UNIVERSITY CITY SCIENCE CENTER
AN ECONOMIC CATALYST FOR GREATER PHILADELPHIA
The Economy League is a civic catalyst that brings together leaders and organizations to address the most challenging issues facing Greater Philadelphia. Built on our foundation of independent, high-quality analysis and practical insight, we spark new ideas, develop strategies, and galvanize action to enhance the region’s global competitiveness. Learn more at economyleague.org.

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INTRODUCTION

The University City Science Center has been a key driver of growth and a source of stability for the Greater Philadelphia region’s technology sector since its founding in 1963. A dynamic hub for innovation, entrepreneurship and technology development, the Science Center offers programs that provide support for firms at all stages of the business life cycle. Over the past half-century, the Science Center has leveraged its diverse suite of targeted programs and initiatives alongside its considerable portfolio of office and lab space to help power University City’s ongoing evolution into a leading hub for innovation.

**THE 442 LIFE SCIENCES, HEALTH IT, AND EMERGING TECHNOLOGY FIRMS THAT HAVE ORIGINATED AT, PASSED THROUGH, OR RECEIVED INCUBATION SERVICES FROM THE SCIENCE CENTER SINCE ITS INCEPTION HAVE CREATED THOUSANDS OF JOBS, GENERATED MILLIONS OF DOLLARS IN EARNINGS, AND CONTRIBUTED BILLIONS OF DOLLARS TO GREATER PHILADELPHIA’S ECONOMY.**
Flanked by world-class research institutions and hospitals, including the University of Pennsylvania, Drexel University, and The Children’s Hospital of Philadelphia, the Science Center is rooted in the spirit of collaboration and community building. Its 31 shareholders include colleges, universities, and research institutions in Pennsylvania, New Jersey, and Delaware that value and support the Science Center’s contribution to moving ideas to the marketplace. With shareholders as far north as Lehigh University and as far south as Delaware State University, the Science Center’s impact as a community builder extends beyond University City to the Greater Philadelphia region.

Today, the Science Center is at an inflection point. Through a partnership with Wexford Science + Technology, it is significantly expanding its physical assets and rebranding them as uCity Square. The Science Center name endures and refers to its work as a tech-based economic development organization. This milestone offers a logical vantage point from which to examine the Science Center’s economic impact and its decades of work supporting innovation and entrepreneurship in the region.

In its role as an innovation intermediary, the Science Center supports innovation all the way from idea to IPO and beyond through an expansive range of programming, support services, and infrastructure. The 442 life sciences, health IT, and emerging technology firms that have originated at, passed through, or received incubation services from the Science Center since its inception have created thousands of jobs, generated millions of dollars in earnings, and contributed billions of dollars to Greater Philadelphia’s economy.
Today, the 155 firms in Greater Philadelphia that have benefited from Science Center business incubation services directly employ 12,000 people.¹

Jobs at firms incubated at the Science Center are high-skilled and high-wage, commanding an average salary of $103,000—nearly double the region’s median annual wage of $52,000.² Combined, these jobs pay $1.4 billion in salaries and wages each year.

Each job at a Science Center-incubated resident or graduate firm indirectly supports additional jobs. Adding the 12,000 people in the region directly employed by Science Center incubator graduates and resident firms to the estimated number of people who work at businesses that contract with or otherwise serve these firms or their employees results in a total regional employment impact of 40,000 jobs—just over 1% of the region’s workforce. These jobs pay $3.7 billion in salaries and wages each year.

The Science Center has provided incubation services to 442 firms since it was established in 1963.

- **214** OF THOSE FIRMS ARE IN BUSINESS TODAY
- **86** ARE SCIENCE CENTER GRADUATES LOCATED IN GREATER PHILADELPHIA
- **69** ARE CURRENT SCIENCE CENTER INCUBATOR RESIDENTS
- **59** ARE SCIENCE CENTER INCUBATOR GRADUATES THAT HAVE EXITED THE REGION
- **12,000** PEOPLE WORK AT SCIENCE CENTER INCUBATOR RESIDENT AND GRADUATE FIRMS IN GREATER PHILADELPHIA
- **28,000** JOBS IN THE REGION ARE INDIRECTLY SUPPORTED BY SCIENCE CENTER-INCUBATED FIRMS AND THEIR EMPLOYEES
- **40,000** TOTAL EMPLOYMENT IMPACT
- **$3.7 BILLION** IN SALARIES AND WAGES
SCIENCE CENTER-INCUBATED FIRMS IN GREATER PHILADELPHIA DRIVE $12.9 BILLION IN ANNUAL ECONOMIC ACTIVITY—MORE THAN 2% OF THE REGION’S TOTAL ECONOMIC OUTPUT.

