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## Letter from the Director

**By Denise Brown**

Exciting things are afoot at CBSA. The organization is more active than ever, with over 50 events planned for 2010, including our 7th annual BioWest Conference, and the publication of a stellar annual magazine, BioScience Colorado 2010. It's no surprise that CBSA's membership is so active and involved, as the life sciences community and industry itself is full of forward momentum and growth as well.

We recently attended the ribbon-cutting ceremony for the new Research Innovation Center (RIC) at Colorado State University, an impressive 72-thousand square-foot incubation space that will bring together academic researchers and start-up companies to collaborate on products under one roof. CSU President Tony Frank and Governor Bill Ritter both mentioned in their remarks at the ceremony, the importance of close collaboration between the aca-

demical research community and industry to the growth of a life sciences super cluster in the front range corridor, and in the fostering of a strong innovation economy here in Colorado.

While Colorado might not have the heft and volume of the coastal super clusters, the tide is indeed shifting. Innovation centers like RIC and an in-the-works Rocky Mountain Innovation Initiative (RMI2) building also in Fort Collins, the creation of the Colorado Institute for Drug, Device and Diagnostic Development (CID4), the amazing collaborative potential of Colorado Center for Drug Discovery (C2D2), and the construction of a Village Hotel Office Complex being built by Corporex in the Fitzsimons Life Sciences District. These projects and initiatives help companies develop their roots here in Colorado as they continue to set their sights high. This support and collaboration between academic,

political, and private-sector entities is the envy of other regions. CBSA is proud to be both an agent of this cooperation, as well as a beneficiary of the solidarity and cohesion that make us all stronger.

Thank you for making 2010 our best year yet. If you haven't been to a CBSA event yet this year, be sure to attend one soon, and continue to let us know how we can best support your efforts.

## Northern Colorado Cluster on Track

**By Kathryn Bailey**

*In April, the Rocky Mountain Innovation Initiative (RMI2) broke ground on a new 32,000-square-foot in Fort Collins. In the next five years, RMI2 plans to add more than 40 new startup companies to its organization creating 400 new primary jobs and raising more than \$120 million. In May, Colorado state leadership, elected officials including Governor Bill Ritter, and members of the life sci-*

*ences business community came together to celebrate the unveiling of CSU's Research Innovation Center (RIC), a 72,000-square-foot facility, which will bring together University and private sector scientists, along with embedded business development teams.*

Larimer County has long been an important center for bioscience

activity in Colorado. Due to the diligent work of many, Northern Colorado is currently making meaningful strides in taking the regional life sciences community to the next level.

Although there is no definitive roadmap, it has been documented what it takes to become a thriving

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**"Research and development is actually the backbone of an economic development strategy. We've seen dramatic results."  
Governor Bill Ritter, Jr.**

*Northern Colorado, cont'd from Page 1*

life sciences cluster. Essential elements for growth include first-rate research institutions, anchoring life sciences companies, a highly-skilled workforce, and catalyst organizations. These ingredients do not materialize organically however; they are the result of strong public support and a will on the part of many to move the region forward.

Under the Bayh-Dole Act, ownership of federally funded research was transferred from government to universities, making discoveries much easier to commercialize. Unfortunately however, there are far more world-class universities than there are successful super-clusters. One key differentiating factor in successful areas is strong deliberate actions to provide researchers with infrastructure like those offered in these incubators, which hasten the time it takes a product to reach market and ensure that the nascent company can establish a competitive marketplace presence.

The RIC will also be home to the newly launched Colorado Center for Drug Discovery (C2D2) whose goal is to provide support in bridging gaps in drug discovery. Along with incentives for collaboration across re-

search teams, the center will provide researchers with a chemical library with an inventory of compounds. This feature will ensure that research dollars and lab time are used efficiently. The center is co-directed by Terry Oppenorth and Joe Guiles, industry veterans with critical experience seeing products from discovery through FDA approval.

