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Cash from gown to town

By RICHARD VALENTY Colorado Daily Staff Writer
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A paragraph from a recently completed study by the economist Tucker Hart Adams stated higher education provides jobs, wages and local tax revenues within the state of Colorado, but that's just part of the story.

The Adams study, called "The Impact of Public Higher Education on the State of Colorado," also touched on how research conducted at state institutions of higher education can literally lead to the formation of new enterprises.

For example, the study said CU reports that "more than 60 companies have resulted from the commercialization of faculty research." It also said that the 2006-2007 year alone included 254 invention disclosures, 140 patent applications filed, 10 new start-up companies and \$24 million in revenues from research - while operations related to CU intellectual property have generated more than \$110 million in revenue over the past five years.

The economic activity created by CU research doesn't all happen in Boulder, but a significant amount does - which is a very strong net positive for Frances Draper, director of the Boulder Economic Council (BEC).

"I think it's one of the major pieces of Boulder's business climate," said Draper. "It helps foster that sort of creative-class energy as people are working on various projects, and a lot of developments come out of CU."

CU's Technology Transfer Office (TTO) would be an obvious place to look for tangible examples of the products of CU research winding up in the marketplace. For example, a number of companies highlighted in the TTO 2005-2006 Annual Report are located in Boulder, Louisville or Broomfield, including:

Aktiv-Dry LLC: Dr. Robert Sievers, a former CU Regent, co-founded the Boulder-based company. The TTO report said Aktiv-Dry received a \$19.5 million grant to develop an aerosol live measles virus vaccine that can be inhaled, as opposed to injected.

KMLabs, Inc.: The Boulder-based firm manufactures ultra-short-pulse lasers for the research market. The 2006 report said KML has developed the "most powerful ultra-fast lasers on the market today," and said the company enjoyed 80 percent revenue growth in 2004-05 followed by 75 percent growth in 2005-06.

Myogen, Inc.: The TTO report said the Broomfield-based company focuses on the discovery, development and commercialization of small-molecule therapeutics for the treatment of cardiovascular disorders. It also said Myogen entered into a collaboration agreement with the pharmaceutical giant GlaxoSmithKline in 2006.

And while the Adams study included a mention of Colorado's unflattering 48th-place ranking among U.S. states in state/local government financial support per higher education student, the TTO report said CU received \$640 million in overall research awards in fiscal year 2006. About 75 percent of the research award money came from federal sources.

But start-ups coming out of CU generally don't wind up at the GlaxoSmithKline-agreement level in the early going, and a nonprofit located in downtown Boulder called the Boulder Innovation Center (BIC) is available to help companies grow their businesses.

Tim Bour, the new BIC Executive Director, said BIC is a commercialization partner of TTO, which means in part that TTO pays BIC an annual fee and BIC helps businesses move towards viability.

"We help target the technology to the most promising commercial application," said Bour. "The way we do

that is through a network of volunteer advisors that are part of the greater Boulder community.”

He said BIC will match technology coming out of CU with an advisor who has “domain expertise” in the field and a “business driver,” in essence a potential CEO.

For example, Bour mentioned the BIC client Mentor InterActive, described on the BIC Web site as a software company dedicated to “creating innovative solutions that help children learn to read.” The learning tools were developed through CU’s Center for Spoken Language Research, but Bour said the company was “struggling” with how to bring the product to market.

“So, we introduced them to Hank Kaplan, who had come out here to retire but found that he really didn’t want to retire,” said Bour. “He had an excellent background in retail software, and we introduced him to this company that was just getting formed, and he’s now the CEO and getting out there to raise money.”

BIC also has received funding from the City of Boulder, the BEC (more than \$100,000 over three years), the Colorado Economic Development Commission and a number of Boulder-area private businesses - and not every client it has worked with is a high-tech operation.

For example, its list of clients includes “University Parent,” a company producing magazine-style guides that can help parents visiting students find out where to eat, shop or stay in university towns. CU student Sarah Schupp started the guide in 2003, and BIC helped the company with growth strategies, organizational structure and cash management.

And beyond the economic impacts from specific businesses, the Adams study said that the presence of institutions of higher education brings visitors to the state, provides cultural and social activity that can be attractive for people searching for a place to live, and provides an educated workforce for companies searching for a place to do business.

“I think Boulder is very attractive to a certain type of business that needs that highly-educated workforce,” said Draper. “But because you have that synergy of not only CU, but also IBM, Ball Corporation, Roche and all those federal labs, you have an unusual gathering of highly educated centers. It becomes a microcosm - an economic organism within itself.”

Contact Richard Valenty about this story at (303) 443-6272 ext. 126, or valenty@coloradodaily.com.