



KC INSIDER

Cultivating a New Crop of Businesses

Investments and funding programs ensure the Kansas bioscience and technology sector continues to grow

STORY BY **JULIE BARNES**

Thanks to the passion Kansas has shown for the bioscience and technology sector, the state is increasingly beating out the East and West Coasts as the final destination for the industry's startups and established powerhouses.

When PRA International, a Raleigh, North Carolina-based clinical research organization, began scouting places to headquarter its North American Bioanalytical Laboratory, it cast a wide net. “[We also] considered New Jersey, North Carolina and California [to be] close to pharmaceutical companies, PRA’s customers,” says Chad Briscoe, the lab’s senior director.

In the end, however, Kansas won out. PRA opened its Bioanalytics Laboratory in Lenexa—already the site of one of PRA’s Phase I research clinics (the other is in The Netherlands)—in October 2010. “[State] incentive funding was critical to PRA’s decision to expand [to] the Kansas City area,” Briscoe explains. “The funding was helpful to make the project more financially attractive. It was also a critical demonstration of Kansas’ commitment to biotechnology business growth—a commitment we hope will continue in the years to come.”

In fact, Kansas’ state funding has vastly outshined Missouri’s, helping to explain why more bioscience and biotech immigrants are making headlines—and homes—in Kansas. But government, private and commercial sources—especially the Kansas Bioscience Authority (KBA)—are also proving to be important resources for investment capital.

“The investment ecosystem is growing in Kansas, especially in the biosciences,” says Tom Thornton, former KBA president and CEO who, at press time had just taken a new position with a business incubation group at Ohio’s Cleveland Clinic, “and that is having a tremendous impact on the decisions companies are making about where to locate.”

Indeed, a \$1 million equity investment from the KBA—along with a \$19 million infusion from three venture capital groups—enticed Aratana Therapeutics Inc. This Kansas City, Kansas-based startup buys licenses and intellectual property from biotech companies to develop animal health therapies.

“The equity investment from the KBA was certainly a draw, but it was just one part of

what makes Kansas City a good fit for [us],” says David Rosen, Aratana president and COO. “We were founded through a partnership with MPM Capital—one of the world’s largest life science-dedicated venture investors—which recently opened an office in Kansas City. In addition, we were confident that being in Kansas City would position us for success, given the easy access to the Kansas City Animal Health Corridor and bioscience assets in the region. There is something special going on in Kansas City, and we are excited to be a part of it.”

In addition to the arrival of new startups, established organizations across the state are expanding operations. “We think companies are deciding to come to Kansas—or to stay [here]—because there is such strong support for the bioscience industries here,” Thornton says.

Olga Kooper, CEO of NanoScale, an advanced chemistry company in Manhattan, Kansas, agrees. “Cultivating entrepreneurs is a Kansas vision to grow the state economy in the near future with a large return on its investment,” she says. “Without the state support ... and access to seasoned business leaders, NanoScale would most likely not exist.”

And with so many companies settling in the Kansas City area, the economy is also benefiting. “Every time a new company builds its operations in Kansas, that creates jobs and spurs investment,” Thornton says. “The companies we are attracting [also] bring scientific and entrepreneurial talent that will help to create additional value in the state’s economy for years to come.” **KCB**

AN EXTRAORDINARY ACT OF VISION ▶

When the Kansas state legislature created the Kansas Bioscience Authority (KBA), it gave the region unique tools to expand its bioscience economy. In a relatively short period of time, the KBA has been able to achieve extraordinary results:

- 1,195 new jobs
- \$79.5 million in new wages
- \$212.6 million in new capital investment
- \$86.6 million in new research funding
- \$48.3 million in new equity investments

Source: Tom Thornton, former president and CEO of the Kansas Bioscience Authority (KBA)

