



MAKING INNOVATION CENTRAL
TO RHODE ISLAND'S FUTURE

FOR IMMEDIATE RELEASE **MEDIA CONTACTS:** Melissa Withers
mwithers@riedc.com
(401) 278-9134

Andy Cutler
andy@cutlerandcompany.com
(401) 743-7842

STAC Recommendations Seek Relocation, Expansion of Slater Fund Incubator and Accelerated Growth of Statewide Research Alliance

Annual report and recommendations call for expanding Slater center focused on venture development in life sciences and proposes next steps for statewide Research Alliance program

(January 25, 2007)—Providence, RI—The Rhode Island Science and Technology Advisory Council (STAC) today presented Governor Donald L. Carcieri and the Rhode Island General Assembly with a set of recommendations for activities the state can pursue in 2008 to increase Rhode Island's research and development activity, encourage entrepreneurship and new company creation and better enable all Rhode Island organizations to innovate.

STAC made two lead recommendations at its quarterly meeting on January 25, 2008. The first is to expand activities of the Rhode Island Research Alliance and the second is to expand the Slater Technology Fund's life sciences incubator and relocate the center to Providence's Jewelry District. STAC also petitioned the Governor and General Assembly to continue support for STAC and its activities in 2009. The recommendations were released in STAC's annual report, entitled "innovate RI: Innovation and Economic Prosperity in Rhode Island."

Since its inception in 2006, STAC has proposed and implemented programs and policies that support the council's mission to increase the state's innovation capacity and to create more high-wage job opportunities for Rhode Islanders. 2007 was a banner year for STAC. In 12 months the group led the formal launch of the University of Rhode Island Commission for Research and Innovation, saw the first implementation of the Innovation Tax Credit, expanded STAC's Rhode Island Research Alliance initiative and completed a second round of competitive grants via the Alliance's Collaborative Research Award program.

The purpose of STAC's 2008 recommendations are to build upon progress made in 2007 and further accelerate Rhode Island's transition toward a higher wage 21st century innovation economy.

Recommendation 1: Expand the Rhode Island Research Alliance

In 2006, STAC created the Rhode Island Research Alliance to promote collaboration across the state's research institutions, attract additional federal R&D investment into Rhode Island and increase the state's research and development capacity.

Increasing Rhode Island's research and development capacity is critical to future economic growth. More than 20,000 people are employed in R&D-related positions in Rhode Island, 118 companies are directly engaged in R&D pursuits, and there are dozens of academic and healthcare institutions engaged in research activity. In addition to creating high-wage jobs and spurring new company creation, these organizations educate the state's next generation of scientists and engineers.

One very important indicator of R&D activity and capacity is federal funding levels. In 2006, Rhode Island institutions received \$130.8 million in funds from the National Institutes of Health (NIH) and \$37.4 million from National Science Foundation (NSF). Between 2002 and 2006 NIH funding in Rhode Island grew 13.6 percent, while other New England states saw larger increases (New Hampshire: 15.3 percent; Connecticut: 15.5) while similar R&D positions saw even more significant increases (South Carolina: 16.8 percent; Kentucky: 25.9 percent; Louisiana: 38.9 percent). The Research Alliance will strengthen connections across the state's research institutions and increase Rhode Island's competitiveness as it seeks additional federal funding.

In 2008, the Alliance will expand its activities to assess collaborative research opportunities, begin assisting with the preparation of collaborative proposals to major funding agencies such as the NSF and NIH and support the development and marketing of joint /shared laboratory facilities. The first step in this process will be the development of an engagement plan that deepens support for the Alliance among participating institutions and defines new opportunities for collaboration.

In addition, STAC will continue with current activities and petition the state to renew its support for Alliance activities, including a \$1.5-million budget allocation in FY09 to support the Collaborative Research Award program. The program is designed to support collaborative research projects well positioned to attract significant federal investment.

In 2007, the program awarded nearly \$1.5 million to 32 scientists from 15 research institutions. This year, the awards will support nine projects, representing 24 scientists from 14 research organizations across Rhode Island. 2008 awardees include a project to develop new ways to treat complicated, at-risk pregnancies; efforts to develop new medicines for breast cancer, asthma and heart failure; deployment of technologies that assist police in obtaining higher quality evidence from low resolution video; and a project to develop a fast and inexpensive test for anemia among others.

Evidence of the success of the program came in August 2007 when one winning team — a collaboration between Brown University and Rhode Island College — received a grant from the NIH totaling \$1.4 million to continue their work on testicular cancer, an amount essentially equal in dollars to the cost of the entire Research Alliance grant program.

As stated in 2008 STAC report, continuation and expansion of the Research Alliance effort is essential to keeping the momentum that Rhode Island has created in deepening its research and development capacity.

“The Research Alliance will strengthen connections across the state’s research institutions and increase Rhode Island’s competitiveness as it seeks additional federal funding. The Alliance can play an important role in building collaborative programs and assisting in preparation of grant applications that combine activities at different institutions,” says STAC co-chair Clyde Briant. “The Research Alliance can work with Rhode Island’s research and development organizations to monitor emerging opportunities, serve as an information clearing house, make recommendations to state leadership on policies and programs that support research and promote collaboration and produce events and programs that bring Rhode Island researchers together.”