The total economic activity in Greater Philadelphia directly and indirectly supported by the Science Center’s business incubation efforts is equal to $12.9 billion, or 2.2% of the region’s total economic output. Direct economic activity generated by the 155 Science Center incubator resident and graduate companies in the region totals approximately $7.1 billion each year. The labor-intensive work and expensive equipment and materials used by Science Center resident and graduate firms and businesses within their supply chains translate into a significant overall economic contribution.

ANNUAL OUTPUT OF SCIENCE CENTER BUSINESS INCUBATION IN GREATER PHILADELPHIA

$12.9 BILLION TOTAL OUTPUT

$7.1 BILLION DIRECT ECONOMIC OUTPUT

$5.8 BILLION INDIRECT AND INDUCED ECONOMIC OUTPUT

WAGE IMPACT

$103,000 AVERAGE SALARY

JOBS AT SCIENCE CENTER-INCUBATED FIRMS ARE HIGH-SKILLED AND HIGH-WAGE, COMMANDING AN AVERAGE SALARY OF $103,000—NEARLY DOUBLE THE REGION’S MEDIAN ANNUAL WAGE OF $52,000.

1 In-region businesses include active incubator residents and graduates as well as graduate firms that were purchased or merged and still operate in the region.

THE SCIENCE CENTER’S CONTRIBUTION TO REGIONAL ECONOMIC DEVELOPMENT

The Science Center has long been known for its ability to complement University City’s cluster of world-class academic and medical institutions by helping entrepreneurs and startup companies translate cutting-edge research into market-ready products and services.
According to the Brookings Institution, the Science Center has been a driving force behind the area’s progress in “leveraging its assets in teaching, research, and medicine to become a hub of innovation and entrepreneurship.” Today, Brookings recognizes University City as one of the nation’s leading Innovation Districts—“geographic area[s] where leading-edge anchor institutions and companies cluster and connect with startups, business incubators and accelerators.”

The Science Center’s business support services, commercialization and entrepreneurship initiatives, incubation programs, and community-building contributions play a critical role in helping firms navigate the early stages of growth. This support paves the way for significant regional economic growth and breakthrough advances that help save and improve lives around the globe.

Globalization has increasingly made the generation of new ideas the cornerstone of a thriving, sustainable economy. Goods can be manufactured at a low cost nearly any place in the world, making innovation the primary means of creating value and growth in developed economies. In fact, economists attribute nearly 50% of annual GDP growth in the U.S. to increases in innovation. In metropolitan areas, business growth and wealth creation will be driven by talent and innovation that build on regional cluster strengths and competitive advantages.

The innovation ecosystem is a critical part of Greater Philadelphia’s economy. Area firms in the life sciences and technology sectors sell to national and global markets, serving as a reliable and consistent source of economic stability. The resiliency of the region’s biomedical cluster—a major component of the area’s innovation economy—was demonstrated during the major economic upheaval of 2008–2009. In the wake of the Great Recession, employment within the industry cluster shrank by 16 percent, as market-driven consolidation within the pharmaceutical industry put many jobs in the region at risk. While the recession did reshape the region’s biomedical landscape, by 2014 area employment in the industry rebounded to pre-recession levels. This remarkable recovery was aided by support provided by innovation intermediaries like the Science Center, which continues to occupy an essential position within Greater Philadelphia’s economic development landscape.

4 Hamilton Project at the Brookings Institution. “A Dozen Economic Facts about Innovation.”
HELPING MOVE THE REGION FORWARD
The Science Center’s focus on catalyzing commercialization and supporting entrepreneurs helps fill an important gap within the early phases of a new business and aligns directly with region-wide economic development strategies endorsed by key civic and economic development organizations across Greater Philadelphia. The Economy League of Greater Philadelphia, the Greater Philadelphia Chamber of Commerce, and the CEO Council for Growth, along with other mission-driven organizations including the Philadelphia Education Fund, all work to advance regional agendas that place an emphasis on efforts that support entrepreneurial activity and drive innovation.

