

2023

Choosing an Innovation Community

For healthcare and life sciences companies beginning the search for a new facility to call home, innovation communities are often the most sought-after destinations. Providing the ability to grow and change with less friction, move-in ready or customized lab and office space, and collaboration with other like-minded organizations and leadership teams, innovation communities check off a list of extra benefits. Idea exchange opportunities, work-life balance, and prime local landscapes for economic and social development make doing business and enjoying life outside of work better for community member companies and their employees.

Perspectives on how to choose the right innovation community for your organization can vary, so we assembled experienced life sciences and business thought leaders to offer insight into how to make this important decision. In this white paper, we cover how to recognize the innovation communities that will work best for your organization through in-depth examination of community stability, facilities and livability, and the effects of local economies and academic initiatives to support innovation partnerships. And we examine how the intangibles—like the culture and demographics of an innovation community's location—play a part in this important decision, too.

A handwritten signature in black ink, appearing to read "Steve VanNurden".

Steve VanNurden
President and CEO

A handwritten signature in black ink, appearing to read "April Giles".

April Giles
Vice President, Business Development

Choosing an Innovation Community

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INNOVATION COMMUNITY-LEVEL

When evaluating innovation community space, some of the most important elements of the decision involve looking at community stability, facilities, and livability in proximity to the area. This means you're evaluating the actual facilities and workspace, while also taking into consideration the other, more intangible amenities on campus. Every company has a different set of requirements, diverse list of desired amenities, employee needs, and varying pictures of what growth trajectories look like. Though it may seem daunting, finding a community that fits those specialized needs is an attainable goal.

Stability: Strong Foundations for Building a Future

Understanding the stability of an innovation community means considering several key elements about its history, mission, location, and leadership. These factors, along with access to funding, proximity to academic institutions, and the ability for companies to scale, grow, and adapt within a community are the differentiators that aid in making the right decision for your organization. To better understand how each of these components impacts your decision, start by looking at what an innovation community offers in each of the following areas:

Mission

An innovation community should have a clear mission and community vision. And both of those things should align with *your* organization's mission and values. Data from McKinsey's *Building Innovation Ecosystems* indicates communities which hand select companies and partners aligned with their objectives have the best track record for supporting their community members.

Ownership stability, funding access, and depth of leadership

Many innovation communities are brand new, and new can be important. Science is a modern industry, and we need modern facilities to carry out research and manufacturing. Beyond the sparkling buildings and cutting-edge labs and office space, you need to feel confident the newness is backed by stable ownership and access to established funding sources. This means while the facilities should be new and modern, the leadership team should be experienced and reputable. How long has the community organization been around? What specific expertise does the leadership team have in growing life sciences companies? How involved is the leadership team in the day-to-day? Understanding how closely community leadership works with and supports its member organizations will be key to your growth and ability to thrive.

Proximity to research institutions and hospitals

According to a recent Bush Center article, *The Innovation Impact of U.S. Universities*, "American universities play a pivotal role in fueling innovation, which in turn drives economic growth and raises living standards in the United States. U.S. universities spend approximately \$75 billion per year on research, amounting to 13 percent of America's total spending on research and development."

What does this mean for innovation communities? It means proximity to these institutions is important—very important. Life sciences companies of all sizes advance research and innovation by working closely and forming relationships with researchers in academic and clinical settings, making a big difference in how quickly those organizations can overcome obstacles, hone studies and experimentation, scale, and grow.

Early-stage research to commercial release success stories

It's critical to seek out innovation communities with a track record of successful members. When companies have been able to move from the early stages of ideas and research to successful market penetration and scale on the community campus, then you know that environment likely has the elements that help its members accomplish their goals. Talking to current community tenants about their roads to success is a key piece of intelligence in the search for an innovation community to call home.

Commercial real estate availability and room to grow

Research done by CBRE commercial real estate group in 2023 shows the record life sciences industry growth in the U.S. in 2020 and 2021 has returned to a more typical pace this year, although demand for lab and research space is still substantially higher than pre-pandemic levels.

Though demand is high, CBRE forecasts current construction rates will increase availability of that space by more than 20 percent, thereby increasing the vacancy rate. Vacancy doesn't necessarily mean the space will be what you need, though, so it's important to focus on how available innovation community space can be customized and tailored to your organization and people.