Recommendation 2: Expand the Slater Technology Fund’s Life Sciences Incubator and Relocate Slater’s Center for Entrepreneurship in Life Sciences to Providence’s Jewelry District

With the relocation of I-195, the expansion of Brown Medical School, a strong presence from Lifespan and a growing cluster of biotech companies, Providence’s Jewelry District is poised to become the next frontier of growth for Rhode Island’s health and life sciences industry. The industry is one of Rhode Island’s strongest sectors, employing more than 35,000 people and offering one of the state’s highest average salaries. As a driver of high-wage job growth, the health and life sciences sector represents one of Rhode Island’s most important economic development opportunities.

Supporting entrepreneurs is one of the state’s most viable methods for significantly increasing new company creation and accelerating growth in Rhode Island’s life sciences industry. Rhode Island can and must do more to support the creation of new ventures.

STAC is recommending that the state’s primary life sciences incubator program, operated by the Slater Fund, create a *Center for Entrepreneurship in Life Sciences* that would increase Slater’s capacity to nurture nascent life sciences companies and relocate current incubator operations in Providence’s Jewelry District. Slater will kick off the effort in February with an RFP to solicit partners in the build out of a new facility. Slater is not seeking additional state funds to support the venture.

In addition to providing physical space for new ventures, STAC has recommended that Slater expand with a facility that serves as a locus for entrepreneurship programming such as technology development planning, intellectual property strategies/issues, management recruiting, grant-writing strategies and equity fund-raising.

“As a driver of high-wage job growth, the health and life sciences sector represents one of Rhode Island’s most important economic development opportunities. The center will deepen the state’s capacity for launching compelling new health and life sciences ventures and improve our ability to develop sustainable seed stage ventures committed to building their business in Rhode Island long term,” says STAC member Saul Kaplan. Kaplan is executive director of the Rhode Island Economic Development Corporation and Chair of the Slater Board of Directors.

Using the open RFP process, Slater will identify a partner or partners who can fit out a space with approximately 10,000 square feet, with options to enable the center to grow as needed. The initial center will be capable of accommodating up to 10 or more seed stage, life sciences ventures.

“With the expansion of Brown Medical School and the growing cluster of life sciences companies in that area of the city, Slater sees an important opportunity to address critical challenges facing entrepreneurs in Rhode Island and significantly enhance our efforts to grow the life sciences industry in our state,” says STAC co-chair Jeffrey Seemann, Dean of the College of the Environment and Life Sciences at the University of Rhode Island. “An expanded Center for Entrepreneurship will enable Slater to accommodate more companies and physically locate activities adjacent to the state’s major life sciences resources and closer to the heart of the city.”

Slater Fund Executive Director Richard G. Horan cites the unique character of entrepreneurship in life sciences as a major driver for the center’s vision. According to Horan, early innovation and technology development needs to transition from the “open environment” of a university to a venue where ideas can be pursued with a view toward commercial development. “While moving ‘off-campus’ is a fundamental need, life science ventures in their earliest stage of development face many hurdles in making the transition,” says Horan. “Early stage life sciences ventures often need to show significant proof of concept to attract the investment required to set up operations. But in most cases, building this proof requires upfront access to sophisticated and expensive equipment and special-purpose labs.”

Incubator spaces can help promising companies confront these challenges, successfully manage early opportunities, and attract additional investment. Slater currently operates the state’s only life science incubator program — a 7,500-square-foot fully-outfitted wet lab space in the Richmond Square office complex on Providence’s East Side. The space, says Horan, is insufficient to create the kind of entrepreneurial hub required to accelerate significant growth in the sector.

“Providence’s Jewelry District is poised to become the next frontier of growth for Rhode Island’s health and life sciences industry,” says Seemann. “STAC supports Slater’s incubator expansion and relocation effort and looks forward to assisting the Slater team in bringing the vision for the *Center for Entrepreneurship in Life Sciences* to fruition.”

In addition to the two lead recommendations, STAC has also asked that the state renew its \$100,000 investment in STAC to support council operations in FY09. This investment will enable STAC to implement current recommendations and work towards a follow-up set of recommendations that build upon our success.

“We believe that the tools to grow a vibrant innovation economy are within Rhode Island’s reach and that by working together we can confidently overcome the challenges we face in making this new vision for Rhode Island a reality,” says Seemann. “STAC’s 2008 recommendations are an important continuation of the council’s work and we look forward to working with Rhode Island’s leadership to build a stronger, more prosperous Rhode Island.”

About the Rhode Island Science and Technology Advisory Council

The Rhode Island Science and Technology Advisory Council (STAC) was created in 2005 and sustained by legislative statute in 2006 with the mission to make innovation central to the state's leadership agenda. STAC is charged with recommending and implementing policies and practices that 1) support the state's research and development activity; 2) promote collaboration across institutions; 3) encourage entrepreneurship and new company creation; and 4) enable all Rhode Island organizations, both public and private, to innovate.

STAC aims to assist Rhode Island's leadership in creating an innovation economy that will grow higher wage jobs and address critical needs in areas such as healthcare, education and public safety.