

## **West Texas Economic Development Case Study**

### **Receptor Logic, Inc. – First Biotechnology Company in Abilene, Texas**

Receptor Logic, Inc. is an excellent example of knowledge-based economic development in the West Texas region of the state. Funded and managed by Emergent Technologies, Inc., Receptor Logic brought tremendous biotechnology achievement and economic opportunities to a Texas rural community.

Receptor Logic currently leases approximately 3,000 square feet of lab space in the new Texas Tech University Health Sciences Center School of Pharmacy building in north Abilene, making Abilene home to its first biotechnology company.

### **Receptor Logic's Milestones Are Also The City of Abilene's Milestones**

#### *\$2 Million Location Incentive Award*

In addition to the \$2 million in private funds raised by Emergent Technologies, Inc., the Development Corporation of Abilene (DCOA) has pledged up to \$2 million to assist Receptor Logic. The DCOA funding largely will cover the cost of new laboratory equipment. The DCOA eventually will provide a space for Receptor Logic to occupy permanently.

By 2013, Receptor Logic plans to employ 40 scientists and technicians with an average salary of \$50,000 to \$60,000. Over five years, its payroll will increase from \$300,000 to \$2.8 million. This represents valuable job opportunities for the Abilene area and increased economic vitality for the West Texas region.

#### *Dr. Jon Weidanz Appointed Director of the New Center for Immunotherapeutic Research*

Dr. Weidanz, Founder and Chief Scientist of Receptor Logic, and Associate Professor at the Texas Tech University Health Sciences Center (TTUHSC) School of Pharmacy in Abilene, will be Director of the new Center for Immunotherapeutic Research. The Center for Immunotherapeutic Research will employ top scientists and attract biotech companies to Abilene. The Center, which will receive startup funds from the Development Corporation of Abilene (DCOA), will be based at the Abilene branch of the TTUHSC School of Pharmacy.

The DCOA and TTUHSC funding may leverage state grant money that pays for recruiting talented individuals from outside Texas.

Beyond the job growth in the pharmacy school's immunotherapeutic research center, there is great potential for growth in the private sector. The goal of the

Center is to attract world-class scientists like Dr. Weidanz who are interested in commercializing their research. Dr. Weidanz' company, Receptor Logic, will act as a foundation to attract similar companies. Dr. Weidanz is already in talks with three top scientists from outside Texas who are interested in the business commercialization aspect of their research.

New start-up companies will fill space in the high-tech lab building recently approved by the DCOA Board. The building, called an Accelerator, will provide 23,000 square-feet of lab space and state-of-the-art equipment for up to six startup companies.

Richard Burdine, Chief Executive Officer of the DCOA, was quoted in the *Abilene Reporter-News* saying, "We've accomplished in months what normally takes years, and that's because everybody can see the benefits."

#### **Center for Immunotherapeutic Research Figures**

- DCOA assistance after five years: \$3 million total
- Laboratory startup packages for five faculty members: \$1.2 million
- Communication equipment: \$30,000
- Lab equipment and research infrastructure: \$500,000
- Research grants (15 percent match): \$600,000
- Pharmacy practice research: \$270,000
- Additional capital equipment: \$400,000

Source: Development Corporation of Abilene

#### *Center for Immunotherapeutic Research Program*

Five faculty members with an interest in immunology will work together to research and develop biotechnology. The Center is unique in that it pairs scientists with faculty members who specialize in practicing pharmacy. The Center will focus on commercializing technology that is developed in labs. The Center's goal is to attract researchers who have started their own companies or who have received grants to fund their work.

Not only will the unique model of the Center attract top scientists, its innovative model will attract regional and national media attention, focusing the spotlight on biotechnology in Abilene and Texas.

#### *Texas Emerging Technology Fund Investment to Receptor Logic*

On June 18<sup>th</sup> the Texas Emerging Technology Fund (TETF) investment of \$2 million was made to Receptor Logic. The TETF investment will accelerate

Receptor Logic's long-term growth and expansion plans in Abilene. The company intends to make a significant contribution to human healthcare through their innovative technology, and to fulfill a leadership role in biopharmaceutical advancement in Texas and the nation.

---

### **Selenium, Ltd. — Prime Example of Public/Private Partnership in Lubbock, Texas**

Life sciences venture capital firm, Emergent Technologies, Inc. (ETI), was recruited to come to Lubbock in 2002 to assist in technology commercialization efforts for the Texas Tech University system. Under the leadership of ETI management, Tommy Harlan, President and CEO, and Executive Vice President and COO Gary Pankonien, the venture capital firm was successful in raising \$8 million in West Texas regional private equity to support and commercialize three start-up life science companies from research developed at the Texas Tech University Health Sciences Center.

The three companies, Auxano Biomedical, Selenium Ltd. and Receptor Logic, are the result of WesTech Ventures I, LP, which is ETI's Fund III. Fund III has focused on breakthrough technologies and discoveries from Texas Tech University. This West Texas Regional Fund is producing outstanding opportunities for entrepreneurs and life science companies in west Texas.

As ETI's founder and CEO Tommy Harlan has said, "We utilize 'invention capital' to turn outstanding life science research into commercial applications which bridge the gap between universities and the industrial sector."

In addition to Receptor Logic, another prime example of West Texas regional economic development benefits of public/ private partnership is Selenium Ltd., one of the ETI portfolio companies at Texas Tech University. The anti-microbial technology developed by TTU professors Ted Reid, Ph.D. and Julian Spallholz, Ph.D. has been licensed by the global medical device supply company, Class One Orthodontics, located in Lubbock. Through the applications and utilization of Selenium's platform technology, Class One Orthodontics now has the opportunity to grow its Lubbock operations at a phenomenal rate.

### **About Selenium, Ltd.**

Selenium, Ltd. was founded in 2004 based on discoveries made by Julian Spallholz, Ph.D. and Ted Reid, Ph.D. at Texas Tech University. Their work revealed that certain organo-selenium molecules are catalytic and produce super oxide radicals, resulting in a lethal, but short range toxicity to surrounding cells. Thus, Selenium coated surfaces act as an impenetrable barrier to microbes and

other cells, and selenium armed molecules will selectively destroy targeted cells. Selenium, Ltd. is an Emergent Technologies Inc. (ETI) portfolio company, and ETI provides all management services. For more information, visit the company website [www.seleniumltd.com](http://www.seleniumltd.com).