

INSIDE THE CORRIDOR

Newsletter of the Kansas City Animal Health Corridor
Summer 2007



ANIMAL HEALTH INITIATIVE ADVISORY BOARD

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DID YOU KNOW...?

Kansas City is the global leader in Animal Health with the largest single concentration of industry assets.

- KC area companies account for 32% of total sales for the global animal health industry
- KC area companies account for 27% of annual sales for the U.S. animal health industry

- Brakke Consulting, Inc., 2006

Dear KC Animal Health Corridor Stakeholder,

I am pleased to present to you the first edition of *Inside the Corridor*, a quarterly newsletter highlighting progress of the KC Animal Health Corridor initiative. You are receiving this newsletter because you are an important member of the animal health business community. I want you to be fully informed about Corridor activities and know about opportunities for you to engage with us, if you are not already.

The vision of the KC Animal Health Corridor is to establish our region as the global center for animal health research and innovation and to create an environment conducive to animal health company recruitment and expansion. The Corridor initiative has already resulted in four relocations or expansions in the past year: Synbiotics Corp., IdentiGEN North America, Inc., the U.S. Animal Health Association, and, MWI Veterinary Supply Inc. Additionally, 14 projects are in the pipeline as a direct result of the Corridor effort. Read more about the Kansas City Area Development Council's business development projects in this newsletter.

Making the KC Animal Health Corridor the research center of the animal health industry is a key objective. The Kansas City Area Life Sciences Institute has several efforts underway to increase the quantity and quality of animal health research in the Corridor through stronger partnerships between public research institutes and between public and private research organizations. Included in this effort are intensive discussions now underway between the veterinary schools at Kansas State University and the University of Missouri to leverage research synergies toward the creation of a common platform. Please look for more on this initiative in the next edition of *Inside the Corridor*.

The Greater Kansas City Chamber of Commerce is charged with improving the public policy environment for animal health business development and research. This past session, Governors Blunt and Sebelius, along with both state legislatures, officially designated the "KC Animal Health Corridor" and pledged to work together to grow the industry. The Chamber provides a report on other state legislative successes in the Animal Health Industry section of the Resource Portal at www.kcchamber.com. We are now turning our focus toward Washington, D.C., where increased funding for animal health research and expanded teaching capacity at veterinary colleges are important goals.

Stay tuned, because we've only just begun. Better yet, join us! If you would like to become a KC Animal Health Corridor Ambassador, please complete and return the attached Ambassador membership form.

I hope you have a safe and enjoyable summer with family and friends, including those with four legs.

Best Regards,

Joerg Ohle
Advisory Board Chairman, KC Animal Health Corridor
President & General Manager
Bayer Health Care LLC, Animal Health Division, North America



LOGISTICS SEMINAR FOR ANIMAL HEALTH COMPANIES

On **August 22, from 11 a.m. – 1 p.m.**, an informational event on the benefits and opportunities of KC's Foreign Trade Zone capacity and air cargo services will be held near KCI Airport at 12200 NW Ambassador. All animal health companies are encouraged to attend, especially transportation, logistics and operations personnel.

Consider this – KCI moves more air cargo than any airport in the six-state Midwest region, and the Kansas City area has more Foreign Trade Zone designated space than anywhere else in the U.S.

More than 125 animal health companies are doing business from the KC area, but only a small percentage actually use local air cargo services to move their products around the country and the world.

The event is being coordinated by the KC Animal Health Corridor, KC SmartPort and KCI Airport. Please RSVP to Larin Payne at KC SmartPort at payne@kcsmartport.com.



**Learn more about the
KC Animal Health Corridor
Initiative at
www.kcanimalhealth.com**

MWI VETERINARY SUPPLY, INC. SELECTS KANSAS CITY FOR EXPANSION

Company is largest to invest in KC Animal Health Corridor

MWI Veterinary Supply, Inc. is one of the largest animal health distributors in the U.S. and growing quickly. So quickly that in recent years it has opened new facilities in cities like Phoenix, Atlanta, Dallas, and Seattle. The company knew it needed a Midwest distribution center to continue to meet the demands of its clients.

