



Cytocentrics Wins \$1 Million Incentive and Warm Welcome to San Antonio

City Council made it official Thursday, voting unanimously to grant a \$1 million incentive to [Cytocentrics](#), a biotech and robotics company that is moving from Rostock, Germany to San Antonio where it will open a robotics assembly and biotech research facility that will employ more than 300 locally-trained people. The company will invest a minimum \$15 million in establishing operations here over the next five years as part of the incentive agreement.

Assembly workers will earn \$50,000 a year and laboratory technicians who will earn \$70,000 a year, Cytocentrics CEO James Garvin said Thursday. The company will partner with UTSA, UTHSCSA and the Alamo Colleges. The decision by Cytocentrics to move here from Germany was first reported on the Rivard Report Tuesday. (Read More: [German Biotech Company Moving to San Antonio](#).)

An additional incentive was offered by the City for the company to locate its operations in the center city, but the City's Director of Economic Development Rene Dominguez told City Council that the company declined that offer and instead has set up offices in Stone Oak in District 9.

Cytocentrics works in a highly specialized area of cellular research for developing new drugs and drug therapies, and is a leader in technology development and laboratory research.

"Cytocentrics has developed a robotic medical device that evaluates how drugs interact with human cells to determine whether the drug is effective or possibly toxic, and that testing process is called patch clamping," Dominguez said. "Right now, that kind of testing is currently being done manually in more than 7,000 laboratories worldwide, and the equipment this company has developed and will manufacture here automates the process, so the possibilities are enormous."

Councilmember Joe Krier (D9), whose district will become home to the company and its leadership, praised the project as the kind of economic development deal and collaborative enterprise that is called for in a recent report issued by the San Antonio Medical Foundation that made specific strategic recommendations to bolster the city's biosciences and healthcare industries. Krier co-chaired that strategic planning committee.

"This is as good as it gets," Krier remarked after Dominguez outlined the incentive agreement. "Both of these partnerships are great steps towards further preparing San Antonio's workforce in the biosciences industry," said Mayor Ivy Taylor said a later press conference, adding that the project is "indicative of [the City's] efforts to focus on the biomedical industry, which currently employs one in six San Antonians and has over an estimated \$30 billion in economic impact."

City Councilmember Ray Lopez (D6) read a statement from fellow Councilmember Ron Nirenberg (D8), who was in Utah at a National League of Cities meeting:

"Cytocentrics is emblematic of Germany's leadership in technology, engineering and manufacturing," Nirenberg wrote. "This agreement will bolster the City's ongoing effort to develop cultural ties to Germany while expanding the local biotech ecosystem. The return on the City's investment will be multiplied by Cytocentrics' commitment to our City and its anchor institutions of higher learning."

Dr. Garvin said Cytocentrics decided to relocate here on the advice of [Targeted Technology](#), a San Antonio early stage investor group in more than 20 medical and life science companies. He praised the strength of city's biosciences sector, particularly focusing on the collaborative efforts under way between the UT Health Sciences Center and UTSA and their joint collaboration in the formation three years ago of the [Center for Innovation of Drug Discovery](#) (CIDD).

Speaking at an afternoon press conference, Dr. Garvin added, "This is a wonderful, warm city and that's coming from an outsider. I would be remiss if I did not thank Targeted Technology. Without their support and encouragement we would not be here today. They were the ones who said, 'You need to look at San Antonio.' We actually were thinking about going someplace else.

"I personally believe that Targeted Technology is one of San Antonio's strongest assets ... The other kudo that is very well-deserved: The University Health Sciences Center and the Center for Innovative Drug Development, it's very hard if you're not in science to understand what an incredible thing you have here in San Antonio. I have been all over the world in different areas of biotechnology. It is a stunning facility, it is a stunning apparatus that you have put together and the city really needs to embrace it because it's one of the most unusual, dynamic enterprises I've ever seen constructed by a university."

Garvin said Cytocentrics is the world leader in automated laboratory testing of pharmaceutical agents on human cells, and the only company with the proprietary technology to conduct patch clamping automatically, a process that traditionally has required laboratory technicians to do so manually.

