

Area colleges may have larger role in the future economy

The days when Eastman Kodak Co. dominated the local economy are long gone, as the company's local workforce has shrunk from 60,400 in 1982 to 7,100 last year.

But the role of the University of Rochester in the economy as the region's largest employer is harder to define.

With Strong Memorial and Highland hospitals under its umbrella, UR has more than 20,000 employees on its payroll — more than double what it had in the mid-1980s.

UR, however, stimulates the economy in a number of ways — from attracting more than \$400 million a year in research grants and spawning high-tech startups to bringing students and faculty here from outside the region.

Colleges are the cornerstone of what UR President Joel Seligman calls a "knowledge-based" economy, which does not have an assembly-line presence.

How institutions of higher learning can better fit into the New York economy should become more apparent through the 10 regional **economic** development councils that Gov. Andrew Cuomo

established this past summer.

By mid-November, these councils must submit five-year strategic plans that state officials will evaluate in making awards from a \$200 million pot.

The top four plans will each get \$40 million in grants and tax breaks. The remaining \$40 million will be shared by the other six councils.

Another \$800 million will be distributed by 17 state agencies. Evaluations by the councils are expected to play a role in the awarding of this money.

Seligman is co-chairman of the Finger Lakes Regional Economic Development Council — the 33-member panel Cuomo created for this region.

Higher education is one of the 11 work groups established to help the Finger Lakes council, with the other groups focusing on such topics as business services software, advanced manufacturing, tourism and the

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arts.

But the presence of colleges in this initiative goes beyond the higher education work group. Top Rochester Institute of Technology officials, for example, were also on the groups for advanced manufacturing, energy **innovation** and optics, photonics and imaging.

RIT President Bill Destler is co-chair, with MCC President Anne Kress, of the higher education work group.

"I am hopeful we will come up with a coherent vision, which really could grow the economy of the region," Destler said.

Although Destler declined to discuss the details of his group's report, he noted that the topics ranged from growing the higher education industry cluster to responding to workforce needs.

Projects large and small were discussed, ranging from Finger Lakes Community College's plans to establish a viticulture facility to UR's plan to team up with IBM to form a computational center using supercomputers for biomedical research.

"One of the things we discovered from in our work group and what we also heard from industry is the lack of workforce development for middle-skilled workers," said Kress.

These workers need more than a high school diploma, but not necessarily a four-year college degree, and are needed for a

host of technician jobs.

Establishing a centralized site to coordinate information on needs of business and industry and projected hiring trends is among the proposals discussed.

Brain power

Along with other colleges, UR is part of a higher education magnet that draws more than 85,000 students. Local colleges also help form the core of the region's cultural institutions.

As institutions of higher learning, colleges need to preserve the intellectual integrity of their mission — maintaining their independence in any collaboration with the business community.

But education and **healthcare** form the fastest-growing segment of the local economy — growing over the past two decades from 13 percent of those employed in the five-county Rochester area to 22 percent, said Kent Gardner, CEO and

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chief economist for the Center for Governmental Research.

In all, according to statistics from CGR, 16 colleges in the region have about 33,000 employees.

Adding the jobs created at the various companies providing services to colleges brings the total to about 46,400.

Startups are a clear sign of the spillover effect of colleges.

These firms typically license **technology** created by college researchers.

Since 1996, 51 startups were created based on UR technologies. Thirty-eight are still active.

One of these companies, Diffinity Genomics Inc., is located at UR's Lennox Technology Center in Henrietta. The center is owned by High Tech Rochester, which is an affiliate of UR.

The company has licensed technology developed by UR chemistry professor Lewis J. Rothberg, who is a founder of the company and its chief technology officer. Diffinity now has 12 employees.

Diffinity RapidTip, the product the company developed from Rothberg's technology, removes chemicals that were used to increase the concentration of DNA so that it is suitable for testing. Removing the chemicals returns the DNA to its purified state.

RIT's incubator, Venture Creations, has helped produce 24 companies since it opened in 2004.

