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Vying for bio

Montgomery County, Baltimore work to bolster their bioscience communities

by Kevin James Shay | Staff Writer

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Some call it a rivalry, friendly or not. Some say it is a collaborative relationship.

The historical competition between Montgomery County and Baltimore for state budget funds, political clout and bank deposits is extending into another arena: bioscience companies.

With federal assets such as the National Institutes of Health and the Food and Drug Administration headquarters in its backyard, Montgomery has long been dominant in the life sciences sector. But there are some chinks in Montgomery's armor. The county's share of bioscience companies across Maryland declined from 58 percent in 2002 to 55 percent in 2006, according to the latest survey by industry group MdBio. New Baltimore bioparks have attracted some businesses from Montgomery and Northern Virginia lately.

"There is some competition between us," said Scott Levitan, senior vice president and development director for the Science + Technology Park at Johns Hopkins, developed by the Forest City-New East Baltimore Partnership. The first of five planned buildings in that biopark near medical giant Johns Hopkins opened about a year ago, and the 280,000-square-foot, \$100 million facility is 50 percent occupied, with an additional 20 percent committed to leases, he said.

"Montgomery County is more established as a location for standalone bioscience companies in Maryland," Levitan acknowledged. "We've won some and lost some."

Others say the competition aspect is overplayed.

"We're not really that far from Baltimore," said Elaine Amir, executive director of Johns Hopkins University's Montgomery County campus in Rockville. "We like to take the view that there is enough for all of us."

J. Thomas Sadowski, president and CEO of the Economic Alliance of Greater Baltimore, a public-private partnership that markets the region, also downplayed the competitiveness between Baltimore and Montgomery.

"The institutional relationship can drive a company's decision on where to open," he said.

The criteria for considering whether to open in Baltimore or Montgomery County are different, developers say.

"Some tenants evaluated us against Montgomery County based on labor force or other considerations," Levitan said. "Or others say that it's best to be where the chief scientists are."

Richard A. Zakour, executive director of MdBio, a division of the Tech Council of Maryland, said he believes Baltimore's bio community is "synergistic" with Montgomery's. Gov. Martin O'Malley (D) spoke about how the bio communities in both areas need to be nurtured in a recent news conference at Aeras Global TB Vaccine Foundation in Rockville.



Chris Rossi/The Gazette "We're not really that far from Baltimore. We like to take the view that there is enough for all of us," says Elaine Amir, executive director of Johns Hopkins' Montgomery County campus in Rockville. With her are Steven E. Linberg (left), vice president and treasurer of Chiesi Pharmaceuticals, and Roger Sungwoo Kang, executive vice president and COO of TissueGene, two companies at the campus.



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Still, while Baltimore's bio community may be growing, Montgomery is still the dominant player in the state, said Steven A. Silverman, Montgomery County's economic development director.

"There are many more biotech companies in Montgomery County, and bigger ones, than other areas of the state," he said.

MdBio's 2006 survey showed 198 companies in Montgomery to 54 in Baltimore City and 43 in Frederick County.

Other officials, including Montgomery County Executive Isiah Leggett (D) and Rep. Christopher Van Hollen Jr. (D-Dist. 8) of Kensington, recently highlighted the importance of Montgomery not standing pat in the bio arena. "The future for us is in the life sciences," Leggett said.

Baltimore bioparks adding tenants

Baltimore-area officials say the number of bio companies there has grown considerably in the past couple of years, with the development of bioparks near Johns Hopkins and the University of Maryland campuses. The Greater Baltimore Committee has a list of 85 biotechs in the Baltimore area, and it does not include all bio-related jobs such as those with health care institutions, said spokesman Gene Bracken. But none of the companies approaches the size of MedImmune and Human Genome Sciences in Montgomery and Frederick counties.

Recent tenants at the Hopkins biopark include Champions Biotechnology, which moved from Arlington, Va., and Cangen Biotechnologies, which moved from Bethesda.

A key reason for Champions' move was to be closer to its board chairman and co-founder, David Sidransky, a Hopkins oncology professor, said CEO Douglas Burkett. Co-founder Manuel Hidalgo is also an oncology professor at Hopkins.

Executives reviewed other bioparks in the Baltimore area as well as in Montgomery County, Burkett said. "We were also looking at access to some of the facilities that the biopark offers," he said.

Leasing costs were lower in the Baltimore area, and there was some competition between the bioparks that helped the company negotiate a good price, Burkett said.

The University of Maryland, Baltimore BioPark on the west side of campus opened its first 120,000-square-foot building in 2005. That was fully leased by the following year, and a second 240,000-square-foot structure was unveiled in 2007. A third building and a new Maryland Forensic Center are expected to open in 2010, with seven more buildings planned.

The UMB park has lured the headquarters of Biomere LLC from Worcester, Mass., among others.

The University of Maryland, Baltimore County, also has a research park, with additions that include a former Greenbelt company.

