

2018

North Carolina's Research Triangle Park: A Success Story of Private Industry Fostering Public Investment to Create a Homegrown Commercial Park

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North Carolina's Research Triangle Park: A Success Story of Private Industry Fostering Public Investment to Create a Homegrown Commercial Park

MORGAN P. ABBOTT*

ABSTRACT

Research parks across the globe have attempted to duplicate North Carolina's Research Triangle Park. Few, however, have achieved its size, scale, and success. Understanding the success of Research Triangle Park, or recreating it elsewhere, requires understanding the Park's beginnings. By detailing the Park's history, this Article examines how the Park's early transformation from a for-profit venture to a non-profit enterprise fostered the collaboration between government, business, and area universities necessary to the Park's longevity and success. Although the Park's unique history did not create a blueprint for future parks to follow, important lessons from the Park's transition from a private venture to a public enterprise can be applied globally.

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INTRODUCTION

North Carolina’s Research Triangle Park (the Park) is the largest research park in the United States, spanning nearly 7,000 acres, with almost 200 companies and more than 40,000 employees.¹ Three esteemed research universities form a triangle around the Park: North Carolina State University in Raleigh, the University of North Carolina in Chapel Hill, and Duke University in Durham. The non-profit Research Triangle Foundation owns and develops the Park. Research parks across the globe have attempted to duplicate the Research Triangle Park model by constructing a campus-like environment for companies near research universities,² but few have achieved the size and scale of the Park, and few boast vast acreage between three research universities. Understanding the success of Research Triangle Park, or recreating it elsewhere, requires an understanding of the Park’s beginnings.

Founders originally envisioned the Park as a private, profit-seeking venture. North Carolina’s business elite spearheaded the project, using universities as magnets to attract new businesses, awaken the state’s sleeping economy, and halt the flight of North Carolina’s university-educated citizens out of state. However, as the idea grew, hesitation by the universities, reservations concerning a display of favoritism by the government, and difficulty recruiting investors and relocating companies sparked a transition of the Park to a non-profit enterprise. This gradual

1. Scott Huler, *A Man, a Plan, a Park: Founding the Research Triangle Park*, OUR STATE, Sept. 2014, at 44.

2. See *infra* text accompanying notes 301–02.

transition began under the leadership of Professor George Simpson, director of the early Research Triangle efforts, and ended with Archie Davis officially incorporating the Park as a non-profit venture and soliciting donations, rather than investments, to finance the Park. Today's Research Triangle Park would not have been possible without the foresight of the Park's founding leadership to convert the Park to a non-profit enterprise.

This Article explores the providential creation and early growth of Research Triangle Park, stemming from the hard work and collaboration of government, universities, and business leaders; the attraction of three research universities; and a bit of luck.³ The Park's early leadership capitalized on and promoted existing institutions. The three universities fostered economic and industrial growth to reverse the brain drain caused by university graduates leaving the state to pursue careers elsewhere. The Triangle's "unique assortment of possums, pine trees and Ph.D.'s"⁴ provided a work environment that differed from other major urban industrial centers, which businesses, seeking to improve employee quality of life, found attractive. Despite boasting one of the nation's poorest primary and secondary education systems and lowest wage structures, early Research Triangle leadership believed that North Carolina could, and would, become a leader in technology, education, and the sciences through the development of its research park.⁵

By detailing the Park's history, this Article emphasizes the impact of the Park's early transition from a for-profit venture to a non-profit, public-oriented enterprise. Park leadership realized structuring the Park as a private enterprise created tension between the universities and private sector, which jeopardized university support and involvement. Additionally, leadership struggled to identify willing investors, as many perceived risk of realizing no return on investment due to North Carolina's lagging economy and lack of research and development infrastructure. Finally, although numerous government officials supported the idea of the Park, the government hesitated to fund necessary infrastructure, fearing

3. See Jim Hughes, *Research Triangle Park: Growing with North Carolina*, CAROLINA ALUMNI REV., June 1983, at 8, 11 (quoting William Friday, former President of the University of North Carolina: "If you had any sense, you wouldn't have even tried to make it work. And yet somehow it did. I think a vision came to them all at the same time that they were part of something unique, that could work, and everything began to fall in place.").

4. Lewis J. Lord, *North Carolina Shows How to Keep 'Em Home*, U.S. NEWS & WORLD REP., July 17, 1978, at 56.

5. Huler, *supra* note 1.

public perception of ethical violations, government promotion of individual interests, or corruption.

Park leadership soon recognized that incorporating as a non-profit could minimize these tensions. The idea of an investment in North Carolina's academic and economic future received a positive response from investors and the public. The government funded roads and other infrastructure key to the Park's operational success. Additionally, the lack of individual competition or conflicts of interest fostered close collaboration among business, government, and educational institutions toward a common goal of strengthening North Carolina's economic and scientific development.

Part I of this Article details the beginnings of the Research Triangle Park, discussing the concept, early leadership, and government involvement. Part II traces the Park's transition from a private, profit-seeking enterprise to a public, service-oriented non-profit. Part III examines how the transition allowed the Park's leadership to establish a research institute, opening the door for increased government support in funding and planning the Park. Additionally, Part III describes how the transition from private to non-profit impacted the quest to convince companies to relocate to Research Triangle Park. Finally, the Article argues that the timing, economic situation, universities, and support base of the early endeavor render the Research Triangle Park model difficult to replicate. Nonetheless, modeling similar ventures initially as non-profit enterprises could avoid the roadblocks faced by Park leadership in its early development.

I. THE BEGINNINGS OF RESEARCH TRIANGLE PARK

Research Triangle Park began as a for-profit venture spearheaded by North Carolina's business elite, but it was the intersection of the public, private, and academic sectors that resulted in the dynamic, collaborative vision necessary to build and sustain the Park. In the early days, businessmen and investors offered momentum and financial support. North Carolina Governor Luther Hodges provided stimulus as the figurehead of the project, propelling the idea into both the public and private agenda. Although initially hesitant, the three Triangle universities agreed to passively serve as magnets for business and talent as long as the Park enhanced, rather than interfered with, the universities' teaching missions.

A. *Private Beginnings—Romeo Guest and the Piedmont Elite as the Vision and Wealth of the Venture*

While the intellectual beginnings of the Research Triangle Park can be traced to Odum and Guest, and the political clout was provided by Hodges and Hanes, there were others who picked up the challenge and worked to move it from paper to land, bricks and mortar.⁶

Sources vary in attributing the original research park idea to Howard Odum, a sociologist from the University of North Carolina at Chapel Hill, and Romeo Guest, a Massachusetts Institute of Technology-trained engineer and Greensboro-based construction contractor.

In the early 1950s, Howard Odum proposed the general idea of a joint, collaborative academic research entity between the three universities in the Triangle area.⁷ Odum's research entity would focus on pressing problems of the American South but would have had "little to do with economic development."⁸ He hoped to capitalize on the resources and knowledge of the University of North Carolina System to further social sciences research, rather than to specifically develop industry in North Carolina.⁹ Odum identified Research Triangle Park's current location as an appropriate site for the research institute, but the project he envisioned never manifested.¹⁰

Despite Odum's initial vision of a collaborative research entity, Guest played the largest role in making Research Triangle Park a reality.¹¹ Although originally from out of state, Guest based his company out of

6. *Vision of 4 Men Gave Birth to Serious Effort*, in THE DURHAM HERALD-SUN, THE RTP AT 40, at 4, 5 (1999).

7. WILLIAM A. LINK, WILLIAM FRIDAY 212 (1995).

8. *Id.*

9. JEAN BRADLEY ANDERSON, DURHAM COUNTY 346 (2d ed. 2011).

10. *Id.*

11. Letter from Malcolm E. Campbell, Dean, N.C. State Sch. of Textiles, to W.B. Hamilton, Professor of History, Duke Univ. (Dec. 6, 1965), in THE ROMEO GUEST PAPERS, 1925–1987 AND UNDATED (Rubenstein Rare Book & Manuscript Library, Duke Univ.) [hereinafter THE ROMEO GUEST PAPERS] ("In my opinion Mr. Romeo Guest was the originator of the Research Triangle concept. Today he is the forgotten man in what has developed into a most successful enterprise."); Letter from Phyllis Branch, Assistant to Romeo Guest, to Dr. Louis R. Wilson, Professor, Univ. of N.C. (Mar. 30, 1965), in THE ROMEO GUEST PAPERS ("No doubt, there were others besides Mr. Guest and Dr. Odum who thought the general proximity of three great universities might someday result in a great potential force, but I think the record is perfectly clear that it was Mr. Guest who not only named the Research Triangle and who did the early thinking about how it might work and found a group of people to give it life's blood, and the spank which gave it breath.").

Greensboro and began soliciting contracts from out-of-state companies to build factories in the Southeast.¹²

In 1948, after struggling to secure contracts, Guest brainstormed the idea of a business and research center in the Triangle, using the three universities to attract companies to North Carolina and expand his family's business into the Southeastern market.¹³ With a decrease in the gross national product and industrial production in North Carolina in the late 1940s, Guest viewed the Research Triangle Park idea as a "competitive angle" to maintain business in North Carolina.¹⁴ He hoped to not only encourage companies to relocate to the new Research Triangle area but to also promote his brand as the premier contracting company for corporations in North Carolina.¹⁵

Before he coined the name, Guest had already worked to garner support for the idea among state business and political leadership for several years. Guest first dined with North Carolina State Treasurer Brandon Hodges¹⁶ to introduce the idea on December 27, 1951.¹⁷ From 1951 to 1953, Guest, Brandon Hodges, and Walter Harper, a member of the State Board of Conservation and Development, discussed tactics for attracting new industry to North Carolina and capitalizing on North Carolina's esteemed universities.¹⁸ However, these discussions lacked avenues for connecting these educational resources to the economic development initiatives necessary to attract industry.¹⁹ Guest coined the idea of a "golden triangle of research" to enhance the state's competitive economic position and encourage graduates of North Carolina universities not to leave the state for employment.²⁰ For Guest, other than financial support, all pieces crucial for Research Triangle Park's success already existed:

12. Mac McCorkle, *History and the "New Economy" Narrative: The Case of Research Triangle Park and North Carolina's Economic Development*, 12 J. HIST. SOC'Y 479, 487 (2012).

13. Letter from Romeo Guest to W.B. Hamilton, Professor of History, Duke Univ. (Jan. 5, 1966), in THE ROMEO GUEST PAPERS; see also ALBERT N. LINK, A GENEROSITY OF SPIRIT: THE EARLY HISTORY OF THE RESEARCH TRIANGLE PARK 21–22 (1995) [hereinafter GENEROSITY].

14. See Letter from Romeo Guest to W.B. Hamilton, *supra* note 13.

15. GENEROSITY, *supra* note 13, at 25.

16. No relationship to Governor Luther Hodges.

17. Romeo Guest, Diary Entry (1951), in THE ROMEO GUEST PAPERS.

18. GENEROSITY, *supra* note 13, at 14; see also LOUIS R. WILSON, THE RESEARCH TRIANGLE OF NORTH CAROLINA 4 (1967).

19. GENEROSITY, *supra* note 13, at 14.

20. McCorkle, *supra* note 12, at 488.

We had three major universities all giving doctorate degrees, all doing research, all well financed, and all within a very short distance of each other. In fact, they appeared to me then to sort of run together and be one [great], intellectual complex where research could be carried on with the brains already there. In other words, we had the brains—all we needed was the money and a spark to set us off.²¹

On March 3, 1954, after almost four years of conversations, Guest hosted a lunch with Brandon Hodges and Robert M. Hanes, the president of the Wachovia Bank and Trust Company, to explain the Research Triangle Park idea.²² Guest presented a “Suggested Industrial Committee,” recommending individuals to develop the idea and listing Hodges as chairman.²³ Although Hanes did not originally approve of the Park idea, he fully supported it within a year.²⁴

Guest did not solicit feedback from the three universities whose resources he marketed; instead, he sought input from business and industrial leaders across the globe. To begin advertising, Guest initiated a “modest program of . . . direct mail advertising”²⁵ with a brochure entitled “Conditioned for Research.”²⁶ He also requested from Lewis Kleid Company a list of the top 1,000 research directors in industry throughout the country, to whom he could mail the brochure.²⁷ Kleid returned a list of approximately 4,000 companies.²⁸ Financed by his company’s resources, Guest secured advertising of the Research Triangle Park project in several publications, including *Fortune* and *Business Week* magazines, *Scientific American*, and the *New York Times*.²⁹ Guest always included his company’s letterhead and contact information in advertisements and

21. See Letter from Romeo Guest to W.B. Hamilton, *supra* note 13, at 2.

22. GENEROSITY, *supra* note 13, at 17. The lunch was held at the Robert E. Lee Hotel in Winston-Salem. *Id.*

23. Memorandum from Romeo Guest on the Suggested Industrial Committee for Research Triangle Park (Mar. 6, 1954), in THE ROMEO GUEST PAPERS.

