

# Obama's Rahm Emanuel Gets Argonn \$70 million payola grant for UI Labs

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Chicago has won a \$70 million grant from the Defense Department for a research center for digital-manufacturing technology, a new facility that could dramatically raise the city's profile beyond being a hotbed for startups.

"This will put Chicago at the center of advanced manufacturing," Mayor Rahm Emanuel said in an interview. "It plays to our inherent strengths. This is where the brains and brawn will come together: patents, research and new ways of manufacturing."

The award will be announced Feb. 25 at the White House. The federal money, which will be distributed over five years, turbo-charges [UI Labs](#), an effort that [started about two years ago to create a magnet for researchers](#) from the Midwest's top universities and corporations.

Until now, however, the Chicago facility has been little more than a bold idea.

The federal grant will be matched by more than \$100 million in cash, along with other in-kind contributions that will take the commitment over \$300 million. The research center will be housed at Goose Island. It's not clear how many researchers would work there.

City and state officials have been [nervously waiting for months for a decision](#) on the new research center — one of three planned [“manufacturing innovation institutes”](#) announced by President Barack Obama that will be funded by \$200 million in federal research grants.

### **MANY CORPORATE, UNIVERSITY PARTNERS**

[The proposal involved top research universities](#) from Chicago to Texas, led by the University of Illinois and Northwestern University; large companies, from Boeing Co. to Illinois Tool Works Inc., and venture funds, such as Marc Andreessen's Silicon Valley venture fund Andreessen Horowitz, Chicago-based Lightbank and New Enterprise Associates of Timonium, Md.

Other participants include Caterpillar Inc., Deere & Co., Dow Chemical Co., Honeywell International Inc., Microsoft Corp. and Procter & Gamble Co. Among other universities are the University of Chicago, Illinois Institute of Technology, University of Notre Dame, Purdue, Michigan, Wisconsin, Nebraska, Colorado, Rochester Institute of Technology and University of Texas at Austin.

"It was important to add the new economy, as well as the Fortune 100," Mr. Emanuel said.

"We worked on this intensely," said Gov. Pat Quinn, who said in an interview that the state put in \$16 million. "It's gratifying. This lab is especially important to continue to make Illinois and the Midwest the manufacturing capital of the world. When companies look to site a plant, they're looking out 40 years. We have to take that same approach."

Finalists for the digital manufacturing center — which aims to reduce costs through greater use of technology, from robotics to virtualization — included Alabama, California and Massachusetts. One aim of the program is to create a virtual supply chain with a broader base of companies, which could reduce costs for the military and make it less vulnerable.

### **BELL LABS AS MODEL**

Federal research programs, such as the Defense Advanced Research Projects Agency, have produced new technologies, such as the Internet, that have attracted massive private investment and spawned countless new companies.

The advanced manufacturing center is just one of the large research programs recently won by the city, including a [battery-technology project at Argonne National Laboratory](#).

[UI Labs was unveiled](#) by Mr. Emanuel and leaders from U of I and Northwestern a little more than a year ago as a way to bring research talent to the Midwest's commercial hub, to tackle industry-wide problems. The goal was to create a gee-whiz factory in the tradition of [Bell Labs](#), which was renowned for producing basic research that also turned into important commercial products, such as the transistor that revolutionized electronics and led to the widespread use of computers.

The UI Labs effort quickly attracted the support of Mr. Quinn, U.S. Sen. Dick Durbin, top officials from the University of Illinois, Northwestern University and the private sector. Advanced manufacturing was just one of the possible areas of focus when UI Labs was conceived. Others included agriculture and food science.

Mr. Durbin said the research center ultimately could result in thousands of jobs.

The Defense Department grant offered [the chance to turn the UI Labs idea into reality](#). Bidders had to match the federal grant.

Michael Sacks, chairman of World Business Chicago, said the capital will grow beyond the initial \$320 million commitment.

"It's an incredible opportunity," said Mr. Sacks, who worked on the proposal for nearly 18 months. "This is an industry led institute marrying academia and business to solve real manufacturing problems."

[In December, UI Labs chose an interim executive director](#), Caralynn Nowinski, a University of Illinois associate vice president, and launched pilot projects with 10 manufacturers as part of a state effort to spread advanced manufacturing technology.