



Businesspeople and city officials were among those attending Tuesday's grand opening of BioInspire in Peoria. DAVID KADLUBOWSKI/THE REPUBLIC

# BioInspire's 5 tenants expressing optimism

By Allie Seligman  
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Peoria's BioInspire, the state's first medical-device incubator, opened this week, housing companies that seek to improve vision, ease post-surgery care and make it easier for doctors to find cancerous cells.

BioInspire, at 13660 N. 94th Drive in Plaza Del Rio near Loop 101 and Thunderbird Road, will act as a business-development center for companies looking to break into the medical-device field.

The incubator opened Tuesday with five start-up companies. SCORE, a non-profit business counseling and mentoring organization, and MediCoventures, a medical-device consulting firm, will also rent space in the 6,800-square-foot building.

The incubator is a partnership among the city; BioAccel, a Phoenix-based non-profit that works to commercialize life-science technologies; and Plaza Companies, a Valley real-estate firm that specializes in medical office, technology and bioscience facilities.

The Peoria City Council approved the partnership last fall. The city will invest \$1.6 million a year in BioInspire for three years.

"It's been a long, long road," Mayor Bob Barrett said at Tuesday's grand

## BIOINSPIRE'S COMPANIES

Here's a look at what the Peoria incubator's first five companies are creating.

**Arizona Medical Systems:** Cardiovascular devices to reduce the risk and cost of current procedures.

**Hildeez:** A specialized post-surgical recovery garment that aids and simplifies patient treatment and the recovery process.

**Kulira Technologies:** Faster, more accurate way for surgeons to identify 14 types of operable cancer tissue.

**NASSEO:** Longer lasting dental and orthopedic implants that mimic porous bone.

**Yolia Health:** Reshaping the cornea and improving vision using rigid contacts and enzymes.

opening.

The idea came from a trip to Ireland four or five years ago, he said. A city there partnered with the state government for an incubator open to any business.

He brought the idea back to city staff, and Economic Development Services Director Scott Whyte recommended finding a niche for a Peoria-based incubator. The medical-device field made it

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BioInspire Director Tom Rainey said the incubator will help diversify Peoria's economy and, in the long run, create a state hub for medical-device innovation.

"Once we have the pipeline of companies coming through here and we have the network of advisers and we have the seed funding in place, it's a very fertile environment for a new company to get started in," he said.

BioInspire's first five companies were carefully screened, Rainey said.

"Our goal is to find companies that have all the right ingredients," he said. That includes having a good management and compelling, novel technology that will attract investors.

Randal Schulhauser, senior manager of technology and business development for Medtronic Inc., was part of the team that chose BioInspire's first round of companies. Medtronic is the world's biggest medical-device maker.

Schulhauser said he wants to use his experience to help new companies that could become the next big name in the field.

"Maybe we're going to see the start of other Medtronic-like companies here at the incubator," he said.

The medical-device field is a tough business to break into, Schulhauser said. Companies need lots of money up front to develop technology, products have relatively short life cycles and it can take time to see a return on an investment.

"The good news is there's not only a local and nation market but a significant global market for this industry, and it's growing," Schulhauser said.

Rainey said much has changed since he joined the incubator field in the 1980s. Then, the focus was on providing cheap space.

Now, incubators support start-ups with advisers and business-development resources. "The building is important, but it's not critical," Rainey said.

Alberto Osio, CEO of San Diego-based Yolia Health, said those resources brought him to BioInspire.

"It's about the networking, it's about the mentors, it's about the relationships," he said. "It allows us to focus on what we need to do."

Osio started Yolia Health based on eye-care technology his father developed in Mexico City. The technology uses rigid contacts and enzyme drops to reshape the cornea and improve far-sighted vision.

Peoria optometrist John Rinehart, part of Yolia's clinical team, said patients wear the contacts for four to seven days, four to eight hours a day, and put in drops

every hour.

Tests show most patients still have better vision six months later, Rinehart said. In studies done by Osio's father, changes lasted for two years, he said.

"The eye changes," he said. "It's mind boggling."

Rinehart, owner of Rinehart Eye Center on 94th Drive south of Thunderbird Boulevard, said most people lose vision clarity up close as they age. After about 45, many need reading glasses.

"It's a huge population," he said.

The company plans to roll out the contacts and enzyme drops in Mexico early next year. The revenue that comes in will go toward the "enormous cost" of getting the technology approved in the United States, Rinehart said.

Kimberley Cox said the federal approval process for medical technology would be tough to get through without BioInspire's help.

She started Hildeez Recovery Garments after her mom had knee surgery. One of her biggest concerns before the procedure was walking around in an open hospital gown, Cox said.

Cox, CEO of the company, created an alternative: pants with easy access to the knee and a pocket for ice or a heating pad. The pants allow for more modesty at the hospital, a doctor's office or physical therapy following surgery, she said.

The five companies announced Tuesday are just the start for BioInspire, Rainey said. There is still room for a few more companies in the building, which he hopes to lease out by next year.

Companies usually stay at an incubator from a year to four years, he said. In most cases, the goal is to get entrepreneurs ready to move out by the end of their second year.

But because the medical-device industry has a longer lead time, he said, "we could see companies staying here beyond that period of time."

There are incentives to leave the incubator after a few years, though. For the first two years, rent is below market rates, Rainey said. The cost goes up in year three and even higher in year four.

"Typically, companies outgrow the space quicker than that," he said.

Each company that signed on with BioInspire has agreed to stay in Peoria for five years once they leave the incubator, Rainey said.

The long-term goal is to create a business and entrepreneurial environment where companies will want to stay, he said. "Obviously our job is to make this area so attractive that they'll want to stay there forever," he said.

*Reporter Sonu Munshi contributed to this article.*