The development of the bioparks in Baltimore, along with the life science expansions in Montgomery and other areas, may be enough to push Maryland past Massachusetts and California as the nation's top biotech state in the near future, according to Baltimore economic consulting firm Sage Policy Group.

Settling in Montgomery

Some companies have headed west from the Baltimore area. Last fall, Lentigen Corp., which develops vehicles for the delivery of genes into cells and proteins for clinical applications, transferred from the University of Maryland, Baltimore County's TechCenter to a 26,000-square-foot facility in Gaithersburg.

The move was a "significant step forward in our evolution as a biotech company," Tim Ravenscroft, Lentigen's CEO, said in a statement. He declined an interview request.

RNL Biostar, a subsidiary of Korean biotechnology company RNL Bio, looked throughout the region for a site for its stem-cell research and manufacturing facility, including Baltimore, before settling on the Germantown Innovation Center incubator. The company is investing \$6 million on equipment and facility improvements and plans to create 50 new, full-time positions within the next four years after moving from the Shady Grove Innovation Center next month. Most new jobs will be cell manufacturing technicians with an average salary of \$50,000.

"We kept our options open," said Donna Lee, director of business development for RNL Biostar. "Cost was a key factor. So were the work force, in being able to find good employees, and being close to partners we work with."

Baltimore's lower leasing costs than Montgomery was a consideration, but the incubator at Montgomery College's Germantown campus made a good offer, she said. "Cost-wise, the Germantown incubator was competitive with Baltimore," Lee said.

The Germantown Innovation Center, which opened less than a year ago, is almost fully leased, said John Korpela, manager of the county's business innovation centers.

Aeras also chose Rockville for a \$12 million tuberculosis vaccine manufacturing plant that recently opened. Montgomery County offers an "excellent environment for us to recruit talented staff," president and CEO Jerald Sadoff said.

Baltimore area an anomaly

Until recently, the Baltimore area has been an anomaly of sorts, as in many parts of the country, bioparks have already grown around universities, said Lawrence Mahan, acting executive director of the Maryland Biotechnology Center, which is under the state Department of Business and Economic Development.

"Baltimore has Hopkins, UMB, UMBC and others, but it hasn't been much of a home for bioscience companies so far," he said. "That is changing with the recent developments at the bioparks around those universities."

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Issues keeping Baltimore from becoming a top-tier bio area include duplication of efforts by state and local agencies, a narrow economic development focus and the lack of space for startups, according to a 2007 report by the Greater Baltimore alliance.

"Firms in the market are confused by who does what," the report said. "They do not view economic developers as a unified team with specific roles working toward common goals."

Some are more skeptical about the future of biotech in Baltimore, according to a 2007 report by the University of Baltimore's Jacob France Institute.

"While the key informants interviewed believe that the two new biotech parks will create positive opportunities for biotech growth, they expressed the belief that the region will be unable to provide the skilled workforce needed to support growth," the report said. "Another limiting factor was considered to be the lack of a mass transit linkage to the Washington suburbs."

Champions has had few problems finding qualified employees in the Baltimore area, Burkett said. The company has six employees in Baltimore and seeks to hire more, he said.

The Baltimore area has churned out many college graduates with advanced degrees in the life sciences, Sadowski said: "There is a good pool of talent being generated every year."

The alliance report called for a greater effort by the state to help Baltimore attract bio companies, including by increasing funds in key economic development programs. Others have criticized state programs for not being backed with adequate funding. Although O'Malley last year pledged to boost the popular \$6 million biotechnology investment tax credit program, his 2010 budget did not do so, as he cited the state budget crunch and recession. Biotech companies had to lobby legislators hard not to reduce funding for next year.

Mahan said he, too, does not look at the situation as a competition among Montgomery, Baltimore and Frederick, which has seen a fairly substantial number of private bio companies emerge near Fort Detrick. "Now, we have more places to put companies," he said.

Report calls for new initiatives

A recent report by the Maryland Life Sciences Advisory Board criticized the level of venture capital investment in Maryland bioscience companies, saying it has declined "consistently" since 2006, while the nation and benchmark states saw increases.

The state needs to do more to speed commercialization of products to the market in Maryland, and the report called for increasing biotech employment in Maryland to at least 20 percent more than the national average, up from the present level of 7 percent more than the national average.

A key Maryland bio research center could be in for some changes after Jennie Hunter-Cevera, who has been president of the University of Maryland Biotechnology Institute for almost a decade, leaves to join a research institute in North Carolina this month. The University System of Maryland Board of Regents in March appointed a committee to review the structure of the bio institute, which opened in 1985 and has two research centers in Baltimore and one each in Rockville and College Park.

The committee held a public meeting in May but has yet to release any formal findings, Anne Moultrie, a university spokeswoman, said Thursday.

One project the new state bio center is working on is a directory of companies. Mahan doubted the percentages had changed much from MdBio's 2006 report, except that the number of companies had likely grown 10 percent or so. The center will have co-headquarters in the Shady Grove Innovation Center in Rockville and World Trade Center in Baltimore next month, with about 10 employees split between those offices, Mahan said.