



# NM Bioscience Authority

*Presenting on behalf of the New Mexico Bioscience Authority:*

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Chair, Board of Directors, NM Bioscience Authority  
Founder, Dekker/Perich/Sabatini Architects, Engineering and Planners

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Executive Vice Chancellor, UNM HSC  
Vice Chancellor of Research, UNM HSC

***NM Finance Authority***

October 15, 2021

# What is Private Public Partnership?

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- A public-private partnership (P3) is a contractual arrangement between a public agency (federal, state or local) and a private sector entity.
- Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public.
- In addition to the sharing of resources, each party shares in the risks and rewards potential in the delivery of the service and/or facility.

# How Many States Have P3 Enabling Legislation?

- As of June 2017, **NCSL** (National Council of State Legislatures) is aware of **39 states**, the District of Columbia and Puerto Rico which have enabling laws for public-private partnerships.
- **Enabling legislation is widely viewed as a vital component for successful P3s.**



# Examples of P3 Type Projects

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- **Transportation Projects** (Roads, Bridges)  
Transit Systems & Vertical Facilities  
Critical Infrastructure (Water, Sewer, Renewable Energy)  
Broadband Infrastructure
- **Housing**-Student, Workforce, Military  
Innovation Mixed Use Districts/Facilities
- **BioTech and R&D Facilities**  
Fire Stations/Public Safety Facilities/Jails and Prisons
- **Healthcare**-Hospitals and Medical Office Buildings and Specialty Clinics
- **Recreation Complexes and Facilities**
- **Convention and Visitor/Tourist Facilities**  
Libraries/Community Centers  
Schools/Charter Schools/Specialty Schools  
Support Facilities (Warehouses, Garages)  
Administration/Office Facilities/Administrative Complexes
- **Commercial facilities on public/institutional land as revenue generators**

# 21<sup>st</sup> Century Infrastructure

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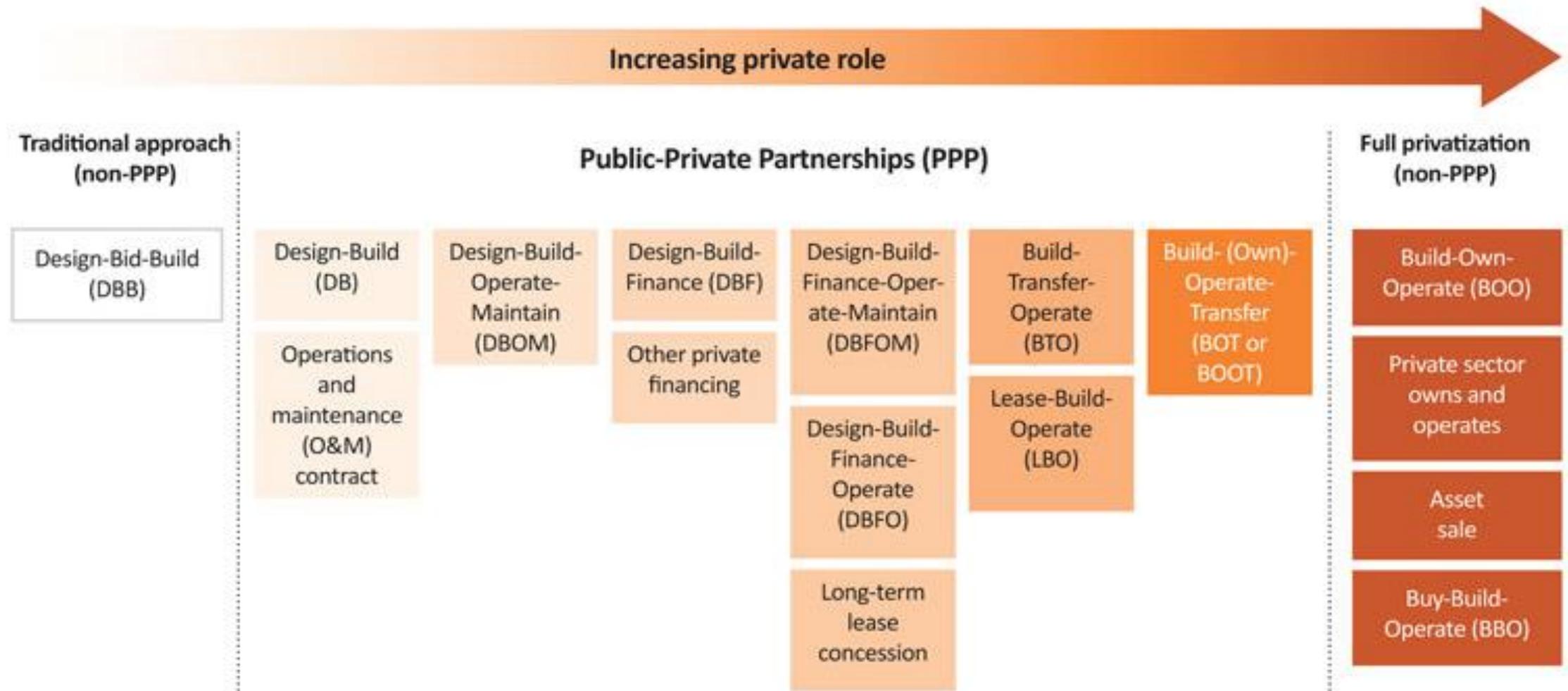
## FACT SHEET: President Biden Announces Support for the Bipartisan Infrastructure Framework

