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Cherokee Farm taking shape as UT seeks anchor tenant

by Ed Marcum

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Concrete examples are often helpful when it comes to selling new ideas.

University of Tennessee officials are hoping a research building that's taking shape off Alcoa Highway will help build momentum for Cherokee Farm Innovation Campus, located just south of the Tennessee River.

The centerpiece of Cherokee Farm is the 142,000-square-foot Joint Institute for Advanced Materials building, which is nearing completion and should be ready for use by the end of the year, said Cliff Hawks, who is CEO of Cherokee Farm Development Corp.

Speaking of something "concrete" to show prospects, the facility was built with some 10,000 cubic yards of concrete to make it as stable as possible for the instruments that will be used there in materials science research.

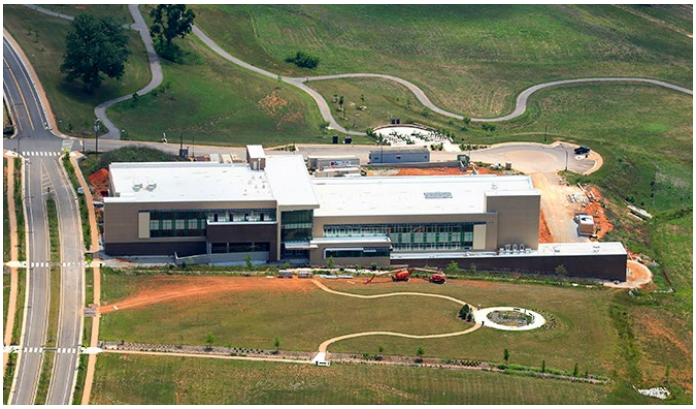
"A lot of the work that will be done at the facility will be very sensitive to vibration," he said.

The facility will have seven high-powered microscopes for analyzing the molecular structures of materials. One of them, the Zeiss Libra 200, stands 10 feet tall and has a magnification that would allow one to read the mint date on a nickel that's sitting on the moon's surface, Hawks said. There are only four of these microscopes in the world, he said.

A master plan for the campus is going through review by the Metropolitan Planning Commission, and Hawks believes it will be approved by February or March. Once approved, the plan will shorten and streamline the development process for any firm that wants to locate in the campus.

Cherokee Farm is a joint project of the University of Tennessee and Oak Ridge National Laboratory, using $87 million in capital investments and incentives. The 188-acre campus is to include the advanced materials building plus 16 other building sites, a hotel, surface and structured parking and other features.

Work at the advanced materials facility will focus on research useful in developing highly specialized materials for electronics; heat and radiation resistance; stronger and more lightweight structures; more efficient energy systems; and other uses. The building and its facilities will be used by researchers from UT and ORNL and by UT graduate students, but companies will have access to the equipment and the researchers and flexible lab space will be available.



An aerial view of the Cherokee Farm Innovation Campus at the University of Tennessee. The first building at the site, the 142,000-square-foot Joint Institute for Advanced Materials, is nearing completion and should be ready for use by the end of the year, said Cliff Hawks, who is CEO of Cherokee Farm Development Corp.

As the physical campus takes shape, the challenge is to line up an anchor tenant, Hawks said. UT and ORNL are developing the advanced materials facility and the idea is to bring in private development to fill out the rest of the campus. These would mostly be companies interested in close access to the research taking place.

Hawks believes the key to getting this process rolling is to get a second building up with a major tenant in it.

"In order to privately develop the campus, anchor tenants are very important because you want to get a company in that requires enough square footage to secure lending to go up with a building that gives you additional shell (unfinished) space," he said. As an example, Hawks said that if an anchor tenant signs a lease for 30,000 square feet, a 50,000-square-foot building could be developed that includes leasable space for another tenant.

Hawks said he is in talks now with three companies that he believes are good prospects for the second building. He said he cannot name the companies yet.

"But I can tell you that one of those companies would be

the primary anchor tenant with the other two potentially taking space in this second building," Hawks said.

Finding a major tenant has been a long process. UT began developing the property in 2010, and talks have been going on with various companies for some time. Cherokee Farm is not your typical real estate project, Hawks said.

A potential Cherokee Farm tenant would be a company heavily involved in research and development with UT to the point that it would make sense for the company to have a presence on campus, Hawks said.

"In order to meet the mission of the campus and the university, we have to have partners on that campus that are truly engaged in research and development with the university. And some of those relationships can take three to five years to cultivate," Hawks said.

Not every interested company is a good fit, he added.

"The mission of the campus is very specific, meaning that if a company approaches Cherokee Farm Innovation Campus that has a major manufacturing component, or industrial component — and we have been approached by those companies — our development guidelines prohibit that," he said.

There are potential tenants among companies dealing with UT's College of Business on its data analytics program, recognized as one of the best in the nation, Hawks said. Also, the UT College of Engineering has significant private-sector involvement through the Center for Ultra-Wide-Area Resilient Electric Energy Transmission Networks. This is a consortium of companies, national laboratories and universities working on smart grid solutions.

"There are definitely companies within that consortium we are talking to and would love to see have a presence at Cherokee Farm Innovation Campus," Hawks said.

One of the details being worked out is parking. The master plan calls for the campus to be as pedestrian-friendly as possible but accommodate about 4,000 parking spaces. To do this, buildings will be designed with at least one level of parking, and as many as five parking structures may be built.

Most of the lots on the master plan are left open to be developed either as buildings, parking garages or surface parking.

"We want to maintain some flexibility as we talk to different companies," Hawks said.

Tom Brechko, the MPC planner reviewing the Cherokee Farm proposal, said the plan seems to cluster lots along Alcoa Highway, and he is concerned about the effect if all those were developed with buildings or garages.

"It wouldn't look good to have a wall of buildings along Alcoa Highway," he said.

That is one of the issues being considered as the plan is revised for MPC, Hawks said.

Besides advanced equipment and access to researchers, Cherokee Farm will likely have some retail establishments to serve the campus, and the advanced materials building will have a commons and some sort of dining option.

"One of the primary concepts behind this facility and the campus as a whole is to bring different researchers together under one roof so they will collaborate," Hawks said. "So the idea that you have this common area where people can congregate for coffee and lunch or breakfast is important."

Mark Haig Khachaturian, vice president of resource development with Louisville, Tenn.-based ABT Molecular Imaging Inc., said he thinks Cherokee Farm will be a boon to companies involved in scientific research. Aside from the facilities and equipment, it can serve as a hub where scientists can collaborate.

"I could put my scientists there and they could be in a social setting networking with other scientists," he said. "Science is very cross-functional, and to get a problem solved in your field you might need to talk to someone in another field."

Khachaturian said his company is not looking at moving into Cherokee Farm, but he is intrigued by the potential of the staff and equipment at the advanced materials facility.

"We are a very small company and I can't hire 100 people for research and development," he said.