Around November of 2006, executives at MWI heard of something in Kansas City called the KC Animal Health Corridor. They quickly found the Corridor's Web site and were impressed. At the North American Veterinary Conference in January 2007, the company met with Corridor leadership and formally introduced their interest.

After six months of site visits and presentations facilitated by Corridor leadership, and evaluations of multiple markets, MWI announced their expansion in KC. MWI selected the city of Edwardsville, Kan., where they will lease a 105,000-square-foot building, in addition to hiring close to 30 employees.

"MWI is excited to have a presence in the Kansas City region," said Jim Cleary, President and CEO, MWI Veterinary Supply, Inc. "We conducted a search for locations for the new facility and Kansas City made the most sense due to the logistical advantages and the concentration of animal health companies in the area."

MWI's announcement marks the largest national corporation to choose the Kansas City market for an expansion or relocation since the launch of the KC Animal Health Corridor in August 2006.

MWI is a leading distributor of animal health products to veterinarians across the United States of America, reporting annual revenues of \$606 million in fiscal year 2006. The company sells and markets products to veterinarians in both the companion animal and production animal markets. MWI can be found online at www.mwivet.com.

"MWI is a significant national distributor who recognizes the potential that exists within the Corridor. Their presence further demonstrates the strength of the Corridor and significantly adds to the strong asset base that exists here," said Joerg Ohle, chairman, KC Animal Health Corridor Advisory Board and president and general manager of Bayer Corp.'s Animal Health Division, North America.

The Kansas City Area Development Council and KC SmartPort were proud to assist the Kansas Department of Commerce, Wyandotte Development, Inc., Grubb & Ellis/The Winbury Group, and the Board of Public Utilities, in bringing MWI to KC.

In the past year, the KC Animal Health Corridor successfully attracted two corporations and one animal health association to relocate or expand in the Corridor including Synbiotics Corp., IdentiGEN and the U.S. Animal Health Association. KCADC is working with 14 other animal health companies on a presence in the KC region.

LIFE SCIENCES INSTITUTE COMPARATIVE MEDICINE DEVELOPMENT GRANTS

Funding stimulates research collaboration between academic researchers/companies

Kansas City Area Life Sciences Institute (KCALSI), with funding provided through a federal U.S. Department of Labor grant and Bayer Animal Health, annually issues a request for proposals for the award of its Research Development Grants in Comparative Medicine. Full-time researchers at KCALSI stakeholder institutions are eligible to submit proposals for research funding, limited to \$50,000 for one year. Comparative Medicine Grants stimulate greater collaboration between academic researchers and scientists in animal health/nutrition companies and target disease processes that affect both humans and animals. As such, proposals must include evidence of an existing or potential partnership between academic investigators and animal health or related companies. Applications were submitted June 26, 2007, for the 2008 grant awards. Winners will be announced in January 2008.

All grants undergo a rigorous peer-review process patterned after the one used by the National Institutes of Health. Each proposal is assigned to three reviewers who provide written comments and assign a priority score. Top scoring grants are submitted to the KCALSI Board of Directors for final approval.

KCALSI's research development grant program has been very successful in fostering inter-institutional scientific collaboration. The expectation of grant awardees is that an application will be submitted within one year of award for follow-on funding from a foundation, government or private sector organization. The Institute routinely sees an average 8:1 return on these grants - \$8 federal foundation or private sector research dollars for every one of our dollars invested.

