

# Business Better (Episode 40): Life Sciences and Healthcare Economic Development in the Mountain West, with Katelin Roberts of BioHive

Speakers: Scott Marty and Katelin Roberts

Scott Marty:

Welcome to Business Better, a podcast designed to help businesses navigate the noodle. I'm your host, Scott Marty. I'm a registered patent attorney and a member of the intellectual property department and higher education group, Ballard Spahr. We're a national law firm with clients across all industries and across the world. I spent the last 18 years working alongside higher education clients and have watched higher education institutions continue to develop new ways to grow economic development, both on and off campus. This episode is part of the new podcast series, where we visit with different leaders, striving to grow economic development in their areas or regions of interest. We will be discussing new initiatives, new models, and the interest in investment technology parks, incubators and accelerators, as well as other creative economic development platforms we've implemented throughout the country.

Scott Marty:

I'm very excited about our episode today as this episode features a discussion of nationwide trends and initiatives being used to cultivate communities in innovations, and specifically out in the Mountain West. Again, my name is Scott Marty, and I'll be leading the discussion today. My guest today is Katelin Roberts. Suffice to say, Katelin wears many hats. She is the general partner and COO of MedMountain Ventures, CEO of LineLogic, investor and board member of medic health and acting executive director and board member of BioHive, Utah. Welcome, Katelin.

Katelin Roberts:

Hi. Thank you for having me. I really appreciate you having me on your podcast.

Scott Marty:

Well, we're excited to talk to you today and as I gave the introduction, you wear many hats. So I'd like to just kind of start by asking you, how do you do it all?

Katelin Roberts:

Well, I think the key is having people that are smarter than me around me to get everything done.

Scott Marty:

Easy enough. So it's all about the people. We've heard that in some of our earlier podcasts and I think a trend that we'll see going into the future. Now that you've educated us on how you do it all, I guess the next question is what is BioHive? What is that initiative? How does it work? Who are the players?

Katelin Roberts:

So BioHive is a collective of more than 1,100 companies and growing rapidly that represents the life sciences and healthcare innovation ecosystem within Utah. And we are structured as a public private partnership, and we're really focused on promoting the industry, branding the industry and sustaining investment capital into life sciences and the startup ecosystem, giving people retraining opportunities, workforce development, retaining talent, giving people a pathway into the industry,

helping with recruitment, really everything that we can do to be a promoter and cheerleader within life sciences and the healthcare innovation ecosystem.

Scott Marty:

So as we were talking in preparation of our conversation today, you mentioned that you had moved back to Salt Lake City six years ago for some personal reasons, but there had to be some professional reasons as well and probably also some professional reasons as to why you agreed to tackle leading BioHive back in November 2020. Maybe you can give us an idea of what excited you about the region.

Katelin Roberts:

Yeah. We moved here six years ago for my wife's job, but I'm from Seattle and I just have always loved Utah. I love the outdoors. The lifestyle here is just fantastic, but really once we got here, the community of people are just incredible and I have absolutely fallen in love with Utah. I've said that I will leave Utah in a body bag. And my mom lives two doors down from me and my in-laws live like six houses away, and they both moved from different states. So we are absolutely in love with the community here and really the people. But when it comes to what's going on in the state, there are a lot of really fast growing exciting industries and life sciences and healthcare innovation is one of them. And I was drawn to BioHive because really two reasons; the mission, which is being an advocate for the life sciences ecosystem and I believe in the work of the life sciences sector and the innovation the industry is doing, not only for our economy, but more so for patients in our society.

Katelin Roberts:

We're all patients at one point or another and touch the healthcare system. So the work BioHive is doing around promoting the accomplishments of Utah's companies... Yeah, sure. So BioHive promotes the accomplishments of Utah companies, shines an important light really on what we're doing inside its borders on research and development commercialization, and showing that a little state can consistently punch above its weight class. And that's something I wanted to be a part of, but there's also a deeper work around workforce retraining, ensuring that future generations can find a pathway into sustainable and equitable jobs, and I find that very meaningful. The other compelling reason to get involved with the players at the table, BioHive is a true public private partnership and we're supported by the Governor's Office of Economic Opportunity, the Economic Development Corporation of Utah, World Trade Center Utah, the mayor's office, the University of Utah, BioUtah and many folks from industry.

