

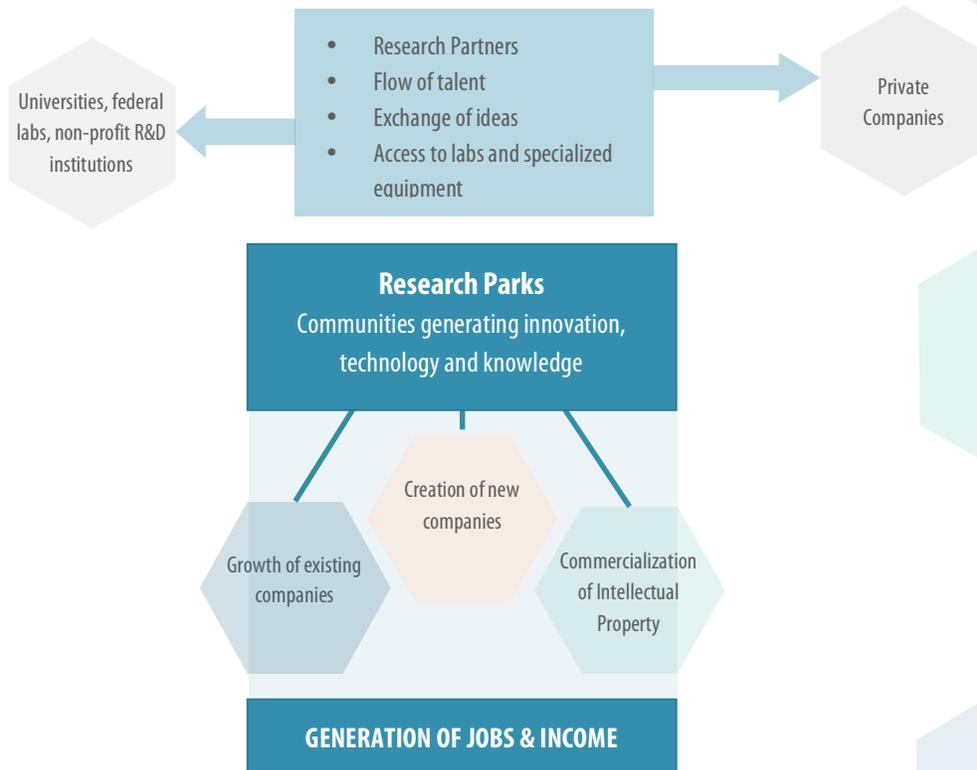
RESEARCH PARKS BACKGROUNDER

What is a research park?

The Association of University Research Parks (AURP) defines a university research park as a property-based venture, which:

- Master plans property designed for research and commercialization
- Creates partnerships with universities and research institutions
- Encourages the growth of new companies
- Translates technology
- Drives technology-led economic development

The Research Park Concept



Top Reasons Tenants Locate to a Research Park

1. Access to skilled workforce (including students)
2. Quality of buildings
3. Flexible leasing space
4. Prestige of being located in research park
5. Cost
6. Access to university faculty, facilities and equipment
7. Interaction with other businesses in the park
8. Business-related support services



What does the typical research park look like?

Typical Research Park in the U.S.	
Size:	<ul style="list-style-type: none"> • 119 acres • 7 buildings open • 25,000 sq. ft, 90% of space is currently occupied • 25,000 sq. ft of incubator
Location:	<ul style="list-style-type: none"> • Located in a suburb • Population fewer than 500
Governance:	<ul style="list-style-type: none"> • Operated by a university-affiliated non-profit
Tenants:	<ul style="list-style-type: none"> • 26 resident organization • 64% for-profit companies • 24% university facilities • 4% government agencies
Employment:	<ul style="list-style-type: none"> • Typical park employs 850 • Major industries include software, aerospace/defense and biosciences
Finances:	<ul style="list-style-type: none"> • Operating budget of less than \$1 million a year • Revenue primarily from park operations, but also university, state, local and other sources • 28% of parks reported generating less than 5% retained earning, 34% of parks reported no retained earnings
Services:	<p>Provide a range of business and commercialization assistance services including:</p> <ul style="list-style-type: none"> • Help accessing state and other public programs • Linking to or providing sources of capital • Business planning • Marketing and sales strategy advice • Access to subsidized space • Technology and market assessments

SOURCE: ASSOCIATION OF UNIVERSITY RESEARCH PARKS (BATELLE REPORT)

What does it cost to effectively operate a research park?

	OPERATING BUDGET % OF PARKS	CAPITAL EXPENDITURES % OF PARKS
Less than \$500,000	29%	46%
\$500,000 - \$999,999	21%	11%
\$1,000,000 - \$2,999,999	20%	17%
\$3,000,000 - \$4,999,999	14%	8%
\$5,000,000 - \$9,999,999	7%	3%
\$10,000,000 - \$14,999,999	4%	1%
\$15,000,000 or more	5%	13%