Purdue Research Foundation

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Senior Vice President, Treasurer & COO

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Key Organization Dates

- 1930: Purdue Research Foundation Founded
- 2005: Corporate Reorganization
- 2010: Governance Review
- 2012: Huron Consulting Strategy Review
  - Sustainable Budget Development
  - Innovative Purdue Launched
  - AMI Dissolution and Repurposing
Mission
The mission of the Purdue Research Foundation is to advance Purdue University’s quest for preeminence in discovery, learning and engagement through effective stewardship of assets.

Vision
The Purdue Research Foundation will be recognized as the national leader in university-stimulated entrepreneurship and economic development through the commercialization of science and technology.
Purdue Research Foundation

What it is: a supporting organization of Purdue University

- Gift administration
- Trust and annuity administration
- Affiliate finance/accounting support
- Intellectual property management
- Real estate acquisition and development
- Endowment management
- Economic development and engagement

What it is not: a fundraising organization
Financial Overview

- Independent Auditors: Crowe Horwath
- Credit Ratings: Moody’s Aa1/Stable
  Standard & Poor’s AA-/Stable
- Total Assets: $1.0 B
  - Endowment: 80%
  - Real Estate: 14%
  - Restricted/Unrestricted Net Assets: 90%/10%
- Purdue University Support/Unrestricted Revenue: 62%
Sustainable Budget Development

THE CHALLENGE:
Declining Unrestricted Liquid Assets

How We Got Here:

- Elimination of revenue sources without replacement
- Unfunded mandates/unplanned requests
- Increased contributions to Purdue University
- Questionable real estate transfer practices and pricing policies
- No traditional fee sources
- Stranded obligations
Sustainable Budget Development
Solutions Explored/Implemented

- Fees for services
- Reduce/eliminate expenses and certain contributions
- Maximize endowment funding sources
- Collect on unfulfilled obligations
- Develop/improve real estate practices
- Monetize unused or underutilized assets
- Develop plan to retire long-term debt
- Closer coordinated planning between Purdue University and PRF
Affiliated Foundations/Gift Processing

- Purdue Foundation, Inc. – 2012 and 2011 contributions of $30.1M and $43.1M, respectively.

- Ross-Ade Foundation, Inc. – Assets of $154.2M, including:
  - Ross-Ade Stadium Renovation: $47.4M
  - Mackey Complex Renovation: 97.2
  - Other Lease Purchase Agreements: 4.9
  - Total: $149.5M

- Trust and Annuity Administration – Market value of assets at $83.4M, including:
  - Charitable Trusts: $76.2M
  - Charitable Gift Annuities: 7.2
  - Total: $83.4M
PRF Real Estate Holdings-Tippecanoe County
Commercial Development Master Plan

1. Chauncey Hill District
2. South Campus Housing District
3. South Island District
4. West Campus District
5. North Island District
6. Discovery Park/South Gateway District
7. Hayes Triangle District

Development Zones

Champion Projects

Campus Gateways
- Jischke & Harrison (South)
- Chauncey & State (East)
- McCormick & State (West)

Landmark Signage
- US 231 & State Street
- US 231 & Jischke
- McCormick & Stadium
- McCormick & Cherry
- Northwestern & Cherry
- Northwestern & Fowler
Purdue Office of Technology Commercialization ranked No. 6 nationally for its commercialization success in creating startups in the past year.

Association of University Technology Managers rankings of December 4, 2011

- University of Utah: 18
- MIT: 17
- Brigham Young: 13
- Columbia: 12
- Cornell: 12
- Purdue: 11
License Agreements Executed

- Utah
- Stanford
- MIT
- Texas A&M
- Georgia Tech
- Penn State
- Ohio State
- Purdue
- Michigan State
- Indiana
- Illinois (C-U)
- Iowa
- Michigan
- Wisconsin (Madison)
- Minnesota
- Northwestern
Startup Company Formation

Number of Spin-Outs

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<th>Institution</th>
<th>Number of Spin-Outs</th>
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Disclosures and Patent Activity

per $100MM Research Expenditures
Purdue Research Park of West Lafayette
- 3,233 employees
- 159 companies
- 725 total acres
- 268 developed acres
- 1,677,000 square feet
- 8,200 unfinished square feet

Purdue Research Park of Indianapolis
- 85 employees
- 13 companies
- 78 total acres
- 8 developed acres
- 55,000 square feet
- 8,600 unfinished square feet

Purdue Research Park of Northwest Indiana
- 719 employees
- 33 companies
- 393 total acres
- 147 developed acres
- 377,000 square feet
- 10,700 unfinished square feet

Purdue Research Park of Southeast Indiana
- 107 employees
- 11 companies
- 44 total acres
- 16 developed acres
- 50,700 square feet
- No unfinished space
2011 Economic Impact Study

- $1.3 billion annual economic impact on Indiana
- 4,000 Indiana jobs
- Top 20 private employer in Indiana
- $63,000 average annual wage
- $48 million contributed to state and local taxes
- $49 million in Federal grants for startups since 1987
- Park companies fund $2.5 million annually in sponsored research at Purdue University
Road to the Future
Synergistic Opportunities

Innovative Purdue
- Innovation & Commercialization Center
- Applied Research Institute
- International Online Academy

Foundation Services
- Insourced Outsourcing
- Research Park Development & Operations
- Land Accumulator/Holder
- Commercial Facility Solutions
- Service Consolidator
- Superior Back Office
Road to the Future

Biggest Threat
- No strategic integration
- No synergies

Biggest Opportunities
- Full strategic integration
- New Synergies