PART TWO

CSHL as an Enterprise

In addition to being a leading center of research and education, Cold Spring Harbor Laboratory is a major regional enterprise – contributing to the economic vitality of Long Island and New York State as an employer, a buyer of goods and services from New York companies, a sponsor of construction projects and a generator of tax revenues. This part of the report addresses the Laboratory’s impact in each of these areas.
In 2013, CSHL’s revenues totaled $164 million. As Figure 2 shows:

- Private contributions totaled $45.1 million – 28 percent of all revenues;
- Federal grants and contracts accounted for $44.0 million (27 percent);
- Foundation grants ($25.3 million) accounted for 15 percent;
- Investment returns generated more than $14.8 million (9 percent);
- Sales of CSHL publications accounted for nearly $10.2 million (6 percent);
- Dining services and apartment and dormitory facilities generated $8.6 million (5 percent);
- Program fees generated $7.7 million (5 percent);
- Corporate grants and contracts generated $5.3 million (3 percent); and
- Royalties, licensing fees and other revenues generated $2.6 million (2 percent).

**Figure 2: Cold Spring Harbor Laboratory Revenues, FY 2013 ($ millions)**
Cold Spring Harbor Laboratory as an employer

As of June 2013, 1,106 people were employed at Cold Spring Harbor Laboratory, 90 percent of whom worked full-time. This total included 1,062 people employed directly by CSHL, and 44 who worked full-time at the Lab while on the payroll of partner organizations such as the Howard Hughes Medical Institute and the U.S. Department of Agriculture.

Wages and salaries paid to CSHL employees during 2013 totaled $56.1 million; and wages and salaries paid to those employed at CSHL by other organizations totaled an estimated $3.8 million.

Figure 3: Cold Spring Harbor Laboratory Employment, 2008-2013
Where Cold Spring Harbor Laboratory employees live

As Figure 4 (below) shows, as of June 2013, 987 (89 percent) of all those employed at CSHL lived on Long Island. Salaries and wages paid to these employees totaled $52.3 million. Another 98 of those employed at CSHL lived elsewhere in New York State – about 9 percent of the Laboratory’s workforce.

Figure 4: Cold Spring Harbor Laboratory Employees by Place of Residence, June 2013
Diversity and quality of employment at CSHL

Cold Spring Harbor Laboratory offers a wide variety of high-quality jobs for residents of Long Island. Scientists and post-docs account for 27 percent of total employment; administrative and other laboratory professionals, 18 percent; clerical and technical support staff, 45 percent; and graduate students 10 percent.

In addition to employing a diverse set of skilled workers, CSHL also provides a wide range of benefits to its employees. They include:

- Health, dental and vision insurance
- A pension plan
- Flexible spending accounts
- Life, disability, and long-term care insurance
- A prepaid legal plan
- An on-site gym, Wellness Center and health-related seminars and programs
- A on-site day care center with sliding-scale tuition

Cold Spring Harbor Laboratory also provides limited assistance to faculty in the purchase of a home as well as a housing allowance to post-docs and graduate students based on eligibility requirements. The Laboratory provides a family allowance for post-docs whose spouses are unable to work due to visa issues and provides stipend incentives for post-docs who apply for grants.

CSHL offers on-site training for faculty and post-docs, including leadership training and grant writing classes.

Figure 5: Cold Spring Harbor Laboratory Full- and Part-Time Employment by Occupation, June 2013
The impact of purchasing and construction

In addition to the people it employs directly, Cold Spring Harbor Laboratory generates jobs on Long Island and elsewhere in New York through its purchases of goods and services from local companies, and through construction and renovation of the Laboratory’s facilities.

Purchasing goods and services

Cold Spring Harbor Laboratory spent approximately $65.3 million on the purchase of goods and services during 2013. Of this total, about 16.2 percent – more than $10.6 million – was spent on goods and services provided by New York companies, including:

- Nearly $9.4 million (14.4 percent of total spending) for goods and services bought from companies located in Long Island, and
- $1.2 million (1.9 percent) spent with companies located elsewhere in New York State.

CSHL purchases a variety of goods and services from businesses located in Long Island. The leading categories of purchases from Long Island companies include utilities, professional services, research-related expenses and building maintenance contracts.

In addition to these direct purchases of goods and services from Long Island suppliers, CSHL’s spending on employee health benefits is treated for purposes of this analysis as a purchase of services from health care providers in the areas where employees live.

Using the IMPLAN modeling system, we estimate that the Laboratory’s purchases of goods and services from local companies (including health care providers) directly supported 71 full-time equivalent jobs with Long Island businesses, and 11 additional FTE jobs with businesses located elsewhere in New York State.