The Science Center directly supports these economic development objectives, specifically in the realms of business growth and talent development, by leveraging regional competitive advantages—namely Greater Philadelphia’s life science/health care clusters and world-class research institutions—to attract long-term investment and unlock regional economic prosperity through five primary approaches:

**BUSINESS INCUBATION**
HELPING ENTREPRENEURIAL COMPANIES GROW AND THRIVE

**CONNECTIONS TO CAPITAL**
ENHANCING REGIONAL TECHNOLOGY TRANSFER CAPABILITY AND INCREASING AVAILABILITY OF GROWTH CAPITAL

**COMMUNITY BUILDING**
EXPANDING GREATER PHILADELPHIA’S INNOVATION COMMUNITY

**EDUCATION AND WORKFORCE DEVELOPMENT**
BUILDING A PIPELINE OF SPECIALIZED KNOWLEDGE WORKERS WITHIN STEM INDUSTRIES

**INFRASTRUCTURE FOR INNOVATION**
PROVIDING THE PHYSICAL ASSETS THAT ALLOW INNOVATION CLUSTERS TO FLOURISH
EMPLOYMENT IMPACT

1 OUT OF EVERY 100 JOBS IN THE REGION

SCIENCE CENTER INCUBATOR GRADUATE AND RESIDENT FIRMS SUPPORT A TOTAL OF 40,000 JOBS IN GREATER PHILADELPHIA, OR 1 OUT OF EVERY 100 JOBS IN THE REGION.
Since the Science Center was founded in 1963, it has provided business incubation services to 442 firms. **Today, 214 of these firms are still in operation, with 155 located within the 11-county Greater Philadelphia region.** The Science Center’s incubation services help early-stage companies bridge the “valley of death”—the period of negative cash flow that startups often endure before their product brings in revenue from customers. For startups in the life sciences sector, long and capital-intensive research and development processes, high dependence on external federal processes and limited availability of venture capital make the journey through this stage of growth particularly difficult to navigate. Tech startups face many similar challenges in seeking investment, finding the right people, and determining how best to scale the business.

**Helping Global Innovators Find a Home in Greater Philadelphia**

**THROUGH THE PORT BUSINESS INCUBATOR’S GLOBAL SOFT LANDING PROGRAM, the Science Center increases the global profile of Greater Philadelphia’s life sciences and technology assets. The Science Center leverages connections and partnerships with agencies and organizations including the U.S. Department of Commerce’s Economic Development Administration, the Commonwealth of Pennsylvania’s Department of Community and Economic Development, and Select Greater Philadelphia to help international companies establish a foothold in the region. The success of the Global Soft Landing program has led the International Business Innovation Association (InBIA) to designate the Port incubator as an InBIA Soft Landings International Incubator for its work helping international companies enter the local market. The Port is one of only 27 business incubation programs around the world that have earned this designation.**
The Science Center’s **Port** business incubator supports entrepreneurial activity by providing emerging ventures with office and lab space as well as the connections to expertise and capital they need to succeed and grow. Formally established in 2000, the Port gave name to the incubation services the Science Center had been offering for decades. Today the Port is home to a rotating roster of more than 30 startups. The Port is complemented by **ic@3401**, a newer incubation program that the Science Center operates in partnership with Drexel University, which accommodates approximately 30 additional early-stage companies.

Through both the Port and ic@3401, innovators are connected to expertise, capital, and networks including the Science Center staff and board of directors, investors, attorneys, accountants, marketing companies and media outlets. Combined, these resources provide a platform for early-stage ventures to grow and generate downstream benefits for the region’s economy in the form of jobs, salaries and wages, tax revenues, and economic growth.

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**FISCAL IMPACT**

$55 MILLION

EMPLOYEES OF SCIENCE CENTER-INCUBATED FIRMS PAY $20 MILLION IN PHILADELPHIA WAGE TAXES AND $35 MILLION IN PENNSYLVANIA INCOME TAXES EVERY YEAR.

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1 The Greater Philadelphia region includes 11 counties in three states: New Castle County in Delaware; Burlington, Camden, Gloucester, Mercer, and Salem Counties in New Jersey; and Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties in Pennsylvania.

2 The 155 in-region companies include 86 incubator graduates and 69 incubator residents.
Science Center incubator graduates operate across Greater Philadelphia, with offices in six of the region’s 11 counties including each county of southeastern Pennsylvania and Mercer County in New Jersey. Just over half (45) of all graduate companies in the region operate in Philadelphia, employing more than 4,000 people. Forty-three of the region’s incubator graduates are located in suburban communities, employing more than 7,500 people.
Accommodating Established Companies in University City

NOT EVERY COMPANY NEEDS dedicated incubation services. The Science Center has attracted established companies in a variety of sectors that also have a positive impact on the regional economy and innovation ecosystem. These firms choose to locate at the Science Center to accommodate worker location preferences, to facilitate access to collaborators, and to tap into the robust innovation ecosystem that the Science Center has cultivated over the last five-plus decades. Moving forward, the expansion and rebranding of the Science Center’s physical footprint as uCity Square will present even more opportunities to attract major established life sciences and tech companies.

