

MARKET SNAPSHOT

Bioscience & Biotechnology



Tucson, Arizona –

A great place for Bioscience companies? **Absolutely YES!**

This Market Snapshot provides reasons to anyone involved in a bioscience start-up, or expansion, for why Tucson, Arizona should be on the list of potential cities to consider.

Biotechnology is in a relatively nascent stage compared to many other industries and there are numerous opportunities for new applications and inventions. Industry experts predict impressive growth as the diversity and span of product lines continue to increase as new technology is developed, processes are honed and products are commercialized.

According to IBISWorld Industry Reports, the United States biotechnology industry is anticipated to grow at an average annual rate of 8.9% to reach \$142.5 billion by 2018.



	WHAT'S NEEDED	TUCSON, AZ
What Factors are Involved in Promoting the Development of a Biotechnology Presence?	Availability of Venture Capital and Local Entrepreneurship	✓
A number of location-related factors are considered advantageous to companies in the biotech industry. Tucson, Arizona boasts an impressive set of check marks when set against these factors.	Availability of Federal and State Government Funding	✓
	Strong Research Presence (University and Government Agencies)	✓
	Proximity to Large Private Enterprises in Related Industries	✓
	Presence of Highly Skilled Personnel—Often Provided by Universities	✓

Key Facts about the Biotechnology Industry

- The industry benefits from a rapid rate of technological change and moderate barriers to entry.
- Key Growth Drivers include:
 - Aging population
 - Continued mergers and acquisitions (M&A) activity
 - Favorable legislation
 - Environmental concerns
- The state government hopes to make research and development (R&D) profitable by offering tax exemptions and grants as incentives to private firms.
- Biotechnology is a research-driven industry with R&D costs reaching 22% of revenue in 2013.

“Booming efficiency: Healthcare reform & agricultural demands will drive growth.”



Market Snapshot courtesy of:

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Tucson, Arizona – A great place for Bioscience companies? Absolutely YES!



Why Tucson?

Comparing success factors identified for biotech companies with how aspects of a city can contribute to that success, it's easy to see why Tucson, Arizona, should be included in any start-up or growth plan of a biotechnology company.

- Tucson has more than 100 bioscience companies generating \$6 billion in annual revenues.
- Companies range from small start-ups to global leaders.
- In fewer than a dozen years Tucson has put itself on the bioscience industry map.
- In 2008, *Business Facilities Magazine* named Tucson a "rising biotechnology star" and Arizona was cited among top emerging biotech "hot spots."

Tucson: a "rising biotechnology star"

Availability of Venture Capital and Local Entrepreneurship

- The Tucson Desert Angels funding group has invested over \$23 million in more than 60 presenting companies since 2005.
- Curtis Gunn, Desert Angels chairman, is also a board member of the National Angel Capital Association (ACA).
- *Bloomberg Business Week* explains "Why is Angel Investing Hot in Tucson?", July 2013.
- Tucson is called an "Emerging Entrepreneurial Hub" by *Entrepreneur Magazine*, August 2013.
- *Chief Executive Magazine* calls Arizona "#6 Best State for Business", May 2013.

Availability of Federal and State Government Funding

- SBIR (Small Business Innovation Research) grants have been awarded to many Tucson-based companies.
- ACA (Arizona Commerce Authority) provides numerous funding opportunities in the form of grants and loans.
- National Institutes of Health (NIH) funds Arizona ventures; for example, over \$21.6 million to The University of Arizona Cancer Center.

Strong Research Presence (University and Government Agencies)

- National Science Foundation ranked The University of Arizona #19 among all public universities for R&D expenditures.
- The University has spun out more than 30 bioscience companies since 2005.
- AZCI (Arizona Center for Innovation), a tech business incubator, provides facilities and lab space for early-stage ventures.
- Tech Launch Arizona helps University faculty commercialize their inventions.
- The Bio5 Institute, a renowned University-affiliated unit, helps to "harness the collaborative power" of its five core disciplines—agriculture, engineering, medicine, pharmacy and science—to "find solutions to complex, biology-based challenges affecting health and environment."
- The Arizona Bioscience Park has more than 65 acres of business space focusing on technology companies, especially those involved in medical devices and diagnostics.



Proximity to Large Private Enterprises in Related Industries

- C-Path (Critical Path Institute), a partnership among the University of Arizona, SRI International and the Federal Drug Administration, helps to safely accelerate the drug development process.
- Companies ranging from engineering to manufacturing firms are ready to partner and collaborate.

Want more information that proves Tucson, Arizona is a great place for Bioscience companies?

The White Paper "The Bio Industry in Tucson, Arizona" contains in-depth information and resources. Request it from Michael Coretz at Commercial Real Estate Tucson LLC



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