Heritage of healthcare and innovation

Fitzsimons Innovation Community stands on the grounds that once held the Fitzsimons Army Hospital, where soldiers returning from World War I were treated. The Colorado high altitude has always been a destination for advancements in lung treatment, and 100 years ago, soldiers sought cures for tuberculosis and mustard gas exposure right here.

That rich history of discovery, care, and research continues to inspire our vision a century later. Fitzsimons Innovation Community pushes boundaries in a unified pursuit of health breakthroughs. From concept through commercialization, organizations choose Fitzsimons Innovation Community for its entrepreneurial environment, leading-edge facilities, and campus-wide support. Visionaries discover, develop, and collaborate with direct access to the renowned clinicians and researchers at the University of Colorado Anschutz Medical Campus. We are united to advance health.

Facilities: The Right Fit to Accelerate Innovation

What should you consider when evaluating the facilities on an innovation community campus? What would make a lab and office space right for your organization? What else do you need nearby to be comfortable and successful? These are significant questions to ask when looking at how the actual buildings on an innovation community campus will work for your company, with a list of considerations to ensure you get what's right for your business.

Community design and infrastructure

Spaces designed to support companies are a key component of what makes innovation communities so desirable. The ability to expand without the anxiety of outgrowing your current space means you can take the risks and make the deals you would otherwise worry about. An innovation community should have existing space that works for you—whether move-in ready or with the ability to customize—but also a lot of room to grow and build.

If you expand faster than anticipated, will your chosen community renegotiate your lease? Will they have bigger spaces available for you to grow into? Conversely, will a community support downsizing if a funding round does not come to fruition, or a clinical trial does not meet an end point. How accommodating is the community with regards to modifying agreements when companies face challenges? All of these questions should be on your list when making your choice.

A community that prioritizes research and development is typically one with a strong technological infrastructure. Life science companies rely on the innovation community's investment in infrastructure to provide a sound foundation to be able to grow, both into physical spaces and virtually.

Life Sciences Construction Checklist (CRB, Gidel & Kocal)

- ✓ Chemical storage
- ✓ Clean rooms
- ✓ Ventilation systems
- ✓ Fireproof systems
- ✓ Commercial plumbing systems
- ✓ Waste drainage systems
- ✓ Housing of biological organisms
- ✓ Increased electrical service
- ✓ Screened service areas
- ✓ VC-A compliant
- ✓ Expanded loading for truck delivery
- ✓ Increased floor loads
- ✓ Extended ceiling heights
- ✓ Space above ceiling for mechanical systems
- ✓ Utility area or roof space to support mechanical equipment
- ✓ Ease of access to MEP equipment
- ✓ Additional freight elevator
- ✓ Additional HVAC
- ✓ Backup generator power

Supporting collaboration and spurring discoveries

You know best what facilities work for your growing business. Whether you need a wet lab, additional power, extra high ceilings, sound proofing, or require a custom build for your specific area of bioscience, you need to know your chosen facility will be able to meet your specific scientific requirements. If you're sharing a building with another organization, you'll also want to know collaboration is an option. Many innovation communities intentionally pair like-minded companies in the same space—of varying sizes and growth trajectories—so that collaboration becomes an organic facility amenity.

"The traditional method of designing new science buildings needs to evolve from what the building looks like, to how it needs to be optimized for a tenant. At their best, buildings are more than just containers for people. They are platforms for great efficiencies and incredible experiences."

—Chad Yoshinobu, Health Sector leader, Gensler Research Institute

The Benson Hotel and Faculty Club

The Benson Hotel and Faculty Club is a brand-new hospitality space where health innovators gather, host investor meetings, and exchange ideas in a setting that facilitates conversation and collaboration. With vast meeting spaces, modern rooms, a world-class restaurant, and a faculty club for life sciences leaders, The Benson Hotel is an example of how the extras make innovation communities hubs for work, play, and collaboration.

Livability: Answering Workforce Needs

Being able to work where you live and play has become a draw for talent acquisition and relocation for many innovation communities across the country. It's about moving seamlessly between workday and active, family, and social time without an hour-long commute. This balance is something for which innovation communities are known.