Drawing on two decades of gene therapy research at The Children’s Hospital of Philadelphia, **Spark Therapeutics** is developing potentially one-time, life-altering treatments for debilitating genetic diseases, from hematologic and neurodegenerative disorders to blindness. When it was time to select a location for its offices and labs, Spark—which was not incubated at the Science Center—nonetheless chose 3737 Market Street on the Science Center’s legacy campus, where its more than 125 employees occupy two floors. Since its 2013 launch, Spark has secured more than $400 million, including one of the most successful initial public offerings of 2015. Spark Therapeutics contributes to the high density of startup talent, experience, and collaborative community at the Science Center.

Another established company on the Science Center legacy campus, **NRG Energy** is transforming the way Americans consume power by offering its customers the ability to choose specific power plans and generate savings based on their energy preferences and needs. Energy Plus was among the first tenants in 3711 Market Street and was acquired by NRG Energy, Inc. in 2011. NRG Energy chose to stay in the building and now occupies an entire floor of 3711 Market Street, with 150 employees including management, sales, marketing, customer service, legal, and IT staff.
CASE STUDY: ADAPTIMMUNE AND THE SCIENCE CENTER

Helping global innovation find a home in Greater Philadelphia.

In 2011, UK-based biopharmaceutical company Adaptimmune was ready to enter its cancer immunotherapy products into clinical trials and establish a U.S. office. Executive Vice President Gwendolyn Binder-Scholl, Ph.D., selected the Science Center’s Port business incubator as the landing place for the growing firm. Since then, Adaptimmune has established key partnerships, completed a successful IPO, and graduated from the incubator. As Adaptimmune’s growth continues, the company is committed to expanding its presence in Philadelphia.

KEY TAKEAWAYS

- Support services facilitated by the Science Center allowed the two-person U.S. headquarters of Adaptimmune to get off the ground.
- Adaptimmune participated in the Global Soft Landing Program, which helps international companies establish a foothold in the region’s life sciences and technology markets.
- The Science Center’s location gave Adaptimmune access to collaborators.
- After exiting the Port in 2015, Adaptimmune chose to remain in Philadelphia—a testament to the region’s strong bioscience sector.
With a prior connection to the University City bioscience community from a three-year stint researching T-cell receptors at the University of Pennsylvania under Professor Carl June, Dr. Binder-Scholl saw Philadelphia as the clear choice when she was asked to find a home for Adaptimmune’s expansion into the U.S. in 2011. Dr. Binder-Scholl notes that “the convenient location between New York and Washington, DC makes it easier to participate in investor meetings, regulatory meetings, and conferences.” Dr. Binder-Scholl had evaluated the Science Center as a place to locate research operations; she was “very attracted by the plug-and-play nature from a laboratory as well as an office space perspective.”

Adaptimmune’s U.S. office initially consisted of Dr. Binder-Scholl and an administrative assistant. After moving the two-person team into the Science Center, Dr. Binder-Scholl found it “extremely helpful to have the infrastructure support and to be around other entrepreneurs who provided moral support.” Because of its overseas affiliation, Adaptimmune was qualified to enter the Science Center’s Global Soft Landing Program, a specialized designation within the Port business incubator that supports emerging international companies as they establish toeholds in the U.S. market.

As Adaptimmune’s U.S. team grew to 25 employees, the Port’s flexible infrastructure coupled with business services—including connecting the company to human resources, accounting, and legal assistance—provided continued support. Dr. Binder-Scholl explains, “They provided all of the supporting resources so we could just get to work.” The Philadelphia bioscience community, Dr. Binder-Scholl says, “is growing, and almost every month there’s some sort of meetup in the city where you can get educated.” She cited examples including the Science Center’s Lunch for Hungry Minds program, which “focused on a different scientific topic each month, which helped us keep our minds open to other fields,” as well as law firm Pepper Hamilton, which “routinely held helpful corporate and regulatory law briefings.”

As Adaptimmune’s initial landing place, the Science Center played a key role in the company’s trajectory of growth. Once Adaptimmune reached a certain stage of development, the company exited the Port but has remained in Philadelphia at the Navy Yard—a sure sign of the region’s healthy bioscience sector.