24. Letter from Phyllis Branch, Assistant to Romeo Guest, to George Simpson, The Research Triangle Inst. (June 1, 1960), in THE ROMEO GUEST PAPERS.

25. Letter from Romeo Guest to Phyllis Branch (Nov. 5, 1954), in THE ROMEO GUEST PAPERS.

26. Romeo Guest, Conditioned for Research Brochure (1956), in THE ROMEO GUEST PAPERS.

27. Letter from Romeo Guest to Lewis Kleid Co. (Dec. 20, 1954), in THE ROMEO GUEST PAPERS.

28. Letter from Helen Letica, Research Dir., The Zeller Co., to Romeo Guest (Dec. 27, 1954), in THE ROMEO GUEST PAPERS.

29. Letter from Glen Maitland, Fortune, to Romeo Guest (Feb. 23, 1955), in THE ROMEO GUEST PAPERS; Letter from Harold C. Bennett, President, Bennett-Advert., Inc., to Romeo Guest (May 26, 1955), in THE ROMEO GUEST PAPERS; Letter from Romeo Guest to Thomas T. Evans, Bennett-Advert., Inc., (Sept. 9, 1957), in THE ROMEO GUEST PAPERS.

mailings,³⁰ and he included a card with a return address to Guest's contracting company to solicit feedback and names of additional companies who were interested in learning more.³¹

Early in the planning process, Guest surrounded himself with prominent business-oriented individuals from the Triangle, Winston-Salem, and Greensboro to share in his profit-oriented vision, often without university input.³² Additionally, he frequently sought Governor Luther Hodges's advice and support in his capacity as a businessman, rather than a statesman. By early 1955, all of the critical players in Research Triangle Park's beginnings agreed to move forward.³³

B. The Universities as the Magnets of the Venture

Although initially hesitant about the mission and purpose of Research Triangle Park, the three Triangle universities³⁴ eventually supported the project, contingent upon avoiding interference with their teaching missions. The universities agreed to serve as promotional magnets for companies, professionals, and researchers, but little more. Nonetheless, university professors and administrators played key roles in realizing the early Research Triangle Park idea.

From the beginning, select university personnel engaged in planning, ultimately creating the first written blueprint for implementing the Research Triangle Park concept. On December 1, 1954, representatives of State College and Brandon Hodges met with Governor Hodges.³⁵ At this meeting, Governor Hodges asked the State College representatives to prepare an objective assessment of the project.³⁶ Malcolm Campbell, dean of State College's School of Textiles, and his research director William A. Newell prepared the report entitled "A Proposal for the Development of an

30. See, e.g., Romeo Guest, Conditioned for Research Brochure, *supra* note 26.

31. *Id.*

32. Businessmen commanded the early board of directors of the Foundation and the Park, and "the Piedmont industrial elite," the state's "progressive plutocracy," were "at the helm of the Research Triangle effort." McCorkle, *supra* note 12, at 485; V.O. KEY, JR., SOUTHERN POLITICS IN STATE AND NATION 205, 211 (1950).

33. GENEROSITY, *supra* note 13, at 23.

34. The three universities are the University of North Carolina at Chapel Hill, Duke University in Durham, and North Carolina State University, then known as State College, in Raleigh.

35. W.B. Hamilton, *The Research Triangle of North Carolina: A Study in Leadership for the Common Weal*, 65 S. ATLANTIC Q. 254, 256 (1966).

36. *Id.*

Industrial Research Center in North Carolina.”³⁷ This report first put the Research Triangle Park concept in writing, serving as a framework for later development.³⁸

At the urging of state Senator Oscar Kirkman, Guest began making the Research Triangle Park idea known to state political and industrial leaders, including the university administrations, in late 1954.³⁹ After a luncheon at the Governor’s Mansion in February 1955 and with persuasion from Governor Hodges,⁴⁰ each university agreed to conduct an inventory of its in-house resources, faculty, and facilities to identify assets that research-based companies could tap into if they moved to the Park.⁴¹ Although the universities each gave “assurances of support,” they were unwilling to commit their offices or faculties to the project.⁴² Reflecting on his first conversation about the Park with Gordon Gray, president of the University of North Carolina System, Guest recalled:

He said, “This is a commendable idea. I will support it.” He then went ahead and related that his support would be given with the firm understanding that the tail was not to wag the dog—by that he meant that research on the part of university professors was not to be the big thing. He related that teaching is the great responsibility of the University of North Carolina, and that he would be opposed to anything which subdued teaching and put the accent on anything other than for the university to be a great teaching institution. I told him that I thought his ideas were perfectly sound, and that I was tremendously elated that he thought the Research Triangle was a basically sound proposition.⁴³

The universities remained skeptical, carefully avoiding an impression that they would expend educational resources or allocate professors for the benefit of companies located in the Park.⁴⁴ They continued to fear that the project would weaken their teaching missions.⁴⁵ The universities viewed themselves as “magnets to attract research companies to the area, not as

37. *Id.* Newell and Chancellor Carey Bostian sent the final report to Governor Hodges on January 27, 1955. *GENEROSITY*, *supra* note 13, at 19.

38. *GENEROSITY*, *supra* note 13, at 19.

39. *Id.* at 21–22.

40. Letter from Carey H. Bostian, Chancellor, N.C. State Coll., to Romeo Guest (Feb. 10, 1955), in *THE ROMEO GUEST PAPERS*. On February 9, 1955, Governor Hodges hosted President Gray, President Hollis Edens, and others at a luncheon at the Governor’s Mansion to discuss the Research Triangle Park idea. *Id.*

41. *GENEROSITY*, *supra* note 13, at 26.

42. LUTHER H. HODGES, *BUSINESSMAN IN THE STATEHOUSE: SIX YEARS AS GOVERNOR OF NORTH CAROLINA* 205 (1962).

43. Letter from Romeo Guest to W.B. Hamilton, *supra* note 13, at 4.

44. *See* HODGES, *supra* note 42.

45. *GENEROSITY*, *supra* note 13, at 23.

participants in those companies' research efforts."⁴⁶ Guest struggled to understand this distinction.⁴⁷

The universities viewed Guest with suspicion after viewing his "Conditioned for Research" brochure because Guest offered the support of university staff members to companies relocating to Research Triangle Park without first consulting them.⁴⁸ For instance, after hearing Guest's pitch, William Carmichael, the University of North Carolina at Chapel Hill's chief financial officer, told Guest, "[Y]ou want the professors here and all of us to be the prostitutes and you're going to be the pimp."⁴⁹ Due to these concerns, Guest significantly revised the "Conditioned for Research" brochure "to make it acceptable to all supporters of the basic aim."⁵⁰ These conversations showcased the inaugural frictions between the university's academic-enrichment motive and Guest's profit-seeking goals, foreshadowing the need for Governor Hodges to wed private and university interests and adjust the project's organizational structure to preserve university support.

C. Governor Hodges as the Spirit of the Venture

[T]he Research Triangle should be thought of as basically three things. First, it is an actual tract of land— . . . five-thousand-acre[s] . . . , which a decade ago was empty pineland and where now a half-dozen laboratories and research buildings are a promise of even more to come. Second, the Research Triangle is the larger area surrounding the park, . . . with corners at Raleigh, Durham, and Chapel Hill—the homes of three of North

46. *Id.* at 29. Despite the desire to avoid direct involvement, most university faculty supported the Park because it would enrich the sciences and benefit students seeking employment opportunities. *Id.* at 43.

47. *Id.* at 29.

48. See Letter from Carey H. Bostian to Romeo Guest, *supra* note 40 ("We found restrained enthusiasm on the part of Dr. Gross and the representatives from the University at Chapel Hill. They are . . . somewhat displeased with commitments for the availability of their staff members as stated in your brochure. Thus, it appears necessary for you to withhold printing the brochure until a committee has approved the wording on it."). Additionally, at a meeting hosted by Governor Hodges (to which Guest was not invited), university officials objected to certain wording in the brochure which made it appear that "Guest was offering their services and had the whole program in his hip pocket and could just go off and sell the program without letting the institutions have much part in saying just what they could offer." Unsigned Letter to Romeo Guest (Feb. 10, 1955), in THE ROMEO GUEST PAPERS.

49. GENEROSITY, *supra* note 13, at 29.

50. Letter from Romeo Guest to Gordon Gray, President, Univ. of N.C. System (May 2, 1955), in THE ROMEO GUEST PAPERS; see also Letter from Phyllis Branch, Assistant to Romeo Guest, to Brandon Hodges (May 11, 1955), in THE ROMEO GUEST PAPERS.

Carolina's greatest institutions of higher education Finally and most important, the Research Triangle is an idea that has produced a reality—the idea that the scientific brains and research talents of the three institutions . . . could provide the background and stimulation of research for the benefit of the state and nation. In a way, the Research Triangle is the marriage of North Carolina's ideals for higher education and its hopes for material progress. — Governor Luther Hodges⁵¹

Obtaining Governor Hodges's support as a prominent businessman and governor became a crucial springboard for the Park's success. The project needed public involvement to provide an integrated, collaborative vision. Government leaders smoothed the tension between Guest and the universities, bridging perceived disconnects between Guest's personal, profit-oriented goals and the universities' vision of using Research Triangle Park to enhance teaching missions, employ recent graduates, and foster innovative research.⁵² Relaxing these strains ultimately provided the alliances necessary for the Research Triangle Park's success.

The Research Triangle Park team originally planned to pitch their plans to Governor Umstead, but due to Umstead's increasingly significant health issues, Guest delayed plans until Governor Hodges took office in 1954.⁵³ This decision was significant; it was crucial for Research Triangle Park's success that the start of the governor's term coincided with the beginnings of the Park. Governor Hodges possessed significant executive and national business experience.⁵⁴ He rapidly became one of the "early champions" of the Park and remained a crucial supporter even after his gubernatorial term ended in 1961.

In December 1954, a Research Triangle Park team comprised of public, private, and university personnel explained the Park concept to Governor Hodges.⁵⁵ The team hoped that the Governor's national corporate contacts, coupled with his clout as governor, would bring legitimacy and longevity to the project in the eyes of industry leaders

51. HODGES, *supra* note 42, at 203.

52. See COMM. ON COMPARATIVE INNOVATION POLICY: BEST PRACTICE FOR THE 21ST CENTURY, UNDERSTANDING RESEARCH, SCIENCE AND TECHNOLOGY PARKS: GLOBAL BEST PRACTICES: REPORT OF A SYMPOSIUM 37 (Charles W. Wessner, ed., 2009).

