

# KANSAS BIOSCIENCE AUTHORITY

***Focused Strategy, Big Results***





# Kansas Economic Policy Conference

October 22, 2009

**David Vranicar**

President, Heartland BioVentures

Kansas Bioscience Authority





# What Is the Kansas Bioscience Authority?

- The Kansas Bioscience Authority (KBA) was created by the **Kansas Economic Growth Act of 2004** for the sole purpose of advancing Kansas' leadership in bioscience
- We are an independent entity of the state, governed by an 11-member board of directors comprised of prominent local and national leaders in business, agriculture, finance and academia





# What Is the Kansas Bioscience Authority?

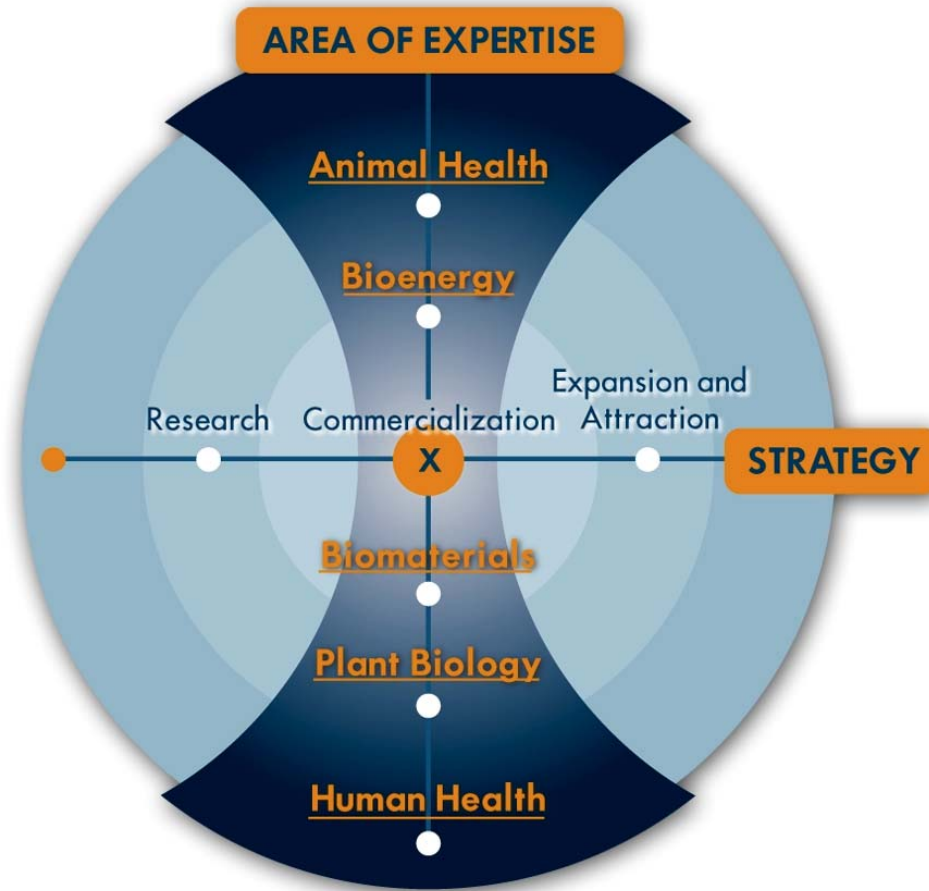
- The KBA is the state's largest-ever commitment to expanding Kansas' research capabilities, promoting innovation, and encouraging company formation that will create high-paying jobs for generations to come
- The Kansas legislature has charged the authority with developing and managing specific programs to:
  - Expand federal R&D investment
  - Commercialize bioscience discoveries
  - Accelerate economic growth and job creation





KANSAS BIOSCIENCE  
AUTHORITY

# Hitting the Mark





KANSAS BIOSCIENCE  
AUTHORITY

# A Strategy for Success

- Highly focused
- Diversified
- Game-changing potential
- Evaluative process
- Strategic partnerships
- Outcomes oriented





# Support Throughout the Business Cycle

- **Focus** on three major buckets of investment:
  - **Research and development**
  - **Commercialization**
  - **Expansion and attraction**





# Research and Development *Goals and Results*

- **Increase annual federal bioscience R&D investment** from \$130 million in 2004 to \$650 million in 2019
  - Status: \$232 million in FY07
- **Increase annual industrial bioscience R&D investment** from \$450 million in 2004 to \$1 billion in 2019.
  - Status: \$557 million in FY06
- **Results**
  - \$100 million increase in new federal research investments
  - Eminent scholars in drug delivery, animal health, and biomaterials
  - National Bio and Agro-Defense Facility