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**Figure 6: Cold Spring Harbor Laboratory Purchasing by Location of Vendor, 2013 ($000s)**

- **Long Island:** $9,396.9 (14%)
- **Other New York State:** $1,214.4 (2%)
- **Other:** $54,689.8 (84%)
The impact of construction at CSHL

In addition to generating jobs and economic activity through its purchases of goods and services, CSHL also does so through its investments in Laboratory facilities. From 2009 through 2013, CSHL invested a total of $70.6 million in facility construction and renovation. More than half of this total was spent in 2009, the peak year for spending on construction of the Hillside Campus (described below).

In 2013, CSHL spent approximately $4.77 million on construction and renovation of campus facilities, of which nearly $3.76 million (nearly 79 percent) was paid to contractors located on Long Island.¹ We estimate that in 2013, CSHL’s spending on construction directly supported 24 FTE jobs with Long Island contractors in construction and related industries.

¹ The remaining $1.02 million was spent with contractors located outside New York State.

Figure 7: Cold Spring Harbor Laboratory Annual Construction Spending, 2009-2013 ($000s)
From 2014 through 2019 the Laboratory is planning to invest approximately $64 million in new construction and renovation. Major projects under way, planned or proposed during this period include the following:

- In 2014 CSHL demolished a dilapidated nineteenth-century building on its main campus, and in its place constructed a new residential building, to be used as faculty housing. The cost of the project totaled $1.389 million.

- In 2014 CSHL began construction of a 10,000 square-foot, $15 million addition to its Woodbury Genome Center. When completed in 2015, the new space will house a new Pre-Clinical Experimental Therapeutics Facility, providing advanced pre-clinical testing of new drugs.

- Nicholls Biondi Hall is a multi-purpose building that will provide space for presentations by conference and meeting participants. Construction began in 2014 and will be completed in the spring of 2015, at a total cost of $2 million.

- In 2015 CSHL is planning to invest $2.6 million in renovation of a space in Manhattan to serve as a permanent teaching laboratory facility for expanded DNA Learning Center programming throughout the NY metropolitan area (described in Part Five).

- CSHL is currently working to secure financing for a major reconstruction of its sixty-year-old Demerec Laboratory building. When completed, the rebuilt 26,000 square-foot facility will house a new Center for Therapeutics Research, described on page 29.

The impact of Cold Spring Harbor Laboratory's construction spending goes beyond the opportunities it creates for contractors and construction workers on Long Island. CSHL's investment in construction and renovation of facilities enhances its ability to conduct research on state-of-the-art equipment as well as expand its areas of research, which in turn enhances its capacity to attract funding and contribute to the economic vitality of Long Island and New York State.
CSHL’s Hillside Campus

In 2003, Cold Spring Harbor Laboratory began a $200 million capital campaign to raise money for the construction of new laboratory facilities and fund new research and education programs. After a successful campaign, construction on the new research complex, the Hillside Campus, began in 2006. Completed in 2009, the Hillside Campus added 100,000 square feet of research space at CSHL – a 40 percent increase. The complex is designed so it appears to be six separate lab buildings, but all six are interconnected, and supported by a single system of below-ground infrastructure.

The Hillside Campus was designed to minimize its environmental impact, with high levels of energy efficiency and an award-winning stormwater management system that naturally filters runoff from the hillside before it flows into Cold Spring Harbor. The project also included the planting of 700 trees to replace trees that had been removed to make way for construction.

The $107 million complex was financed with a mix of private funds raised through the capital campaign, a $20 million grant from New York State, and tax-exempt bond financing. It has provided space for growth of CSHL’s work in quantitative biology, human genetics, cancer and neuroscience.
Building and growing a new research center

As noted above, CSHL is seeking to secure financing for a $25 million reconstruction and equipping of the 60-year-old Demerec Lab. The rebuilt facility would provide a home for CSHL’s new Center for Therapeutics Research (CTR), which will conduct research aimed at identifying and understanding new therapeutic targets and pathways, and developing and testing new therapies. Appleseed estimates that constructing and equipping the building would directly and indirectly support approximately 157 FTE jobs on Long Island.

Once construction is completed, CSHL estimates that during its first five years, CTR will spend $50 million on research and related activities, financed through a combination of Federal grants and contracts, private donations and the Lab’s own internal resources. Appleseed estimates that during this five-year period CTR will generate at least $10 million in annual revenues, and that this funding will directly support approximately 55 jobs at CSHL and (through the multiplier effect) another 60 FTE jobs elsewhere on Long Island.

The Center will also provide a focal point for collaboration with partners in the region, including Stony Brook University, the Brookhaven National Laboratory and North Shore-LIJ in both lab-based and clinical research.
Indirect, induced and total impact

The jobs and economic activity generated by CSHL’s spending for payroll, purchasing, and construction are not limited to the direct impacts cited above. Some of the money that the Laboratory pays to its local suppliers and contractors is used to buy goods and services from other local companies; and the latter companies in turn buy goods and services from still other local businesses.

