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OUTLOOK 2010

TechTown's growth leads to hosting stem cell summit

BY TOM HENDERSON

The highlight of the local tech world for 2010 likely will be the **World Stem Cell Summit**, which will bring some 1,200 scientists, government officials and representatives of private industry from more than 30 counties to downtown Detroit from Oct. 4-6.

The conference will help showcase one of the reasons organizers said they chose Detroit: **TechTown's** stem cell commercialization center, which recently was awarded \$4.1 million by the **U.S. Department of Housing and Urban Development** for the build-out of the 15,000-square-foot collection of wet labs.

That build-out will bring the 140,000-square-foot Tech One building on Burroughs to full capacity. In need of a lot of space in the very near term, TechTown's executive director, Randal Charlton, has gotten approval from **Wayne State University** officials to purchase a nearby building and has made an offer.

TechTown had planned on renovating another nearby building first, the former Criminal Justice Building, as its Tech Two building, but that would require time and substantial build-out money.

TechTown needs the space as soon as possible to house entrepreneurs as they move through the FastTrac to the Future program, which was created by the **New Economy Initiative** and the **Marion Ewing Kauffman Foundation** to create 400 new companies in Southeast Michigan in the next three years.

Other tech trends to watch:

- Will Ann Arbor-based **QuatRx Pharmaceuticals Co.** be the next **HealthMedia Inc.** or **HandyLab Inc.**? HealthMedia is an Ann Arbor provider of Web-based wellness programs that was sold to **Johnson & Johnson** last December. HandyLab is an Ann Arbor-based maker of medical diagnostics equipment that was sold in October to New Jersey-based **Becton, Dickinson & Co.**

QuatRx, the state's most successful company at raising venture capital this decade, some \$117 million, would seem poised for the kind of exit its investors have been shooting for. In September, the company announced good results for the second of two Phase 3 **U.S. Food and Drug Administration** trials for Ophena, a compound that treats postmenopausal vaginal atrophy.

Completing Phase 3 trials successfully, which allows the company to seek approval for consumer use, is a point where bio companies often start thinking about an initial public offering or being acquired. With the market still slow for IPOs, look for an acquisition.

- Ann Arbor-based **Aastrom Biosciences Inc.** (Nasdaq: ASTM) continues to report good results in patient trials both in the U.S. and Europe for its products, which are based on using a patient's own stem cells to fight such conditions as congestive heart failure, bone breaks, nerve regeneration and cartilage repair.

But it continues to face possible Nasdaq delisting on March 3 over its share price having lagged below \$1 for months. It remains to be seen if good clinical news can boost the share price.

- An improving world economy should boost revenue for both Rochester Hills-based **Energy Conversion Devices Inc.** (Nasdaq: ENER) and Plymouth-based **Rofin-Sinar Technologies Inc.** (Nasdaq: RSTI). Both were booming when the recession hit, ECD with its sale of solar roofing materials for large construction projects, Rofin-Sinar for its high-end industrial laser.

- Detroit-based **NextEnergy** has lined up \$56 million in commitments from national and international industrial heavyweights, such as **GE Energy**, **Hansen Transmissions International NV** and **LMS International NV**, to help build and run a dynamometer test center to test the drivetrains needed to build what is hoped to be by far the world's biggest wind turbines. Should a \$45 million **U.S. Department of Energy** grant come through, look to see ground broken on Zug Island next year.

- As the state continues its push to become a leader in wind-turbine development, a coalition of government and industry has formed the Detroit-based **Michigan Solid-State Lighting Association**.

Members include **DTE Energy Co.**, the **University of Michigan**, WSU and emerging local high-tech companies. Solid-state lighting uses light-emitting diodes to replace electricity, gas or plasma as a source of illumination.