

# Moving Forward with Carolina North



A Briefing for the Board of Trustees, May 26, 2005



THE UNIVERSITY  
*of* NORTH CAROLINA  
*at* CHAPEL HILL

# 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*



THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL

# 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.



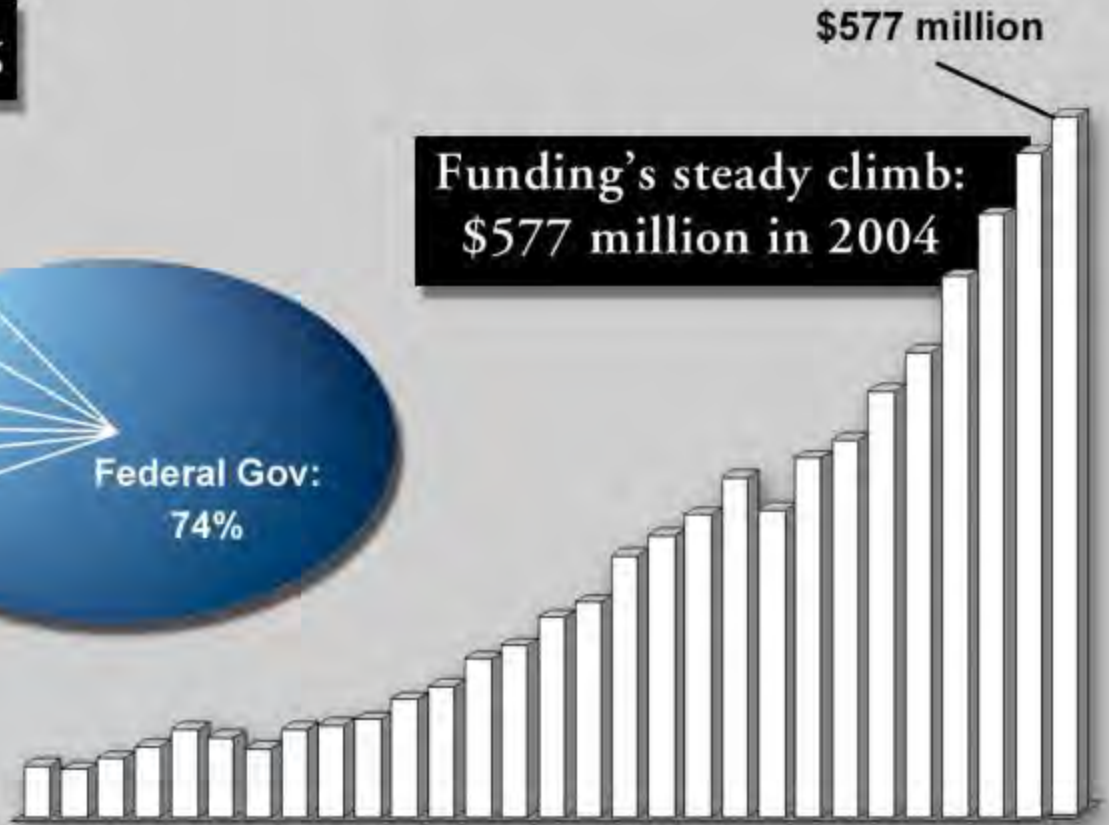


# Research Funding

## Sources of Funding

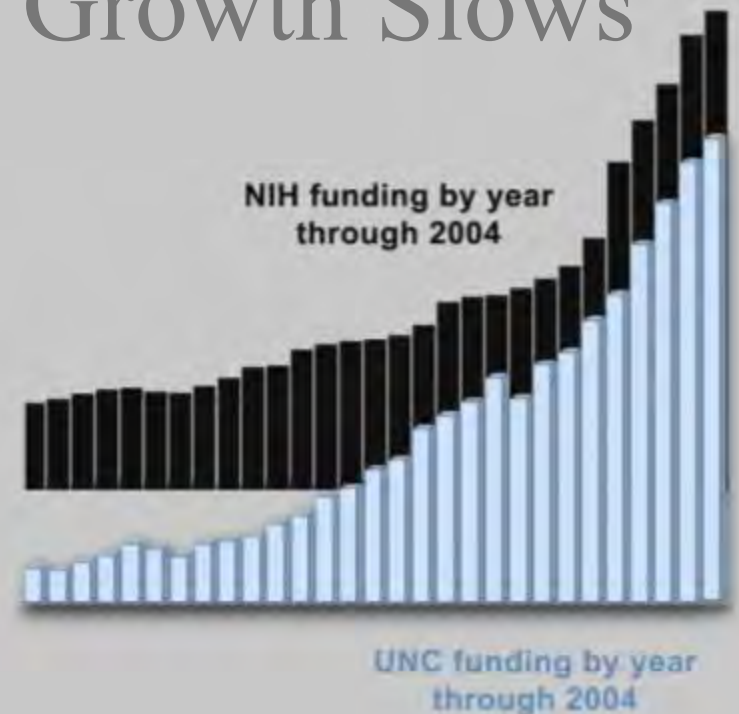


Funding's steady climb:  
\$577 million in 2004



- 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.