CSHL employees, and the employees of its suppliers and contractors, similarly use part of their earnings to buy a wide variety of goods and services – housing, utilities, food, personal services, and other household needs – from local businesses; and the employees of those businesses do the same.

Using the IMPLAN input-output modeling system – a modeling tool commonly used in economic impact studies – we can measure these indirect and induced (or “multipler”) effects of CSHL spending. Table 1 summarizes the direct, indirect, and induced impacts of Cold Spring Harbor Laboratory’s spending on Long Island and throughout New York State. In 2013, we estimate that on Long Island, CSHL directly and indirectly accounted for:

- $139.5 million in economic output in Nassau and Suffolk counties;
- 1,591 jobs; and
- $89.0 million in earnings.

Statewide, we estimate that CSHL directly and indirectly accounted for:

- $149.2 million in economic output in New York State (including Long Island);
- 1,629 jobs; and
- $92.9 million in earnings.

Table 1: Direct, Indirect, and Induced Impacts of Cold Spring Harbor Laboratory’s Spending, FY 2013 ($ millions)

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<thead>
<tr>
<th></th>
<th>Jobs</th>
<th>Earnings</th>
<th>Output</th>
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<tbody>
<tr>
<td><strong>Long Island</strong></td>
<td></td>
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<tr>
<td>Direct spending:</td>
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<td></td>
<td></td>
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<tr>
<td>Employment and payroll</td>
<td>1,106</td>
<td>$59.924</td>
<td>$59.924</td>
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<tr>
<td>Purchasing and construction</td>
<td>95</td>
<td>$8.175</td>
<td>$20.655</td>
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<tr>
<td>Indirect and induced</td>
<td>390</td>
<td>$20.918</td>
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<tr>
<td>LI Total</td>
<td>1,591</td>
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<tr>
<td><strong>New York State (including LI)</strong></td>
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<td></td>
</tr>
<tr>
<td>Direct spending:</td>
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<td></td>
<td></td>
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<tr>
<td>Employment and payroll</td>
<td>1,106</td>
<td>$59.924</td>
<td>$59.924</td>
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<tr>
<td>Purchasing and construction</td>
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<td>$9.103</td>
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<tr>
<td>Indirect and induced</td>
<td>417</td>
<td>$23.885</td>
<td>$66.565</td>
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<tr>
<td>NYS Total</td>
<td>1,629</td>
<td>$92.912</td>
<td>$149.195</td>
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Contributing to state and local revenues

Despite Cold Spring Harbor Laboratory’s tax-exempt status, its operations generate revenues for state and local governments in several ways. CSHL withholds New York State income taxes from wages and salaries paid to its employees and pays into the state’s unemployment insurance pool.

CSHL also makes payments to local governments. Like other non-profit institutions, the Laboratory does not pay property taxes on its campus properties as a tax-exempt institution. CSHL does, however, pay property taxes on off-campus properties in Cold Spring Harbor and makes annual payments in lieu of taxes (PILOT) to the Village of Laurel Hollow, the Village of Lloyd Harbor and the Cold Spring Harbor School District. In 2013, the Laboratory paid $154,675 in real property taxes and $403,821 in PILOT payments.

Table 2 details taxes, fees, and payments paid by Cold Spring Harbor Laboratory to state and local governments in 2013.

In addition to the fees it pays directly, CSHL contributes indirectly to local government revenues on Long Island through the real property and sales taxes paid by CSHL employees and by the Lab’s local contractors and suppliers.

CSHL’s contributions to the vitality of New York’s and Long Island’s economy are not limited to the impact of its spending on payroll, purchasing and construction. Part Three of the report discusses the growth of the Laboratory’s research enterprise – highlights several examples of research conducted at CSHL during the last few years – and discusses the commercialization of new technologies first developed at CSHL.

Table 2: State and local taxes, fees and payments paid by Cold Spring Harbor Laboratory, 2013

<table>
<thead>
<tr>
<th>Type of tax</th>
<th>Amount</th>
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<tr>
<td><strong>Taxes paid to New York State</strong></td>
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<td>NYS income taxes withheld</td>
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<td><strong>Taxes and fees paid to local governments</strong></td>
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<td>Real property taxes paid on taxable property</td>
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<td>Payments in lieu of taxes</td>
<td>$403,821</td>
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<tr>
<td>Fees</td>
<td>$30,921</td>
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<tr>
<td><strong>Subtotal, payments to local governments</strong></td>
<td><strong>$589,417</strong></td>
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