Letters of Support

Presented to the House Agriculture and Natural and Economic Resources Committee

July 1, 2015

The following letters are a sampling of notes sent by business leaders across the state to various elected officials. The letters were combined by the Biotech Center into a single file, but not otherwise altered.
June 23, 2015

Senator Phil Berger
16 W. Jones St., Room 2007
Raleigh, NC 27601

Dean Senator Berger:

Jobs are important in North Carolina, and I want to give you a personal example of how many in North Carolina have benefited from the State’s investment in the NC Biotechnology Center.

I was an initial investor and served as a founding Member of the Scientific Advisory Board of Embrex, Inc., a NC-startup founded in 1985 in the Research Triangle. In 2006, our shareholders sold Embrex to Pfizer for $155 million. Embrex is still located in the RTP and its officers and employees are all still in the area, but it is now the world’s leader in its sector and is a truly global company.

Embrex would not have been successful without help, assistance, loans and grants from the NC Biotechnology Center. It took us 6 years to get a commercial product into the marketplace. The NC Biotechnology Center was our lifeline in reaching that goal.

We hope you and your colleagues will restore support in the Senate’s budget for the NC Biotechnology Center. It is one of our state’s most successful job creation strategies. The record is clear.

Today North Carolina has over 600 life-science companies with over 61,000 employees. This sector in NC grew 4X the national average from 2000 to 2012 and it contributes about $73 billion to NC’s economy each year, including about $1.8 billion to stage and local government revenues.

Your continued modest support for the NC Biotechnology Center will benefit the state immensely.

Thank you for your consideration of this request.

Jack H. Britt, Chairman
Western Office Advisory Committee, NC Biotechnology Center
May 12<sup>th</sup> 2015

Dear Honorable N.C. House of Representative:

Having joined the Advisory Committee for Biotechnology in the Piedmont Triad in July of 2012, I am aware of the NC Biotechnology Center’s past budget cuts from the State and its current request for restoration of its funding to $17.2M recurring. I am also aware of the value the Center provides locally through its regional office.

As the CEO of Technology Crops International, I support the Center’s request for this recurring funding. It is a good investment for NC and delivers value for money. From my perspective as an Ag Biotech executive, NC has a major strategic advantage in land-based life sciences. The diversity of crops and livestock across the State and the agricultural and horticultural businesses that are supported by research, primary producers, processors, retailers and consumers is, frankly, a remarkable success story.

No doubt you are aware of the Strategic Direction that the NC Biotechnology Centre has plotted and the results it has delivered to date. It is the focal point for NC’s biotechnology industry and represents over 600 bioscience companies, 61,000 jobs, 2,100 life science support companies and $1.7bn in local and state revenues.

NC needs a focused, committed and fully resourced ‘go to’ organization to represent the interests of all biotechnology stakeholders in the State. This is essential for both the existing industry and to capture the tremendous growth opportunity that biotechnology has, and will continue to experience. This ‘go to’ organization needs to be confident in its ability to develop and execute on its strategy and securing its funding for the future must be the first priority.

Having to live hand to mouth whilst trying to build an infrastructure with deep roots and the necessary resource to deliver on its promise is both a challenge and a distraction. I am hopeful the State legislature will be able to remove this uncertainty and make a budgetary commitment to the NC Biotechnology Center to ensure a robust and ongoing future.

Yours sincerely,

Andrew Hebard
President and Chief Executive Officer
May 31, 2015

Senator Andrew Brock
160 New Hampshire Court
Mocksville, NC 27028

Dear Senator Brock,

I am writing to you to urge you to continue to support the NC Biotechnology Center in the state budget.

As the former CEO of Chelsea Therapeutics, a North Carolina based Biotech company, and as a member of a North Carolina based Venture Capital firm focused on healthcare innovation, I have seen the positive impact of our industry on patient’s lives. When I am thanked directly by patients or their caregivers and informed of how our company, team, or treatment has impacted their lives, it is hard to imagine how any other industry can be as gratifying.

Success in the development of new medicines, does not come easy. In the process of building a company you aim to draw the smartest and most accomplished employees in the fields of medicine, science, regulatory law, and manufacturing along with the needed support services like finance, IR, PR, HR and others that come with any well run company. Sometimes the skills are so specialized that you literally search the world to attract people to work with the company. I am proud to have done this in NC but it has become more and more difficult as the states of MA and CA gain a further stronghold on the industry. With world class Universities and research being done in NC and with successful companies being formed NC has the components to compete and grow its foothold as a home for Biotechnology company formation. When these companies grow and become successful, they yield great returns for the state of NC. However, like with drug development, that success does not come easy. Awareness of NC’s strengths and support by the state government is critical to our combined success.

