

Jurisdiction: Pima County

Revised: April 9, 2015

2015 Bond Election Proposed Project

Priority: 1

Project Name: Oro Valley Business Accelerator-Collaboratorium

Location: Innovation Park Drive

Scope: The Oro Valley Business Accelerator-Collaboratorium will be a new, state of the art incubator/accelerator for life sciences in Oro Valley built by Pima County on land in Innovation Park to be acquired by the County. It is envisioned as a place where scientists from industry and academia who share research interests will be able to conduct translational research. The Accelerator will help advance research, accelerate the product development cycle, and will support and help create new businesses.

The Oro Valley Accelerator will make services and shared facilities available to startup companies on an as needed basis: office space, lab space, shared access to reception, IT, biospecimens collection and repository, conference rooms, video and teleconference facility, training suites, video production for investigator training and/or human subject enrollment, research site monitors, administrative support (book-keeping, payroll, HR), and consultation on regulatory strategy, market analysis and business planning. The facility is planned to have a CLIA-certified laboratory with approval to perform research tests for patients that meet the highest clinical and regulatory standards. The building(s) and the interior spaces will be designed to be nurturing and collaborative, a “watering hole” for meeting and exchanging ideas.

The project will consist of two 25,000 square foot buildings connected by a pedestrian walkway and an interior road, which will be constructed in one phase. Additional land for expansion for private businesses or institutional partners is immediately adjacent. Each building will have an estimated cost of \$7.5 million, which includes purchase of land and site improvements, building and shell, and build-out for office and lab space—the total cost for the two buildings, 50,000 square feet together, will be \$15 million.

Benefits: Creating an Oro Valley Accelerator will facilitate collaborative research, enhance the region’s biotech industry and create additional primary jobs. The Oro Valley Accelerator will allow small startup companies to develop a prototype of their product or its equivalent, i.e. the early clinical data or “mock up” that attracts venture capital investors in their company. Successful companies will need to scale up production of their product and at this point, may have the stability and financial support to plan the construction of new facilities.

Oro Valley is already home to Ventana Medical Systems, a member of the Roche Group, a world leader and innovator of tissue-based diagnostic solutions for patients worldwide; and Sanofi, the third largest pharmaceutical company in the world. Both companies are located in Innovation Park and have committed to participate in the Accelerator. Arizona State University will be a major tenant at startup and faculty, students and post-docs are looking forward to the project. The presence of ASU and proximity of the Accelerator to two of the world's largest pharmaceutical companies will foster collaboration and enhance a life-sciences hub in Oro Valley and enhance the region's ability to attract new life science employers, and provide recruiting and retention benefits to current employers in this highly competitive field. Discussions have also been held with smaller bioscience companies, the University of Arizona, and other business and economic development organizations.

Costs: Of the \$15,000,000 in total costs, the Land is approximately \$1,600,000 (10.7%), Design is approximately \$650,000 (4.3%), and Construction is approximately \$12,750,000 (85%)

Bond Funding: \$15,000,000

Other Funding: \$160,000 for equipment committed plus other contributions expected.

Fiscal Year Project Start and Finish Date: Start FY 2015/16, Finish FY 2016/17

Project Management Jurisdiction: Pima County

Future Operating and Maintenance Cost: The facility will be leased to, and operated by, a non-profit (BIOSA). Future O&M costs will be the responsibility of the non-profit. The O&M costs for the 50,000 sf building are estimated to be \$5/sf. Additionally, half of that will be raised from charitable contributions to the non-profit BIOSA-Innovation and the other half from tenants. Lease Term will be 25 years. After a 5 year startup period, a minimum of 20% of net revenue collected by the non-profit must be reinvested into site enhancement and employment related activities as jointly defined by BIOSA and Pima County.

Regional Benefits: Regional economic development.

Supervisor District: 1

Letters of Support: ASU, AZCERT, BIOSA, Desert Angels, Greater Oro Valley Chamber of Commerce, Sanofi, Ventana-Roche and University of Arizona