Local and state elected officials have stepped out in front of these efforts, paving the path for their fruition. The City of Fort Collins has taken a commendable step in extending a \$5.3 million loan to finance RMI2, which is offset by a \$2.8 million grant from the Fort Collins Urban Renewal Authority board for tax increment financing. Additionally, at the ribbon cutting of the RIC building, Governor Ritter spoke to the importance of efforts that strengthen technology transfer from industry to academia; this understanding is incredibly significant and is a concept that state leaders across the country have struggled to make a reality. When the state makes a long term commitment to the growth of an industry, outside players take notice and are much more likely to be attracted to the region.

The benefits of a closely-knit community resulting from devel-

opments like those in Fort Collins is also not to be understated. A concentrated hub of activity attracts talent from around the country and encourages ties across firms. In the 30-plus year history of biotechnology, ideas for some of the most exciting and game-changing companies were founded during chats between academicians and entrepreneurs over coffee or other casual meetings. An added benefit is that a critical mass of firms created in one area will also ensure that employees and managers can commit to the region, knowing they can seek jobs in other firms without relocating – an especially important factor in a high-risk industry and uncertain economy. Additionally, incubators and centers like C2D2, which aim to create a more integrated and seamless process from traditionally disjointed steps in the drug discovery process will be increasingly important in an era of intense competition for access to capital.

Cities, states and entire countries around the world are anxious to develop life sciences clusters. With one of the highest jobs multipliers in the entire economy (about 6 indirect jobs for each direct job), the vibrant life sciences sector is a clear winner for any region. In less successful and waning clusters, the participants are fragmented, or one or more of the essential players chooses not to participate. In Northern Colorado however, the integrated confluence of champions ranging from RMI2, CSU, the Centers for Disease Control, the Kauffman Foundation, knowledgeable industry veterans, and committed champions in government is truly a sign of great things to come for the region.

## Gov. Ritter Signs Executive Orders

On May 27, Governor Bill Ritter Jr. signed two executive orders initiated by the Colorado BioScience Association (CBSA), calling for an online "Investment Opportunity Index" to classify opportunities for capital investment within the bioscience and cleantech industries, as well as a quarterly Roundtable on Venture Capital with the Governor – focusing on bioscience, renewable energy and aerospace and information technology.

**The Investment Opportunities Index** classify opportunities for capital investment within the bioscience and cleantech industries.

The Index will be located on the website of the Colorado Office of Economic Development, and will serve as an information clearinghouse for potential investors and partners.

**The Governor's Roundtable on Venture Capital** will serve at the direction of the Office of Economic Development and International Trade as an advisory group supporting Colorado's efforts to encourage investment in companies located in Colorado. The mission will be to support the growth of investment in the three targeted industries: aerospace, bioscience, renewable energy and information

# Fate of Ballot Initiatives Key to 2011 Session

By Kathryn Bailey



The 2010 legislative session saw the Governor's office and the General Assembly dealing mostly with issues related to budget and taxation. The ongoing budget crisis was addressed by a package of tax increases aimed at consumers and roll-back of business exemptions, however the state's ability to address the budget shortfall was limited, as the two largest pieces of the budget – Medicaid and K-12 education are protected by the federal government and the state's constitution

respectively.

Looking towards the 2011 session, the one thing certain is that the state's budget crisis will continue to worsen, with Medicaid and K-12 expenditures growing and higher education costs becoming unsustainable.

Other than which party will be leading the state and the Assembly, the other major unknown is the realization of three ballot initiatives that will be placed in front of voters in November. The election may be six months away, but outrage by those who consider these measures to be devastating to the state is sure to become louder throughout the summer and into the fall. Lawmakers from both parties have criticized the measures, as have both parties' front-runners in this year's governor's race.

**The Basics:**

**Proposition 101** would reduce vehicle registration fees to \$10 per vehicle, reduce specific ownership taxes on vehicles to nominal amounts, reduce the income tax rate immediately to 4.5% and

then to 3.5% over ten years, and eliminate telecommunications taxes. State revenue would decline by about \$1.5 billion, local revenue by about half that amount.

