

## Corporate Research Center launches Phase II after 20 years of economic growth

Joe Meredith has had two events to celebrate in 2008 -- the 20th anniversary of the opening of the first building in the Virginia Tech Corporate Research Center (CRC) and the impending launch of Phase II of the research park.



Since the opening of its first structure in 1988, the Virginia Tech Corporate Research Center has grown to house about 140 tenant companies in 24 buildings.

Meredith, who became the CRC's president in 1994, oversees an operation that houses about 140 tenant companies in 24 buildings spread out over 120 acres. The existing 750,000 square feet of facility space will become a total of one million square feet in 28 buildings when Phase I is completed.

"The addition of Phase II will almost double the land size of the park and allow us to build an additional 18 buildings," Meredith said.

The CRC has become one of the most powerful examples of Virginia Tech's contributions to regional and statewide economic vitality. Currently, more than 2,000 Southwest Virginia residents are employed by CRC tenant companies, which annually fund more than \$1 million in research projects at Virginia Tech. The success of the research park helps the region attract new industries and businesses.

On July 1, 1985, with an initial commitment of \$4.2 million, the Virginia Tech Foundation established the CRC as a for-profit, wholly owned, private subsidiary. The university's

Communications Network Services opened shop as the first CRC tenant in February 1988; a month later, VTLS Inc., a library automation company, became the first corporate tenant.

"There are two business models for research parks -- real estate and services," Meredith said. "The CRC was launched using the real estate model, which assumes that tenants will be large companies that construct their own buildings on long-term land leases. It became fairly clear by the early 1990s that this model was not going to be successful in Blacksburg."

Upon Meredith's arrival, the CRC began following the services model, focusing less on simply leasing land and more on finding ways to help tenant companies. Since then, the CRC has developed a number of programs designed to help companies create business plans, find personnel, obtain financing, and take other actions critical to success.

"A low failure rate of private companies in the CRC is attributable to three major factors," Meredith said. One is that tenant companies are typically conservatively managed, with a focus on technological success. Another is that innovative services -- including VT KnowledgeWorks, the Virginia Tech Business Technology Center, and Virginia Tech Intellectual Properties -- are available to help launch successful companies.

"Lastly," Meredith noted, "people in the research park simply have good ideas to start with."

TORC Technologies LLC, which was founded in January 2005 by a group of young Virginia Tech engineering alumni, provides an example of a good idea that Meredith indicates. A spin-off of robotics programs at the university, TORC specializes in developing autonomous ground-vehicle technologies. One of the company's notable successes has been its collaboration with a team of Virginia Tech students in developing an autonomous vehicle that won \$500,000 in the 2007 Defense Advanced Research Projects Agency (DARPA) Urban Challenge.



Students and

engineers from TORC Technologies LLC, a tenant company within the CRC, collaborated on the autonomous vehicle that won \$500,000 in the 2007 Defense Advanced Research Projects Agency (DARPA) Urban Challenge.

"From the beginning, there were many non-technical challenges in running a business and commercializing technology," said Michael Fleming, TORC's chief executive officer. "Joe Meredith and his team have done an outstanding job in creating an environment in the CRC that's flexible and accommodating to the rapid changes that small businesses experience." TORC has grown to about 25 engineering employees and plans to add 10 more engineers in the coming year.

At its start, TORC became a member of VT KnowledgeWorks, a technology business accelerator established by the CRC. VT KnowledgeWorks consultants provided TORC with expertise in areas such as legal issues, human resources, contracts, and marketing.

A number of the CRC's tenant companies are the result of faculty research. Virginia Tech Intellectual Properties (VTIP) was incorporated along with the CRC in 1985 to handle licensing of research inventions. Working with the university's Office of Sponsored Programs, VTIP staff identify research likely to have commercial appeal and help usher inventions toward successful marketing. This process has led to a large number of patents and substantial royalties for researchers and the university, as well as profits for companies holding licenses.

Growth is a standard feature of the CRC, and Phase I is still attracting new facilities. A full-service StellarOne branch bank is under construction and Rainbow Riders @ the CRC is going to double

the size of its operation with a new building in the coming year. A classified research facility should be completed by mid-2009.

"Construction of the infrastructure for Phase II could begin in early 2009," said Meredith, whose major goal for Phase II is to help launch companies developed as a result of unique, high-quality Virginia Tech research.

- *For more information on this topic, contact [Susan Felker](#) at (540) 231-4691.*