53. McCorkle, *supra* note 12. Governor Umstead served as governor from 1953–1954 after suffering a heart attack shortly after his inauguration. *Id.*

54. *Vision of 4 Men Gave Birth to Serious Effort*, *supra* note 6. Governor Hodges was a prominent businessman in the textile industry and had previously served as the Vice President of Marshall Field and Company Textile Mills. *Id.*

55. Letter from Malcolm E. Campbell to W.B. Hamilton, *supra* note 11. In 1954, "[s]omeone in the group (probably B. Hodges) suggested th[ey] ought to try to sell Governor Hodges on the idea," and not long after, "the four . . . had lunch with the Governor. *Id.*

nationwide. Many out-of-state corporate leaders viewed the project as a risky new business venture due to North Carolina's sleepy economy, minimal activity in research and development, and tradition of educated graduates leaving the state.⁵⁶ Guest hoped government support of the private venture would provide assurances of the project's longevity and validity to companies considering relocating.⁵⁷ Governor Hodges's business background, together with his agenda to promote the state and attract industry by stimulating economic development, placed him in the best position to advocate for the Park.⁵⁸

However, Governor Hodges was initially skeptical of his role, fearing conflicts of interest and the potential to overstep boundaries as Governor.⁵⁹ In a later letter, Guest recalled that "[Governor Hodges] did not go overboard at the meeting, and [Guest] believe[d] this was because of his sitting in the top seat in the government and wanting to be absolutely sure before he committed himself to any venture."⁶⁰ After three more meetings and a review of the assessment prepared by university leaders,⁶¹ Governor Hodges offered his full support, and the idea became "the Governor's Research Triangle."⁶²

Guest quickly realized that developing the Park extended beyond his individual capacity, necessitating the involvement of Governor Hodges as a figurehead advocate and point of contact for industries. Guest certainly understood that the "primary attraction of the Research Triangle . . . [wa]s the store house of intellectual power contained within the three universities."⁶³ As he struggled to gain the universities' full support, Guest

56. Albert N. Link & John T. Scott, *The Growth of Research Triangle Park*, 20 *SMALL BUS. ECON.* 167, 167–68 (2003).

57. See *GENEROSITY*, *supra* note 13, at 25. Guest continued to discuss the Research Triangle Park idea with state officials and shared with them his "Conditioned for Research" brochure in efforts to "lay a foundation that would encourage new companies to locate in the area." *Id.*

58. *HODGES*, *supra* note 42.

59. Letter from Malcolm E. Campbell to W.B. Hamilton, *supra* note 11. Mr. Campbell wrote, "Frankly, and off the record, it was not particularly easy to sell the scheme to the Governor during the first two discussions. . . . Governor Hodges, who was an old friend of mine, referred to me as a 'huckster,' to which I replied that it was possible to carry on some dignified 'huckstering.'" *Id.*

60. Letter from Romeo Guest to W.B. Hamilton, *supra* note 13, at 5.

61. See Letter from Malcolm E. Campbell to W.B. Hamilton, *supra* note 11.

62. McCorkle, *supra* note 12, at 486 ("Soon Governor Hodges began to focus on turning the RTP idea into reality, and it remained a top priority for him during his six years in office."); see also *HODGES*, *supra* note 42.

63. Letter from Romeo Guest to Governor Dan K. Moore (June 25, 1965), in *THE ROMEO GUEST PAPERS*.

hoped Governor Hodges would strengthen both university and popular support by demonstrating that the project was for North Carolina's common good, not a masquerade to exploit university resources to increase Guest's own company's profits.⁶⁴ Guest and Governor Hodges both understood the necessity of a university partnership for the Park's success.⁶⁵ Guest always expected direct state involvement, but out of necessity, that involvement began sooner than he originally envisioned.⁶⁶

By 1955, the time was right for Governor Hodges to "exert his leadership" to gain university and local government support.⁶⁷ On February 9, 1955, the Governor invited a group to a luncheon at the Governor's Mansion to formally request the universities' support of the project.⁶⁸ This historically significant meeting served as the first tangible indication that Governor Hodges aimed to devote his time, energy, and political prowess toward propelling the idea forward.

Governor Hodges became the "heart" of Research Triangle Park.⁶⁹ His distinguished role led reporters, visitors, businesspeople, and state and

64. William S. Guest, *Research Triangle Park 9* (1960) (unpublished M.B.A. thesis, University of North Carolina at Chapel Hill) (on file with Wilson Library, Univ. of N.C. at Chapel Hill) (stating that Romeo Guest—referred to throughout the thesis as "Mr. X"—"could not carry on such a large promotional job alone"); *GENEROSITY*, *supra* note 13, at 119 n.3 ("Guest became less involved in those Triangle activities that were related to university participation and more involved in the development side of what was to become the Park. In retrospect, this division of responsibility was probably for the best; Guest did not fully understand the mind-set of the university leadership, and they did not fully understand him or his motives.").

65. *Id.*

66. *GENEROSITY*, *supra* note 13, at 25–26.

67. Letter from Romeo Guest to Governor Luther Hodges (Jan. 30, 1955), in *THE ROMEO GUEST PAPERS*. Guest wrote to Governor Hodges, "It would appear that the time is ripe now for you to assume the leadership of the program, and to consider, if advisable, the establishment of an Advisory Council to the Research Triangle in order that advantage may be taken of the opportunities which are within our reach." *Id.* Guest described this decision in a letter to Research Triangle Park historian William B. Hamilton, explaining:

Mr. Hodges always said that the whole idea should be ultimately given to the political leadership of North Carolina, and I have always subscribed to that thought. Mr. B[random] Hodges said the idea was too big for any individual and that it had to be carried at a top political level; namely, by the Governor who in turn could get the assistance of certainly two of the universities and probably three.

Letter from Romeo Guest to W.B. Hamilton, *supra* note 13, at 3.

68. Hamilton, *supra* note 35, at 257. Attendees included University of North Carolina System President Gordon Gray, Duke President Hollis Edens, and others. *Id.*

69. *Id.* at 259.

university officials to believe the state originally funded the Park.⁷⁰ In reality, the Governor “gave prodigiously of his vigor, time, and leadership,” and nothing more.⁷¹ None of the early leaders intended Research Triangle to be a publicly run enterprise.⁷² Still, Governor Hodges’s support was nonetheless critical. He served as the figurehead of the project, leveraging his political clout, business experience, and passion for bringing new enterprise to North Carolina to jumpstart Guest’s idea into a workable and achievable plan.

II. THE TRANSITION FROM PRIVATE TO NON-PROFIT

*Research Triangle Park’s founders had struck a delicate balance among the sometimes competing needs of government, industry and academia. The success of the park would depend upon how well that balance could be maintained.*⁷³

Romeo Guest initially envisioned a for-profit Research Triangle Park, using the universities as magnets to attract businesses. Guest never intended to serve as the Park’s director, but he wanted to profit as the contractor for relocating companies.⁷⁴ He promoted the Park with his own money and always included his company or letterhead on correspondences.⁷⁵ Early leadership of the project urged that the Park be maintained as a private effort in a meeting with Governor Hodges in November 1955, but the shift to a non-profit endeavor had already begun.⁷⁶

Most scholars and historians attribute the private-to-non-profit shift of the Park to the beginning of Archie Davis’s involvement,⁷⁷ but the shift actually began earlier with the creation of the Research Triangle Committee in 1956.⁷⁸ The Committee was incorporated as a non-profit

70. CHARLES X. LARRABEE, *MANY MISSIONS: RESEARCH TRIANGLE INSTITUTE’S FIRST 31 YEARS* 61 (1991).

71. *Id.*

72. *Id.* (“Research Triangle was not intended to be and never was a state enterprise, not a dime of state money underwrote its formation.”).

73. *RTI Sweetens State’s Industry Draw*, in *THE DURHAM HERALD-SUN*, *THE RTP AT* 40, at 6, 6 (1999).

74. See Dennis P. Leyden & Albert N. Link, *Collective Entrepreneurship: The Strategic Management of Research Triangle Park* (Univ. of N.C. Greensboro Dep’t of Econ. Working Paper Series, Paper No. 11-18, 2011).

75. *GENEROSITY*, *supra* note 13.

76. *Id.* at 30.

77. See, e.g., *id.* at 67–72; LARRABEE, *supra* note 70, at 68; ANDERSON, *supra* note 9, at 413.

78. See LARRABEE, *supra* note 70, at 3 (noting formation of the Research Triangle Committee).

organization directed by George Simpson, a sociology professor with minimal business background.⁷⁹

The shift to a non-profit was important for the Park's success for several reasons. The national business community saw the Park's for-profit model as a high-risk venture in a state with minimal infrastructure for commercial research and development.⁸⁰ Meanwhile, Park leadership worried that the Park's structure as a government-owned enterprise would quell entrepreneurship and discourage industry from relocating.⁸¹ Developing Research Triangle Park as a non-profit enterprise minimized these concerns. Non-profit status allayed perceptions of Research Triangle Park as a new venture at risk for failing to produce a return on investments. Additionally, the change assuaged Governor Hodges's concerns that the public might suspect corruption or self-dealing in the promotion of a for-profit venture. A non-profit Park opened the door for the government to fund infrastructure and encourage university support without public skepticism.⁸² The non-profit status increased tenant businesses' flexibility and independence from other companies and the Park as a whole. It also allowed the Research Triangle Foundation and Research Triangle Institute to collaborate closely with business, government, and educational institutions—who shared a common goal of North Carolina's economic development—without self-interested competition or conflicts of interest.⁸³

Most importantly, the Park leadership understood this transformation as more ideological than commercial. The Park's new non-profit status reflected a renewed mission for the common welfare of the state of North Carolina, rather than merely a business venture for members of North Carolina's industrial elite.⁸⁴ This created an opportunity for donors to consider their contributions to Research Triangle Park as investments in the future of the State and minimized concerns of private-sector leadership interfering with this mission.⁸⁵ Research Triangle Park leadership became accountable to the state of North Carolina, rather than private shareholders.

79. GENEROSITY, *supra* note 13, at 31, 37.

80. *See id.* at 38–39, 63.

81. Jiawen Cheong, Research Triangle Park: Economic Impacts on Durham, NC 5 (unpublished presentation) (on file with Duke Univ. Dep't of Econ.).

82. Huler, *supra* note 1.

83. John Bardo, Technology in North Carolina: Three Phases of Development 12 (Mar. 2010) (unpublished manuscript) (submitted to the Inst. for Emerging Issues at N.C. State Univ.).

84. Huler, *supra* note 1.

85. *Id.*; *see also* DENNIS PATRICK LEYDEN & ALBERT N. LINK, PUBLIC SECTOR ENTREPRENEURSHIP 213 n.23 (2015).

A. *The First Step: The Research Triangle Committee Bridged the Gap Between Business and Research Necessary for Research Triangle Park's Success*

Guest had an idea, the support of the Governor, and the backing of the business community. However, because Guest did not view himself as the future director of Research Triangle Park, the early team sought to expand the Park's private leadership. In the fall of 1954, Brandon Hodges, Guest, Harper, and Campbell suggested that Governor Hodges appoint a Research Triangle Development Council (the Council) to spearhead development efforts.⁸⁶ Although the Council was government-sanctioned, it was not comprised of government officials. Rather, its members consisted of predominately private-sector industrialists and businessmen, capitalizing on their corporate expertise and industry contacts to expand the project's contact base and avoid political conflicts of interest.⁸⁷ The four men proposed a list of members and named Robert Hanes, president of Wachovia Bank and Trust Company, as the chairman.⁸⁸ Governor Hodges accepted the idea and list of members without objection⁸⁹ and hosted the first formal meeting of the Council on May 27, 1955, in his office.⁹⁰ The Council agreed on a vision statement for the private venture: "Research Triangle is an effort to make use of the triangle educational institutions . . . in the development of a research center which will attract business investment and which will give aid to North Carolina industry."⁹¹

Government leaders supported Guest's plan to maintain the Park as a private enterprise, albeit not for Guest's profit-oriented motives. Public leaders feared structuring the Park as a public, government-run project would stifle entrepreneurial activity and increase the difficulty of attracting companies from the private sector.⁹² Nonetheless, government support remained crucial to counter perceptions of the Park as a new venture at risk of failure by providing assurances of the project's longevity and legitimacy.⁹³

The Council formed the Research Triangle Development Committee (the Committee) as an informal subsidiary committee to construct a tangible plan for carrying the project forward. Although Hanes, a

86. Letter from Malcolm E. Campbell to W.B. Hamilton *supra* note 11.

87. See GENEROSITY, *supra* note 13, at 27, 30–31.

88. Letter from Malcolm E. Campbell to W.B. Hamilton, *supra* note 11.

89. *Id.*

90. GENEROSITY, *supra* note 13, at 27.

91. *Id.*

92. Cheong, *supra* note 81, at 6.

93. See *supra* text accompanying notes 54–58, 63–66, and 69–83.

prominent businessman, chaired the Council, Harold Lampe, dean of N.C. State College of Engineering, chaired the Committee, which served as the Council's workhorse.⁹⁴ This signaled the strong recognition of the universities' important role and the beginnings of the transition to a non-profit.