Katelin Roberts:

It's just a stellar team driving this forward. So like I said, having people that are smarter than me around me is really the key to make me successful. But it's really the pieces like this all coming together, which is built on a long tradition of success in Utah within life sciences. But it just felt like we really reached an inflection point.

Scott Marty:

Katelin. We've talked a little bit about some of the initiatives and some of the investors, not necessarily private investors, but also public investors like the city and state. And I saw that back in March, there was around 600,000 awarded by the Utah State Legislature to support the BioHive branding initiative. Can you tell us a little bit about that?

Katelin Roberts:

Yes, that was huge for us and we are so appreciative to Governor Cox and the legislature for recognizing that this is important work. That funding will be matched one-to-one by industry. It was one time funding and it will be critical in allowing us to launch media campaigns highlighting opportunities within life sciences, making people aware of the great industry that exists within Utah that people might not even be aware of, educating folks about what life sciences actually is, highlighting partner resources, updating our industry reports, partnering on annual events to provide a better showcase for Utah companies so that they can get investment and at trade shows and much more. So this funding will really propel us forward and the work we can

do since we're really kind of a nascent initiative. But this ability will allow us to really engage with a broader audience within and around Utah.

Katelin Roberts:

So we're very grateful to the state for recognizing this. We are with one of their focus clustered industries, but it's always great to be recognized as an important economic engine within the state.

Scott Marty:

No, that's wonderful. And what a great opportunity to have funding come out of a state legislator like that. I wish it was more common. So you're very fortunate, and I too thank that the Utah State Legislature for giving that kind of attention to the life sciences initiatives that you have going.

Katelin Roberts:

Definitely. I want to take the opportunity to tell them thank you.

Scott Marty:

So I know that you had given another podcast back in December of 2020 with April young Bennet who serves as the industry, director of life sciences and healthcare innovation at the Governor's Office, Econ Dev. And you shared a little bit of BioHive on that podcast. So I'll tell our listeners that if they're interested, they can find that podcast available on the internet. So in that conversation, you talked a lot about what BioHive is and what it does, and this was back in December. Since then, how have you seen any changes in the economic developments that you're seeing in both Mountain West and Salt Lake City? Have there been further changes since December? Or going back a year, what are the trends that you're seeing out in the Mountain West and Salt Lake City area?

Katelin Roberts:

Yeah. I mean, I think there's definitely been a lot of development that might be anecdotal, but we have a lot of thriving industries in software and IT, aerospace defense, financial services manufacturing. So we have a lot of robust industries in Utah. The mayor's office set up an initiative called Tech Lake City, really focused on building a sustainable economy that benefits all residents. One in five jobs in the state is located in Salt Lake City. So it's really great to have the city, the major city within Utah leading out on an initiative like this, but the focus is really giving its residents an access to jobs and innovation focused around tech and life sciences and ensuring we can offer career pathways and opportunities to city residents and offer social mobility that are centered around equity and inclusion.

Scott Marty:

So with these trends, and I guess with the interest of both the city of Salt Lake City, as well as the state of Utah, how do you see these initiatives getting off the ground? For our listeners that aren't in as sophisticated of an environment as Salt Lake City and the greater, I guess, Salt Lake City area going all the way down to Southern Utah, what advice would you give to someone let's just say in a less developed area to try and get initiatives like this going in their particular regions?

Katelin Roberts:

Yeah. I mean, I think that it's interesting, even within Utah, we have some really fantastic initiatives all around the state, and some of those are really harnessed around academic institutions. But I think whenever you can get people together that want to drive change or want to drive economic opportunities, that's a great place to start. And I think a good model is really around those public private partnerships. So if you can find industry willing to work with the public partners, that's a great catalyst for finding a pathway into change and into a kind of build something that is sustainable.

Scott Marty:

So of all these trends that you're saying, and you've named a lot of them, some on the city level, some on the state level, some at the university level, some at the private level, with all those initiatives, what initiatives do you see that are actually working, that are actually creating those jobs and creating those opportunities and attracting investment?

