

KANNAPOLIS - Ever since Dole Food Company owner David Murdock announced the N.C. Research Campus in 2005, biotechnology has been a buzz word in Kannapolis and the Charlotte metro region.

It conjured up the possibilities of putting former mill workers back to work and bringing prosperity back to a damaged town. Certainly, the research campus has been a big selling point for economic developers to attract biotech companies to North Carolina and the Charlotte region.



But the economic advantages the research campus was supposed to bring – like a retrained workforce and world-class partner companies – have yet to arrive, due to the downturn in the economy.

Slowing progress at the research campus couldn't have come at a worse time either. Philip Morris is closing its cigarette manufacturing plant at the end of the July, laying off about 1,500 people. And the county unemployment rate is hovering around 11 percent.

But in biotechnology, there is hidden progress. In Nov. 2008, the N.C. Biotechnology Center released a report from the Battelle Institute, saying that the state's decade-long, \$1.2 billion investment in biotech has yielded more than 180,000 jobs and 500 companies located in the state.

"What I find is that these are good times and less-than-good times," said Marjorie Benbow, director of the N.C. Biotechnology Center's greater Charlotte office. "There is still a lot of interest in biotech and right now is the best time for reeducation and repurposing."

One important piece of North Carolina's biotech model – the workforce development piece – got a big boost in May, when Murdock and Co. broke ground on the new Rowan-Cabarrus Community College building at the research campus.

The building will house the biotech degree programs, where students will learn in state-of-the-art, industry-standard labs. It took two years of wrangling over the financing, but construction workers are already erecting the steel.

It will take 14 months to complete the building and get students into the labs. And the biotech programs are two-year degree programs. They should get fully launched by the fall semester, with students hopefully moving into the new building by fall 2010.

"Even though economic recovery is not totally visible, it seems much more possible here because of what's happening in Kannapolis," said Jeanie Moore, vice-president for continuing education at RCCC. "New infrastructure is being put in and we're seeing a level of activity in Kannapolis that was not existent three years ago."

Companies that locate to the campus and the region will benefit from the workforce training programs that are in place here – even though there isn't much movement right now on the market.

About half of the biotech companies out there are in survival mode, said Simon Pedder, president and CEO, Chelsea Therapeutics International in Charlotte, and they are having to conserve money. "The historical investment firms are sitting on their wallets because of the bad economy," Pedder said. "So if your lead drug is in Phase-I testing, you're not doing so well."

His company is testing a drug to treat hypotension, or a sudden drop in blood pressure. It is a symptom that occurs in patient's with Parkinson's disease. When they stand up, they can get dizzy, causing falls.

The drug is in Phase-III testing and has been fast-tracked for reviewed by the Food and Drug Administration, Pedder said, and he said his company has enough cash to get through next year. But some companies aren't so lucky.

"Some of the public companies can go out and raise cash, but your stock price is a half or a quarter what it was," Pedder said. "That's not exactly the way to win friends and influence people." Rome wasn't built in a day, and despite Murdock's standing mandate ("Two hours is too long, and two days in an eternity."), the economy has put a lot of the projects on hold.

Kannapolis has yet to sell its \$168.4-million self-financing bond package because of double-digit interest rates. Pepsico, the multi-national beverage company, has put on hold moving into the Core Research Laboratory. And UNC-Chapel Hill and N.C. State are facing obstacles due to state budget cuts.

But as the steel on the new RCCC building goes up, so does the optimism that the campus is still moving forward and that it will bring prosperity back to Kannapolis.

"I'm hopeful about the future," Moore said. "It's not going to happen as quickly, but it could be a blessing because it will give people more time to repair and learn."