From the beginning, the Committee consciously engaged the universities in planning to garner and maintain their support. At its first meeting, the Committee wrote a formal statement detailing the relationship between the universities and the Park, likely to quell tensions between Guest's economic agenda and the universities' educational mission.⁹⁵ The Committee emphasized that the Research Triangle program should enhance the universities' teaching missions by using the universities as background to develop an area that would provide North Carolinians with new products, increased training, and employment opportunities.⁹⁶ As Research Triangle Park historian Charles X. Larrabee later wrote:

The [Research Triangle Development] Committee's greatest value was in demonstrating to the business-oriented Development Council that the universities were actively engaged. While their role was education and basic research, not research for industry, they offered cooperation, professional guidance and consultation and, above all, the environment of scientific, medical, and cultural inquiry that was so crucial in the task of bringing [the] concept to actuality.⁹⁷

The Committee created two subcommittees chaired by university professors to better balance the desires of the universities and the needs of the Park. Marcus Hobbs, a chemistry professor at Duke University, chaired the Inventory Preparation Subcommittee and was tasked with examining the resources available at the universities and elsewhere that might contribute to the Research Triangle idea.⁹⁸ Malcolm Campbell, the dean of Textiles at State College, chaired the Program and Plans Subcommittee and was charged with considering various organizational possibilities for the Park.⁹⁹ On September 12, 1955, the Program and Plans Subcommittee distributed a report to the working committee that recommended creating

94. Letter from Malcolm E. Campbell to W.B. Hamilton, *supra* note 11.

95. See Leyden & Link, *supra* note 74, at 3–5.

96. See *id.* at 5. The Committee explained, “[T]he principal functions of the Universities are to stimulate industrial research by the research atmosphere their very existence creates, and to supplement industrial-research talents and facilities by providing a wellspring of knowledge and talents for the stimulation and guidance of research by individual firms.” *Id.*

97. LARRABEE, *supra* note 70, at 62.

98. *Id.*

99. *Id.*; GENEROSITY, *supra* note 13, at 28.

the Governor's Research Triangle Council, with Hanes as chairman, tasked with promoting the Park to industrial executives as a location for their companies' research programs.¹⁰⁰ Hobbs later wrote, "People involved at this time did not have much of a vision of what was to come Had they been more farsighted, they might have anticipated the inevitable conflict between a private Research Triangle venture and a university support base."¹⁰¹

July 1956 signaled the first significant shift of the venture from private to non-profit. As fundraising for land acquisition and promotion became increasingly important, Hanes met with Governor Hodges to discuss incorporating the Governor's Research Triangle Council as a non-profit to enable donors to receive tax benefits for contributions.¹⁰² Governor Hodges supported the idea and told Hanes and Brandon Hodges to "work out something."¹⁰³ In response, Hanes and Treasurer Hodges incorporated the Research Triangle Committee as a non-profit in July 1956, replacing the Council but retaining its membership.¹⁰⁴ William C. Friday, the recently appointed president of the University of North Carolina System,¹⁰⁵ recommended George Simpson, a sociology professor, take a one-year leave of absence from the University of North Carolina to serve as director.¹⁰⁶

Choosing Simpson, despite his lack of a business background, was a timely, progressive, and strategic decision for the Park leadership in the face of the universities' unease and constituted the next major step toward a non-profit model. Simpson "provided an important bridge that countered the skepticism felt by many university officials about the business-driven project" spurred by Hanes's involvement and Romeo Guest's personal promotion of the Park.¹⁰⁷ As a protégé of Odum, Simpson understood the

100. GENEROSITY, *supra* note 13, at 28–29, 32–34 (noting that the "Research Triangle Committee" was the new name for the "Governor's Research Triangle Council"); HODGES, *supra* note 42, at 205–07.

101. GENEROSITY, *supra* note 13, at 30.

102. LARRABEE, *supra* note 70, at 63.

103. *Id.* (quoting from an interview with Elizabeth Aycock in which she recounted the conversation with the governor).

104. *Id.*

105. *Id.*

106. GENEROSITY, *supra* note 13, at 31.

107. McCorkle, *supra* note 12, at 489; *see also* George L. Simpson, Jr., Dir., The Research Triangle Comm., Inc., Address Before the Faculty Club of the University of North Carolina at Chapel Hill: The Research Triangle of North Carolina (Feb. 5, 1957), in THE ROMEO GUEST PAPERS ("[I]t is my sincere conviction after some four months of work that there is no intention on the part of any non-institutional people to do other than those things which meet the approval of the three institutions.").

goals of the universities, which allowed him to provide the necessary assurances that Research Triangle aimed to empower their academic missions.¹⁰⁸

The business community's financing of the non-profit Research Triangle Committee's administrative and promotional operations affirmed Hanes and Treasurer Hodges's conviction regarding donors' willingness to contribute and receive tax benefits. For example, on September 25, 1956, Governor Hodges and Hanes hosted a lunch to announce the incorporation of Research Triangle Committee, Inc.¹⁰⁹ At this lunch, Hodges and Hanes collected more than \$10,000 of private pledges to fund Simpson's office and promotional efforts.¹¹⁰

Despite the business leaders' initial enthusiasm, many North Carolinians remained skeptical about investing in the Park's for-profit land-acquisition arm.¹¹¹ Some argued that Governor Hodges pushed the Research Triangle idea too far and too quickly in light of his role as head of state. For example, in the summer of 1956, George Watts Hill, the chairman of the board of the Durham Bank and Trust Company, responded to a request for investment by saying, "[W]e got our guard up; but [Research Triangle Park is] a good thing and we'll go along; and don't no one take advantage of us."¹¹²

Simpson knew the universities played a vital role in attracting companies, so rather than soliciting the business community's help, he asked the deans of the three universities for recommendations of professors to assist with company recruiting visits.¹¹³ By the close of 1957, Simpson and his team of university recruiters had personally contacted many research industry leaders, urging company officials to visit and consider the Research Triangle.¹¹⁴ He also prepared and mailed thousands of brochures to company officers across the United States.¹¹⁵ Chairman Hanes provided extra funds to support Simpson's travel and solicitation efforts.¹¹⁶ Simpson later said, "We were running a bluff game in a way. We didn't have

108. *GENEROSITY*, *supra* note 13, at 31, 48–49.

109. ALBERT N. LINK, *FROM SEED TO HARVEST: THE GROWTH OF THE RESEARCH TRIANGLE PARK 1* (2002) [hereinafter *SEED TO HARVEST*]. Approximately forty-five of North Carolina's business leaders attended this lunch at the Carolina Hotel. *Id.*

110. *GENEROSITY*, *supra* note 13, at 35.

111. *See infra* Section II.B.

112. *GENEROSITY*, *supra* note 13, at 40.

113. *Id.* at 42.

114. *HODGES*, *supra* note 42, at 207–08.

115. *Id.* These brochures contained facts detailing the Triangle area's resources in numerous research fields, including pharmaceutical, electronic, and chemical. *Id.*

116. *Id.*

anything in that early stage.”¹¹⁷ Nevertheless, these trips gave the Park a priceless sense of identification.

Although Hanes personally funded the recruiting efforts, the public sector and university personnel were the face of the Research Triangle effort. This began to create Research Triangle’s reputation as a public good with university support, available to promote the research efforts of private industry and public universities. Simpson explained,

The Research Triangle Committee, while it is a private non-profit corporation, is essentially a public agency. This is true for several reasons. First, its essential control must invariably be located in the desires and feelings of the institutions. Second, its operations are supported by contributions from the public at large, notably people from Chapel Hill, Durham, and Raleigh. Third, our objective is the service of all the state of North Carolina. Fourth, we are closely identified with Governor Hodges.¹¹⁸

Simpson brilliantly balanced university needs and business community demands as the enterprise began its transition from private to non-profit.¹¹⁹ He “side-stepped total destruction, diluted the violent mixture, transmuted jealousy into harmony, cultivated the seeds of cooperation, and, as he put it, ‘tried hard to avoid problems and keep the process going’ until everything began to fall into place.”¹²⁰ Furthermore, his leadership unlocked avenues for contributions ranging from \$32,000 to \$41,000 over a three-year period, funding his own office and renewed promotional efforts.¹²¹ By October 1958, Simpson’s leadership and salesmanship resulted in more than twenty-five visits to the Research Triangle by industrial leaders, including IBM’s vice president for facilities planning and construction.¹²² The achievements by the non-profit Research Triangle Committee and its leadership demonstrated that the shift from a private to a non-profit venture was firmly underway.

117. GENEROSITY, *supra* note 13, at 43 (quoting from an interview with George Simpson).

118. Letter from George L. Simpson, Jr., Dir., The Research Triangle Comm., Inc., to Karl Robbins (May 10, 1957), in THE ROMEO GUEST PAPERS.

119. Hamilton, *supra* note 35, at 259.

120. LARRABEE, *supra* note 70, at 57 (quoting George Simpson).

121. *See id.* at 64.

122. *Id.* at 65.

B. Land Acquisitions: The Rise and Demise of Profit-Oriented Commitments

Research Triangle needed significant capital to acquire land for relocating companies. Although Park leadership created the non-profit Research Triangle Committee as the primary vehicle for developing the Park, Guest and the private arm of the development remained involved by procuring land. Simpson was “kept informed” throughout the land-acquisition process as he marketed and recruited corporations to relocate; however, Guest and other private sector players made and executed all key property-based decisions.¹²³

Guest sought land to create the triangular park with frontage along the Southern Railway, both sides of Highway 54, and an entrance to Highway 70-A.¹²⁴ When brainstorming potential investors, William Saunders, the director of the Department of Conservation and Development, suggested Karl Robbins in New York, a retired textile manufacturer with ties to North Carolina.¹²⁵ Saunders called Robbins on March 12, 1957, to propose the investment.¹²⁶ On April 12, Robbins met Governor Hodges, Saunders, and Simpson for breakfast at the Governor’s Mansion.¹²⁷ Governor Hodges later remarked that Robbins was an easy sell.¹²⁸ Robbins agreed to invest a million dollars for land acquisition,¹²⁹ explaining, “I am tremendously interested in the Research Triangle because through research you look ahead and create out of man’s mind wonderful things for his future. . . . My conviction is that the Research Triangle concept is sound, that it is of fundamental importance”¹³⁰ Guest traveled to New York on May 14, 1957, to solidify Robbins’s investment, presenting a letter for Robbins to sign and send to Governor Hodges.¹³¹ The letter authorized Guest to start acquiring options on as much as 5,000 acres “at [Robbins’s] expense.”¹³²

123. *GENEROSITY*, *supra* note 13, at 53–59.

124. *Id.* at 53–54.

125. Press Release, The Governor’s Office (Sept. 11, 1957), in *THE ROMEO GUEST PAPERS*; *see also* McCorkle, *supra* note 12, at 489.

126. *GENEROSITY*, *supra* note 13, at 52.

127. *Id.*

128. *HODGES*, *supra* note 42, at 208.

129. *Id.*

130. Letter from Karl Robbins to Governor Luther Hodges (May 14, 1957), in *THE ROMEO GUEST PAPERS*.

131. *GENEROSITY*, *supra* note 13, at 52–53.

132. Letter from Karl Robbins to Governor Luther Hodges, *supra* note 130. The letter read, “I have phoned our mutual friend, Bill Saunders, and have told him of my authorization to Romeo Guest to secure, at my expense, options on up to 5,000 acres.” *Id.*

Together, Guest and Robbins formed The Pinelands Company, Inc. (Pinelands), a for-profit company entirely independent from Research Triangle Committee, Inc., to own and develop the property they purchased.¹³³ Pinelands incorporated on September 30, 1957, with Guest as president.¹³⁴ The new company was headquartered in Greensboro, Guest's home and the location of his contracting company.¹³⁵ The original officers and directors were private-sector individuals with either a personal or professional development interest in the Park.¹³⁶ This indicated Guest's continuing view of Research Triangle as a corporate investment opportunity for the state's prominent business leaders. Pinelands leadership carefully and specifically differentiated itself from the Research Triangle Committee as a private venture.¹³⁷ Nonetheless, they also articulated that "the end result of everyone's effort in this direction is to promote the facilities of the State of North Carolina."¹³⁸

Guest's early hiring choices signified his intent for Research Triangle to remain private. For example, he hired the Greensboro-based law firm Brooks, McLendon, Brim, & Holderness as the project's general counsel, negotiating a fee arrangement of only \$1 per year plus normal real estate commission on all land sold by Pinelands.¹³⁹ This payment structure suggested that Guest planned for significant profit on each corporate relocation.