JUNE 24, 2021 • STATEMENTS AND RELEASES  
WHITE HOUSE

**Public-private partnerships,** private activity bonds, direct pay bonds and asset recycling for infrastructure investment

**Alternative Contracting Methods** for Federal Land Management Agencies and Tribal Governments

# Project Delivery Models Along a Continuum of Private Sector Involvement



# TITLE VII- Public-Private Partnerships

## 21 SEC. 70701. VALUE FOR MONEY ANALYSIS

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(a) IN GENERAL.—Notwithstanding any other provision of law, in the case of a project described in subsection 24 (b), the entity carrying out the project shall, during the planning and project development process and prior to 2291 EDW21A09 WG9 S.L.C. 1 signing any Project Development Agreement, conduct a value for money analysis or comparable analysis of the 3 project, which shall include an evaluation of—

(1) the life-cycle cost and project delivery schedule;

(2) the costs of using public funding versus private financing for the project;

(3) a description of the key assumptions made in developing the analysis, including—

(A) an analysis of any Federal grants or loans and subsidies received or expected (including tax depreciation costs);

(B) the key terms of the proposed public private partnership agreement, if applicable (including the expected rate of return for private debt and equity), and major compensation events;

(C) a discussion of the benefits and costs associated with the allocation of risk;

(2) carried out—

(A) by a public entity that is a State, territory, Indian Tribe, unit of local government, transit agency, port authority, metropolitan planning organization, airport authority, or other political subdivision of a State or local government; and

(B) in a State in which there is in effect **a State law authorizing the use and implementation of public-private partnerships for transportation projects;**



**Public-private partnerships**, private activity bonds, direct pay bonds and asset recycling for infrastructure investment

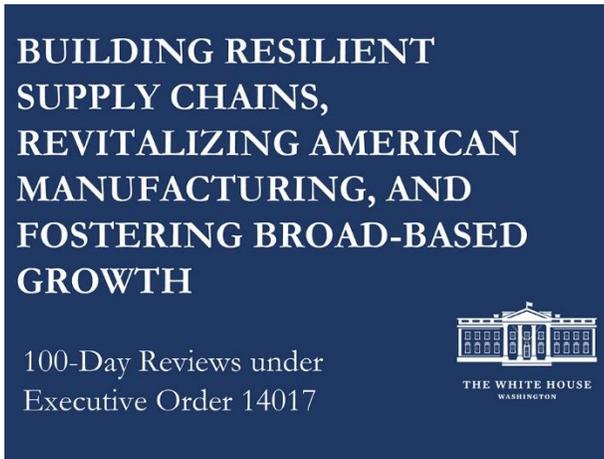
# HB286-Enacting the Public-Private Partnerships Act