EET Diesel Systems Inc., one of the companies with an RIT connection, has an office at Venture Creations but is based on Brighton Henrietta Town Line Road, where it is about to market its PlasmaClean device for removing contaminants from the emissions of diesel fuel.

RIT mechanical engineering professor Ali Ogut helped develop the technology for this product at RIT, which licensed the technology to the company. Ogut is an owner and chief technology officer of EET, which employs eight.

Leveraging funds

Projects that can use state **funds** to leverage private-sector dollars enhance their chances of being a priority project in the \$200 million sweepstakes.

UR's computational initiative for biomedical

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research with IBM falls into this category — a \$100 million project for which Seligman is hoping to get \$33 million from the state.

In addition to using the state money to leverage funds from IBM, the project hopes to attract businesses and other colleges to use the equivalent of 16 supercomputers.

Seligman said he would not vote on the IBM project, since he is both co-chair of the regional council and president of UR.

Another project that could have the kind of leverage that gets state **funding** is RIT's proposal to get \$25 million from the state for special test beds for the new building under construction for the Golisano Institute for Sustainability.

The **idea** would be to make the sustainability institute a regional center, which will attract businesses seeking environmental cost-efficiencies.

FLCC's proposal for a viticulture center would expand its existing program. Already offering an associate degree in viticulture and wine technology, FLCC now wants to build a 5,000-square-foot viticulture building and teaching vineyard on a 1- to 2-acre site near its main campus in Hopewell, Ontario County.

The proposal, which has a \$2.5 million price tag, was presented to the higher education as well as the tourism working groups.

"We are looking for public and private

support," said Lisa Marie Thompson, FLCC's vice president of advancement.

Another idea reviewed by the higher education work group is a veterans center proposed by Nazareth College President Daan Braveman and St. John Fisher President Donald Bain. Such a center would help veterans pursuing higher education and also provide job training and placement services.

The College at Brockport has asked the regional council to consider such issues as the K-12 educational pipeline; broadening the definition of workforce development to include nursing, teacher preparation, and other professional graduate programs.

Brockport also raised the possibility of offering its Rochester Educational Opportunity Center on Andrews Street as a business incubator working with the college's Small Business Development Center.

While many of the proposals are not

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expected to qualify for the first round of state funding, Seligman hopes the regional council system stays intact and continues to review proposals for future funding.

"It's not just a billion-dollar competition in the first year. It's a billion in the first year plus what is funded in the second, third, fourth and fifth years," Seligman said.

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Stephen Kean is a mechanical/test engineer at EET Diesel Systems located on Brighton Henrietta Town Line Road, a company with a Rochester Institute of Technology connection. Kean is working on the company's new PlasmaClean device, which removes contaminants from the emissions of diesel fuel. / SHAWN DOWD/STAFF PHOTOGRAPHER

About this Series

As the region develops an economic growth strategy over the next two months, we'll look at the sectors that seem to offer the greatest promise.

By the numbers

44,440 jobs at the 16 colleges or in businesses serving these colleges in the nine-county Finger Lakes Region.

Almost \$5 billion annually is the estimated total economic impact of the higher ed sector.

For eight of the last nine years, the University of Rochester has been among the top 10 institutions in the nation in royalty revenue from licensed technologies.

Source: Center for Governmental Research

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Public comment

The Finger Lakes Regional Economic Development Council will hold three public forums on its draft of a five-year strategic plan. A summary of the plan will be made public before these forums.

Oct. 25, Batavia, 6-8 p.m., William W. Stuart Forum at Genesee Community College, College Road.

Oct 26, Geneva, 6-8 p.m., New York State Agricultural Experiment Station, Jordan Hall, 630 West North St.

Oct. 27. Brighton, 6-8 p.m., Monroe Community College, Warshof Conference Center; use Parking Lot M, 1000 East Henrietta Road. Prior to the forums, a draft of the plan will be on the council's website: <http://nyworks.ny.gov>

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