

UCF business incubator is really cooking

Study says UCF program has helped create 100-plus companies and more than 1,600 jobs

By Richard Burnett

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The University of Central Florida's business incubator has become one of the region's key high-tech players during the past decade, generating an economic ripple of about \$200 million a year, according to a study released Wednesday.

Through mentoring, advising and other support services, the operation has helped create at least 100 Central Florida companies employing more than 1,600 people, the report said.

Perhaps most importantly - at least for the government agencies that backed it - the incubator has provided a fivefold return for every public dollar invested, said Real Estate Research Consultants, the Orlando firm that did the study.

"By any measure, the UCF Business Incubation Program has produced impressive economic benefits and returns on public investment," the firm concluded. "It has become a national role model for collaboration between education, business and government."

The firm conducted the study for the Florida High-Tech Corridor Council, a Lake Mary-based public-private partnership and long-time sponsor of the incubator.

The study found that, among other things, the council and local governments have provided the incubator with more than \$3.5 million since 2002. That includes yearly totals of at least \$100,000 from Orange County, \$100,000 from the city of Orlando, \$50,000 from the council, and (since 2007) \$300,000 from Seminole County.

That has generated a direct return to the governments of nearly \$19 million, based on property taxes and estimated sales taxes generated by the incubator companies and their employees, the study said. That translates into a return of \$5.25 for every \$1 invested.

The high-tech council said it is the first study to calculate specific economic benefits from the incubator, long home to spinoff companies working in lasers, optics, software, information systems and other technologies developed at UCF.

"Year after year, we've seen incredible innovations and promising businesses come out of the incubator program," the council's chief executive, Randy Berridge, said in a written statement. "Now we can quantify the impact they've made in the region."

The incubator program, which has grown to seven locations in recent years, now houses 70 client companies that employ a combined 340 workers. The program has worked with a total of 125 companies since 1999, and the collective work force's earnings have totaled more than \$70 million, according to the study.

Of the more than two-dozen companies that have "graduated" from the program, all but three are still based in Central Florida, the report noted.

Although the recession has buffeted small businesses in general, the UCF operation has helped most of its companies weather the storm, officials said.

"A number of our companies have grown surprisingly well in this economy, and we've had a surge in applications," said Tom O'Neal, the incubator's executive director and UCF's associate vice president of research. "But it has been a mixed bag. We have some who have clearly been affected by the recession."

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