoon I will address other questions besides location. The comments I have made today are intended to set the stage for the discussions and meetings we will be having with our neighbors in the University District and other stakeholders, including members of the Board of Visitors.

I have also hoped that some of my comments might give the community conversation a better grounding.

Now I will be glad to respond to questions.