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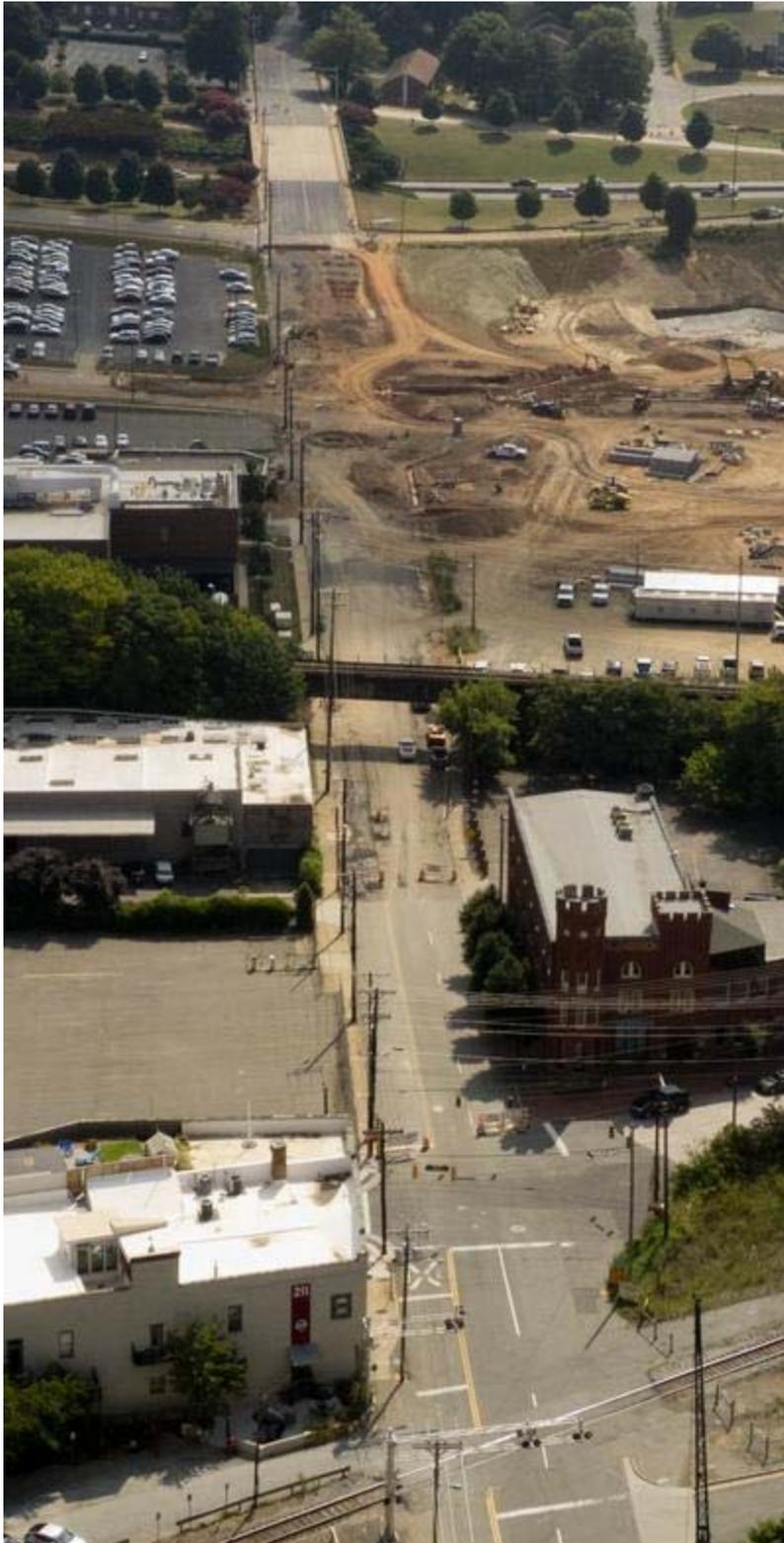
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'A whole new future' for research park

By Richard Craver



Tipping point. Game changer. Momentum builder. Pivotal anchor.

Those are some of the terms being used in reaction to Inmar Inc.'s decision to move its headquarters into Piedmont Triad Research Park and relocate the bulk of its workforce to downtown Winston-Salem. It will retain some warehouse jobs in Rural Hall.

Winston-Salem business leaders called the move a major happening in a project that has been touted to be a key driver of the new Forsyth County economy.