"We build a remarkable piece of equipment, what we do is we study ion channels," Garvin said. "We're looking at a human cell, which has pores just like your skin, and those pores are called ion channels, and by reading what's going on in those pores you can figure out what's happening to a cell when it's interacting with a drug or particular kinds of elements in the environment. By understanding that better, you can change the face of medicine."

Garvin described a patent application Cytocentrics has filed that would deploy robotics operating at the bedside of a cancer patient receiving chemotherapy, extracting cancer tumor cells and conducting real-time tests to gauge therapeutic results.

"What takes months now would take a few hours with this technology at the bedside for patients," Garvin said. "That's where this kind of technology is going, and it's not only our company, but it's what (UTHSCA and UTSA) are doing, and when you bring that collaboration together, that's when you move the frontiers of science forward in such a way that all of our lives are impacted. So it's not just about the jobs. It's about what we can do to help medicine be better for all of us. I'm sorry I get so excited, it's pretty neat stuff."

The predecessor company to Cytocentrics was founded in 2001 in Reutlingen, Germany by Dr. Thomas Knott and Dr. Alfred Stett. The company's board of directors includes [Dr. Erwin Neher](#), co-winner with fellow researcher Bert Sakmann of the 1991 Nobel Prize in Physiology or Medicine, "for their discoveries concerning the function of single ion channels in cells." Dr. Knott was on Dr. Neher's research team that won the Nobel Prize and is the one German founder relocating to San Antonio, where he will serve on the company's board along with Dr. Garvin and four of the Targeted Technology partners.

Garvin said the company would use the \$1 million City incentive, half of which will be paid now, and half after five years when the company achieves its investment and job creation goals, to purchase costly laboratory equipment.

"You just can't go on Craigslist and buy lab equipment," he joked.

Garvin was preceded at the microphone by an array of other speakers.

The partnership aspect of the agreement is expected to produce important academic and research advances for all of the partners, which drew praise from both UTHSCSA President Dr. William Henrich and UTSA's Vice President for Research Dr. Mauli Agrawal. Cytocentrics is donating one CytoPatch2 patch clamping robot to CIDD for research and a second one to the Alamo Colleges for training future laboratory technicians the company will hire locally.

“In a time when research funding is scarce and collaboration is essential, we are happy to welcome Cytocentrics Bioscience to San Antonio and are grateful for their generosity,” said Dr. Henrich. “We are proud to partner with our sister institution, UTSA, on the Center for Innovative Drug Discovery and are pleased to house two CytoPatch Machines on our Health Science Center campus, where other institutions in South Texas may utilize them for research as well...The technology of the CytoPatch is very sophisticated and will provide opportunities to expand our research and garner additional grant funding to foster discovery.”

Dr. Agrawal agreed: “San Antonio is known for its collaborative spirit. Cytocentrics’ relocation to San Antonio serves as an example of how the private sector, academia, and the City can partner together to enable progress, drive innovation, and ultimately create more jobs.”

“We have been waiting for an opportunity like this for a long time,” said Dr. Federico Zaragoza, the Alamo Colleges’ vice chancellor of economic & workforce development. Earlier, Dominguez told City Council it is the company’s intent to hire locally trained technicians and assembly workers to avoid having to recruit people from outside the city.

“This opportunity for the Alamo Colleges to provide training that will train local workers for high-paying, high tech jobs is further recognition of our status as the primary provider of innovative, successful job training programs tailored to the needs of local employers,” said Dr. Zaragoza.

City Manager Sheryl Sculley had the last word and used it to thank all the partners who worked on the Cytocentrics project, including her recognition of Ann Stevens, president of Biomed SA, the non-profit that has worked for more than a decade to build the city’s biosciences sector.

“Economic development, like baseball, is a team sport,” Sculley said. “Don’t apologize for your excitement, Dr. Garvin. We are as excited as you are that Cytocentrics is coming to San Antonio.”

Source: <http://therivardreport.com/cytocentrics-wins-1-million-incentive-and-warm-welcome-to-san-antonio/>

June 12th 2015