# NBAF - Protecting the American Food Supply and Ag Economy

## **We must accelerate research efforts to protect the food supply**

- The federal government has identified the need for “safe, secure, and state-of-the-art agriculture biocontainment laboratory”
- The NBAF will conduct scientific research to combat foreign-animal diseases by expanding our country’s ability to create drugs, vaccines, and other countermeasures

## **The NBAF will be a highly secure biosafety laboratory**

- The NBAF will be built with the highest safety standards, which are keeping tens of millions of residents safe in places such as Atlanta
- Modern biocontainment technology has eliminated the need for locating animal-disease research on an island



# Research and Development *Goals and Results*

- The NBAF is a model for efforts to come
- A key advantage is our unified local, state, and federal support



# Kansans Fighting Cancer

- **Kansas offers unique expertise in cancer drug discovery and delivery**
  - University of Kansas School of Pharmacy has contributed to the development of 7 out of 19 cancer drugs funded by the National Cancer Institute
  - Positioned to serve a greater number of patients seeking cutting-edge care
  - Unwavering scientific focus on cancer fighting drug research
- **Kansans will benefit**
  - New eminent scholars and researchers bringing additional clinical trials
  - Attraction of additional private and public funding for research
  - Greater access to cancer fighting drugs



# Commercialization: Heartland BioVentures (HBV)

- **Heartland BioVentures Focus (HBV)**
  - Assistance in business formation and acceleration
  - Pre-venture financing
  - Providing time, money, business expertise, and access to capital to early state bioscience start-ups
- Increase annual private venture capital investment in Kansas from **\$24 million** in 2004 to **\$100 million** in 2019
  - Status: \$61.6 million in FY07
- Increase bioscience companies from **1,052 to 1,500** and increase total employment by **23,000**





KANSAS BIOSCIENCE  
AUTHORITY

# Kansas Bioscience Venture Capital

- **Venture Capital Investment Initiative**
  - \$50 million commitment to invest in venture capital investment funds
  - Will invest in up to 8 venture capital funds operated by professional, private venture capital fund managers
  - Fund managers will each raise a minimum of \$25 million in external private capital, and invest in Kansas companies
- **Key component of the KBA's commercialization strategy**
  - Designed to address the lack of seed and early stage capital that is a barrier to bioscience entrepreneurship in Kansas
  - Will work seamlessly with the KBA's Heartland BioVentures initiative to attract financing and bring globally competitive products to market



# Expansion and Attraction

- **ThermoFisher Scientific**

- Assisted with a multi-million dollar expansion of a microbiology products company that manufactures and distributes to laboratories around the world
- Will create 90 – 180 new jobs over the next 10 years
- \$12 million in capital investment

- **Megastarter, LLC**

- Invested in the attraction of this industrial company from Colorado to Manhattan to develop and commercialize a microbial supplement for the livestock and dairy industry





# Kansas: Remarkable Outcomes

## Remarkable Results in FY09

- In the past fiscal year, the KBA committed more than \$177 million to 32 bioscience projects
- These investments bring total commitments to \$227 million since the authority's inception

## Realized Economic Growth

- 1,150 new jobs
- \$110 million in capital expenditures
- \$38 million in research funding
- \$40 million in equity investments





# Kansas: Remarkable Outcomes

## **Projected Economic Growth**

- 4,500 new jobs
- \$1 billion in capital expenditures
- \$49 million in new federal R&D investments
- KBA investments have returned \$6.2 in economy activity for every \$1 dollar invested

## ***Business Facilities* magazine**

- Placed Kansas 9th in Top 10 list of states in the nation for biotechnology, along with states such as California, Massachusetts, and Illinois
- Kansas ranked number 4 in the nation for state bioscience investments
- Kansas ranked number 5 for bioscience research funding





# Investing in Bioscience Growth

## Investment highlights FY 2010

- ***Venture Capital Investment Initiative***
  - \$50 million fund that will invest in venture capital investment funds
- ***Eminent Scholars and Rising Stars***
  - \$6.75 million to enhance research talent at Kansas universities
- ***Kansas Cancer Research Projects***
  - \$5 million in projects that stimulate cancer research and treatment
- ***Kansas Bioscience Centers of Innovation***
  - \$15 million to maximize growth in state's existing areas of bioscience strength



# Always Looking Forward

## What success looks like

- Strong foundation of research, with research tied to market needs
- Commercialization pipeline
- Sustained venture investment
- Significant capital investment
- Job and wage growth
- *National leadership tackling global challenges*