1 HOUSE BILL 286  
2 54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019  
3 INTRODUCED BY  
4 Patricia A. Lundstrom and Roberto "Bobby" J. Gonzales and  
5 Jim R. Trujillo and Jane E. Powdrell-Gulbert  
6 and Clemente Sanchez  
7  
8 FOR THE LEGISLATIVE FINANCE COMMITTEE  
9  
10 AN ACT  
11 RELATING TO PUBLIC PROJECTS; ENACTING THE PUBLIC-PRIVATE  
12 PARTNERSHIPS ACT; CREATING THE PUBLIC-PRIVATE PARTNERSHIPS  
13 BOARD; CREATING THE PUBLIC-PRIVATE PARTNERSHIP PROJECT FUND;  
14 ALLOWING THE STATE AND LOCAL GOVERNMENTS TO ENTER INTO  
15 PARTNERSHIPS WITH PRIVATE SECTOR PARTNERS TO FACILITATE PUBLIC  
16 PROJECTS; PROVIDING POWERS AND DUTIES; REQUIRING REPORTS.  
17  
18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:  
19 SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be  
20 cited as the "Public-Private Partnerships Act".  
21 SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the  
22 Public-Private Partnerships Act:  
23 A. "authority" means the New Mexico finance  
24 authority;  
25 B. "board" means the public-private partnership  
.211374.3

underscored material = new  
[bracketed material] = delete



Innovation/R&D



Resilient Supply Chains

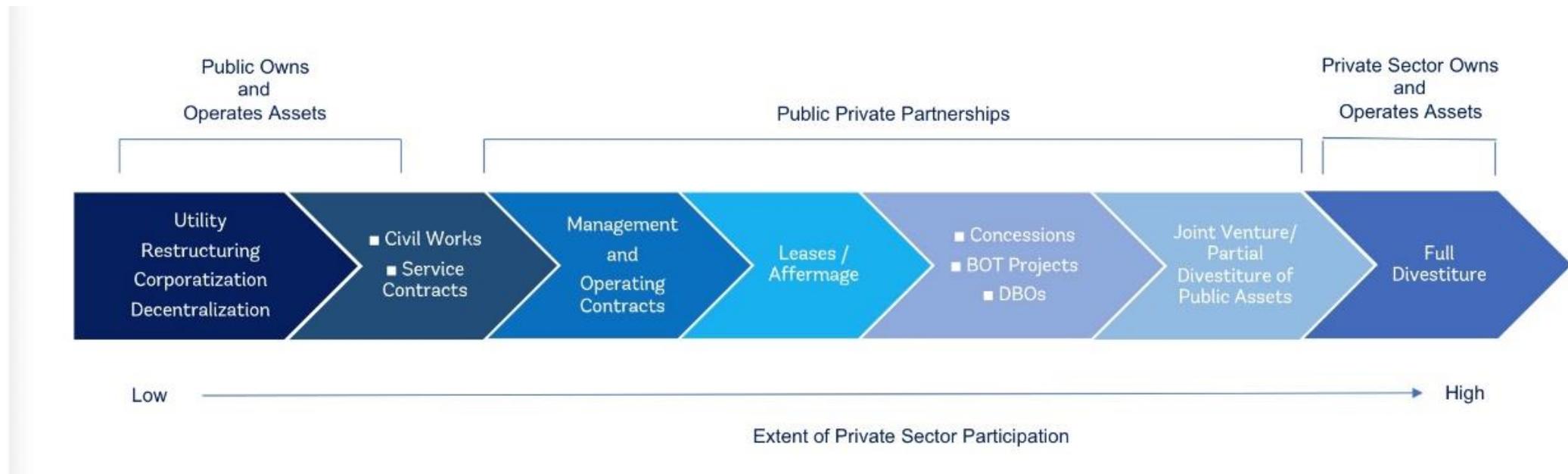


21<sup>st</sup> Century Infrastructure



# New Mexico Bioscience Authority

- *Public private partnership* designed to co-invest public and private funds in bioscience company startup or relocation