In January 2007, following external peer review, KCALSI announced the initial Comparative Medicine Development Grants award to:

- Mark Weiss, Ph.D., Professor, Kansas State University, 'Transgenic rats created via rat embryonic stem cell technology'
- J. Lillich, DVM, MS, DACVS, Associate Professor, Kansas State University, 'In vitro & ex vivo assessment of a novel lipopolysaccharide binding pharmacophore'

KC ANIMAL HEALTH CORRIDOR WELCOMES INDUSTRY HOME

September 17th events to highlight science and business leadership

The Central Veterinary Conference will be held in Kansas City September 15 – 18, playing host to more than 250 companies and 2,700 veterinarians from the Midwest and nationwide. The KC Animal Health Corridor has planned several events to showcase the KC region's influence and concentration of animal health industry assets. More details available at www.kclifesciencesday.org.

Area Vet Schools join KCALSI for CVC symposium on zoonotic disease

KCALSI has joined forces with the veterinary schools of the University of Missouri-Columbia and Kansas State University to offer its first research symposium entitled, Zoonoses and National Biosecurity. The free symposium features national and regional experts in zoonotic disease. Authorization has been submitted for 3.00 hours of continuing education credit in jurisdictions which recognize AAVSB's RACE approval. To ensure a seat, registration is required at www.kclifesciencesday.org.

September 17th Homecoming Events

8 a.m. – 12 p.m.: CVC Research Symposium
2 – 4 p.m.: Brakke Mid-Year Overview
5:30 – 6:30 p.m.: 2007 Homecoming Reception
6:30 – 9 p.m.: 2007 Homecoming Dinner

Second Annual KC Animal Health Corridor Homecoming – Making Tracks

The KC Animal Health Corridor successfully launched its brand to the KC community and more than 100 representatives of the local and national animal health industry during CVC 2006. Dubbed "KC Animal Health Corridor Homecoming 2006," the event kicked off an impressive year of successes including more than 7 million national media impressions, a nearly 200% increase in companies interested in expanding in the Corridor, three new animal health companies and one new trade association. To celebrate the Corridor's early success and recent growth, the Second Annual Homecoming event will be held the evening of September 17th. Following the Brakke Mid-Year Overview, facilitated by Dallas-based Brakke Consulting, Inc., a cocktail and networking reception will begin at 5:30 p.m. Invited guests will then enjoy dinner and an update on Animal Health Corridor developments. The evening will be capped off by a special keynote presentation from Mark Forbes, animal trainer for the movie, *Evan Almighty*.

The first annual Animal Health Corridor Award also will be presented to Wesley Remington, Pete & Mac's Pet Resort. Visit www.kcanimalhealth.com for updates on registration and program details.



Ambassador Membership Form

____ YES! I would like to serve as a KC Animal Health Corridor Ambassador, helping make Kansas City the NATIONAL CENTER of the Animal Health industry.

Name _____

Title _____

Company Name _____

Phone _____ Fax _____

E-mail _____

Address _____

Please list any local animal health industry companies and/or individuals you think should be involved in the KC Animal Health Corridor (KCADC staff will follow up for contact info.).

Please identify animal health companies that might be relocation or expansion targets for Kansas City (KCADC staff will follow up for contact info.).

Please identify marketing/outreach opportunities within the animal health industry (trade shows, conferences, industry consultants) that KCADC should target for recruitment purposes.

Please tell us how you would like to support the KC Animal Health Corridor by placing a check next to all volunteer and sponsorship opportunities listed below of interest to you.

Marketing/Recruiting

- Sponsor event(s) Volunteer for event(s)
- Assist recruiting/outreach efforts
- Make presentations about KC Corridor to community/civic groups

Legislative

- Serve on an animal health policy development and advocacy committees
- Contact state and federal lawmakers on animal health industry issues
- Sponsor events for lawmakers

Research

- Support program development grants
- Host/sponsor targeted symposiums on animal health related topics (Vaccine Production, Animal Drug User Fee Act, etc.)
- Identify capital formation opportunities

THANK YOU!

PLEASE RETURN TO JENNY ERDMAN
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Kansas City, MO 64105-2049

Questions?
Contact Jenny Erdman, Greater Kansas City Chamber of Commerce