Striking a balance

Innovation communities seek to strike an equilibrium between the physical and digital infrastructure imperative to running a successful life sciences business, and the spaces, places, and comforts that turn the community into an ecosystem where people want to live, work, and thrive. The idea that the top research facilities and most modern lab spaces and prototyping equipment can share a campus with the best restaurants, hospitality spaces, and social activities used to be unimaginable. Now, contemporary innovation communities make that concept a reality. And it's a concept that makes recruiting, growing, and scaling easier.

A 2022 Nature survey found 70 percent of graduate students and researchers work more than 40 hours per week with 68 percent finding difficulty maintaining a good work-life balance (Woolston, 2022). And, according to Nature's 2021 salary and job survey, nearly half (45 percent) of scientists across all career stages reported signs of burnout and overwork (Woolston, 2021). It's easy to see the draw of a community that removes a commute and adds layers of convenience and entertainment to make achieving a balance much easier for hard working employees in the life sciences sector.

Finding a vibrant environment

Because this benefit is important to potential and existing community members, innovation communities focus on high-quality real estate, walkability, social areas, and communal activities. Retail, residential, and top ECE to 12th grade schools, in addition to commercial real estate, complement remote and in-office work, providing a vibrant environment for attracting and retaining talent and businesses. Quality-of-life investments—such as highway interchanges, commuter trains, and public parks and open spaces—support health, wellness, and happiness of people who live and work in the ecosystem. According to a recent Gensler Residential Experience Index, places supporting a variety of activities and behaviors yield better experiences overall, meaning the best environments support a diversity of activities and experiences. Innovation communities use this exact principle when creating living spaces which, while near work, provide an experience making work feel far away.

Living, Working, and Growing in an Innovation Community

Paige Beeman is a medical science liaison for PharmaLogic Holdings Corp. located at Fitzsimons Innovation Community. She moved to Colorado from Los Angeles in 2021. While she travels regularly to her territory covering the Midwest and Western U.S., when in Colorado she takes full advantage of the mountain lifestyle. "I originally thought I'd want to live in downtown Denver, but I found out I didn't need to live right in the busiest part of the city to enjoy a busy social life."

Beeman lives in The Fremont residences on the Fitzsimons Innovation Community campus. With easy access to the light rail commuter train just a half mile from her apartment, she can be downtown or to the airport in under an hour, a huge bonus when you factor in work travel. "Fitzsimons Innovation Community has done a really good job placing restaurants in the area and creating a great community here," Beeman says. She loves that she can have a picnic in her community, have no commute, and meet regularly with researchers and academics just across the street at the University of Colorado Anschutz Medical Campus.

CAMPUS/CITY-LEVEL CONSIDERATIONS

In many ways, the area surrounding an innovation community campus is as important to the community members as the campus itself. The proximity to academic research facilities for a life sciences company is critical for cutting-edge research and collaboration. It's also important to examine the depth of the industry in the surrounding area, as this has a major impact on talent pool and the potential for alliances and symbiotic relationships between like-minded organizations. The key is to identify the factors that ensure the city-level economic development and health are sound so that your company can thrive.

Academic Link: Unlocking Success - The Right Innovation Community for Healthcare Startups

By: Gali Baler, Ph.D., Managing Director, Strategy and Operations, CU Innovations and Director of Investments, CU Healthcare Innovation Fund, University of Colorado Anschutz Medical Campus

The fusion of startups and academia wields remarkable potential, especially in advancing life sciences research and innovation within healthcare. Several key elements within healthcare innovation ecosystems catalyze fruitful partnerships bridging these two domains. Innovation ecosystems are dynamic networks composed of numerous participants (startups, institutions, etc.), activities, and relationships, which can shape the innovative performance of the participants. In healthcare, these ecosystems involve numerous stakeholders, capable of influencing innovations positively or negatively (Futures). By their very definition, innovations being new to all can generate value for some while disrupting value for others (Capitalism, Socialism, and Democracy. Vol. 36). Ecosystems that foster collaboration among diverse actors yield win-win scenarios, enhancing product-market fit and benefiting multiple stakeholders.