Dr. Binder-Scholl believes in the continued success of the Greater Philadelphia region’s life sciences hub, saying “the affordability and access to a strong workforce adds to our region’s competitiveness to attract life sciences companies.” She further explains, “In Philadelphia you are going to see continued growth of biotech. We are very happy to be in Philadelphia.”
CONNECTIONS TO CAPITAL

Helping entrepreneurs and researchers access funding and navigate the commercialization process is at the heart of the Science Center’s mission. Through partnerships with universities, hospitals, and investors—as well as through targeted programming—the Science Center helps connect early-stage firms to capital. This is critical to driving business growth and wealth creation at the regional level. As the Economy League’s World Class Agenda acknowledges, “focusing on maintaining and growing strategic early-stage and proof-of-concept funds can help to leverage later-stage investments and generate more innovation and entrepreneurial success stories.”

Patents Issued to Science Center-Incubated Firms in the Region

Patents are a form of intellectual property. The region’s innovation capacity can be assessed in part by determining the number of patents granted to area researchers, institutions, and firms. They represent the ability to generate new products with market potential and indicate the nature of the region’s pool of entrepreneurs. For intellectual property-driven fields like biotechnology, patents often are the launching pad for a startup firm, attracting venture capital and securing licensing rights. By connecting entrepreneurs to the expertise required to navigate the patent process, the Science Center accelerates the launch of these new companies.

474 PATENTS ISSUED SINCE 1963

345 LIFE SCIENCES PATENTS ISSUED

84 INFORMATION TECHNOLOGY PATENTS ISSUED

20 SERVICES PATENTS ISSUED

25 OTHER PATENTS ISSUED
The QED Proof-of-Concept program offers funding and business development support for early-stage life science and digital health technologies with commercial potential. Twenty-one of the region’s premier academic research institutions are involved in the program and provide matching funds. Firms from across the region are represented on the program’s selection and advisory teams. Since 2010, QED has awarded more than $4.8 million to researchers to help develop technologies into market-ready products.

Phase 1 Ventures (P1V) helps entrepreneurs test the business feasibility of high potential technology in a low-risk environment. P1V bridges the gap that occurs when a technology is ready to enter the market but has yet to attract management or financing. Ultimately the goal is for companies to graduate from P1V as investible, independently managed enterprises that generate jobs and economic growth.

Launched in 2014, the Digital Health Accelerator (DHA) supports early-stage digital health companies with funding, office space, professional mentorship and introductions to key healthcare stakeholders in the Greater Philadelphia region. The seven companies in the inaugural DHA class have gone from prototype to commercialization, attracting almost $4 million in follow-on investment, generating revenue, and creating 53 new jobs in just one year.

QED, P1V and the DHA help bridge the gap between research and commercially viable innovations. Together, these programs work to accelerate tech transfer and innovation by increasing the attractiveness of emerging technology and early-stage companies for follow-on investment by public and private investors. This activity is important to regional growth—according to the CEO Council for Growth, “in today’s knowledge-based economy, technology transfer is a critical element of regional economic development, providing a mechanism for leveraging university research to promote industry growth.”

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“FOCUSDING ON MAINTAINING AND GROWING STRATEGIC EARLY-STAGE AND PROOF-OF-CONCEPT FUNDS CAN HELP TO LEVERAGE LATER-STAGE INVESTMENTS AND GENERATE MORE INNOVATION AND ENTREPRENEURIAL SUCCESS STORIES.”

—WORLD CLASS GREATER PHILADELPHIA BUSINESS GROWTH AGENDA

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Footnotes:
CASE STUDY:
INVISIBLE SENTINEL AND THE SCIENCE CENTER

Connecting residents to mentors and talent in the innovation ecosystem.

It’s all about the power of the network. Nick Siciliano, CEO of Invisible Sentinel, began his career as a consultant for his undergraduate mentor’s Science Center-based company, Integral Molecular. Today, the molecular diagnostics company that he founded with partner Ben Pascal in 2006 shares the 9th floor of 3711 Market Street with Integral Molecular, another graduate of the Port business incubator. While Invisible Sentinel was initially attracted to the Science Center because of this early relationship, the company has remained due to the value of the connections and exposure provided by the Science Center. Situated within an ecosystem of scientists, engineers, and entrepreneurs, Invisible Sentinel regards their Science Center location among University City’s pool of talent and mentors as “the epicenter of biotechnology in the Philadelphia region.”

KEY TAKEAWAYS

- The Science Center helped Invisible Sentinel secure state funds to support R&D and manufacturing operations through the Commonwealth of Pennsylvania’s Redevelopment Assistance Capital Program.