# What is Bioscience?

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## Six Industries Make Up Bioscience Sector:

1. Agricultural feedstock and chemicals
2. Bioscience-related distribution
3. Drugs and pharmaceuticals
4. Medical devices and equipment
5. Research and bioinformatics
6. Testing and medical laboratories



# Why Bioscience Industry in New Mexico?

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***Bioscience innovation is a catalyst for improving our state's health, productivity and economic development.***

- High paying, green jobs
- University research and patents
- Workforce Generation
- Existing companies & entrepreneurs
- Some Financing



# Why Bioscience is Good Industry to Grow in NM

## Growth in Bioscience

### Research Funding, UNM HSC<sup>1</sup>

- 2021 (\$212M)
- 2004 (<\$90M)

## Availability of Workforce (NM Graduates in Bioscience-Related Fields, 2011 – 2020)<sup>2</sup>

- Natural Sciences (6,389)
- Health Professions, excl. BSN (6,551)
- Engineering/Tech/CS (10,051)
- Business (16,369)

70% of NM bioscience graduates leave the state due to lack of jobs.

## Employment Index Increase, 2020 – 2030<sup>4</sup>

- Bioscience (17% increase)
- Total Private Sector (7.7% increase)

## Bioscience Leads NM Patents, 2011 – 2020<sup>3</sup>

- Biosciences-related (~ 325)
- Computer/Data science (~ 275)
- Optics (~ 175)
- Electricity (~140)
- Communications (~125)
- Chemicals (~40)

NM is 7<sup>th</sup> in nation in bioscience patents per capita

## Bioscience Leads in 2021 NM Salaries<sup>4</sup>

- Bioscience (\$98.7K)
- Engineering (\$95.2K)
- Aerospace (\$90.1K)
- Mining (\$82.9K)
- Computing (\$74.2K)
- Communication (\$56.2K)

