



**Innovation Center 2.0 Request  
December 11, 2024  
Stephanie Moran, SVP Innovation**

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***Update***

The Innovation Center in downtown Topeka is critical to the success of Topeka becoming a hub of Innovation where startups can connect, collaborate and prosper.

Based on the developments with the initial location owned by BioRealty, the AT&T building located at 220 SE 6<sup>th</sup> street has been identified and selected as the new site for the Innovation Center. This site is owned by a local developer. GO Topeka will utilize a local contractor who is also familiar with this project and has experience with this type of facility. This project is a smaller project with Phase 1 at 17,000 sq ft, but maintains control of the facility at the local level with GO Topeka as the master lease holder for Phase 1 with revenues from the project staying within the community.

**Innovation Center 2.0 Recommendation and Request**

Based on demand and opportunity to create additional economic impact through development of this integral asset for the community, the Innovation Advisory Board and GO Topeka Boards recommend allocating \$9,500,000 from GO Topeka funds for the Innovation Center at 220 S.E. Kansas, including \$6,589,000 for buildout costs and \$2,911,000 for a 10-year lease term for the master lease agreement.

# Innovation Center 2.0 – Financial Proforma

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Total Revenue	\$ 255,977	\$ 310,961	\$ 366,190	\$ 478,688	\$ 479,945	\$ 489,995	\$ 529,233	\$ 534,258	\$ 539,283	\$ 544,308	\$ 4,528,837
Total Expenses	\$ 322,610	\$ 559,358	\$ 426,010	\$ 576,532	\$ 443,184	\$ 365,545	\$ 374,132	\$ 374,132	\$ 374,132	\$ 374,132	\$ 3,560,993
Net Income w/o JEDO Funds	\$ (66,634)	\$ (248,398)	\$ (59,820)	\$ (97,844)	\$ 36,761	\$ 124,450	\$ 155,101	\$ 160,126	\$ 165,151	\$ 170,176	\$ 967,844

## Revenue Assumptions

- Tenant Subleases - occupancy ramps up over 4 years, capping at 90% assuming turnover as startups accelerate and move out (average 2.5 years)
- Pitch/Event space rental fees
- University/Corp Engagement/Sponsorship/Naming Rights - direct presence within facility to attract startups and create corporate/student engagement
- Sponsorship/Naming Rights - Sponsorship of spaces/facility to support and promote innovation ecosystem

## Expense Assumptions

- GO Topeka Master Lease
- Management Expenses
- General Office Expenses
- Additional Lab Buildout

# Innovation Center 2.0 – Total Request

<i><b>Buildout w/ 10 year lease</b></i>		
		<u><b>Total w/o Tax</b></u>
<b>Buildout</b>	\$	6,589,007
<b>10 year Lease (up to)</b>	\$	2,910,993
<b>Total</b>	\$	<b>9,500,000</b>

**Project Timeline**

- JEDO - December 11<sup>th</sup> , 2024
- Design Notice – December 12<sup>th</sup>, 2024
- Design and Permitting Completed – April 2025
- Construction Begins – May 2025
- Final Completion/Facility Open – Early 2026

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