**Amendment 60** would make school districts cut property tax rates in half by 2020 and require state funds to backfill those cuts. It also would impose property taxes on so-called "state enterprises" such as universities. **Amendment 61** would significantly limit government's ability to borrow, including preventing governments from using certificates of participation as a funding mechanism for capital projects. Effectively, it would make the state government run on a cash basis. It would also cap the debt local governments were permitted.

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governments were permitted.

It is unclear exactly who is behind these ballot measures, but it is widely believed that Douglas Bruce, the 1992 author of the Taxpayer's Bill of Rights, or TABOR, is actively involved in the petition drives.

**Impact on Business and Life Sciences Sector:**

The state's business leaders, along with labor groups are joining forces to decry Proposition 101 and Amendments 60 and 61. All are aware that the 2011 fiscal situation demands that the next legislature and Governor have the tools to confront systemic problems. Amendment 61 in particular would make it nearly impossible for the state to build or expand schools, roads, hospitals, college buildings or any other capital infrastructure. This would make Colorado highly unattractive to investment, while hampering a higher education system already facing enormous fiscal challenges.

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## AdvaMed 2010 Brings Together Industry and Public Sector Leadership

AdvaMed, the largest member association for manufacturers that produce medical devices, diagnostic products and health information systems will hold its annual conference, *AdvaMed 2010* on October 18 – 20, at the Walter E. Washington Convention in Washington, DC.

This conference offers extensive business development and capital formation opportunities, including a MedTech partnering program and Company Presentations program.

The conference program will bring together policy-makers, experts, and insiders for critical discussions on

regulatory affairs, reimbursement, IP and business development. Current Congressional and White House Administration policy-makers will be in attendance to discuss policy changes and experienced CEOs will hold workshops to share "lessons learned." Colorado BioScience Association will also be in attendance at the conference.

Colorado BioScience Association members are entitled to a discount on registration. To take advantage of this, please send an email to Kathryn Bailey at [kbailey@cobioscience.com](mailto:kbailey@cobioscience.com).



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## WHAT CBSA MEMBERSHIP OFFERS

**LEADERSHIP:** The CBSA supports the economic development of Colorado through the creation of a premier bioscience cluster within the state. Representing more than 400 members, the CBSA facilitates growth of the bioscience industry in Colorado through advocacy, representation and service.

**MEMBER BENEFITS:** CBSA membership provides all employees free or discounted registration for over 50 meetings and conferences throughout the year. Members also have access to **BIO Business Solutions** program, which provides discounts and benefits on products and services with industry-leading suppliers.

**ADVOCACY:** CBSA works with and educates local, state and federal policymakers to strengthen opportunities for life sciences companies.

Learn more by contacting **April Giles** at [agiles@cobioscience.com](mailto:agiles@cobioscience.com) or (303) 492-4071

### *Ballot Initiatives, cont'd from Page 3*

Even the mere threat of these measures infuses Colorado's business climate with unpredictability, and will potentially make life sciences companies think twice about taking root and creating jobs in a state with the potential to be so fiscally destructive. Other states are stepping up to compete for regional life sciences growth, and these measures would certainly act as a deterrent to prospective investors.

Board of Directors of the CBSA voted unanimously to join dozens of other statewide groups in opposing these measures. CBSA's policy team will continue to keep the community updated as this debate progresses.

CBSA is growing! We have recently hired two new staff members here at Colorado BioScience — Kathryn Bailey and Mae Desaire. Kathryn comes most recently from San Francisco, where she was Associate Director for Public Affairs at BayBio, the Northern California life sciences association. There she managed on federal policy issues and communications for the organization. At CBSA, Kathryn will be Director of Communications and Operations, overseeing both our outreach efforts, and our internal financial management and accounting procedures. Mae Desaire joins us from the

Kempe Foundation for the Prevention and Treatment of Child Abuse and Neglect, where she was a Manager of eCommerce and Event Management. At CBSA, Mae will be our Director of Marketing, develop promotional materials, and will lead implementation of a new database system. In addition, April Giles has been promoted to Executive Vice President of the organization. In this capacity, she will continue to oversee membership development and strategic partnership opportunities. Welcome and congratulations!