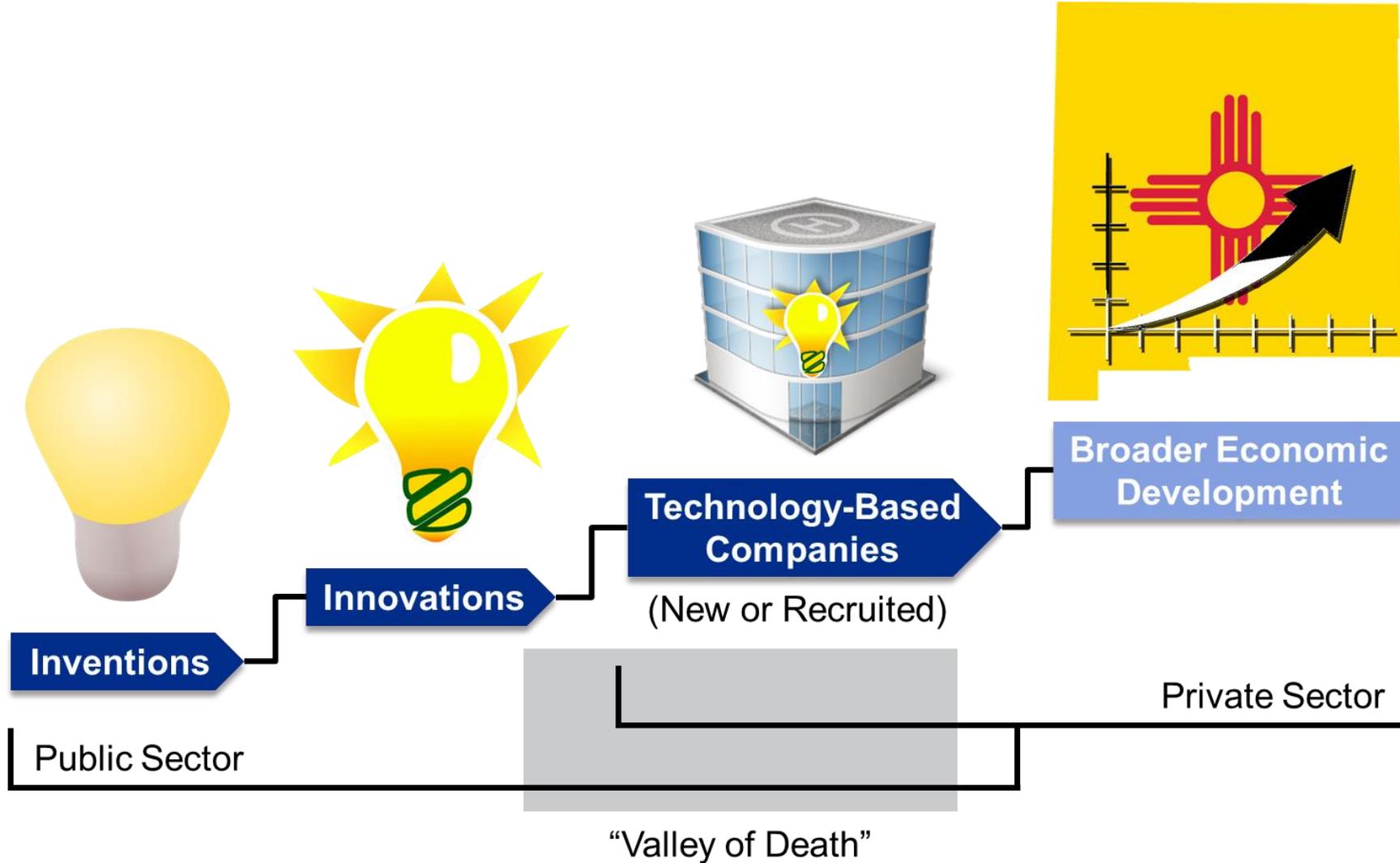
<sup>1</sup>UNM HSC Annual Report

<sup>2</sup>NM HED Annual Report

<sup>3</sup>USPTO, Google Patents

<sup>4</sup>U.S. Bureau of Labor Statistics

# How New Companies Are Created



# Effective Public-Private Partnership is Key



## University/Public Sector

- Their view: Contributes scientists and experts
- Business perspective: Minimizes technical risk, market risk, and evolving nature of market
- Supports existing business (workforce)

## Private Sector

- Their view: Priority of economic growth and jobs
- Academic perspective: Societal impact

# Example of Success

## Background

### ***Terry Dunlay, Founder, President, & CEO***

- 2006 - moving to New Mexico and was referred to STC
- Licensed by STC/UNM
- Inventors: Larry Sklar and Bruce Edwards (UNM HSC)
- 2006 - Worked with STC through Cecchi Venture Lab (first tenant of CVL)

### ***Raised approximately \$20 Million***

- 2007-2010 - \$5 million in 3 rounds. \$1 million in 2007 from Verge & Village Ventures, \$1.5 Million in 2008 from Verge & Village Ventures and \$2.5 million from Prolog Ventures, Verge, and New Mexico Community Capital.
- May 2013 – \$8 million from Arboretum Ventures who led the venture funding round with participation from current backers Prolog Ventures, Verge Fund and New Mexico Community Capital
- July 2015 – \$5.4 million from Arboretum Ventures who led the venture funding round with participation from current backers Prolog Ventures, Verge Fund and New Mexico Community Capital

