WMU medical school to acquire Southwest Michigan Innovation Center

Emily Monacelli | emonacel@mlive.com By Emily Monacelli | emonacel@mlive.com

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KALAMAZOO, MI — The Southwest Michigan Innovation Center located in Western Michigan University’s Business, Technology and Research Park is being acquired by the WMU Homer Stryker M.D. School of Medicine.

The WMU Board of Trustees approved the acquisition at a regular business meeting Wednesday, but the deal won’t be finalized until it also is approved by the medical school board and the boards of the Kalamazoo Community Foundation and Southwest Michigan First.

The 69,000-square-foot facility was designed to nurture the formation, survival and growth of innovative, entrepreneurial life-science businesses. It is home to 23 companies.

Jan Van Der Kley, WMU vice president for business and finance, said the medical school has a need for more research space to supplement the two floors of the medical school being renovated for research purposes.

It’s common for research institutions to have incubator space, and the innovation center provides that space without having to build a new building, Van Der Kley said. The transfer aligns with the original purpose of the innovation center, and many of the businesses inside the center now focus on life sciences, she said.

Under the proposal approved by WMU, the university will relinquish $3,618,812 by transferring the property to the medical school — $618,812, which is the value of the land, and $3 million, which is the value of a gift WMU received that was designated to construction of the center.

Under the proposal, the medical school will assume the property’s $2.4 million mortgage to the Kalamazoo Community Foundation, and the medical school and Southwest Michigan First will each pay $500,000 at the time of purchase to the community foundation to reduce the balance of the mortgage.

The medical school will make total payments of $1.1 million to the community foundation over four years beginning in 2017, with zero interest. The foundation will contribute $300,000 toward the mortgage with a grant in 2021.
The legal entity known as the Southwest Michigan Innovation Center will remain part of Southwest Michigan First.

Dr. Hal Jenson, dean of the WMU medical school, said in a statement that aligning the innovation center with the medical school is a "win-win."

"This will facilitate both the medical school and the SMIC in reaching their full potential in the area of biomedical laboratory-based research," Jenson's statement reads. "The transition requires board approvals by a number of entities over the coming months. We hope to have the agreement finalized by early fall and will be able to provide additional details at that time."

Emily Monacelli is a reporter for the Kalamazoo Gazette. Contact her at emonacel@mlive.com or follow her on Twitter.

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