Inmar said Tuesday that the company was moving more than 915 present and projected jobs to two vacant former R.J. Reynolds Tobacco Co. processing plants. The news came about two months after the company pledged to keep its operations local in exchange for about \$7.3 million in local and state incentives.

When Inmar moves into the renovated buildings in December 2013, it will become by far the park's largest tenant, potentially boosting the park's combined workforce to more than 2,300.

To put that in perspective, the park overall had 847 employees as of June 30, according to Wake Forest Baptist Medical Center, which oversees and owns the bulk of the 145-acre park. The park recently lost 65 Targacept Inc. employees as major financial and research setbacks led to a workforce reduction there.

However, when Wake Forest BioTech Place, the park's latest addition in February, becomes fully operational, it will have a workforce of 350 Wake Forest employees and an additional 100 from other businesses.

Besides a large workforce, Inmar is providing the park "with its critical mass tipping point" in terms of branching out beyond biotechnology and life sciences, said Eric Tomlinson, who took over as the park's fourth president on July 2.

"Innovation has been, and will be, the underlying theme of the research park, so Inmar is a natural fit as a tenant," Tomlinson said. "Landing Inmar, with Wexford handling the renovation project, opens a whole new future for the park."

Wexford Science and Technology LLC of Baltimore built the 242,000-square-foot BioTech Place. It will renovate the former Reynolds buildings (known as the 90-3 and 90-1A buildings) for Inmar for a combined space of 240,000 square feet.

10 years in the making

Nearly 10 years ago, Wake Forest University and health sciences officials laid out a bold vision for the local economy.

They pledged to make the park — an idea conceived in 1990 — as the Triad's top economic project, as much for its quality-of-life impact as its job creation.

In a city whose economy had been dominated for decades by patriarch companies such as R.J. Reynolds, Hanes and Wachovia, the park beckoned as a diversification while those businesses cut back operations and staffing, or eventually were sold.

"This is a major commitment to transform our economy from one driven by manufacturing to one led by technology," said Richard Dean, at that time president and chief executive of the university's health sciences division.

The commitment: growing the park tenfold in acreage — going from 18 to 198 acres in three districts.

The foreseeable goal: expanding the park from 600 employees, more than 20 companies and a \$25 million combined payroll in 2002, to 10,000 primarily well-paid technology employees by the end of 2017.

The ultimate goal: 27,000 jobs, 5.7 million square feet of space used for research, laboratory, office and mixed-use, and an overall \$2.5 billion economic impact by 2032.

By focusing on a "work, life, play" strategy considered irresistible to highly educated professionals, organizers intended for the park to be a viable partner to its world-renowned cousin, Research Triangle Park.

Fast forward 10 years, and the park appears to be driving in the economic slow lane rather than serving as the new-economy savior for Winston-Salem and the Triad.

It has borne some promising fruit, such as the Wake Forest Institute for Regenerative Medicine, several innovative biotechnology and life-science companies, and the high-profile BioTech Place.

Still, as of June 30, the park had just 847 employees working for 30 companies and 12 Wake Forest Baptist departments. The collective annual payroll is more than \$50 million. The park is utilizing 12 acres, with 133 developable acres idling.

Certainly the sour economy has limited venture-capital funding and government grants for biotechnology and life-sciences startups, the expected lifeblood of the park, economists said.

Some analysts have also expressed concern that the park has risked being pigeonholed by its life-sciences focus.

"Certainly the economy has impacted the park, but the focus on biotech had much to do with its slower-than-expected pace of development," said John H. Boyd, a principal in The Boyd Co. Inc., a site-location consulting company in New Jersey.

"Biotech is such a competitive target industry, especially when you are competing with RTP (Research Triangle Park), probably the best-known life-sciences research park on the East Coast. Also, there is much competition for those biotech and pharmaceutical companies leaving the Northeast.

"Your research park's decision to cast a wider net beyond biotech is a prudent move, one that should reap benefits for Winston-Salem, as we are already seeing with Inmar," Boyd said.

Knowledge-based economy

When Inmar moves in, it will be the park's largest tenant.

But it won't be the park's first non-life sciences tenant.

In February, the Center for Design Innovation broke ground on an \$8 million building that will serve as an anchor in the park's undeveloped south district.

The 27,000-square-foot building, set to open in fall 2013, will serve as a test — and an opportunity — to determine how well creative and design fields work as engines for a knowledge-based economy.