133. SEED TO HARVEST, *supra* note 109, at 3; ANDERSON, *supra* note 9, at 347.

134. SEED TO HARVEST, *supra* note 109, at 3; ANDERSON, *supra* note 9, at 347.

135. Press Release, The Pinelands Co., Inc. (Oct. 14, 1957), in THE ROMEO GUEST PAPERS.

136. See Memorandum of Procedure, The Pinelands Co., Inc. (Dec. 4, 1957), in THE ROMEO GUEST PAPERS. The officers of Pinelands included Romeo Guest as president and treasurer and Greensboro attorney L.P. McLendon, Jr. as vice president and secretary. Karl Robbins served as chairman of the board. Board members included (1) Kenneth M. Brim, attorney at Brooks, McLendon, Brim & Holderness in Greensboro, North Carolina; (2) Collier Cobb, Jr., president of Service Insurance & Realty Company in Chapel Hill, North Carolina; (3) Claude Q. Freeman, senior partner of Freeman-Tate-McClintock in Charlotte, North Carolina; (4) George P. Geoghegan, Jr., regional vice president of Wachovia Bank & Trust Company in Raleigh, North Carolina; (5) Romeo Guest; (6) George Watts Hill, chairman of the board of the Durham Bank & Trust Company in Durham, North Carolina; (7) Allan J. Robbins, executive vice president of Canadian Clay Products Company in Toronto, Canada; and (8) Karl Robbins. Press Release, *supra* note 135.

137. Letter from Claude Q. Freeman, Dir., The Pinelands Co., Inc., to John E. Husted (Oct. 23, 1957), in THE ROMEO GUEST PAPERS ("[Pinelands] is a venture supported by private capital and in no way is to be confused with the Governor's Research Triangle. Of course, the end result of everyone's effort in this direction is to promote the facilities of the State of North Carolina.").

138. *Id.*

139. GENEROSITY, *supra* note 13, at 54.

To keep land values low, Guest sought to keep the connection between Pinelands and Research Triangle Park quiet. He feared that landowners in the targeted area would demand exorbitant prices for their land if the connection to the Park was made known. To prevent an escalation in prices while purchasing the land, Guest hired William Maughan and tasked him with negotiating on behalf of the company, keeping the Pinelands connection with the highly publicized Research Park secret.¹⁴⁰ The heirs of A.M. Rigsbee sold Pinelands almost 1,000 acres on September 17, 1957, the first tract of land for the Park.¹⁴¹ Pinelands had the tract held in trust by Wachovia Bank and Trust Company because Guest believed “information about land acquisition would spread rapidly, driving up the price of the land.”¹⁴²

Despite secrecy efforts by Robbins, Guest, and Maughan, newspapers and the public soon connected the Pinelands land acquisition with the Research Triangle Committee, and the land-acquisition process was temporarily halted.¹⁴³ Until that point, the process had been swift and smooth. By the end of 1957, Pinelands purchased or optioned 3,559 acres, with an additional 441 acres pending.¹⁴⁴ The total cost for all purchased and optioned tracts was \$700,000, of which Robbins had already given \$275,000.¹⁴⁵ On January 18, 1958, the Research Triangle team hired a professional planner and tasked him with creating a visual map of the land to show prospective companies.¹⁴⁶

At the turn of the year, Robbins’s support for the enterprise cooled, sparking further questions about the Park’s viability as a private enterprise. Despite successful land acquisitions, the team had little success convincing companies to relocate.¹⁴⁷ The hesitation of target companies, advice from

140. ANDERSON, *supra* note 9, at 347. Maughan was a forester at Duke who was involved in the purchase of land to expand Duke’s campus. *Id.* The land-acquisition process for Duke involved similar concerns of secrecy to combat inflating land prices. *Id.*; *see also* GENEROSITY, *supra* note 13, at 54 (describing Maughan as “a master at secrecy”).

141. SEED TO HARVEST, *supra* note 109, at 11; ANDERSON, *supra* note 9, at 347.

142. GENEROSITY, *supra* note 13, at 54.

143. Letter from Romeo Guest to Karl Robbins (July 25, 1957), *in* THE ROMEO GUEST PAPERS. Guest wrote to Robbins, “The newspapers are onto our forestry man’s acquisition and have guessed what it is for. . . . We all think now that perhaps we have secured all the cheap land we can for the time being and that we may have to cease operations for some little while.”

144. GENEROSITY, *supra* note 13, at 55.

145. *Id.*

146. *Id.* at 61. The planner, Pearson H. Stewart, also served as assistant director to George Simpson. *Id.*

147. *Id.* at 58–60. Many companies believed it was too early and too inconvenient to move factories or that infrastructure at the new site was inadequate.

colleagues in New York, and concern about a lack of North Carolina investors made Robbins reluctant to honor his initial financial commitment for land acquisition without matching public support.¹⁴⁸ Robbins believed “other North Carolinians should put big money into the Triangle development,”¹⁴⁹ and he was irritated by the City of Durham’s delay in responding to Pinelands’s request for water.¹⁵⁰

Pinelands leadership met with Robbins in late February of 1958 in an attempt to re-affirm his commitment to his original investment. Pinelands and Robbins formalized an agreement in which Robbins, having already paid \$275,000, pledged to purchase up to \$500,000 of stock and debentures if North Carolina investors purchased between \$400,000 to \$490,000 of stock and debentures for the purchase of land for the Park.¹⁵¹ To further resolve misunderstandings and secure Robbins’s partial investment, Robbins and the Research Triangle team reached several compromises. This included promises to increase the financial involvement of North Carolina individuals and corporations, agreements for North Carolina to finance the Research Triangle Institute, and the execution of a temporary loan to enable Pinelands to meet upcoming payment obligations.¹⁵² Hill believed that Robbins’s visit and the resulting compromises “salvaged as much as possible, [providing] a firmer base from which to operate and . . . go forward with greater confidence.”¹⁵³ Despite these compromises and assurances, Robbins never resumed his full support.¹⁵⁴

148. LARRABEE, *supra* note 70, at 67; Memorandum of Discussion from George Watts Hill on Research Triangle (Feb. 26, 1958), in THE ROMEO GUEST PAPERS. Robbins explained that he had offered at a luncheon meeting with the original directors of Pinelands “to make available stock in Pinelands to North Carolina investors,” and there were “misunderstanding[s] of [his] intent and the extent of his planned ‘exposure.’” *Id.* Robbins viewed this as a request for North Carolina co-investors; Guest and others viewed this as an option if North Carolina investors were to surface, but not a requirement. *Id.*

149. Letter from George Watts Hill, Chairman of the Bd., Durham Bank & Tr. Co., to Governor Luther Hodges (Feb. 28, 1958) in THE ROMEO GUEST PAPERS.

150. GENEROSITY, *supra* note 13, at 63.

151. See Memorandum of Discussion from George Watts Hill, *supra* note 148.

152. *Id.*

153. Letter from George Watts Hill to Governor Luther Hodges, *supra* note 149.

154. LARRABEE, *supra* note 70, at 67. The Research Triangle Park team found little encouragement from other potential out-of-state investors. On June 11, 1958, the Pinelands Board of Directors called a special meeting to consider an investment from Dr. A. Goodkind of New York. GENEROSITY, *supra* note 13, at 66. The board believed Goodkind “wasn’t coming in to be a good friend to North Carolina” but had other ideas about the future of the acquired land. *Id.* Thus, the board of directors delayed its decision on his investment until his interest waned. *Id.*

To meet Robbins's new conditions, "Saunders saved the day" by making a personal loan of \$100,000 to Pinelands.¹⁵⁵ Nonetheless, the Park faced a cyclical standstill throughout 1958. Simpson later explained that Robbins wanted to see money raised for land acquisition before he formally deeded the land to Research Triangle; however, Simpson, Governor Hodges, Hanes, and others struggled to raise money for land acquisition before Robbins did so.¹⁵⁶ No companies relocated, and the Pinelands leadership could not raise capital. But, as private support waned, "Hodges remained confident—or, at least, determined. He simply refused to be associated with anything less than total success."¹⁵⁷

C. Archie Davis: The End of Research Triangle Park's Private Era

In the midst of Robbins's fading support, key parties, especially government and university officials, felt increasingly anxious about the development of Research Triangle Park as a private enterprise.¹⁵⁸ Governor Hodges was acutely aware of the potential conflicts of interest arising with a private Research Triangle, fearing the public would perceive that he favored the Park over other enterprises developing in North Carolina or misinterpret his heavy involvement as a stake to personally profit from the project.¹⁵⁹ As Hodges "worried about using his position as governor to promote a for-profit land development venture," he considered a "reformulated approach" in the summer of 1958.¹⁶⁰

Hodges was not the only leader concerned about the Park developing as a private venture. Simpson grew "uneasy" about the relationship between the not-for-profit Research Triangle Committee arm and the private, for-profit real-estate-development arm of the project.¹⁶¹ As a

155. GENEROSITY, *supra* note 13, at 58 (internal quotations and citations omitted). Saunders was the director of the Department of Conservation and Development. Thus, as a government official, he obtained Governor Hodges's permission first. The loan agreement provided that Saunders would be repaid \$50,000 "on December 1, 1958, with the remaining \$50,000 to be retained by [Pinelands] in exchange for 250 shares of common stock." *Id.*

156. *See id.* at 64.

157. LARRABEE, *supra* note 70, at 68.

158. *See* McCorkle, *supra* note 12, at 490.

159. *See infra* Section III.B. Governor Hodges "took a hard line, properly so, on matters that involved conflicts of interest or . . . the potential for perceptions of favoritism by government." LARRABEE, *supra* note 70, at 72. For example, Hodges "refused to let Pinelands publications contain even a hint of company associations with the Research Triangle Committee." *Id.* Additionally, he "discouraged Saunders from further support since he was a public official" after Saunders provided a \$100,000 personal loan to Pinelands in 1958. McCorkle, *supra* note 12, at 489–90.

160. McCorkle, *supra* note 12, at 490.

161. LARRABEE, *supra* note 70, at 73.

result, and as they faced “the dismal prospect of persistent lack of funds, perhaps even liquidation, the principals began to think about putting Pinelands on a public service, nonprofit basis.”¹⁶²

Archie Davis was the brains behind the shift from private to public.¹⁶³ Governor Hodges and Hanes originally solicited Davis, chairman of the board of Wachovia Bank, to sell stock in Pinelands to North Carolinians to meet Robbins’s investment criteria.¹⁶⁴ Davis immediately found the private concept flawed, recalling, “If this indeed was designed for public service, then it would be much easier to raise money from corporations and institutions and the like, who were interested in serving the State of North Carolina, by making a contribution.”¹⁶⁵ Thus, Davis conditioned his involvement on his ability to solicit contributions for a non-profit entity.¹⁶⁶ Although Governor Hodges immediately agreed with Davis, Hanes hesitated, believing a venture with so much risk should be tied to profit.¹⁶⁷

Davis presented the non-profit program to a receptive audience at the Research Triangle Committee’s annual meeting on October 22, 1958.¹⁶⁸ He also suggested that any funds remaining after the development and property-acquisition costs had been paid should benefit a research institute in the Park.¹⁶⁹ Any funds remaining in the institute after operating costs could flow to the three universities for basic research activities.¹⁷⁰ The well-received plan was unanimously approved, contingent on Davis’s ability to raise \$1,000,000 for the Committee and \$250,000 for a main building to house the Research Triangle Institute (the Institute or RTI), a non-profit research anchor for the Park.¹⁷¹

The conversion from a private to a non-profit venture transformed the way leaders thought about the Park in addition to changing the corporate governance structure. On its surface, the change merged Pinelands into the non-profit Research Triangle Foundation and shifted control of the newly conceived Research Triangle Institute from the Research Triangle

162. *Id.*

163. William D. Snider, *The Research Triangle Story*, GREENSBORO DAILY NEWS, Apr. 24, 1966, at D5.

164. GENEROSITY, *supra* note 13, at 67–68.

165. *Id.* at 68 (internal quotations omitted).