- 1) Academic/University Institutions:** Anchoring innovation communities around esteemed academic institutions offers startups unparalleled advantages. These institutions serve as talent pools, housing top-tier researchers, scientists, and students. They cultivate cultures of innovation, providing startups with expertise, mentorship, grant funding, research labs, and collaborative prospects vital for growth.
- 2) Proximity to Medical Facilities:** Closeness to medical facilities is paramount. Physical proximity fosters stronger relationships and knowledge exchange. Startups located near such centers can engage in collaborative research, clinical trials, and leverage cutting-edge resources. Forward-thinking medical facilities, embracing innovation and startups, greatly influence development trajectories by directing efforts toward real-world issues. Early access to clinical environments facilitates rapid validation, accelerating product-market fit and scalability.
- 3) Collaborative Partnerships for Accelerated Development:** Collaborative partnerships are the lifeblood of innovation. Startup success hinges on innovation communities actively nurturing collaborations between academia, industry, and healthcare providers. Large organizations with centralized innovation centers wielding power, budget, and authority can create innovation fast lanes, aligning their timelines with the pace of innovation. For instance, the University of Colorado Anschutz Medical Campus fosters an ecosystem promoting collaboration between researchers, clinicians, and industry professionals (Journal of Clinical and Translational Science). This enables startups to access academic expertise and insights from healthcare practitioners, catalyzing product development and reducing time-to-market.

- 4) Access to Funding and Resources:** Startups often grapple with limited resources. Innovation ecosystems with critical masses of seed, angel, and venture capital funding propel companies toward crucial milestones. Academia provides avenues for funding, non-dilutive grants, and vital resources for scaling. Some health systems venture into investing, boosting alignment and economic impact of partnerships. Academic institutions offer guidance through regulatory frameworks and facilitate partnerships with industry leaders, fortifying the ecosystem for success.

Startups that align with the robust innovation ecosystems gain distinct advantages. These startups make substantial healthcare contributions, catching the eyes of investors and industry leaders. In the ever-evolving healthcare landscape, innovation ecosystems act as launchpads for transformative ideas and breeding grounds for disruptive solutions.

Partner Spotlight: From Promising Idea to Game-changing Impact

By: Devin Carty, CEO, Martin Ventures

As the healthcare sector continues to evolve, startup companies in partnership with academic medical center-based innovation ecosystems are playing an increasingly vital role in driving innovation in care delivery. I've been fortunate to have participated in this exciting sector as an entrepreneur, healthcare executive, and now a venture capitalist as CEO of Martin Ventures, a healthcare-focused venture capital firm based in Nashville.

We at Martin Ventures often create new companies from the very earliest stages, where we see an unmet need and create a new venture, recruit the founding team, and recruit other like-minded venture capital firms to seed the new venture. Often, these ventures are providing clinical services and using technology to modernize how these clinical services are delivered. They are designed to disrupt the status quo in care delivery. But we can't do this on our own. These companies need a "clinical sandbox" where our entrepreneurs can partner with a real-world care delivery ecosystem, with innovation-minded clinicians and researchers with real patients and a desire to improve care delivery while creating a business model that will work for those care delivery providers and our startup companies as well.

Recently we founded Reimagine Care to provide home cancer care. Why home cancer care? Because the evidence shows that care at home is often less expensive, and patients do better and have a better overall experience. Reimagine Care was a de novo startup where in partnership with other leading venture capital firms, we recruited the team, funded the company, and then set out to find where to start. What elements of cancer care could we provide at home in partnership with established health systems that those systems would see as value add and provide better scale to serve more patients while improving patient care and outcomes? We were fortunate to partner with the University of Colorado Anschutz Medical Campus and CU Innovations to answer these questions.

Nurturing these startups as they face numerous challenges requires a recognition that identifying and selecting the right innovation community can significantly impact their success. There are several key considerations for startup companies when choosing and evaluating innovation that draw upon the exemplary case of the University of Colorado Anschutz Medical Campus to exemplify the benefits of a well-established innovation community.

In the case of Reimagine Care, we needed to identify an innovation community anchored around a prestigious academic institution that would bring real credibility to what we together architected and tested. Universities provide access to a pool of top-tier talent, including care providers, researchers, scientists, and students. The University of Colorado Anschutz Medical Campus is a prime example of this, with its renowned faculty and extensive research programs in life sciences and healthcare. Such institutions foster a culture of innovation, offering startups access to expertise, mentorship, and collaborative opportunities that can be crucial for growth.