## Federal Funding Growth Slows



# Corporate Research

*An Untapped  
Opportunity*

	Industry R&D 2002 Expenditures (000s)	National Rank Industry R&D Expenditures
<b>Duke</b>	<b>\$99,807</b>	<b>1</b>
Washington	\$46,702	7
UC-San Francisco	\$33,577	9
Michigan	\$33,252	12
UC-San Diego	\$32,299	13
UCLA	\$31,686	14
<b>NC State</b>	<b>\$31,579</b>	<b>15</b>
UC-Berkeley	\$24,999	22
Florida	\$19,017	31
Wisconsin	\$16,746	34
Virginia	\$9,026	72
<b>UNC-Chapel Hill</b>	<b>\$6,601</b>	<b>90</b>



THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL

# 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*



THE UNIVERSITY  
*of* NORTH CAROLINA  
*at* CHAPEL HILL

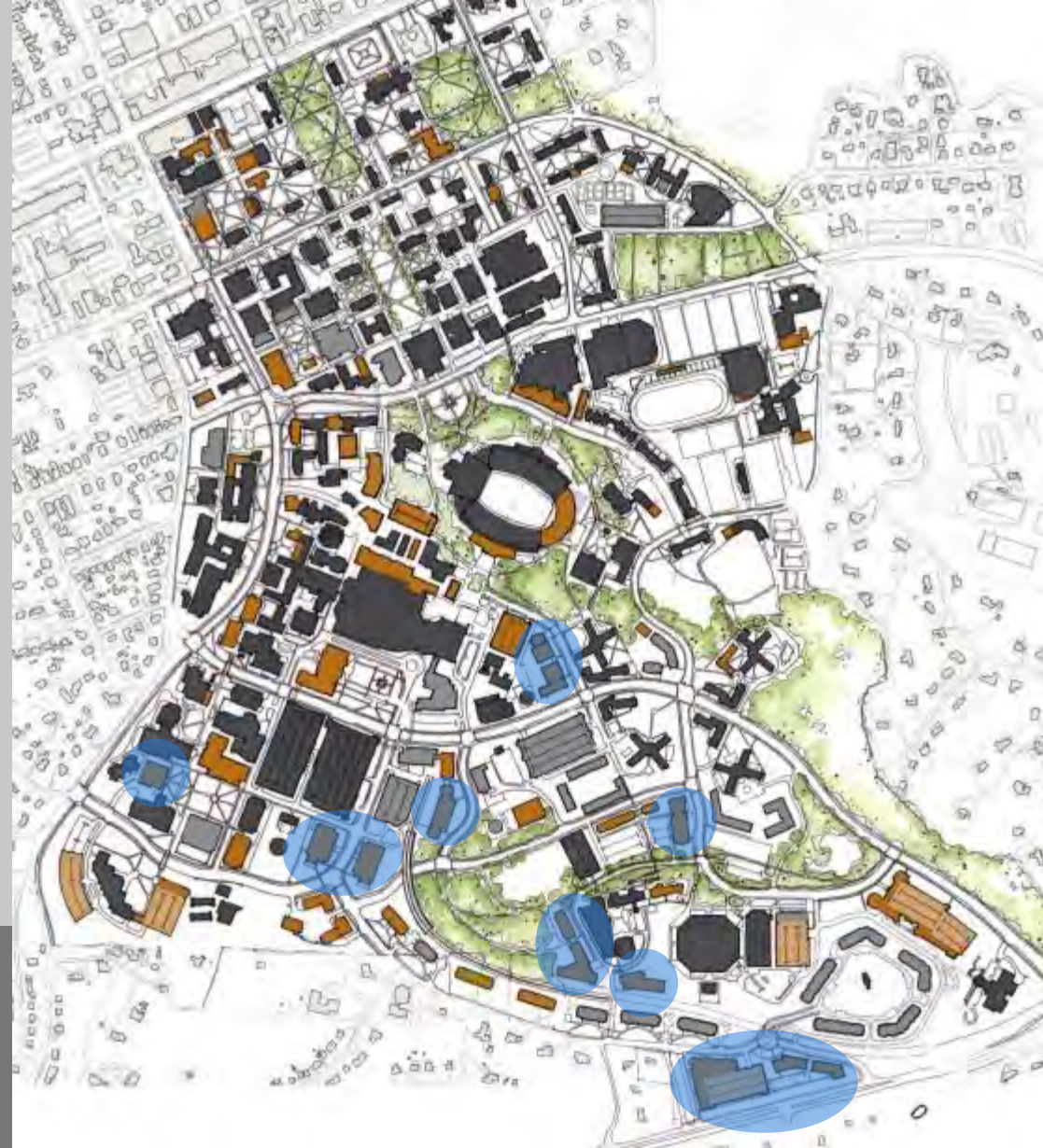
# Development on Main Campus

- 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

- 2001: sites for 11 mil. sq. ft. of new buildings.
- 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.



Existing      Current Funding  
(under construction  
or about to be)      Proposed



THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL

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.*



THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL





# 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



THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL



# 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



THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL

# 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



- 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

## Research Parks *Catalysts for Growth*



THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL

# Carolina North

*the vision for the future*

Proposed  
School Site



THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL



## 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.





# Moving Forward with Carolina North



A Briefing for the Board of Trustees, May 26, 2005



THE UNIVERSITY  
*of* NORTH CAROLINA  
*at* CHAPEL HILL