166. *Id.*

167. *Id.* at 69.

168. *Id.* at 70.

169. *Id.*; see *infra* Section III.A. for a complete discussion of the Research Triangle Institute.

170. GENEROSITY, *supra* note 13, at 70.

171. *Id.*

Committee to the three Triangle universities.¹⁷² It also vested all funds remaining after development and property-acquisition costs to the Institute and the three Triangle universities for basic research.¹⁷³ However, Davis and other Park leadership understood this transformation as more than merely restructuring the corporate identity. The change redefined the Park's primary mission for the common welfare of North Carolina. It opened the door for charitable donations, which would be investments in the future of the state and government funding for infrastructure. Davis called for a "generosity of spirit" motivated by a love of the state and a desire to see it propel successfully forward in economic and educational development.¹⁷⁴ The shift was successful, and once Davis began fundraising, no one declined his requests. He experienced great success in Winston-Salem, drawing on Hanes's connections in the Piedmont and Triad.¹⁷⁵ Davis raised the entire \$1.25 million through one-on-one conversations across the state at his own expense, speaking predominately with Hanes's friends and others of that generation.¹⁷⁶

Governor Hodges announced in 1959 that Archie Davis had raised \$1.425 million from over 850 donors.¹⁷⁷ Hodges revealed the three uses for the funds: first, to establish the Research Triangle Institute to conduct contract research for business, industry, and government; second, to construct a new building—the Hanes Building—to house the Institute in the center of the Park; and third, to acquire the land assembled by Robbins and pass control of his venture to the newly formed non-profit Research Triangle Foundation.¹⁷⁸ Hodges later wrote, "It was amazing! . . . This was one of the most significant events in the history of North Carolina."¹⁷⁹

In January 1959, Pinelands officially became a for-profit subsidiary of the new, non-profit Research Triangle Foundation (the Foundation).¹⁸⁰ "The change breathed new life into the Triangle cause but signaled the end

172. *See id.* at 69, 78.

173. *See id.* at 70.

174. Huler, *supra* note 1.

175. McCorkle, *supra* note 12, at 490.

176. GENEROSITY, *supra* note 13, at 70–71. When asked why he was so successful, Davis responded, "Because I was doing it in the name of Bob Hanes and the governor." *Id.* at 70. Davis later commented, "Don't forget that if it hadn't been for the people in Winston-Salem, there wouldn't be a Park." McCorkle, *supra* note 12, at 490.

177. HODGES, *supra* note 42, at 213.

178. *Id.*; LARRABEE, *supra* note 70, at 20.

179. HODGES, *supra* note 42, at 213.

180. *Id.*

of Romeo Guest's involvement."¹⁸¹ He formally resigned from Pinelands's board four days later.¹⁸²

Despite Davis's outstanding success, another financial trial occurred in early 1960 with the death of Karl Robbins.¹⁸³ Settlement of Robbins's estate required paying all of the outstanding notes due to him.¹⁸⁴ The Foundation mortgaged its real estate, borrowing \$1,300,000 from eight banks and eight insurance companies.¹⁸⁵ The funds were used not only to pay Robbins's estate for his stock and loan but also to retire the Saunders loan and repay Guest and three other shareholders.¹⁸⁶ The Foundation's leadership used remaining proceeds to purchase 362 additional acres, including several "holes" within the Park's outer boundaries.¹⁸⁷

By August 1965, Pinelands completely merged into the Research Triangle Foundation,¹⁸⁸ and "1,035 acres, or 21% of the Park's then 4,927 acres, were either sold or donated for development."¹⁸⁹ The Foundation continues to operate the Park, which relies on no public money.¹⁹⁰ Although affiliated with the three universities, the Foundation receives all income for operations by selling or leasing land.¹⁹¹ This merger finalized Research Triangle Park's structural and ideological move to a non-profit venture, opening the door for the Park's rapid growth and ultimate success.

III. RESULTS OF THE TRANSITION OF RESEARCH TRIANGLE PARK FROM PRIVATE TO NON-PROFIT

The transition of Research Triangle Park from a private to a non-profit enterprise allowed for several major developments that benefited the Park's mission and encouraged companies to relocate. First, shortly after the transition, the Research Triangle Institute was founded. The Institute provided (and continues to provide) private research contracts to connect private industry and public research. Because the transition quelled worries about detracting from their teaching mission, the universities and the newly formed Institute served as anchors in attracting companies. Second, the

181. *Vision of 4 Men Gave Birth to Serious Effort*, *supra* note 6.

182. *Id.*

183. LARRABEE, *supra* note 70, at 73.

184. *Id.*

185. *Id.*

186. *Id.*

187. *Id.*

188. GENEROSITY, *supra* note 13, at 77.

189. SEED TO HARVEST, *supra* note 109, at 15.

190. Lord, *supra* note 4.

191. *Id.*

Park's non-profit status eliminated Governor Hodges's concerns about supporting a for-profit enterprise, allowing the government to increase its involvement in funding and infrastructure. Governor Hodges leveraged his business background and governorship to brand the Park for relocating companies. Third, without the tax incentives for relocating businesses from other states, Park recruiters emphasized quality-of-life factors to bring new industry to the Triangle. In a tactical move to ensure income in perpetuity without detracting from the Park's public-oriented mission, Archie Davis created the Triangle Service Center, Inc., a for-profit arm aimed at developing leisure and lifestyle infrastructure attractive to relocating companies.

A. *The Research Triangle Institute*

*Although similarly named and sharing a common heritage, the Institute and Foundation have no formal ties and totally different purposes. The Foundation promotes, develops, and sells land in the Research Triangle Park. RTI performs scientific research and development services under contract to clients all over the earth. The organizations present a united front, but resemblances in name and function are about the same as those of General Cornwallis and General Motors.*¹⁹²

During early planning, Park leadership proposed the research institute idea to keep the university faculties engaged amidst concerns that the park would detract from teaching.¹⁹³ Additionally, by launching its own research facility first, Research Triangle leadership showed companies, the universities, and the state that it believed in the Park's concept.¹⁹⁴ Although originally tabled, Governor Hodges reintroduced the idea in early 1957, appointing Brandon Hodges to chair a subcommittee that would study the concept.¹⁹⁵ The idea became a reality with the shift to non-profit under Davis, who spearheaded initial fundraising for the Research Triangle Institute.¹⁹⁶ The Institute was "the symbol of the Triangle Program—the focus—yes, in part a promotional gimmick."¹⁹⁷ Throughout the mid-1960s,

192. LARRABEE, *supra* note 70, at 21.

193. See GENEROSITY, *supra* note 13, at 28. Duke professor Paul Gross first articulated the idea of the Institute at the first meeting of the Research Triangle Development Committee on July 21, 1955. *Id.* at 27–28. He initially conditioned Duke's involvement in and support of the Research Triangle concept on \$500,000 being set aside for the Institute. LARRABEE, *supra* note 70, at 60.

194. GENEROSITY, *supra* note 13, at 45.

195. *Id.*

196. See *id.* at 69.

197. Triangle Talk to Kiwanis Club of Raleigh, N.C. (Mar. 13, 1959), in THE ROMEO GUEST PAPERS (emphasis omitted).

“RTI was perhaps [the] dominant element in Research Triangle Park activity and public attention.”¹⁹⁸

RTI was originally the brainchild of the universities, keeping the universities excited about the Park while remaining legally separate from the research organization. RTI incorporated as a non-profit on December 29, 1958,¹⁹⁹ jointly established by the Consolidated University of North Carolina and Duke University.²⁰⁰ RTI performed contract research for private companies to “complement—not compete with—the universities.”²⁰¹ Profits from the contract research funneled back into RTI for new research projects or expanded facilities.²⁰² On January 8, 1959, Duke professor Paul Gross circulated a memorandum to faculty members at the three Triangle universities explaining “[t]here [would] be no formal or legal association [of RTI] with the universities” and “[t]he universities, while having effective control over the policies of the Institute” through the universities’ representatives on the board of directors, would “assume no financial obligation.”²⁰³ Additionally, because the universities were RTI’s joint founders, if the Institute dissolves, the universities receive and are responsible for dividing its assets.²⁰⁴ By legally disassociating the universities from RTI, Gross attempted to assure his colleagues that RTI was separately operated and self-supporting, would not burden the universities with financial obligations, and would enhance the universities’ teaching missions.²⁰⁵

In the Park’s early days, RTI served as the “linchpin for success,” promoting the Park’s legitimacy in intersecting business and research.²⁰⁶

198. LARRABEE, *supra* note 70, at 23.

199. SEED TO HARVEST, *supra* note 109, at 53.

200. LARRABEE, *supra* note 70, at 18. The universities’ presidents and chairmen served on and appointed members of the Institute’s board of governors. *Id.*

201. Triangle Talk to Kiwanis Club of Raleigh, N.C., *supra* note 197 (Research Triangle Institute was “formed to foster, encourage and develop scientific research and to do contract research for industry, business and government. . . . [Seventy percent] of work probably will be on a national basis—50% for government.”).

202. George Herbert, President, Research Triangle Inst., Address to the Durham Rotary Club (May 6, 1974), in THE ROMEO GUEST PAPERS.

203. Memorandum from the Research Inst. Comm. to Faculty, Duke Univ. et al. (Jan. 8, 1959), reprinted in LARRABEE, *supra* note 70, at 16–18.

204. LARRABEE, *supra* note 70, at 19.

205. See RTI Sweetens State’s Industry Draw, *supra* note 73. The Research Triangle founders knew the universities were key for companies seeking to relocate. But, the universities wanted to “protect the[ir] academic integrity . . . in their dealings with the corporate world. The Research Triangle Institute . . . helped forge that balance.” *Id.*

206. *Id.* at 7. In an initial proposal for RTI, George Simpson wrote, “The Research Institute will serve as a concrete symbol of the Research Triangle for large national

The Institute inspired companies to view the three universities as a unit promoting innovative research. The accessibility of research support from faculty experts was a “decisive factor in winning competitive research contracts.”²⁰⁷ Additionally, joint and adjunct faculty appointments allowed researchers and scientists from RTI to teach and co-author publications with university colleagues, share space and equipment, participate in seminars, enroll in classes, and obtain additional degrees.²⁰⁸

If “the universities [we]re RTI’s parents, . . . the Foundation [wa]s its godfather.”²⁰⁹ The Research Triangle Foundation “provided RTI its original financial and material resources.”²¹⁰ The Foundation set aside land, built the Robert M. Hanes building to house RTI, and provided \$500,000 to finance operating deficits until the Institute reached a sufficient size to sustain itself through contract income.²¹¹ Additionally, the North Carolina General Assembly issued RTI \$500,000 of special equipment grants.²¹² Professor Gertrude Cox of North Carolina State University began the Statistical Research Division/Survey Operations Unit as the Research Triangle Institute’s first project.²¹³

The universities’ push to establish RTI, coupled with Simpson’s early efforts to involve and understand the universities’ goals, paid long-term dividends in attracting business to the Park. RTI and the universities cultivated a unique, collaborative relationship, capitalizing on the new non-profit status of the Park to encourage research and attract companies. “For the Research Triangle Institute, its founding universities are everything: initiators, incorporators, owners, governors, colleagues, partners and friends.”²¹⁴ Although the universities would not provide financial support,²¹⁵ Gross envisioned the three Triangle universities, not the

companies Representatives of these companies will be coming to the Institute; and members of the Institute staff will be traveling to all parts of the United States.” GEORGE SIMPSON, *THE RESEARCH TRIANGLE OF NORTH CAROLINA* 5 (1958), in *THE RESEARCH TRIANGLE FOUNDATION RECORDS* (on file with Wilson Library, Univ. of N.C. at Chapel Hill).

207. LARRABEE, *supra* note 70, at 11.

208. *Id.*

209. George Herbert, Address to the Durham Rotary Club, *supra* note 202.

210. *Id.*

211. *Id.*

212. WILSON, *supra* note 18, at 30–31. The general assembly made a \$200,000 contribution in 1959 and a \$300,000 contribution in 1963. *Id.*

213. McCorkle, *supra* note 12, at 491. John Sprunt Hill, George Watts Hill’s father, donated \$16,000 at his son’s urging to fund the project. *Id.*

214. LARRABEE, *supra* note 70, at 8.

215. *Id.* at 5.