Then we needed to establish a functional partnership to push the boundaries of care delivery and improve time to market. Real collaborative partnerships are key to driving innovation. Startup companies must seek out innovation communities that actively foster partnerships between academia, industry, and healthcare providers. The University of Colorado Anschutz Medical Campus has built a robust ecosystem by fostering collaboration between researchers, clinicians, and industry professionals. This enables startups to access not only academic expertise but also valuable insights from healthcare practitioners, leading to more effective and relevant product development. Moreover, strong partnerships can significantly reduce time-to-market, benefiting both startups and their investors.

Choosing the right innovation community is a strategic decision for healthcare startups. Access to cutting-edge research, collaboration opportunities, funding, essential infrastructure, and regulatory support are all vital elements that can contribute to a startup's success. As a venture capitalist, I have seen how startups that align with the right innovation community and organizations gain a distinct advantage, making meaningful contributions to healthcare while attracting the attention of investors and industry leaders.

In the rapidly changing world of healthcare, an innovation community serves as the launchpad for ideas to take flight, and the breeding ground for disruptive solutions that can transform lives. For healthcare startups, being part of the right innovation community can be the catalyst that propels them from a promising idea to having a game-changing impact.

Local Economic Development: Partnering for Success

By: Jonathan Woodward, Director of Development, Aurora Economic Development Council

When it comes to site selection, life sciences companies look for strong and well-established bioscience and healthcare clusters—a cultivated collection of innovative and growing industries that thrive on collaboration. The Aurora Economic Development Council offers a customized approach with prospects and new companies to support the unique requirements of each company. Working closely with site selectors, CEOs, and decision makers to understand their needs, several key considerations arise when deciding where to locate a business: an area's diversity, housing affordability and availability, multimodal transportation, reliability of utilities and clean energy goals, and the strength of local economic development partners. Here are some topics we encourage companies to raise.

Diversity

Diversity is a business imperative in site selection as companies seek locations with a diverse workforce. What is the diversity of the region? What is the make-up of the workforce, or local professional associations? How does the area rank on matters of accessibility, equality, or diversity?

Housing affordability and availability

When relocating employees and attracting talent, housing is a top concern. What does the local market offer in terms of price points, and how do the rents and median home values compare with costs elsewhere? How does the area score on the cost-of-living index? Is it an active building market with residential options surrounding the campus? Do nearby apartment complexes offer attractive amenities?

Multimodal transportation

Today's workforce expects ease and options when it comes to transportation. Reliable and multimodal transportation networks are critical for facilitating business and the economic health of a city. How walkable is the area? Is public transportation part of the community planning? What last-mile solutions are available to get health innovators to clinics, labs, or lectures? How accessible is the highway system? How far is the nearest airport, and what international cities does it serve? What transportation infrastructure upgrades are planned?

Utilities and clean energy goals

As more companies integrate their environmental metrics into site selection, they're looking closely at local utility companies for clean energy goals and reliable fiber. Practically speaking, how well is the community served by power and fiber? And what are the state's clean energy goals? How are local utility providers making investments and improving systems to advance these goals?

Economic development partners

The local economic development organization plays an important role in helping companies successfully navigate the evaluation process. Does the local entity offer a customized approach with prospects and new companies? What kinds of local incentive negotiation or site selection assistance does it provide? Are permitting assistance and access to public entities offered?

The Aurora Economic Development Council believes in a concierge experience for expansion or relocation. From site selection assistance to local workforce and college partners connections to assist with employee recruitment, this approach is designed to help companies successfully establish their new business address in the Rocky Mountain West.



Aurora is a multicultural city with a longstanding history of diversity. With 20 percent foreign born residents, this city is a culturally-diverse haven, and 34 percent of Aurora residents speak a language other than English (U.S. Census Bureau).



In Aurora, Healthcare represents the second largest employment sector and employed 24,515 people in 2021 (16% of the local workforce). The growth rate of Professional, Scientific, Technical jobs has been 5.3%, one of the fastest growing in the city (Colorado Department of Labor and Employment).