The Biotech Center is the partner that helps fledgling companies that people like myself endeavor to form and grow.

I urge you to continue to support the NC Biotechnology Center in the state budget at the $13.6M recurring amount.

Sincerely,

Joseph Oliveto
Biotech Entrepreneur

CC: Corie Curtis, Executive Director, Greater Charlotte Office, North Carolina Biotechnology Center
Dear Senator Apodaca,

I would ask that you continue the NC Biotech Center's funding at $13.6 M and honestly would like to see it increase to at least $15M. Why would I ask for continuing monies for this organization when I am a believer in small government?

I have a brief personal story about why the NC Biotech Center is working and why it is needed on an ongoing basis. I am an eye surgeon with many product ideas. After languishing in my attempts to get big companies to develop my products I decided to develop the products by myself, but let's face it, they don't teach you how to succeed at entrepreneurship in med school! All I had was a great pre production corneal marking device for making cataract surgery more accurate and nothing more, but then came the NC Biotech Center. So what happened, and why does it matter?

With the help of the Biotech Center loan and mentoring, we have taken my Wilmington Based Medical device start up, Surgilūm, from basically nothing, and in about 18 months have achieved the following milestones:

1. FDA Approval of our device
2. Voted Top 8 Cataract Innovations at international eye surgeon conference in Boston 2014, the American Society of Cataract and Refractive Surgery
3. Charlotte Venture Challenge Biotech Winner
4. ISO 13485 Certification - This is a big deal accomplishment for any company
5. CE mark that allows us to sell in Europe
6. Coastal Entrepreneur Biotech Winner
8. Bausch and Lomb, a major international ophthalmic device company, is now asking to buy out our IP

We also have an established US independent sales rep force with growing product sales. And every sale that is directed to Surgilūm has our North Carolina address on it. We also have had sales from the Netherlands, Spain, Saudi Arabia, South Africa, Canada, and pending sales from interested distributors from almost every country in the developed world. And every time they contact Surgilūm, they see that the idea they love came from North Carolina! In milestone number 7 above, companies from around the world sat at the awards ceremony to discover that a little start up form NORTH CAROLINA was in the same league as billion dollar conglomerates. That is the difference you can make when you continue funding the Biotech center, a center that helped turn an North Carolina idea into Surgilūm, a North Carolina company that employs people from Winston Salem all the way to Wilmington with an internationally recognized medical product.

You see Senator Apodaca, without the NC Biotech Center funding that you provide, I would still be just a guy with an idea, but when you fund the NC Biotech Center, you allow the little people without a business background the ability to be mentored into something that North Carolina can be proud of, with significant milestones in a short period of time. The North Carolina Biotech Center means jobs for North Carolinians, new tax revenues for North Carolina, and will help build the reputation of North Carolina as THE tech center of the East. We can do it if you can continue to support the vision of the center that made my dream...
a reality. When government so often hands out money that just gives people a fish, the North Carolina Biotech Center has taught me how to fish. Please continue to fund the Biotech Center and please consider increase funding. The Biotech Center can be a profit center for North Carolina. I know this because my name is Alan Brown, I am only an eye surgeon, and I started a successful North Carolina company, Surgilum, with the NC Biotech Centers help!

Thank-you very much for your time and consideration,

Alan

Alan W Brown, MD  
CEO  
Surgilum, LLC  
1717 Shipyard Blvd  
Suite 140  
Wilmington, NC 28409  
910-202-2202
(Submitted via email to several legislators)

Dear Senator,

As the former President and CEO of Embrex and the current Executive Chairman of Advanced Animal Diagnostics, I’m writing to support continued funding of the North Carolina Biotechnology Center by the State of North Carolina. Let me tell you why.

Embrex was founded in North Carolina in 1984 to bring the benefits of biotechnology to the US and global poultry industry. During the period 1986-1997 Embrex received approximately $260,000 from the center in various grants and loans. This was during a time when Embrex was not yet profitable, so these funds and the projects and the people this funding supported came at critical points in our evolution. How did that turn out? Especially well, I think. Here is a summary of the results:

From its founding in 1984 until 2007, Embrex, via revenues generated and equity raised, brought into the State of North Carolina more than $750,000,000 cumulatively.