It was established in 2005 as a mega-campus research center of the UNC system, the result of a partnership between Winston-Salem State University, UNC School of the Arts and Forsyth Technical Community College.

Still, phase two of Wexford's involvement is considered pivotal by local economic and elected officials and the community, given the project's potential for providing not only technology research space, but also momentum for downtown housing, retail and other economic shots in the arm.

"Having Inmar will help get us to the critical mass of employees that will lead to the park becoming more attractive for tenants, employees and the community," Tomlinson said.

Tomlinson said he hopes Wexford's appetite for the Inmar project will lead the group to consider developing other park projects, small and large, since Wexford officials have said they didn't want Winston-Salem to be "a one-and-done" community.

Gayle Anderson, chief executive and president of the Winston-Salem Chamber of Commerce, has been one of the initial and pivotal visionaries of the park.

"Having a variety of technology-based businesses in the park was a fundamental principle from the time the chamber first recommended the community create an urban research park more than 20 years ago," Anderson said.

"That's why Inmar will be a wonderful addition to the research park and to downtown."

Once-blighted area

It is likely that Wexford would pursue federal historic and state mill-rehabilitation tax credits for the future Inmar headquarters as it did for Wake Forest BioTech Place.

The tax credits, along with other credits, would be passed on to Inmar to help defer its construction costs, said Dan Cramer, a regional executive for Wexford. The project had been projected to cost between \$24.5 million and \$62 million, depending on the extent of the renovations.

By comparison, BioTech Place was a \$100 million project, thanks in part to the historic tax credits.

Park officials have long envisioned having a downtown research park with life-sciences or technology workers who walk or bicycle to work from their homes in renovated buildings in once-blighted areas, then spend their disposable income at nearby sports bars, restaurants and performing-arts venues.

"We never looked at Inmar as being that outside of the box in terms of a park tenant," Cramer said. "It is tech savvy, innovative and visionary."

"Inmar is bringing to the park a level of density, diversity and activity that will help solidify its reputation as an interesting place to work, live and play."

"Given the level of success Inmar is having and is projected to have, they offer a huge upside to the park and downtown," Cramer said.

'Feel the energy'

Ray Collins, president of Collins Commercial Properties Inc. in Winston-Salem, said he expects Inmar will bring a fresh touch to downtown with its renovation plans.

"It's always psychologically attractive to take a building and make it your own rather than just trying to fit into existing space," Collins said.

"Take BioTech Place, for instance. You just feel the energy when you walk into the atrium. Wexford will create the same sort of attractiveness for Inmar."

"It's hard to put a dollar figure on that energy, but it is real."

The Inmar project also established that Wexford "is not a one-trick pony," Collins said.

"The first project is always the hardest, but they get easier as they go along," he said. "It's important to note that Wexford specializes in single-tenant projects, which tend to be easier to develop."

Michael Clapp of Michael S. Clapp & Associates Inc., a real estate appraisal company, said the park has "hit three home runs" this year with BioTech Place, the Center for Design Innovation and Inmar.

"They represent a change from the park's master plan in a way, but it's a wise decision to go after companies like them to give the overall effort some momentum," Clapp said.

"Once Inmar is situated and operating successfully, it likely will serve as a magnet to non-health care, high-tech companies in the same way Wake Forest's regenerative medicine institute is attracting like-minded researchers."

Boyd said Winston-Salem is fortunate to not only have retained Inmar as a major employer, but also to have had the available infrastructure to persuade its officials to move downtown.

"Whether life sciences or not, all tech firms have many things in common from which they can feed off of each other in the research park," Boyd said.

"The park and all of what a downtown Winston-Salem working and living environment brings to the table can create a greater focal point to that success story — a more urban, urbane one.

It is something young tech workers — many single, who might prefer to work and recreate in a more urban setting — can especially relate to.

"This move by Inmar is a very smart, timely one working with tech trends, not against them — all to the benefit of Winston-Salem and the greater Triad region," Boyd said.

He said it's important to credit Wake Forest and local officials with having the vision to see the value in warehouse and manufacturing facilities whose prime had come and gone.

"The university presence is a distinguishing element to all of this, without a doubt," Boyd said.

"As a matter of fact, it further distinguishes your research park from RTP (Research Triangle Park), which ironically enough is in the process of re-branding itself to a more urban, user-friendly setting with the planned new construction of housing, restaurants, services.

"A downtown, if you will."