In Colorado, Xcel Energy offers Lighting and Equipment Rebates and Economic Development Rate Plans. The electricity today is 50 percent cleaner than in 2005. By 2030, Xcel Energy will reduce carbon emissions by 80 percent and lower greenhouse gas emissions by 25 percent, with the goal to be a Net Zero Energy Provider by 2050.

REGIONAL/STATE-LEVEL CONSIDERATIONS

Innovation communities are often only as desirable as the region where they're located. To truly be a draw for talent and relocation, the right community should be located in a region or state with a fully developed ecosystem. Colorado often ranks as a top place to do business and live in the country.

Life sciences and economic development experts understand the benefits of finding an innovation community located in the right spot for drawing talent and capital.

Talent: Driving Investment and Growth

By: Elyse Blazeovich, President & CEO, Colorado BioScience Association

A life sciences innovation community thrives when it's part of a dynamic, growing ecosystem with an abundance of smart, talented people. Talent availability is a critical consideration when choosing where to build and grow a company. When we evaluated Colorado's workforce for the Colorado BioScience Association's 2023 [Peak Talent Report](#), the data reinforces Colorado's strength in growing, retaining, and attracting specialized talent.

Educated workers

What percentage of residents hold a bachelor's degree or higher? What ranking does a state hold for most educated population in the U.S.? What does recent analysis of the life sciences labor market indicate?

Invested in innovation

How successful is the state's life sciences ecosystem at raising capital? What are the sources of funding?

Focused on science

What is the depth of research, medical, and clinical expertise? How many research institutions and federal labs are located in the state? What is the density of bioengineers and biomedical engineers? How many biology degree-awarding institutions are located in the area, and what are the annual life sciences degree completions?

Attracted by quality of life

While there are many "best of" lists, one of the more accurate indicators are the ranking from U.S. News and World Report. How well do cities perform from state to state?

Anchor companies matter

A mature and self-sustaining ecosystem includes companies at all stages of commercialization. Initial and ongoing investments by anchor companies reflect the maturity and stability of that area's life sciences ecosystem. When a state has available talent, anchor companies will deepen their roots. What investments are being made for future growth? How and where are companies expanding their footprints?

Career opportunities

A location that offers future career growth is another important consideration. Is the ecosystem large enough and healthy enough to retain and recruit talented workers to the region? Do they have confidence that life sciences career opportunities are abundant and can support reabsorption of talent and additional growth?

Workforce cultivation supports long-term growth

Ecosystem investment in the current and future talent pipeline provides an important indicator of future success. A state's commitment to life sciences talent development must begin in the K-12 classroom and continues through executive education.

Founded in 2015, Colorado BioScience Institute cultivates and diversifies the state's life sciences workforce, from classroom, to campus, to career.

- In 2022, The Institute expanded access to STEM education, mentoring opportunities, and professional development across Colorado's urban, rural, and mountain communities. The Pathways to Early College High Schools (P-TECH) program at Frederick High School prepares students for a career in biotechnology manufacturing, where students graduate from high school with an associate degree from Aims Community College.
- The Institute's Campus programs engage students and educators through hands-on experiences. Connecting academic and research institutions with industry, the mentor program reaches more than 200 students annually. In 2022, 80% of those students were female and 25% were BIPOC.
- Career programs empower employees with professional development, impacting 59% female leaders in 2022 with programming for emerging leaders.

The Institute's leadership in expanding the life sciences talent pool supports the state's economic growth, builds a skilled, diverse workforce to advance health innovation, and elevates people with purpose-driven, high-paying jobs.

○ In Colorado, more than 38,000 highly skilled life sciences workers support our thriving life sciences ecosystem. These driven, inventive, and highly collaborative people are committed to saving and changing lives around the world.

○ Two Colorado cities rank in the top five "most livable cities in the U.S." (U.S. News and World Report).

○ Colorado is home to 34 Federal Labs.

○ Colorado residents are the 2nd most educated population in the U.S. (Metro Denver EDC).

○ Our state is ranked number one for talent by CNBC and in the top 25 globally for talent concentration.