Katelin Roberts:

Yeah. So that's a great question. Well, I'll answer that in two ways. So what's working in Utah is our economy. So our unemployment is under 3%, which is tied for the lowest in the nation with some other states. I think we were first for like the 14th year in economic outlook. The Milken Institute named Provo-Orem for the best large performing city in the nation, and Provo is home to Silicon Slopes, which is the recipient of many tech companies looking to get off the expensive West Coast. So they have tech giants like Qualtrics, Vivint, SmartCitizen. Also worth mentioning is Salt Lake City was number four on that list and for smaller cities, Logan, Utah was number two and St. George was number four. So I won't go into detail, but it kind of goes back to your question on what smaller cities can do, but it's worth mentioning that a lot of small cities that a lot of people have never heard of all around the country are setting up innovation centers.

Katelin Roberts:

So Logan here in Utah is home to a host of high-tech medical manufacturing industries. Like pharmaceuticals and medical equipment in the south part of our state near St. George, we have an area fondly referred to as Tech Ridge, and we just launched an innovation plaza, which has a startup incubator. And I think it's really important that all around the country, you don't have to be in a big city, you don't have to be in San Francisco or New York or Boston to be in a center of innovation. Innovation can be anywhere. And I think that's really important and we have that even within a small state like Utah, we're seeing it everywhere, and that's not big, that's all over the country. But to go on the list, University of Utah ranked first in tech transfer, BYU was fourth. We were the first academic life sciences R&D.

Katelin Roberts:

We had over a billion in NIH money. We were first in economic mobility, which is a measure of a child's ability to meet the national income distribution compared to their parents. And we lead the nation in levels of social capital, family stability, social mobility. So these are things that I think we're really proud of in Utah. And that also you get a great place to build a business because you have a great lifestyle, but those are also things that afford you a great workforce environment for the people that are going to work for your company.

Scott Marty:

That's great. And I think you've preempted one of my questions of how your regional aspects can affect some of these initiatives. And it seems like once you find the right home for what you're doing, be good at what you're good at. So we've kind of had the positive spin a little bit now as to what is working. Are there things that you see maybe aren't working maybe to spare our listeners a little bit of heartache and pain as to what initiatives that either public or private entities are not looking for or aren't working and to focus on those that you shared that are?

Katelin Roberts:

Yeah. Now that I have painted everything with rosy glasses, there are definitely challenges like there are everywhere. The unemployment rate is so low, which is a wonderful thing, but employers have a hard time finding qualified workers. We struggle with the same issues like any high-growth city; air quality, traffic, basic land constraints. Those, I think, are things that as the fastest growing state with the latest census data, we really struggle on how to strategically use the assets that we have. But one thing that we are really going to have to look at for the future is as our seat becomes more diverse and as it demographically changes, there's a disparity in education, housing and health outcomes between the most minority groups and those who identify as white. And this was proven out in data in a recent landmark study that was just published.

Katelin Roberts:

So I'm very proud of the community leaders for measuring this data and asking for it so we can know where we are because it's the only way to improve and take actionable steps toward a better future. I think it was also pretty surprising that Utah's the 34th most racially and ethnically diverse state in the nation. So 40% of the state's growth has come from minority populations since the last census of 2010, and this trend is only going to continue. So we are trying to be proactive, but that data showed that we have work to do so we can ensure an equitable future for all Utahns. So ultimately, how long you're expected to live, how much money you'll earn should not depend on your race, ethnicity or sex. We're very lucky to have both public and private sector leaders who are very focused on issues around diversity, equity and inclusion, but again, we have to make sure that that reality filters down to everyone in Utah.

Scott Marty:

Wow. That's wonderful. And I'm sure I've done my homework on you, but Ballard Spahr is absolutely dedicated to diversity and inclusion efforts. I'd say that we're constantly ranked as one of the preeminent law firms on diversity and inclusion. So it sounds like here, there's some opportunity maybe for all of us to work together to help address some of those diversity inclusion issues that we're seeing as you've identified in the consensus, but it also seems like maybe there's opportunities in Salt Lake for those who are interested in being involved to help with the efforts there in Salt Lake City and the greater surrounding Utah area. So that's wonderful. I'm glad you raised that, thank you. So I'm going to steal a little bit of research that you did and I'm not going to call it my own, I'm going to give you your full due, but you've identified that as of I guess December of last year, the year prior, there was about \$715 million in venture funding into the life sciences companies, raising by the life sciences companies.