- While Invisible Sentinel was exploring new opportunities to bring its molecular diagnostic technology to market, the Science Center connected the company to mentors who could provide real-world experience.

- The Science Center facilitated introductions to government officials and the media.

- When Invisible Sentinel outgrew the Port, they made the decision to remain at the Science Center in dedicated space—the sixth company to do so in six years.
In 2006, Nick Siciliano and Ben Pascal established Invisible Sentinel at the Science Center’s Port business incubator with the vision of designing rapid, easy-to-deploy, and affordable molecular diagnostics technology to detect pathogens that cause illness in hospitals and other clinical settings. Regulatory hurdles and mandatory clinical trials made commercialization in health care settings expensive and time consuming. These time and cost requirements proved to be barriers to entering the clinical marketplace. These setbacks, coupled with the difficulty of raising capital during the downturn of the economy in 2008–2009, led the young entrepreneurs to pivot and seek alternatives to clinical applications.

Throughout these early-stage challenges, the Science Center’s Port business incubator was there to help. Science Center staff facilitated connections to business service providers who assisted the company with establishing its R&D facility at the Port in 2009. While Invisible Sentinel was going through an exploratory process to find other industries to apply their technology, the Science Center provided the exposure that helped attract experienced professionals to advise the company. Many of these relationships continue to this day. Indeed, Invisible Sentinel’s Executive Chairman Paul Touhey is the former CEO of FujiRebio Diagnostics, Inc., and a former member of the Science Center’s Board of Directors. As Siciliano explains, “Icons in the industry make up our executive committee. We would not have the privilege of working with them without the early exposure that the Science Center facilitated.”

A sweeping food safety regulatory change in 2011 offered an opportunity for Invisible Sentinel to pivot their product into food safety. The Food Safety Modernization Act emphasized science-based preventative controls to achieve higher food safety standards. Invisible Sentinel established their products to detect foodborne pathogens and improve the quality of wine and beer in a way that was easy to deploy and simple to interpret. The success of the simple molecular diagnostics tool launched the expansion of Invisible Sentinel’s manufacturing facility for food diagnostics at the Science Center in mid-2012. Invisible Sentinel now works with popular wine and beer manufacturers including Jackson Family Wines, Victory Brewing Company, and Yards Brewing Company. The company’s growing global reach, with new customers in Europe, South America, and Australia and New Zealand, helps strengthen Greater Philadelphia’s export market.

The founders of Invisible Sentinel were able to bring the company from concept to commercialization with the support of the Science Center. By August 2014, the company graduated from the Port and relocated its headquarters and manufacturing facility to a larger custom-built, dedicated space in the same building, where they doubled their number of employees from 2014 to 2015 and are projected to double their company size again in 2016. The Science Center leveraged state funds through the Redevelopment Assistance Capital Program, allowing Invisible Sentinel to triple the size of their manufacturing facilities in support of high-priority manufacturing job growth initiatives.

Invisible Sentinel is dedicated to growing their business in the region, says Chief Business Officer Ben Pascal. “We’re proud to be a Science Center resident and we’ve made a commitment to the City of Philadelphia. The region has been good for us, and we see no need to change a winning formula!”

“ICONS IN THE INDUSTRY MAKE UP OUR EXECUTIVE COMMITTEE. WE WOULD NOT HAVE THE PRIVILEGE OF WORKING WITH THEM WITHOUT THE EARLY EXPOSURE THAT THE SCIENCE CENTER FACILITATED.”
—NICK SICILIANO, CEO, INVISIBLE SENTINEL

41 The six companies that have graduated from the Port and elected to stay at the Science Center include Avid Radiopharmaceuticals, Bio Nano Genomics (since moved to California), Integral Molecular, Invisible Sentinel, Optofluidics and Pulsar Informatics.
COMMUNITY BUILDING AND WORKFORCE DEVELOPMENT

The Science Center occupies a key role in cultivating and nurturing the region’s innovation community, helping bring together researchers, academic administrators, entrepreneurs, public and private investors, and many other key stakeholders.

Below: A networking component is built into all Quorum programs and events.
Right: Middle school students participate in a lab tour with a FirstHand mentor from Invisible Sentinel.
Quorum, the entrepreneurs clubhouse, convenes the members of the region’s innovation ecosystem via programmed events, informal meetups and a coworking lounge. Quorum was established in response to the need for dedicated space for organized workshops, trainings, and networking as well as informal conversations and interactions identified in the CEO Council for Growth’s 2007 Accelerating Technology Transfer in Greater Philadelphia report prepared by the Economy League.

