

Business leaders: Funding key to biotech growth

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John Cox, president and CEO of the Cabarrus Economic Development Corp., speaks in Charlotte on Friday.

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CHARLOTTE - More financial support is needed if the biotechnology industry is to grow in the Charlotte region.

That was the sentiment coming from the 2007 Charlotte Biotechnology Conference at UNC Charlotte Friday.

Researchers and business leaders from across the region attended the one-day conference to talk about the current state of the industry and where it will go in the near future.

Charlotte Mayor Pat McCrory said in the opening panel discussion that biotechnology a big part of the diverse economy of the region.

"You won't meet very many politicians who know what biotech is, but we're all for it," McCrory said.

Kannapolis was on everyone's mind - because of the North Carolina Research Campus. The \$1.5 billion campus on the former site of Cannon Mills will become the hub of the Charlotte biotech cluster, Cabarrus Economic Development Corp. CEO John Cox said.

"That will become Charlotte's campus," Cox said. "I've said that at home."

McCrory said growth in the biotech industry will not just happen around the research campus, but around the region.

"The campus will put us on equal footing with other areas," McCrory said.

Clyde Higgs, vice president for business development for Castle & Cooke, warned that lack of venture capital and start-up money for fledgling biotech companies will threaten growth in the region.

"I wouldn't say the need (for investment capital) is desperate, but start-up companies may go to Boston, to San Diego, to the Midwest," Higgs said, "and a venture capital firm will fund that company and pull it

out of North Carolina.”

Investment funding was a major topic at the conference, with at least two panel discussions devoted to the subject.

Doug Speight of the North Carolina Small Business and Technology Development Center discussed the Inception Micro Angel Fund - a family of investment groups that targets biotech companies in different regions in the state. The IMAF Kannapolis fund is currently recruiting investors that will invest into start-up companies in the Charlotte region.

Start-up funding is very hard to come by, Speight said, not just in the Charlotte region, but also around the country. Venture capitalists usually start investing when a company is up and running, but not at the start-up stage.

The IMAF fund would invest between \$250,000 and \$500,000 (CQ) into start-up companies to get their ideas and business plan off the ground, in the hopes that, once the company is large enough, it is bought out by a larger company.

Research campus developer Castle & Cooke and the North Carolina Biotechnology Center have committed to participate in the fund, Speight said.

Billionaire David Murdock established a \$100 million (CQ) venture capital fund to help start-up companies that agree to move to the research campus. His first investment: \$40 million (CQ) into a drug company headed by his son, Justin. The company, unnamed as of late, is in Stage-III clinical trials for a vaccine for throat cancer.

Robert Wilhelm, (CQ) executive director of the Charlotte Research Institute (CQ) - the organizing sponsor of the conference - said the conference brought together about 300 scientists and business leaders to discuss what needs to be done in the region to grow the industry.

“Right now, North Carolina is the third-largest biotech state,” Wilhelm said. “Maybe we can grow that to become the second.”

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