Research Triangle Committee, controlling the Institute.²¹⁶ This required unprecedented cooperation among the three universities.²¹⁷ Nestled in the middle of these three universities, “all equipment on the campuses, as well as the consultative capabilities of the faculties, [we]re available to industries in the Park.”²¹⁸ The presence of the three universities and the Institute became a key promotional theme for the Park.²¹⁹

Numerous companies cited the availability of the universities and RTI as a primary motivation for relocating to Research Triangle Park. For example, the relationship between the universities and Chemstrand Corporation, the first company to move to the Park, proved beneficial for the Park, the universities, and the company.²²⁰ Chemstrand’s scientists taught at the universities, and university faculty engaged in Chemstrand’s research.²²¹ One article explained, “For the industrial scientist at work, the three institutions have expressed a willingness to offer credit courses . . . at a time convenient for the industrial scientist Moreover, there are professional meetings and activities which are of importance to academic and industrial scientists.”²²² Research Triangle Park promoters pitched the vast number of qualified graduates from the three universities in close proximity to the Park.²²³ A *Fortune Magazine* article described the relationship:

What all the different kinds of highly educated newcomers like about the Research Triangle is the campus-life existence in the park itself, and the free and easy interchange with the nearby universities. The schools share use of their computers and apparatus with the companies; the corporate

216. GENEROSITY, *supra* note 13, at 69.

217. LARRABEE, *supra* note 70, at 10. Early Park promoters called the universities the “cornerstones of the Research Triangle” because more than “1,200 scientists [we]re active in various fields of basic and applied research on the three campuses” and “[t]he combined libraries . . . contain[ed] well in excess of 2.7 million volumes.” Letter from James B. Shea, Jr., Exec. Vice President, Research Triangle Park, to Romeo Guest (Mar. 13, 1963), in THE ROMEO GUEST PAPERS.

218. Letter from James B. Shea, Jr. to Romeo Guest, *supra* note 217.

219. See GENEROSITY, *supra* note 13, at 14.

220. Michael R. Franco, Key Success Factors for University-Affiliated Research Parks: A Comparative Analysis 179 (1985) (unpublished Ed.D. dissertation, University of Rochester) (on file with author).

221. *Id.*

222. George Akers Moore, Jr., *North Carolina Research Triangle—Talents of Business and Educational Leaders Combined in Unique Use of Land*, LAW. TITLE NEWS, Apr. 1961, at 3.

223. See *RTI Sweetens State’s Industry Draw*, *supra* note 73; see also *Conditioned for Research Brochure*, *supra* note 26 (“Graduating from North Carolina institutions each year are engineers, scientists and other technically trained students available for employment . . .”).

labs, in turn, donate to the schools any equipment they no longer need. Many professors act as consultants for companies in the park, while some 400 of the park's specialists hold adjunct-professorships.²²⁴

Finally, foreign companies listed the universities as a main draw to relocate not only to the United States, but specifically to Research Triangle Park.²²⁵

Today, contracts with industrial and government clients support RTI entirely.²²⁶ Due to its non-profit status, RTI is exempt from income taxes, and all proceeds are channeled internally to fund other research projects and development initiatives.²²⁷

B. Involvement of Government in Establishing Key Infrastructure

The shift of Research Triangle Park from private to non-profit eliminated Governor Hodges's concerns about using his position as governor to promote a for-profit venture.²²⁸ This opened the door for increased government involvement in funding key infrastructure and providing financial assistance needed to complete the Park.

Governor Hodges embraced his label as an "industry hunter."²²⁹ In addition to numerous company visits across the United States, Hodges took sixty-eight North Carolina businesspeople to Europe for six weeks to recruit companies and promote the Research Triangle, making Hodges the first United States governor to travel on a recruitment mission to Europe.²³⁰

At the time, North Carolina was one of two Southern States that refused to provide special state financial incentives for relocating businesses, aiming to protect state companies from wage competition.²³¹

224. Tom Alexander, *A Park that Reversed a Brain Drain*, FORTUNE, June 1977, at 148.

225. Jennifer S. Corser, *Location Lures Foreign Companies*, TRIANGLE BUS. J., Jan. 15, 1999, at 18 ("The advantages of the area, as many companies list, include the close proximity to . . . three world-renowned research universities where foreign companies can collaborate with the engineering and biotechnology programs. The universities have also served as recruitment sites.").

226. WILSON, *supra* note 18, at 30–31.

227. LARRABEE, *supra* note 70, at 74.

228. See McCorkle, *supra* note 12, at 490; LARRABEE, *supra* note 70, at 72. As previously discussed, with the Research Triangle Park as a private venture, Governor Hodges worried about potential conflicts of interest, accusations of favoritism, or declining public opinion regarding the use of his public position to promote a for-profit development project.

229. McCorkle, *supra* note 12, at 494.

230. *Id.* at 495.

231. *Id.* at 495–96 (noting that North Carolina's economic development department ran a national business advertisement in the late 1940s declaring: "North Carolina wants no one to

Governor Hodges honored North Carolina's traditional resistance to special incentives for out-of-state companies.²³² Nonetheless, he leveraged his position as Park promoter and governor to champion one major tax incentive to benefit multistate businesses.²³³ Based on the encouragement of Governor Hodges and recommendations from a tax commission led by Brandon Hodges, the general assembly enacted a tax incentive for large out-of-state firms considering Research Triangle Park.²³⁴ The Hodges administration purchased a full-page advertisement in the *Wall Street Journal* to publicize the incentive.²³⁵

In addition to Governor Hodges's support, the transition to a non-profit structure provided a gateway for the general assembly's financial support of the Park. In March 1959, George Herbert and George Watts Hill appeared before the Joint Appropriations Committee of the North Carolina General Assembly to ask for \$200,000 to purchase equipment for RTI.²³⁶ Governor Hodges, the Advisory Budget Commission, and the chair of the House and Senate Appropriations Committees approved the non-recurring grant-in-aid.²³⁷ Hill told legislators that Research Triangle Park was "the best single resource for the expansion of jobs and industries on a state-wide basis . . . that can be put to use through . . . the application of available and reasonable financial resources."²³⁸ The general assembly approved the funding.²³⁹

The North Carolina General Assembly also created the Research Triangle Regional Planning Commission in 1959 to facilitate construction of infrastructure necessary for the Park.²⁴⁰ The commission included

seek location within its borders expecting long hours of work at low pay. Sweatshop operators are unwelcome").

232. *Id.* at 497. In recruitment pitches, Governor Hodges emphasized that "special inducements, tax exemptions, public financing of industry, or other so-called giveaways were not offered by North Carolina." *Id.* Instead, he focused his recruitment pitches on quality of life for the employees of companies in North Carolina. See *infra* Section III.D. Furthermore, early in the planning process, Guest proposed that Durham, Wake, and Orange Counties grant tax relief to companies seeking to relocate to the Triangle. However, this idea received little traction from county leadership. HODGES, *supra* note 42, at 42-47.

233. HODGES, *supra* note 42, at 42-47.

234. *Id.*

235. *Id.* at 46.

236. *Id.* at 216.

237. *Id.*

238. *Id.* (quoting George Watts Hill's presentation to the North Carolina General Assembly's Joint Appropriations Committee).

239. *Id.*

240. Act of May 27, 1959, ch. 642, 1959 N.C. Sess. Laws 530 (creating the Research Triangle Regional Planning Commission).

representatives from Orange, Wake, and Durham Counties, as well as the cities of Durham, Raleigh, and Chapel Hill.²⁴¹ The general assembly charged the commission with “studying total development in the counties surrounding the Research Triangle Park, [and] prepar[ing] . . . plans [to] promote the orderly and economical development of the area.”²⁴² The commission was also charged with determining the best means of protecting the environment and ensuring good living conditions by studying planning, zoning, water and disposal facilities, and highways.²⁴³ It worked collaboratively with surrounding governments “on a broader basis” than any one city or county could have in isolation.²⁴⁴ Hodges later remarked:

In the coming weeks and months, the Research Triangle Planning Commission was to achieve decisive progress in zoning, in road planning, in stimulating planning where there had been none, and in looking ahead to problems of water, sewage disposal, and the like. It was and is a significant illustration of cooperative planning by three counties and three cities.²⁴⁵

Governor Hodges allocated \$150,000 for a new road on June 24, 1959,²⁴⁶ and the state approved the zoning ordinances recommended by the commission in January 1960.²⁴⁷ The road connected Highway 54 and Cornwallis Road, providing access within the Park.²⁴⁸ In cooperation with the United States Bureau of Public Roads, the State Highway Commission purchased 102 acres of land for \$65,000 from the Foundation for the right-of-way for the road.²⁴⁹ This road eventually became part of Interstate 40, today’s primary access point into Research Triangle Park.²⁵⁰

Today, the government continues to provide no direct subsidies to Research Triangle Park.²⁵¹ However, state and local governments assist by providing police protection and sharing costs of the Park’s road, sewer, and

241. *Id.* § 2.

242. *Id.* § 1.

243. *Id.* § 4; *see also* Triangle Talk to Kiwanis Club of Raleigh, N.C., *supra* note 197.

244. Triangle Talk to Kiwanis Club of Raleigh, N.C., *supra* note 197.

245. HODGES, *supra* note 42, at 218.

246. GENEROSITY, *supra* note 13, at 81.

247. *Id.*

248. *Id.*

249. *Id.* at 82.

250. *Id.*

251. John W. Hardin, *North Carolina’s Research Triangle Park*, in *PATHWAYS TO HIGH-TECH VALLEYS AND RESEARCH TRIANGLES* 27, 34 (Willem Hulsink & Hans Dons eds., 2008).

water services.²⁵² Additionally, the North Carolina Chamber of Commerce actively engages in recruiting new businesses to the Park.²⁵³

C. *Quality of Life and the Creation of the Triangle Service Center, Inc. to Increase Research Triangle Park's Attractiveness to Early Relocating Businesses*

Second to the draw of the universities, the quality of life offered in the Triangle area drew many businesses to Research Triangle Park, including IBM.²⁵⁴ Early Park leaders recognized that the Triangle offered a working and living environment unique from other major industrial and research hubs; they capitalized on this intangible asset in recruiting companies.²⁵⁵ The Park offered quiet development and “acres and acres of beautiful rolling land” without the congestion and pace of busy metropolitan areas.²⁵⁶ Without tax incentives to draw businesses to Research Triangle Park, Governor Hodges preached advancements in education, hospitals, transportation, the arts, and other infrastructure to companies considering relocating.²⁵⁷

Park planners envisioned a look and feel like an “academic campus on the outskirts of a community,” with sprawling greenery and countryside between buildings, easy access by car, and “good neighbor standards for building, site design, and operation.”²⁵⁸ As a result, international companies with laboratories housed outside large cities, such as New York or Boston, considered Research Triangle Park “because the scientists in these areas [we]re not happy and want[ed] to live in a better

252. *Id.*

253. *Id.*

254. Michelle Vanstory, *Two Original Tenants Saw Park Plans Unfold*, TRIANGLE BUS. J., Jan. 15, 1999, at 14 (“[T]he quality of life the area enjoyed even then, its reputation for having a high-quality work force, its proximity to outstanding universities, colleges and community colleges and the strong cooperative spirit between government, education and the private sector all prompted IBM to locate a facility, now one of its biggest, in RTP.”).

255. *See id.* (“[I]n the park’s infancy, simple geographic, economic and ‘quality of life issues’ often drew businesses to RTP.”).

256. Conditioned for Research Brochure, *supra* note 26.

257. *See* JAMES C. COBB, *THE SELLING OF THE SOUTH: THE SOUTHERN CRUSADE FOR INDUSTRIAL DEVELOPMENT, 1936–1990*, at 73, 171 (Univ. of Ill. Press 2d ed. 1993). For example, in a letter to a rubber company, Hodges wrote: “You may get more immediate benefit in Mississippi or some state south of us, but I can say to you with great honesty that they are ten to fifteen years behind this state in certain of their services, including education, roads, mental hospitals and so forth.” *Id.* at 73.