Today, Quorum is the first introduction to the Science Center for many, offering programming and events that draw in more than 8,500 people a year. Early-stage companies including Hootboard, Setvi, Colabination, and Generocity have touched down in Quorum and used its free coworking space while they ramped up operations.

With an eye towards long-term workforce development, the Science Center’s FirstHand initiative uses art and design to spark middle-school students’ interest in science, technology, engineering, and math (STEM) disciplines. FirstHand provides opportunities for students from under-resourced area schools to design experiments, test hypotheses and develop projects to present to the community. Participants work side-by-side with scientists and researchers at Science Center resident companies, gaining exposure to career opportunities and mentorship from professionals whom they otherwise would not be able to reach. In 2015, nearly 600 students participated in more than 3,300 hours of FirstHand programming, and 31 scientists from 15 Science Center resident companies mentored students in their company labs.

This kind of coordinated effort to prepare workers for employment in STEM fields is critical to increasing living standards and promoting opportunity in the region over the long term. Personal experience in a lab environment working on exciting and creative science and technology projects helps spark interest in STEM fields among students and educators at under-resourced schools, which in turn will help build the regional STEM workforce pipeline.
CASE STUDY:
AVID RADIOPHARMACEUTICALS AND THE SCIENCE CENTER

Providing space to grow, a place to convene, and connections to the bioscience ecosystem.

Avid Radiopharmaceuticals, founded by Daniel Skovronsky, M.D., Ph.D., the former Scientific Director at the University of Pennsylvania’s Center for Neurodegenerative Disease Research, develops technology to help diagnose the pathology of Alzheimer’s and other neurodegenerative diseases. Originally located in a single lab in the Science Center’s Port business incubator, the company has since expanded its footprint to occupy a custom-designed office and lab space nearly five times that size at 3711 Market Street on the Science Center’s legacy campus. Acquired by Eli Lilly & Company in 2010 in a deal worth up to $800 million, Avid now operates as a wholly-owned subsidiary of the Indianapolis-based global pharmaceutical company.

KEY TAKEAWAYS

- Avid is a pioneer in the development of molecular imaging agents for neurodegenerative diseases, and the Science Center has accommodated the flexible and staged growth of Avid as its portfolio of imaging products has advanced and expanded.
- Avid has occupied a number of different spaces within the Science Center, from a single lab in the Port business incubator when the company was in its infancy to the 24,500 square feet of custom-fit office and lab space it occupies today.
- The Science Center was able to help custom build the specialized accommodations required for Avid’s onsite manufacturing of radiopharmaceuticals for clinical trials.
- Avid represents Eli Lilly’s first and only presence in Pennsylvania.
As Avid has grown over the past decade, the Science Center has been a strong support for the company, providing both Port business incubator services and space to the growing company. As Vice President of Operations Michael Krautkramer says, “Our company’s story of development wouldn’t be the same without the Science Center partnering with us through these different phases of growth.” During its startup phase, the company also benefited from working in a collaborative environment among other early-stage firms. As Krautkramer puts it, the Science Center’s Port incubator at 3624 Market Street where Avid progressed through its early growth stages had a “vibe of entrepreneurship—people working crazy hours in tight spaces to meet their goals as they tried to grow as an organization.”

The Science Center’s support continued as Avid outgrew its space in the incubator. By the time Krautkramer joined the firm in 2009, the company had expanded to employ more than 30 people. Later that year, Avid became the first startup to graduate from the Port and move into dedicated office and lab space at 3711 Market Street. The space was designed and fitted with Avid’s specialized manufacturing needs in mind, including custom-made protective amenities to permit the safe production of radiopharmaceuticals used for diagnostic brain imaging of the pathology of Alzheimer’s and other neurodegenerative diseases. As Krautkramer explains, “We have custom radiosynthesis equipment in manufacturing cells lined with lead bricks to do the type of research we do—hence the reason that the floor below Avid had to be reinforced with steel beams. In that way, working with the Science Center and Wexford as a tenant in their building, it’s great to have that partnering kind of relationship when you have these really special needs. They understand and support it.”

Beyond their custom office and lab space, Avid takes advantage of the Science Center’s flexible shared spaces as a platform for collaboration. “We’ve used the Quorum space for some of our meetings where we wanted to create an off-site feeling,” Krautkramer says. Avid also uses shared meeting spaces to connect with the community. “We’ve used rooms in the Science Center to gather different stakeholders to talk about the local challenges of providing for Alzheimer’s disease patients and their families,” explains Krautkramer.

