Moving Forward with Carolina North

A Briefing for the Board of Trustees, May 26, 2005
Topics in this Briefing

• How research drives the economy
• Carolina North’s projected economic impact
• National competition for research funding
• Needed: a setting for research and corporate partnerships
• The lack of growing room on main campus
• Programs ready now for Carolina North
Research and the Knowledge Economy

• Research creates jobs supported by external funding.
• 90% of UNC Chapel Hill’s research funding is from external sources.
  ▪ Each $1 invested by the State leverages $9 from external sources.
• $577 million in funding at UNC-Chapel Hill in 2004 fuels economic activity:
  ▪ approximately 20,000 jobs. (U.S. Dept. of Commerce multiplier)
  ▪ $1.70 spent in North Carolina for every $1 of research funding. (Huron)
Carolina North: *an economic engine*
Projected Economic Impact

First Two Phases of Carolina North

• Market Street Services’ economic-impact study of 2 of 7 phases:
  ▪ 2.4 million square feet, or 30% of entire project, over next 15 years.
  ▪ Projected building and construction costs (public and private) of $527 million.
Economic Impact Results
Research Programs
(Phases I and II)

• Over 7,500 permanent jobs will be created, equivalent to
  - $433 million in annual salary and other personal income,
  - average salary of $57,733,
  - $600 million in annual business revenue.
Economic Impact Results

Construction
(Phases I and II)

• 9,000 jobs created as a result of construction expenditures, equivalent to
  ▪ $353 million in salary and other personal income, and
  ▪ $979 million in business revenue.
Economic Impact Results

Taxes
(Phases I and II)

• Carolina North is expected to generate approximately $48 million in recurring tax revenue:
  ▪ $26 million in state income tax
  ▪ $14.6 million in state sales tax
  ▪ $2.8 million in local sales tax
  ▪ $5 million in property tax

• Construction will generate non-recurring revenues.
Research Funding

Sources of Funding:
- Federal Gov: 74%
- Industry: 4%
- Other Non-Profit: 8.6%
- Foundations: 5.6%
- Other Gov.: 2.3%
- State of N.C.: 5.5%

Funding’s steady climb: $577 million in 2004

$577 million
• The FY 2005 omnibus budget bill provides $28.6 billion to the NIH, a 2.0 percent increase over FY 2004 and the smallest percentage increase in decades.
• NSF’s budget fell 1.9 percent in 2005.
• Funding growth for UNC could stop unless we find new sources.
Corporate Research

An Untapped Opportunity

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<th>Institution</th>
<th>Industry R&amp;D 2002 Expenditures (000s)</th>
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<td>Duke</td>
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<th>National Rank</th>
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New Companies from Carolina Technologies

- 25 companies from Carolina technologies
- Approximately 281 jobs from new companies
- 3x jump in licensing revenue since 2002
Our Urgent Need for Carolina North
Space for Facilities and Programs
Development on Main Campus

• Unprecedented pace of construction.
• The main campus is almost full. More than half of proposed facilities in the 2001 Master Plan are now under way.
• Building on remaining sites will be expensive.
• How will Carolina grow?
Master Plan

- Current plan will build 6 mil. sq. ft.
- Only 8-10 sites are left. The rest are assigned.
- These 8-10 will support 1 mil. sq. ft., equivalent to 4-5 science buildings.
Carolina North will

- foster biomedical and pharmaceutical advances,
- cultivate basic science and intellectual property, and
- enhance recruitment and retention of outstanding scientists.

“This translates into clinical and patient-care innovations that improve health care for everyone.” —Bob Blouin, Dean

School of Pharmacy
A national leader needs growing room.
First School

The FPG Child Development Institute needs a site for its innovative new school.

- Begins at age 3 and extends through second or third grade
- Available to all children
- Developmentally appropriate facilities and activities
- Focus on academic skills, social and emotional development, and health
- Strong family and community partnerships
- Support for children and families
School of Public Health

Carolina North would offer a setting for service and engagement.

- Leasing costs would pay for new buildings at Carolina North:
  - Approx. 50,000 square feet of leased space costs $900,000 a year.

- New programs at Carolina North:
  - Central distance-education facility
  - Continuing education for public-health and clinical professionals
  - Multi-center studies and trials
  - Survey and interview facilities
  - Consulting and technical assistance for hurricane response, disaster planning, bioterrorism preparedness, local health-department projects
Research Parks
Catalysts for Growth

- 65% of NASULGC institutions have a research park.
  (1999-2000 data from a survey by AURP)

- Wisconsin-Madison example:
  - 255 acres developed
  - 107 companies
  - 4,000 employees
  - Payroll of $240 million
Research Parks
Catalysts for Growth

- NC State’s Centennial Campus today:
  - 58 external partners
  - 73 university centers, laboratories, units
  - 1600 employees of corporations or government agencies
  - 1200 university faculty, staff, post docs
  - 1950 university students
  - 600 middle-school students
Carolina North
the vision for the future
Working with the Community

• Engage the community in discussions of the plan.
• Collaborate with DOT and local governments on a transportation plan.
• Collaborate with local governments on fiscal equity.
• Establish buffers and green space.
• Establish a national standard for excellence.
Carolina North

- Will enable UNC-Chapel Hill to continue to be a leading public research university in an increasingly competitive environment.
- Will help North Carolina be a force in the new economy.
- Has important long-term and far-reaching benefits for its local communities, the region and the State of North Carolina.
Speakers from the Faculty

• **Donna Bryant**, Associate Director of the FPG Child Development Institute and Senior Scientist.

• **Timothy S. Carey**, Professor of Medicine and Social Medicine, School of Medicine. Director, Cecil G. Sheps Center for Health Services Research.

• **Margaret B. Dardess**, Interim Dean, School of Public Health.

• **Daniel A. Reed**, Chancellor’s Eminent Professor. Director of the Renaissance Computing Institute. Vice Chancellor for Information Technology and Chief Information Officer.