### ***Sold to Sartorius AG in June 2016 for \$90 million***

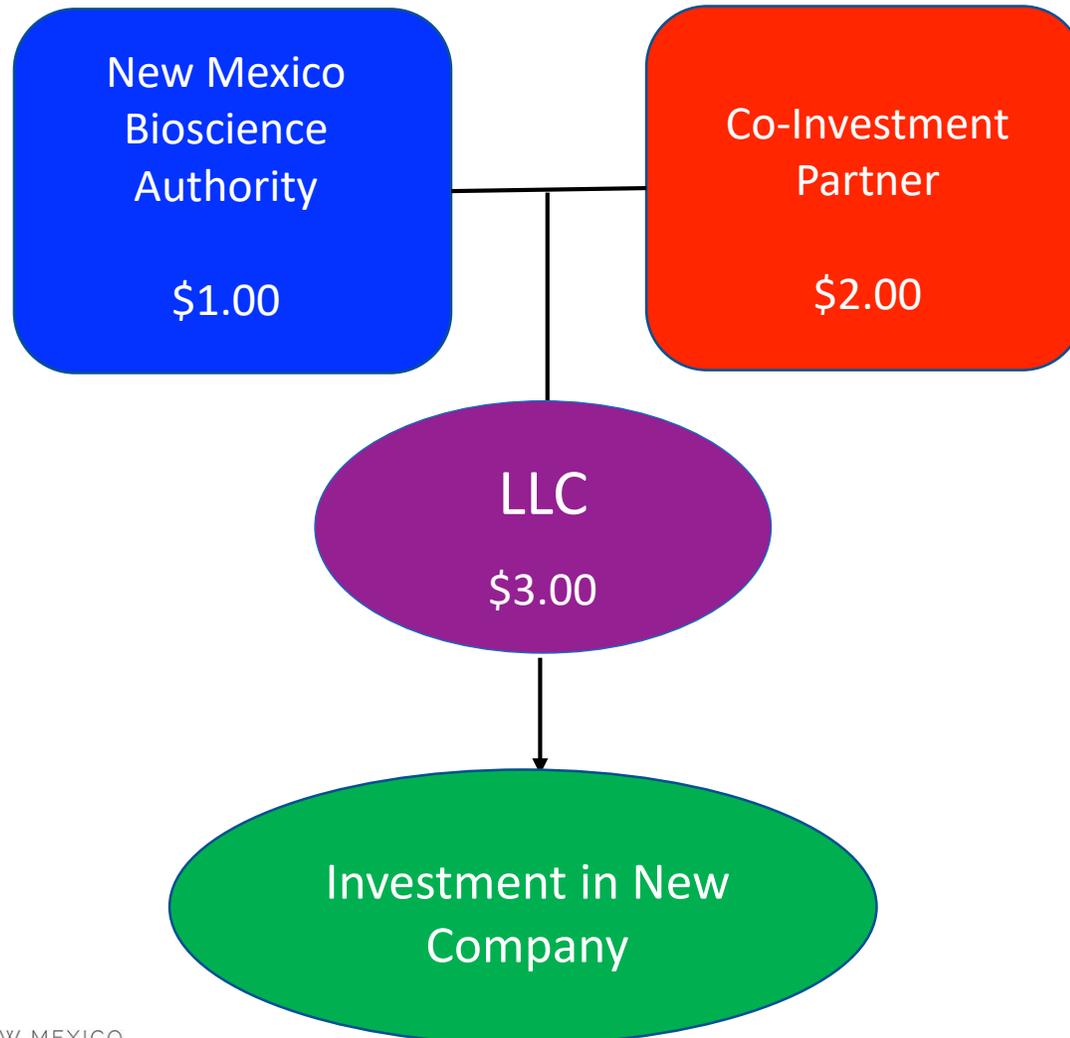
- Company currently has 55 employees
- Company will continue to operate in New Mexico

