

BUILDING FOR NEW YORK'S BIOTECH & LIFE SCIENCES INDUSTRIES



David McElligott, Chief Scientific Officer, Petra Pharma; Joe Landolina, Chief Executive Officer and Co-Founder, Cresilon; Brett Spector, Co-Founder and CEO, Fesarius Therapeutics; and Ann Weber, Senior Vice President, Kallyope.

After many years and much effort, New York has finally shed its reputation as being inhospitable to the biotech and life sciences industries, emerging as a leading incubator of firms on the cusp of revolutionizing healthcare and wellness.

“This is exciting – these are people starting real companies,” said Michael K. De Chiara, Senior Partner at Zetlin & De Chiara LLP, by way of introducing the presenters for the discussion From Incubator to Innovator: Companies Fueling the Next Major High-Growth Industry at the Second Annual NYC Builds Bio+ Real Estate Development Symposium on June 12, 2019 at The Times Center.

Joining De Chiara were representatives from four start-ups on the fast track to growth: David McElligott, Chief Scientific Officer, Petra Pharma; Joe Landolina, Chief Executive Officer and Co-Founder, Cresilon; Brett Spector, Co-Founder and CEO, Fesarius Therapeutics; and Ann Weber, Senior Vice President, Kallyope.

After explaining the pioneering work of their respective firms -- developing technologies to engineer skin replacement (Fesarius Therapeutics), creating a product to stanch hemorrhaging and improve wound care (Cresilon), exploring therapies for course-correcting the signaling pathways of cancer (Petra Pharma) and harnessing the brain-gut axis to improve health (Kallyope) -- the panelists spoke about why they've chosen New York as home base, and the opportunities and challenges that come with expanding a successful start-up here.

First, the pluses.

The metro area has the largest bioscience workforce in the country, fueled by the world's largest concentration of academic institutions in the world including Columbia University, Weill Cornell Medical College, NYU, Albert Einstein College of Medicine, and The Rockefeller University. The talent is here -- or wants to relocate here -- to explore the myriad opportunities and unmatched experiences that New York offers.

The money is here too.

When asked how the firms sustain themselves at the early stages, Dr. Weber spoke of active fundraising, noting that investors were interested in the long haul. Dr. McElligott noted that most biotechs are funded by venture capital and that the types of investors will change as a firm matures. Mr. Spector, whose firm has been privately funded, told of an asset that can close the gap between private funding and venture capital, the Small Business Technology Transfer (STTR) program, one of the largest sources of early-stage capital for technology commercialization in the United States.

Mr. Landolina, who started his firm as a teenager, said that initial funding was private. Nearly a decade later, with production underway and new products in development, his current challenge is finding investors in brick-and-mortar. In fact, all the panelists agreed that real estate is the one resource that may hold them back. Owners and developers don't quite have a handle on what the biotech and life sciences industries need to stay moored in New York.

Though gains have been made, there's still a lack of affordable laboratory space with the infrastructure, equipment and flexibility that rapid growth and scientific best practices require. There's also a dearth of local manufacturing capabilities, so as these companies gear up for production, they may have to relocate or outsource to get to that next level.

The irony that manufacturing is emerging as a critical to New York's dominance in the biotech and life sciences industries was not lost on the panel's moderator. In closing the panel, De Chiara observed “that in the 21st and 22nd centuries, manufacturing could again become a vital component of New York's economy.”