Scott Marty:

Can you talk a little bit about whether that trend is continuing, whether that life sciences sector is kind of a hot sector and do you see that continuing in the near and distant future?

Katelin Roberts:

Yeah, it's a great question. So we ranked number 6 in VC investment per capita in the nation. One of the things we struggle with is having a hard time getting enough funding for all the good ideas coming out of Utah. One of the most exciting things in the investment arena right now, and I think it will be a real catalyst for the future is an investment coalition at Altitude Lab. There are about a dozen venture firms, family offices and the like that are committing \$50 million over the next three years into Altitude residents companies, along with resources and mentorship. And the list is just phenomenal. You have Mubadala, Lux Capital, Menlo Ventures and other great firms. They're diverse in their stage, expertise focused within life sciences and healthcare coming to really stake their bet on Utah. But when you have the government of Abu Dhabi using its economic diversification vehicle, investing resources into Utah, you know there's something going on.

Katelin Roberts:

So I think we have a really exciting economic story that's taking place. And what's really encouraging is the downstream impact that these investments will have, not only for other opportunities within Utah in terms of jobs, but these companies will impact patient lives in very real and tangible ways. I think a local example for us is Recursion Pharmaceuticals that just went public in mid April. The technology was licensed out of the University of Utah. The company is using artificial intelligence for drug discovery to find new uses for old drugs for which they were never indicated before. The mechanism of so-called drug re-purposing, which is reusing what has already been explored and developing at a tremendous cost could make it economical to find cures for orphan diseases, conditions where the market is usually too small to attract original investment dollars by the pharmaceutical industry.

Katelin Roberts:

It's actually an area where investment has gone down into orphan diseases. So what's exciting today is, actually just today, Recursion announced the first internally discovered new chemical entity, which is a candidate for the potential treatment of C. diff. This drug has not been previously investigated and will now head to clinic to join their other four known chemical entities, so those repurposed drugs that are advancing to phase two studies. So this is what's so important and central to what we're doing is focusing on patients and why we can't forget that they're our North Star.

Scott Marty:

So it's interesting to think about this from a patient perspective, so thanks for sharing that. And thinking about that and being aware of some of the wonderful hospital systems that you have in the local area, how big of a role do you think that that plays having an institution like the Huntsman Cancer Institute and having the Department of Veterans Affairs within that Salt Lake City area city and then also throughout the state? How important do you think that is to the development of a wide sciences initiative like the one you've outlined?

Katelin Roberts:

It's huge. I mean, it is absolutely huge. The Huntsman Cancer Institute is a partner with the new therapeutics accelerator at the University of Utah. Intermountain Healthcare is joined on a committee on healthcare innovation at the city level. All of our partners in our healthcare system are just, I think, integral to the ecosystem that we have in taking care, not only in our patients, but in really developing this ecosystem and community fabric in innovation. So I think it's huge in ways that are really hidden. It's funny, I was talking the other day with someone about when the PAC-10 became the PAC-12, that was one of the things that the PAC-12 looked at was Utah. That was one of the things that pushed them over the line was the healthcare system and the hospital system. So there are things that are really hidden and that allows us really as a community within Salt Lake and within Utah to really punch above our weight class.

Scott Marty:

Oh, that's interesting. So we spent a little bit of time talking about life sciences, knowing a little bit of what I do about Utah's history in the high-tech area, do you see other sectors that are thriving and growing out in Salt Lake City and greater Utah area?

Katelin Roberts:

Yeah. I mean, aerospace and defense is huge. L3 is one of the big employers. We have Hill Air Force Base. I spent my early career in aerospace so I always like to see aerospace doing well. We have, I think, nationally been renowned for our financial services. Software and IT, we have Silicon Slopes, we have huge companies moving here to get off the expensive West Coast and just finding a real haven of entrepreneurship and tech, and we have a great manufacturing sector where you can partner with both East Coast and West Coast vendors. So there's a lot of really growing and thriving industries that are doing well here. And we also have targeted sectors at the state level in energy in trying to kind of diversify our own assets.