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 sartorius

# NMBSA Co-Investment Program



## Main Objective

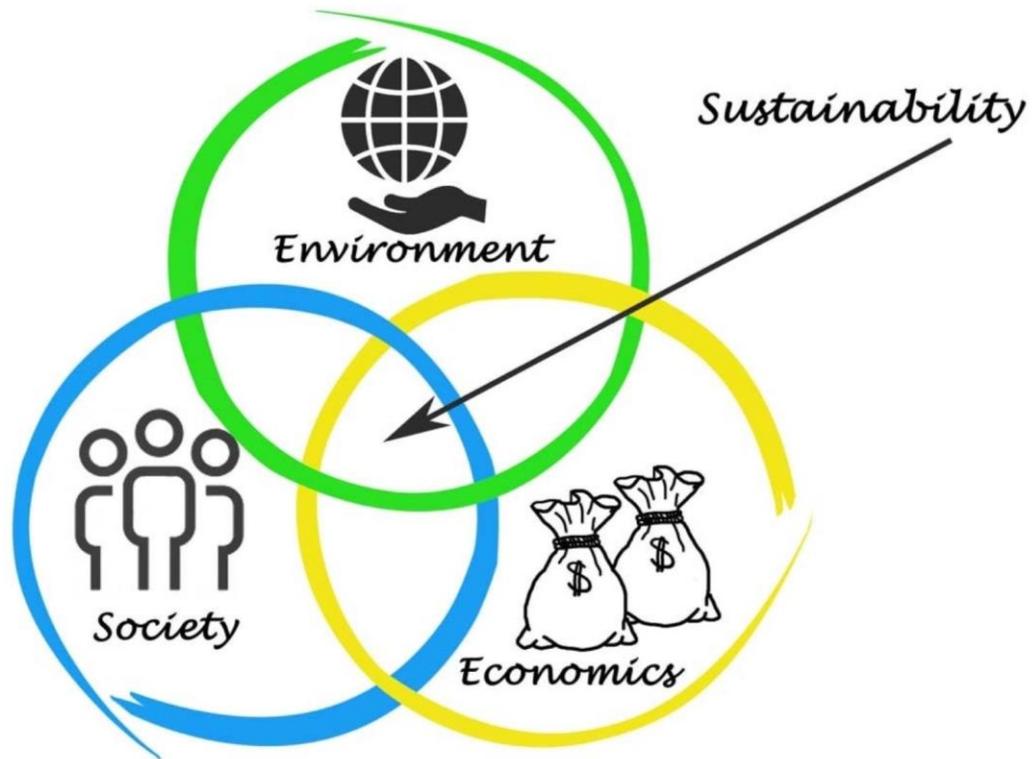
- Create NM Companies & Jobs
- Available to all investors in NM

## Investment Partner Criteria

- **Qualifies to be lead investor**
- Will provide a **2:1 match of funds**
- Has **experience in sourcing, vetting and investing in companies**
- Has investment experience in **bio-related industry**
- Has **existing capital for co-investment and is currently investing in bioscience companies**

# Co-Investment Model is Self-Sustaining

## *Next Steps to Consider*



- **All size municipalities can benefit.**
- More capital is needed, to grow the bioscience industry. The more capital there is, the more activity will occur.
- Need capital across spectrum of economic activity.
- Include Main street businesses to higher tech companies.
- In bioscience space, this includes high tech companies making new drugs or devices, but also light manufacturing or distribution shops.

# \$25M Co-Investment Program Request



Will invest over 5 years



Co-Investment of state and private dollars through LLC to start new companies or recruit companies



Will Invest in all stages of business growth (pre-seed, Series A, B,C; Main Street and high tech)



