

## Midwest called next 'biotech hotbed'

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The Midwest will become the nation's next "biotech hotbed," the leader of a West Coast venture capital firm said Wednesday, pointing to initiatives in Wisconsin and other states in the region.

"The Midwest's biotechnology parts are greater than its whole right now," said G. Steven Burrill, CEO of [Burrill & Company](#), a San Francisco-based firm whose principal activities are in venture capital, merchant banking and media, with a focus on life sciences. "The Midwest is not the first place people think of when considering centers of biotechnology excellence (most of the biotech activity is concentrated on the East and West coasts) but it's really more of an awareness issue than it is a fact issue," said Burrill.

He made his comments in anticipation of BIO 2006, a major industry convention set for Chicago in April. Wisconsin is expected to be well represented at BIO 2006, with strong interest arising in both the public and private arenas.

"The Midwest is broadly very involved in the life sciences industry -- medical devices, diagnostics, biopharmaceuticals, agricultural technology and industrial biotechnology all thrive. The region is home to literally hundreds of life sciences companies ... and medical devices in particular is one of its fastest growing sectors," Burrill added.

"While it is difficult to get an accurate picture of the true biotechnology industry in the Midwest because every state classifies life science companies in different ways, there is plenty of ongoing activity:

- Economic and political leaders in the Midwest have targeted the life sciences as an engine of growth, and several Midwestern states have established specific funds to invest in the life sciences.
- The Midwest is home to life science industry leaders such as Abbott Laboratories, Archer Daniels Midland, Baxter, Cargill, Dow AgroSciences, Eli Lilly 3M, Guidant, Medtronic, GE Medical, Monsanto, and Procter & Gamble.
- A group of world-class academic research institutions is helping to fuel innovation: the Big 10 universities all enjoy nationally recognized research programs.
- More than 300 dedicated biotechnology companies already exist in the Midwest -- representing 21 percent of total U.S. biotech companies (approximately 1,400).

- Leading Midwest biotech players (public or private) include: Aastrom Biosciences; Advanced Life Sciences; BioSante Pharmaceuticals; Genomic Solutions; IDEXX Corp.; MGI Pharma; Neopharm; Northfield Labs; Third Wave Technologies.
- The \$1 billion Michigan Life Sciences Corridor (MLSC) has become a catalyst for the industry, producing collaborations between academic and commercial sectors.
- Medical Alley is a 350-mile-long corridor in Minnesota that is the location of thousands of companies and institutions in the medical field. The medical device industry is one of the Midwest's unique strengths, and a field that is quickly attracting capital investments from some of the nation's leading VC firms.
- The University of Wisconsin-Madison and the University of Illinois Urbana-Champaign are extremely strong in agricultural biotechnology. They support research in both plant and animal applications that are dedicated to improving yield and quality of products, and they house a number of germ plasm collections.
- More than one-third of the agricultural biotechnology companies in the United States are located in the Midwest.
- Nutraceuticals, industrial biotech and bioenergy/biofuels will have significant potential given the region's strong agricultural base.
- The University of Minnesota, the Mayo Clinic, and the State of Minnesota have created the Minnesota Partnership for Biotechnology and Medical Genomics.
- Wisconsin is investing up to \$750 million, including more than \$500 million in new facilities and direct research support for scientists at UW-Madison, especially in stem cells. James Thomson and his collaborators in 1998, the University of Wisconsin-Madison has been a leader in this area.
- Chicago boasts some of the leading research and medical institutions in the United States: the University of Chicago and Northwestern University, Argonne National Laboratory, University of Illinois-Chicago, Loyola Medical School, Finch University-Chicago Medical School, and the Fermi National Accelerator Lab (operating the world's highest energy particle accelerator). Argonne operates the \$20 billion advanced photon source, a key tool for protein and proteomics research.

"The Midwest has the ability to build on its existing strengths especially in the areas of agricultural biotech and in the convergence of the medical device, diagnostic and therapeutic companies. It is clear that the predicted record attendance of more than 25,000 registrants that will be attending BIO 2006 in Chicago in April will be pleasantly surprised at the wealth of opportunity that the region does have," Burrill noted.

"The event will also have a catalytic effect on the Midwest 'parts' helping bind the industry into a cohesive whole. But the availability of venture capital is a necessary component for the Midwest to become a biotechnology powerhouse," added Burrill.

"Growing a regional center of excellence in biotechnology that will be internationally competitive requires commitment, collaboration of research institutions (e.g. the Big 10 universities), venture capitalists and the financial community, big pharma, diagnostic, device and healthcare focused companies, politicians that provide a

stable and supportive tax, financial and regulatory environment, and a long-term perspective. The Midwest is well positioned in all these areas, with its large, world-class companies in both medicine and agriculture, top-tier research institutions generating a steady stream of innovation, and a culture that's beginning to encourage development of exciting new biotechnology companies," Burrill said.