Access to Capital: Strategies to Support a Thriving Sector

By: Mike Landes, Senior Manager, Business Development,
Colorado Office of Economic Development and International Trade

Companies and investors pay enormous attention to how states support their local startup economies. They're interested in what offices like the Colorado Office of Economic Development and International Trade do to attract venture capital, and what kind of programming these offices generate to extend resources to small businesses. Some companies require a relatively small sum to move their idea from a lab bench to a small manufacturing facility; others are looking to rapidly accelerate their growth and aim for capital raises in the millions.

Startups in the life sciences and bioscience sector are facing an enormous uphill climb when it comes to fundraising. In 2021, venture capital investors spent over \$55 billion in deals to fund life science startups across the country; halfway through 2023, we've seen barely a tenth of that figure spent on the same sector nationally. Entrepreneurs are likely asking themselves, where can I find a fundraising environment that has the potential to meet my expansion needs? Companies should examine how states invest in advanced industries, where innovators within their field are clustering, and which VC ecosystems continue to operate despite the recent downturn in investment.

Colorado's answer to the entrepreneurs' question above has been to lean heavily into the strategy that has transformed its economy from an oil-and-gas state in the late 1990s to the diverse ecosystem it is today: invest heavily in the startup world of advanced industries, engage closely with VC stakeholders to better understand their interests, and provide programmatic support for companies in their growth and expansion stage. With regard to venture capital, Colorado is an exceptional environment for the type of growth many life science startups are looking for. According to Pitchbook, our state saw \$5.7 billion committed to almost six hundred venture capital deals in 2022.

Colorado's Advanced Industry Accelerator Programs are critical elements of the state's strategy for a diverse economy and a thriving startup sector. These programs provide a range of grants for companies at different stages of their development: proof of concept, early-stage capital, larger-scale infrastructure development, and export growth. Additionally, Colorado's Office of Economic Development and International Trade offers an Advanced Industry Investment Tax Credit that offsets risk for investors by providing tax credits for up to 25% of their investment (and 35% if the investment is in a rural area).

These programs are music to the ears of life sciences and biotech entrepreneurs seeking to tempt investors back into their sector. The VC market will wax and wane, but investors will always be interested in companies that defray the risk on their investments in the companies' future. Colorado is committed to remaining an ideal environment for anyone with an idea and a dream.

Venture Capital Totals, 2022 (Colorado BioScience Association)



Pre-Seed and Seed
\$11.3 million



Series A and B
\$193.8 million



Series C, D, and E
\$81.5 million



Series F
\$40.7 million



Series Unknown
\$40.7 million

OEDIT's Advanced Industries Accelerator awarded \$8 million in grants to 26 life sciences companies and university researchers in 2022. As a designated Advanced Industry in Colorado, the life sciences ecosystem makes a significant contribution to the state's diverse and fast-growing economy, creating high-paying jobs for more than 27,000 Coloradans.

In 2022, Colorado had the fourth-highest concentration of Small Business Innovation Research (SBIR) Grants, up from sixth in 2021 (Metro Denver EDC).

Colorado companies raised \$1.6 billion in 2022, and the community is building out and planning 3.5 million square feet of lab space to support companies at all stages of commercialization (Colorado BioScience Association, Colliers).



fitzsimons
Innovation Community

Choosing the right community for your organization is one of the most important decisions life sciences leadership teams can make. We hope the information provided has given you consideration points as you navigate this decision and find the next home for your growing organization. We'd like to thank all of the experts who provided perspectives on the important elements of innovation community selection.

At Fitzsimons Innovation Community, visionaries boldly transform science into the future of health and care.

From genetically engineering cells to fight cancer to developing the latest in vaccine science, the organizations working in our specialized life sciences labs are on the frontlines of the most exciting progress in healthcare. Emerging and established companies choose Fitzsimons not only for the latest in high-tech facilities, but for its ecosystem of collaboration, innovation, and support.

Here, scientists interface with fellow entrepreneurs, but also have direct access to renowned clinicians and researchers at the University of Colorado Anschutz Medical Campus, just steps away. The Community is based on the boundary-pushing that can only happen when the best and brightest are in the same space. Important breakthroughs are the norm; collaboration is the key.

Learn more about Fitzsimons Innovation Community:

www.fitzsimonsinnovation.com

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