258. Moore, *supra* note 222.

atmosphere.”²⁵⁹ Researchers wanted more than a stimulating work environment.²⁶⁰ For example, Chemstrand cited proximity to the universities, quality of life, cultural advantages, and the cost of living as its primary motivations for moving to the Triangle.²⁶¹ *U.S. News & World Report* cited quality of life as the impetus for significant growth in North Carolina’s population in the 1970s.²⁶² Research Triangle Park combined the culture and resources of a bustling metropolitan area with the tranquility of a small town,²⁶³ allowing a researcher to be a “whole person.”²⁶⁴ Park promoters and recruiters recognized that “[c]ulture is considered good business in North Carolina” and provided tickets to symphonies and athletic events to corporate executives considering the Research Triangle.²⁶⁵

In the early 1960s, Archie Davis perceived the unique reputational advantage provided by the Park. He realized the importance of the Foundation securing “income in perpetuity” after the sale of all the Park’s land in light of the Park’s new non-profit status.²⁶⁶ He worked with the Foundation’s leadership to plan a for-profit, wholly owned subsidiary of the Foundation, which would capitalize on researchers’ desires for the Park to be more than just a workplace.²⁶⁷ On June 16, 1965, the Triangle Service Center, Inc. was incorporated to manage and develop real estate within the Park, including “developing, owning and maintaining shopping centers and service centers in Research Triangle Park.”²⁶⁸ At a Research

259. Governor Luther H. Hodges, Address at a Luncheon for a Group of Business and Industrial Leaders Interested in the Research Triangle of North Carolina at the Charlotte City Club (July 16, 1958), in *THE ROMEO GUEST PAPERS*.

260. Letter from James B. Shea, Jr. to Romeo H. Guest, *supra* note 217 (emphasizing the plentiful availability of cultural and recreational resources in the Triangle, Shea wrote, “The real problem is not what to do, but which.”).

261. *GENEROSITY*, *supra* note 13, at 79.

262. Lord, *supra* note 4, at 57 (“Those words—‘quality of life’—are heard more and more these days in North Carolina. Often they are uttered by the thousands of outsiders transferred to the state either by major corporations or by the government. . . . Thanks to the good life and the growth of opportunities, 142,000 more persons have moved into North Carolina in the 1970s than have moved out. In contrast, the ’40s, ’50s and ’60s saw a net migration loss of 578,000.”).

263. *Id.*

264. *Id.* (“Why such an interest in culture? ‘It’s just part of the good life,’ says Sara Hodgkins, who serves in the state cabinet as secretary of cultural resources. ‘We don’t consider music and art as luxuries. In order to be a whole person, you need to experience these things.’”).

265. *Id.*

266. *SEED TO HARVEST*, *supra* note 109, at 43.

267. *Id.*

268. *Id.* at 43–44 (quoting the Articles of Incorporation of Triangle Service Center, Inc.).

Triangle Foundation Board of Directors meeting on November 10, 1965, Governor Hodges announced that the Foundation would convey approximately ninety-two acres for development to the service center.²⁶⁹

Davis's vision and the creation of the Triangle Service Center, Inc. greatly assisted the transition of the Park's earliest tenants, including the National Environmental Health Sciences Center,²⁷⁰ into the Park by promising necessary leisure and lifestyle infrastructure.²⁷¹ By creating this for-profit arm within the greater Research Triangle Park, Davis ensured the Park would remain viable and sustainable in the manner envisioned by early private sector leaders, while not detracting from the Park's public-oriented mission.

As discussed in Section III.B, the transition from private to non-profit opened the door for the government's involvement in providing this necessary infrastructure, which proved attractive to companies. As compared to large metropolitan areas, Research Triangle Park's accessibility also attracted national and foreign companies. For example, transportation was the "sticking point" in convincing IBM to move to Research Triangle Park.²⁷² Finally, the proximity of Raleigh-Durham International Airport proved attractive to foreign companies seeking a nearby, uncongested international airport.²⁷³

CONCLUSION

Research Triangle Park was the first research complex of its kind, involving universities, industrial laboratories, and government research facilities.²⁷⁴ Before its creation, three industrial research complexes developed around academic research facilities in the Boston-Cambridge area, the Princeton area, and Palo Alto, California. All three grew around esteemed universities "without conscious planning or an overall eye to the

269. *Id.* at 44. The board entered into an agreement with Nello L. Teer Company to develop the center under a long-term land lease. *Id.* Nello L. Teer Company signed a franchise agreement in 1969 with Triangle Service Center, Inc. *Id.* at 44 n.4. The agreement was for twenty years, containing a list of services the Park desired and time frames for construction of a Governors Inn Hotel, several banks, and the service center. *Id.*

270. Known today as the National Institute of Environmental Health Sciences.

271. SEED TO HARVEST, *supra* note 109, at 43.

272. *Promise Put IBM, NIEHS on Road to Park Presence*, in THE DURHAM HERALD-SUN, THE RTP AT 40, at 7, 8 ("IBM wanted a road to its proposed site, and they got one. . . . That road was Interstate 40.")

273. Corser, *supra* note 225.

274. Letter from James B. Shea, Jr. to Romeo Guest, *supra* note 217.

future . . . in a somewhat random pattern typical of that found in many crowded urban areas.”²⁷⁵

The Research Triangle Park is a success story of collaboration and cooperation between the private sector, government, and universities. However, private industry fostering public-sector investment to create an industrial, homegrown research park anchored by three universities is vastly oversimplified. As William Friday shared in a June 1983 issue of *Carolina Alumni Review*, “[T]he most incredible thing about it is that it exists at all. When it started, all the elements were there for total destruction. You couldn’t put together a more violent mixture if your [sic] tried.”²⁷⁶ The Research Triangle identity did not exist until later, as “tangible jealousy,” animosity, tension, and apprehension threatened to terminate the project.²⁷⁷ Despite the planning efforts distinguishing Research Triangle Park from the three previously developed parks, “[t]here was no basis to predict that industry and higher education could not only get along, but work together for the benefit of both. And there was no history of the three universities cooperating on the scale it would require for the Park to succeed.”²⁷⁸ Yet, 190 companies and 40,000 employees today call Research Triangle Park home, making it the largest research park in the United States.²⁷⁹ The area recently topped *Forbes*’s list for the best places for business and careers.²⁸⁰ This success story, however, is not easily replicable.

North Carolina’s economic situation provided the impetus for the inspiration of the Park. North Carolina’s economic, business, government, and academic leadership recognized that North Carolina needed something new to jumpstart the future of the state. All sectors supported and pursued the idea with less hesitation because of the state’s economic slump. North Carolina’s traditional industries, including furniture, tobacco, and textiles, declined in light of automation and decreasing demand.²⁸¹ Additionally, North Carolina’s mismatch between blue-collar industry, agriculture, and highly specialized academic researchers resulted in recent graduates of higher education leaving the state to pursue careers in the sciences.²⁸² Furthermore, North Carolina’s per capita income was one of the lowest in

275. *Id.*

276. Hughes, *supra* note 3.

277. *Id.*

278. *Id.*

279. Huler, *supra* note 1.

280. Kurt Badenhausen, *Raleigh Leads the Best Places for Business and Careers* 2014, FORBES (July 23, 2014, 9:57 AM), <https://perma.cc/5BEC-NKHE>.

281. Link & Scott, *supra* note 56.

282. *Id.*

the nation.²⁸³ Private and public leaders initially envisioned the Research Triangle Park as a development opportunity and a tactic to not only “plug that brain drain but even to reverse the flow” of local college graduates leaving the state.²⁸⁴ This vision incentivized all three industries party to the Research Triangle Park idea: the private sector sought profitable ventures; the universities desired to foster research and retain talent; and the public sector wanted to spur the state’s economy and reputation on a national scale. The Park was a specific answer to North Carolina’s problems; this answer is difficult to replicate outside the unemployment, flight, and recession that colored North Carolina’s exact economic conditions before development of the Park.

Many research parks attempt to replicate the Research Triangle Park model, creating a campus-like environment for business and industries near research universities.²⁸⁵ But, the Park’s early leadership did not create anything new; rather, they capitalized on, reorganized, and promoted existing institutions to foster economic and industrial growth. The creation and growth of Research Triangle Park was serendipitous, with a bit of luck.²⁸⁶ As a result, the Park did not leave a concrete blueprint for other areas to follow, which makes replicating the Park’s success difficult and helps explain why few attempts to create similar research parks have achieved the size and scale of Research Triangle Park.

The initial political climate of North Carolina also makes Research Triangle Park unique. The timing of Guest’s vision for Research Triangle Park coincided precisely with the inauguration of Governor Hodges, the first businessman to occupy the North Carolina Governor’s Mansion. Hodges’s support served as a crucial connection between the private sector, the government, and the universities. His business background equipped him with the skills necessary to interact with early private supporters and companies considering relocating to Research Triangle Park. Yet, in his capacity as governor, Hodges cultivated and nourished the support of the three Triangle universities. Additionally, he utilized his distinguished role to garner the support of reporters, visitors, businesspeople, and state and university officials. As a figurehead for the Park, Hodges capitalized on

283. *Id.*

284. Alexander, *supra* note 224, at 148–50.

285. For example, the Central Florida Research Park in Central Florida was built beside the University of Central Florida in Orlando. CENTRAL FLORIDA RESEARCH PARK, <https://perma.cc/N6R8-PTR2>.

286. Hughes, *supra* note 3 (quoting William Friday, who said, “If you had any sense you wouldn’t have even tried to make it work. And yet somehow it did. I think a vision came to them all at the same time that they were part of something unique, that could work, and everything began to fall in place.”).

his status to restore North Carolina's economy through new enterprise and transform the Research Triangle Park idea into a reality.

Guest originally proposed the current Research Triangle Park site because its location between three universities, each with respected yet unique reputations, would serve as a magnet for business. The fact that three established universities form the foundational triangle of the Park in a non-urban environment also renders the Park difficult to replicate. The Park's location is exceptional because the Triangle universities bordered wooded, rural, and undeveloped land. The Park required only 30% or less of each parcel of land to be developed; so "the landscape is green and open—and a sense of place is almost nonexistent."²⁸⁷ Although other universities, including Boston University, Boston College, and Harvard, are in close proximity in other parts of the country, none afford the opportunity to create a rural industrial Park. The unique situation of the Triangle universities renders the model difficult to replicate.

This "unique assortment of possums, pine trees and Ph.D.'s symbolize[d] North Carolina's new opportunity,"²⁸⁸ affording a different work environment from other major urban industrial centers. "The Research Triangle of North Carolina is several things at once—a center of higher learning and academic research, a highly attractive area for living, and more recently, an excellent location for an increasing number of private industrial research and governmental facilities."²⁸⁹ North Carolina's four seasons, mild climate, mountains, and coast provided an environment large enough to attract big cultural and economic opportunities, but small enough for the blue sky, large lawns, and ease of commute which businesses found attractive.

Although the unique circumstances under which Research Triangle Park developed did not create a blueprint for future parks to follow, one important lesson from the Park's transition from a private venture to a public enterprise can be applied globally. Research Triangle Park as a non-profit center for scientific and industrial development eclipsed early fears of failure by uniting private contributions and public domain. While early financiers hesitated to invest in Research Triangle Park due to North Carolina's sleepy economy, absence of infrastructure, and potential lack of investment return, Governor Hodges and other public officials supported the idea of a research park. Converting the venture to a non-profit minimized these tensions. Investors viewed donations as no-risk investments in the academic, economic, and educational future of North

287. Huler, *supra* note 1.

288. Lord, *supra* note 4.

289. Moore, *supra* note 222.

Carolina, rather than a risky business venture. Relatedly, incorporating as a non-profit, rather than a public project or private venture, opened the door for heightened government involvement by eliminating fears of conflicts of interest or ethical concerns of government meddling in private enterprise.

Research Triangle Park fostered close collaboration with business, government, and the community to guarantee unique business ventures in the forests of central North Carolina. Future leaders trying to replicate the success of the Park should not view their research parks as profit centers or moneymaking enterprises. Instead, if they model research parks as non-profit, public-private enterprises, they can remove ethical concerns of public officials, enable stakeholders to view investments as contributions to the area economy without the concerns of a risky business venture, and allow the companies in the park to focus on their business missions.