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REGION

## Hershey center nets \$3M in grants

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The Hershey Center for Applied Research recently received two grants intended to help the Derry Township research park stay competitive.

The federal Economic Development Administration awarded HCAR a \$1 million grant, which the center plans to use to customize unfinished space for early-stage technology companies, Executive Director Laura Butcher said.

Construction of the 6,500 square feet of space is set to start in the first quarter of 2011, she said.

"It's allowed us to lower the cost per square foot (charged to tenants), and that's an advantage to small companies that don't have a lot of cash," Butcher said.

HCAR also received \$2 million from the state to customize space for middle-stage companies. The grant will cover 15,000 square feet, construction of which will start in January, Butcher said.

Both projects are expected to take about six months to complete once construction begins, she said.

The grants will prove especially critical in attracting new clients because the poor economy has meant the market is flooded with less-expensive lab space, Butcher said.

"We feel it's part of the commonwealth's strategy as well. Then we're able as a state to attract companies from other countries and other states

please see **HERSHEY**, page 20

## HERSHEY

continued from page 19

that are creating family-sustaining jobs," she said.

HCAR also prides itself on providing startup and mid-stage companies with value-added services, including introductions to venture capitalists, hiring support, technical assistance and access to the resources of nearby Penn State Milton S. Hershey Medical Center.

"As we're driving down the cost per square foot, we're ramping up value-added services," Butcher said. "In this economy, we have realized you need to be moving forward on both fronts."

The assistance that a place such as HCAR can provide is especially crucial in the pharmaceutical industry, where developing a drug costs an average of \$800 million to \$1.2 billion and can take 10 to 12 years, said Chris Molineaux, president of Pennsylvania Bio. The statewide trade organization is based in Chester County.

Beyond the obvious resources HCAR offers, the environment also gives startups access to things like group purchasing programs, phone systems

and shared mail systems, Molineaux said.

"Most importantly, it's an environment in which scientists, researchers and business people are constantly interacting in hallways, in meeting rooms, in formal settings where you have almost — to use a biological term — an internal ecosystem percolating within the building," he said.

And even though lab space might be cheaper right now, funding is more difficult to obtain than ever, said Mel Billingsley, president and CEO of the Life Sciences Greenhouse of Central Pennsylvania. The Harrisburg-based public-private partnership helps commercialize biotech ventures.

"I think the key right now is the advantages of any incubator, a concentration of like-minded people, services and generalized networking support that you do not get if you just go out alone," Billingsley said.

Incubators will become more important in the future, Molineaux said, because an increasing number of scientists are leaving larger pharmaceutical companies to strike out on their own.

"This represents the private sector, academia and government coming together to achieve the common goal of supporting life science and tech companies," Butcher said. ■