In 2006 Embrex generated revenues of $55,000,000, virtually all from outside the State of North Carolina and some 40% from our international operations.

Worldwide, Embrex employed more than 300 people, about 170 in North Carolina primarily at our office and research and production facility near RTP. Two-thirds of those employees were graduates of North Carolina high schools and universities and many had advanced degrees from NCSU.

In 2007 Embrex was acquired by Pfizer Animal Health, now Zoetis, for its expertise in poultry health and its global presence with the world’s largest poultry producers. RTP remains the world-wide center for Zoetis’s poultry business because of the expertise Embrex developed here, and continues to employ more than 150 persons locally.

Would Embrex have been successful without the funding from the NC Biotech Center? Perhaps. But that funding came at critical times and for critical projects and endeavors. And, put in the context of more than $750,000,000 brought into North Carolina (on which income and capital gains taxes were also paid), it seems to me to have been a pretty savvy use of our taxpayers money!

Now to Advanced Animal Diagnostics. Founded in North Carolina several years ago, AAD is a venture backed, commercial stage company focused on the rapid and early diagnosis of diseases of production animals. AAD has received two collaborative funding grants (in conjunction with NCSU) from the Center, totaling approximately $180,000. Not yet profitable, these grants were received at critical times in the development of the technology and have provided credibility with investors, potential customers and collaborators. What are AAD’s results to date?

From two employees in 2010, we have nearly 40 today, all but eight from the greater triangle area.

AAD has raised more than $30,000,000 in equity funding, money which has largely come from outside North Carolina.

As AAD grows, its revenues will come mainly from the dairy and beef industry, again money that comes primarily from outside North Carolina and money which will continue to create good jobs locally and generate additional state tax revenue.

Even at this stage in AAD’s development, the funding received from the NC Biotech Center already seems to be another savvy investment of this state’s taxpayer’s money.
I am sure there are other stories of success just like these from Embrex and AAD. To continue that success into the future, I trust you and the other legislators from our state will heed them. There is probably no other use of this state’s hard earned taxpayer’s money that generates a greater return than the $13,000,000 or so represented by the Biotechnology Center’s annual budget.

Thank you advance for your further attention to the Center’s funding.

Very sincerely,

Randall L Marcuson
May 8, 2015

Ronald S. Hill, Ph.D.
CEO/Managing Partner
1800-J North Greene Street
Greenville, NC 27834
Phone: (252)551-5511
Fax: (252)551-5555

The Honorable Nelson Dollar
N.C. House of Representatives
P.O. Box 1369
Cary, NC 27512

Dear Representative Dollar:

As a business leader in the life science community, I encourage you to maintain full funding for the North Carolina Biotechnology Center. The Biotech Center provides resources that are essential for entrepreneurs to translate novel technologies into job forming companies that change the lives of patients suffering from devastating medical problems. The resources the Biotech Center provides includes essential start-up capital, expert advice, access to market reports in their library that are unaffordable to a start-up and yet essential in developing a business plan; extensive business contacts; space for meeting potential investors; and networking opportunities.

The Biotechnology Center’s programs were critical for a small start up that I joined from Southern California, Encelle, helping it to survive and eventually thrive in Greenville, NC. Encelle was acquired by Pionneer Surgical, which was in turn acquired by RTI Biologics (now RTI Surgical). That former start-up is now a biologics manufacturing facility for RTI Surgical that employs more than 20 people in excellent paying jobs in eastern NC. I in turn spun out a company from Pioneer, MxBiodevices, and extensively utilized the Biotech Center’s resources including start-up capital in the form of Company Inception and Strategic Research Loans.

Potential investors and corporate partners recognize the value of having the Biotech Center as a resource for a start-up such as MxBiodevices and gives NC entrepreneurs an advantage over those from regions that don’t have this support. MxBiodevices’ product can change the lives of millions of patients suffering from the complications of diabetes and eventually generate many new jobs in Eastern North Carolina. I urge you to continue to fund the North Carolina Biotechnology Center. The Biotech Center represents a competitive advantage for NC start-ups. Start-ups are the economic engine that lead to high paying jobs that North Carolina can’t afford to lose and the Biotech Center is an essential asset to ensure that Biotechnology continues to thrive in North Carolina.

Sincerely,

Ronald S. Hill, Ph.D.