

# Tech incubator puts Chandler on cutting edge

by **Luci Scott** - May. 4, 2010 12:00 AM  
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Jeff Morhet, CEO of InNexus Biotechnology, a drug-development company, has just moved the business from Scottsdale to Chandler's new incubator, Innovations.

With the move, he acquires more space and resources, and much more.

"What's most important to our industry is a collaborative environment," he said.

"Early-stage companies want to be able to depend on one another not just for resources and the economics of it but for active scientific collaboration."

Building a state-of-the-art technology incubator in today's economy is a risk many cities wouldn't take, but Chandler had the vision, Mayor Boyd Dunn told the crowd at the facility's groundbreaking Friday. "It will allow new ideas to flourish," he said. "There are so many great ideas out there."

The incubator is an unusual opportunity for engineers, software designers and scientists to develop and commercialize their promising ideas.

Christine Mackay, the city's director of economic development, thanked the many people involved in creating the incubator, including the mayor and City Council, who approved funding.

"This took a lot of guts," she said.

The council approved \$5.7 million for construction, capital improvements, equipment and furniture.

Mackay noted how unusual the incubator is.

"There's nothing like this in metro Phoenix," she said. "An incubator with wet-lab space, nothing compares in Phoenix. It's very rare."

The facility, at 145 S. 79th St. near Chandler Boulevard and McClintock Drive, helps Chandler maintain its reputation as a tech-friendly city. The incubator contains dry and wet labs - for chemical and biological work - as well as conference rooms, office space, office equipment, a kitchen, lounges and a receptionist.

Studies show that 80 percent of small companies that begin in incubators succeed, Dunn said.

"That's four times the average," he said.

The anchor tenant, with 7,100 square feet, is the University of Arizona College of Medicine-Phoenix in partnership with Arizona State University. That space will house the Center for Applied NanoBioscience and Medicine, whose director is Frederic Zenhausern.

Mike Proctor, vice provost of outreach and global initiatives at UA, spoke at the ribbon-cutting.

The university was drawn into a deeper relationship with Chandler because the city wants to innovate and have an impact, Proctor said. That's in keeping with the mission of the land-grant institution that is the university, he said.

"There's no better fit," he added.

Morhet of InNexus is an expert in bioscience and a key adviser to the incubator.

He not only moved InNexus but also ThirdBio, a resource organization that will manage the incubator's day-to-day operations.

InNexus is commercializing the next generation of monoclonal antibodies.

Another tenant will be a medical-robotics company, which is due to sign a lease soon, Mackay said.

The first tenant to sign was Cummings Engineering, owned by Darren and Nikole Cummings.

The software company has developed patent-pending technology called Secure Mobile to prevent corporate espionage and hacking into e-mail and text messages on mobile devices such as cellphones.

The software would be used by doctors, lawyers, stockbrokers and businesses needing a secure environment.

The incubator covers 40,000 square feet, and the opening-day occupancy exceeds expectations, the city said.

"The incubator gives Chandler the opportunity to grow its own businesses in the cutting-edge fields of biotechnology, bioinformatics, software design, nanotechnology, medical devices and others," the city said in a news release.

Experts agree there is a need for the incubator.

Chandler lost biotech companies, and the city turned away similar out-of-state companies because it lacked wet labs.

There are 300 incubators across the country, and 250 of those are on university campuses, Mackay said.

The incubator isn't limited to companies. It has a secure shared lab where one engineer or medical-device designer can rent space for, say, two hours a week.

The city has a 10-year lease with the building's owner, Austin-based Capital Commercial Investments, the company that bought the former Motorola site on Price Road.

The building housing the incubator had been owned by Intel, which installed infrastructure such as nitrogen, deionized water, vacuum lines and compressed air, saving the city \$6 million.

Before choosing that site, Mackay looked at 14 buildings.

The building is equipped with expensive scientific equipment that startups couldn't afford themselves, such as a centrifuge, autoclave, high-powered microscopes and solvent hoods.

The architect was Cawley Architects of Phoenix, and the contractor was LGE.