Scott Marty:

I haven't had the opportunity recently to look too much into the mining industry, but is that an industry that you see tying into some of these initiatives as well?

Katelin Roberts:

It's interesting, we do have mining. In terms of jobs, I think, it's less than 1%, but we have the world's largest copper mine and it does play a role in I think some of the conversation in Salt Lake City in terms of how we will move forward in the future because we do have a lot of resources within Utah. So I'm going to leave that to the politicians though about the impact of that and what we do around mining. But yeah, it's definitely I think part of our fabric here in Utah. There is mining.

Scott Marty:

Well, again, I think we've had a lot of gravy here so far, all the positive things and people coming together. I always like to have people share a little bit about what some of the toughest obstacles that they have faced in their role. And again, you wear many hats here, but maybe we limit it to just the Econ Dev growth through BioHive. What's the toughest obstacle you've faced so far in your tenure?

Katelin Roberts:

I think the toughest obstacle that I face, that really we face is finding alignment across all the stakeholders. And I think that is in both the public side, the private side. I think we all ultimately have the same goals, but it's finding really the best way to serve our citizens, our patients and so we can create those sustainable longterm jobs that provide that mobility, that provide that equity, but also create that economic engine for Utah. And so doing it in a way that gets buy-in from industry that also, again, that everybody's aligned. And you have so many stakeholders in life sciences by virtue of the fact that it's a highly regulated industry. You have a lot of people involved, both in academia, in government, and then when you're adding these nuanced issues like changing demographics, trying to get people into this growing industry because we're outpacing our workforce growth.

Katelin Roberts:

But it's exciting. I think these challenges provide us with just a wealth of opportunity. And when we look down the road, we want to have our grade schoolers having great opportunities in life sciences, in healthcare innovation, and we want this economic engine and vitality in Utah to just be growing and thriving because it's wonderful for patients. Like I said, there's so many companies that are just doing life changing work in Utah. We want people to know about it, we want people to work in it, we want them to continue the R&D. And so I think it's just getting people headed in the same direction and getting bought into the same plan and then executing on it.

Scott Marty:

All right. So here's the fun part, and I didn't prepare you for this. So I'm looking to get involved in the Salt Lake City community. I'm an investor, I'm a company, where are we going to eat?

Katelin Roberts:

Well, that's a great question. I just went out to dinner and a Jazz game the other night, which was absolutely mind blowing. It felt very weird after a year being locked down. So I went out to eat at Salt Lake City Eatery. It was good. And I don't know, I haven't been there in a year, but HSL used to be good.

Scott Marty:

Wonderful, wonderful.

Katelin Roberts:

My wife is a very good cook, Scott. So when you come into town, we'll make you dinner.

Scott Marty:

Oh, that sounds wonderful. I look forward to it. I hope to be on the road soon. I like you have been cooped up in my home for a long time and I'm just now starting to get out. So I'm glad to see vaccinations going the way they are. I'm glad to see hopefully the numbers going down, and I very much look forward to coming out in Salt Lake City and meeting you in person. So before we go, I always like to give our guests an opportunity to tell us about any upcoming events or opportunities that our listeners should be looking out for.

Katelin Roberts:

Yeah, absolutely. Our Twitter is pretty active, LinkedIn, we try to be pretty up to date on what's going on within our community and ecosystem. So our website is biohive.com, and all of our kind of social media accounts are there, but we really encourage people to follow along on our journey as we grow as an ecosystem into a hub and really learn about the impactful work that is going on within Utah. So we hope people will join us.

Scott Marty:

Great. Thank you. And I encourage all our listeners to reach out to Katelin or her team at BioHive. There's a lot going on there. It's not going to be a secret for long. It's probably not a secret now, but I think once the gloves are off and we're able to get back to our normal traveling, I have a feeling that the Salt Lake City airport is going to be quite busy. Thanks again to Katelin Roberts for joining us. Thank you, Katelin.

Katelin Roberts:

Thank you, Scott. I appreciate it.

Scott Marty:

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