

## Biotech boom to remake Treasure Coast, officials say

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Despite a sluggish economy and the slow process of bringing a biotech hub to the Treasure Coast, local officials believe the industry could transform the region in the next decade.

“Five years from now is going to be really exciting,” Economic Development Council of St. Lucie President Larry Pelton said. “I think 10 years from now is going to be enormous. You won’t recognize our county.”

Thousands of jobs, improved wages and hundreds of acres of state-of-the-art biotech facilities are among the benefits officials tout when talking about the biotech sector. But stumbling blocks exist in the form of limited lenders, increased competition for federal grants and a slow economy.

Pelton said he still expects five new companies in the next five years and eventually 4,000 to 5,000 jobs just in the Tradition area.

Meanwhile, Mann Research Center President John DelRusso said he still predicts 500 developed acres for biotech near Tradition.

And all of that could mean jobs for local residents like Michael Cartwright.

Cartwright, 24, grew up in Port St. Lucie before attending Indian River State College for an associate degree. After taking his first biology course in the spring of 2006, Cartwright said he became enthralled with the subject.

Five years later, Cartwright came back to the Treasure Coast armed with an associate degree from IRSC and a four-year degree from the University of Central Florida to take a job with the Vaccine and Gene Therapy of Florida. VGTF is one of eight research institutes drawn to Florida after the state and local governments put more than \$1.5 billion into the biotech industry.

“It was a large plus to get a job in the area doing biotech,” Cartwright said. “The way it’s developing is really fantastic.”

Such job opportunities for hometown students didn’t exist five years ago when Port St.

Lucie and county officials attracted Torrey Pines Institute for Molecular Studies to the Treasure Coast with a \$90 million incentive package, half of which came from the state. That — coupled with Scripps Research Institute setting up in Jupiter — officially got the biotech ball rolling on the Treasure Coast.

Local investments to get Torrey Pines and VGTI to Port St. Lucie helped draw Mann Research Center as well as Martin Memorial Health Systems' new proposed hospital to a cluster known as the Tradition Center for Innovation.

Still, biotech represents a fraction of employment on the Treasure Coast, so far.

As of December, only 362 employees in the Treasure Coast worked in the biotech sector, which comprised 0.2 percent of the local workforce, according to the most recent data from the state's Agency for Workforce Innovation. The figure grew by 80 from December 2009.

But Pelton said it's difficult to look at employment statistics to determine the impact of biotech in the area.

Jobs from the Martin Memorial's proposed traditional hospital that will have clinical research will be totaled in a different category than biotech according to the way the U.S. Department of Labor tracks jobs. Totals also will not include faculty additions to IRSC or Florida Atlantic University when those higher education institutions hire to keep up with the burgeoning local demand for science degrees.

Though the jobs won't count in statistics, they'll count in the overall employment for the county, Pelton said.

The biotech sector, however, is not immune to the economic problems that have slammed Florida's three staple industries — construction, tourism and agriculture.

For one, investors are slow to give out cash and attempts to profit from the types of products expected to come out of Torrey Pines and others require upfront money paid in the hopes of big profits down the road.

Scripps Research Institute, for example, does the basic research and if the nonprofit makes a discovery that could become a profitable drug, a separate company could come in and make an agreement with Scripps to develop the drug.

Boston-based Third Rock Ventures created a new company called Adipothermics that will pay royalties to Scripps Research Institute and develop products based on Scripps' research. However, according to an article in the Palm Beach Post, the company will be based in Boston.

Officials are working to make sure the spin-off companies stay in Florida. When the state gave more than \$750 million, officials intended to attract the spin-offs as much as the institutes themselves.

Pelton said he expects some of the products invented on the Treasure Coast initially will be manufactured outside the area, but he hopes the Treasure Coast can keep the spin-offs created by Torrey Pines and others in the Tradition Center for Innovation, which is off Gatlin Boulevard along Interstate 95.

The process, however, could take more than a decade after factoring in human trials and other FDA requirements.

"It's really astounding to me that the blockbuster drugs that we see coming out today are probably 15 years old," Pelton said. "The discovery was 15 years ago."

DeIRusso said Mann Research Center is involved in discussions with three pharmaceutical companies about expansions in Port St. Lucie. DeIRusso also said the company is in talks with the Alfred Mann Foundation, a nonprofit group that pumps money into research that can be commercialized, about locating in Port St. Lucie.

Federal funding, which supports the nonprofit research, also is becoming more difficult to obtain. More than 45,000 applications came to the National Institutes of Health in 2010. A little more than 20 percent of the applicants received awards, whereas 30 percent or more were successful from 1998 to 2003, according to the National Institutes of Health.

Major institutes such as Torrey Pines still have had success in obtaining multimillion-dollar grants, but it's uncertain whether the federal government will maintain its allotment for science as debt reduction discussions dominate Washington headlines.

"We live on funding on the NIH and from philanthropic organizations like the (Bill and Melinda) Gates Foundation," said Dr. Jay Nelson, the founder of VGTI. "... It's been more and more difficult to get funding for the various programs. We've been pretty fortunate in our ability to get these funds, and hopefully, the way that we have structured the institute and the types of things that we're working on are the types of things that NIH is very interested in ... ."

Despite the challenges, officials are optimistic.

"I think we'll see (in) five to 10 years, I think we'll be a major biotech cluster," DeIRusso said.

If DeIRusso's vision becomes reality, the children of the community will have greater local college offerings than their parents. Those parents might cheerily welcome increased chances that their children will remain near home after college.

Cartwright does not have children, but he has seen the smiles his parents had upon learning he would return to the Treasure Coast.

"I'm not looking to start a family in the immediate future, but that's always something to consider," Cartwright said. "And the fact that the community's developing with a long-term plan like this is really a good investment back into the community."



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