Avid’s FDA-approved product Amyvid is used in clinical trials around the world. As with many research and development firms, company growth is unpredictable. Krautkramer explains, “In a field like Alzheimer’s disease where there are still uncertainties, being able to grow in stages has helped Avid and is a testament to the commitment of the Science Center to help startup companies achieve their development goals.”

As stated by Krautkramer, “Our company’s story of development wouldn’t be the same without the Science Center partnering with us through these different phases of growth.”

—Michael Krautkramer, Vice President of Operations, Avid Radiopharmaceuticals
INFRASTRUCTURE FOR INNOVATION

University City has seen a tremendous amount of development since 2000. The Science Center, with more than two million square feet of lab and office space on its 17-acre legacy campus, has played a major role in powering the neighborhood’s transformation along with the neighboring universities, hospitals and private developers.

Looking ahead, the Science Center is leveraging its history as the nation’s oldest and largest urban research park as it joins forces with Wexford Science + Technology to expand its footprint and rebrand its physical campus as uCity Square. Plans for 4 million square feet in 10 new buildings in uCity Square include mixed-use development of lab and office buildings, residential apartments, and retail.

Emerging Trend: Graduate Companies Electing to Remain at the Science Center

BETWEEN 2009 AND 2016, six companies that outgrew the Port business incubator chose to transition into dedicated space on the Science Center’s legacy campus, and five remain part of the Science Center community today. These startups are contributing to Philadelphia’s economic vitality; together they employ more than 200 people. The development of uCity Square will ensure that these companies, and others like them, will have room to grow—in both size and economic impact.

Today, five Port graduates remain at the Science Center.

Avid Radiopharmaceuticals 116 employees

Invisible Sentinel 36 employees

Integral Molecular 31 employees

Pulsar Informatics 25 employees

Optofluidics 5 employees

= 5 JOBS
Though physical infrastructure is only part of the Science Center’s recipe for job creation and economic development, the massive increase in scale planned for the coming years will set the stage for considerable expansion of its impact. Physical assets are a critical part of the innovation ecosystem. As the Brookings Institution puts it, the new geography of innovation consists of “the public and privately-owned spaces—buildings, open spaces, streets and other infrastructure—designed and organized to stimulate new and higher levels of connectivity, collaboration and innovation.”\(^\text{12}\) With uCity Square, future residents of the Science Center’s incubator will have an expanded array of options when deciding where to locate and scale, and established firms will be able to find a new place to link to the innovation ecosystem.


Above: The Science Center’s first building at 3401 Market Street is home to the ic@3401 incubation program.

THE NEW GEOGRAPHY OF INNOVATION CONSISTS OF

“THE PUBLIC AND PRIVATELY-OWNED SPACES—BUILDINGS, OPEN SPACES, STREETS, AND OTHER INFRASTRUCTURE—DESIGNED AND ORGANIZED TO STIMULATE NEW AND HIGHER LEVELS OF CONNECTIVITY, COLLABORATION AND INNOVATION.”

—THE BROOKINGS INSTITUTION
A COMMUNITY OF INGENUITY

ENCOMPASSING THE SCIENCE CENTER’S LEGACY CAMPUS ALONG MARKET STREET AND 4 MILLION SQUARE FEET OF ADDITIONAL DEVELOPMENT, uCity Square will be a true mixed-use community comprised of offices and lab space for companies of all sizes, while adding more residents and neighbors to the area with shopping, dining, housing and jobs. This dynamic environment will support innovation and collaboration between the private sector and top-tier research institutions. It will also create a runway for even more startups and growing companies as they scale.
CONCLUSION

Greater Philadelphia is home to some of the world’s leading life sciences and technology research. Translating the region’s assets into business and wealth creation requires strong and productive connections between researchers, academic and medical institutions, entrepreneurs and firms, and government and nonprofit economic development players.

An effective intermediary is critical to facilitating and sustaining these connections. Through its dynamic portfolio of support services and office and lab space for scientists, entrepreneurs and startups, the Science Center provides a platform for cultivating and enriching the innovation ecosystem in Greater Philadelphia. The impact and reach of the Science Center continues to extend throughout the region and beyond.
Economic impact estimates in this report draw from the April 2016 “University City Science Center: Economic Impact Analysis Methodology and Findings” economic impact study, available online at sciencecenter.org/downloads/EIS.

The economic impact study was produced by the Economy League of Greater Philadelphia and Econsult Solutions, Inc. on behalf of the University City Science Center.