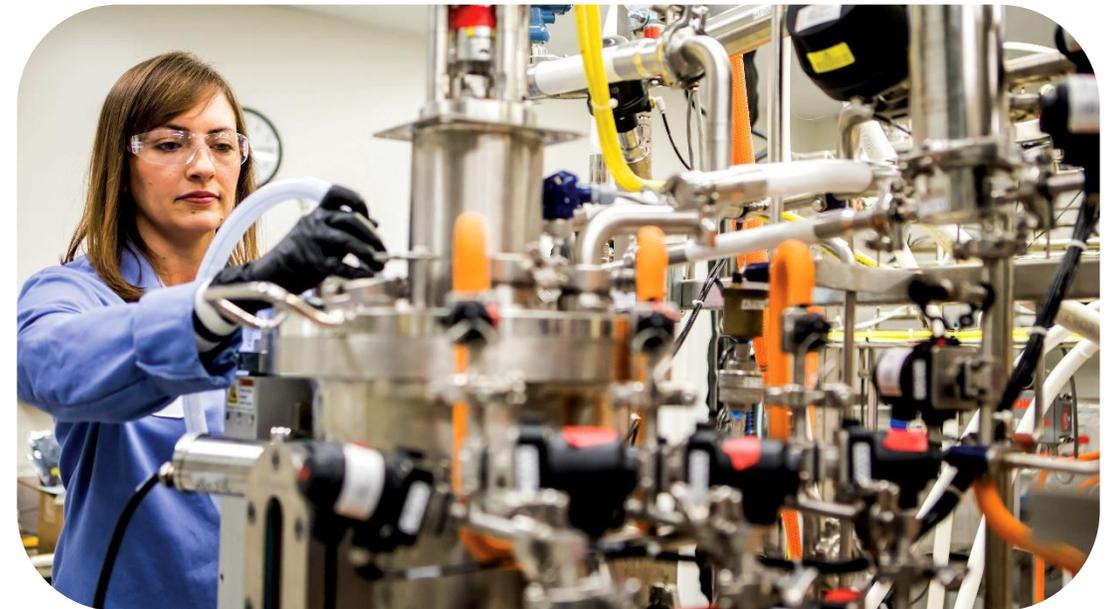
LLC will invest \$100K to \$1.5M per company



If successful, will return funds so program will be self-renewing and sustainable.



Will build economy throughout state.



# Selection of Pilot Program Co-Investment Partners Timeline

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- July 2021 - Issued Request for Proposal (RFP) through UNM Procurement Office per state procurement rules
- September 2021 – Scoring Task Force reviewed applications through UNM Procurement system
- October 2021 - Following approved evaluation criteria, the Scoring Task Force selected co-investors they will recommend to the full Board of Directors
- Formation of LLC or limited partnership agreement through contract with co-investment partner that takes equity or equivalent



# Co-Investment Fund Organization

## Roles & Responsibilities of Investment Partner

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- Seasoned investor with at least 5 years experience investing in New Mexico based companies
- Not related to anyone on the NMBSA Board of Directors
- Independently vets prospective bioscience companies to invest in and then presents options to NMBSA BOD to agree on decision as part of the 50/50 governance of the LLC
- Contributes 2-1 match of NMBSA funding to bioscience companies

## Roles & Responsibilities of NM BSA

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- Selects co-investment partner using evaluation criteria approved by UNM Procurement Office following State procurement guidelines
- Enters into a limited partnership or LLC with seasoned investor with equal governance over investment into company to ensure effective oversight of state funding
- Provides \$1 for every \$2 investment partner invests in agreed upon company

# Good for Business = Good for New Mexico

## Return on Investment (ROI) for New Mexicans

- For each bioscience job, four more jobs are spun out because of supply chain and impacts
- For every dollar put in by state of NM funds, there will be a \$2 match by our co-investment partner
- Selection process will be transparent, and qualifications based following same protocols as SIC
- Companies supported will include stipulations that they stay in NM once they exit
- Will support all municipalities and counties in NM

## Funding Source for Co-Investment Fund

- General Fund funding through the State budget
- Strategic Investment in a growing industry
- Diversify the economy
- Attract more bioscience jobs to NM
- Create a sustainable source of funding
  - Accumulate additional funds through investment company exits and growth

# Other New Mexico Bioscience Authority Programs

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Community Readiness Program

SBIR/STTR Bioscience Business Accelerator Program

Centralization of State Resources for Bioscience Inventors, Entrepreneurs, and Investors

Newsletter

# NM Bioscience Authority Success Stories

## Community Ready Zones are attracting new businesses

- Five businesses have started or relocated to community ready zones certified in Albuquerque since 2019.
- 45 highly skilled employees included



BUILD WITH  
**ROBOTS**



**GROWVERA**  
WEARABLE PLANT SENSORS



**SIGMA**  
ADVANCED TECH



“Without the New Mexico Bioscience Authority, Bright Path Labs would not be in New Mexico.”

**Tony Quinones**

CEO, Bright Path Labs



# Questions?

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<https://www.nmbioscience.org/>