

NEWS UPDATE

City and county launch initiative to invest in -- and keep -- start-ups MediBeacon™ is highlighted in the St. Louis Beacon

(ST. LOUIS, June 13, 2013) – Richard Dorshow, MediBeacon Founder and Chief Scientific Officer was interviewed in a St. Louis Beacon article describing regional support that is accelerating development of promising entrepreneurial ventures.

The City and county launch initiative to invest in -- and keep -- start-ups

by Jason Rosenbaum, Beacon staff

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St. Louis' business, civic and political leaders launched an ambitious effort to assist start-up companies in the region. And boosters are angling to raise \$100 million for the initiative to help grow -- and retain -- emerging businesses in the region.

St. Louis County Economic Council President & CEO Denny Coleman and St. Louis Development Corp. executive director Rodney Crim smile before unveiling the regional entrepreneurial Initiative. Economic and political leaders are hoping to raise \$100 million over the next five years.



On Thursday, economic and elected officials from St. Louis and St. Louis County launched the Regional Entrepreneurial Initiative. St. Louis Regional Chamber President Joe Reagan dubbed the effort a boost to area programs aimed at helping start-up companies, including BioSTL, Arch Grants and St. Louis Arch Angels.

While the structure and details are still being worked out, Reagan said, the goal is to raise \$100 million in private funds over the next five years.

"It's not a fund. It's an initiative to build on the rich fundraising initiatives that are going on now. It is going to be an initiative that will have to bring people from the public sector, the private sector and from sources outside of our community that are not invested now," Reagan said. "It's going to be about leverage. It's going to be about creating opportunity like many of you have done."

Reagan said a working group has been working with the law firm of Polsinelli Shughart "on looking at a variety of best practices from across the country."

"That work is nearing completion," Reagan said. "If we've got a green light to go forward there, we'll start looking for some of the volunteer leadership and the expertise to start raising some initial money and getting long-term leadership to get this money to the table. It's not a fund. It probably will be a number of funds to close this gap."

St. Louis County Economic Council director Denny Coleman said he anticipated that about 80 percent of the mostly private sector funds will be for investment in start-up businesses. The other 20 percent will go toward support and mentoring programs for those companies.

"We as a region have come together to celebrate entrepreneurship, but also to roll up our sleeves and really work hard to take us to the next level," Coleman said.

One goal is to keep start-up companies that began in St. Louis from being lured away to another city.

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For instance, St. Louis Mayor Francis Slay said the initiative is about keeping start-up businesses “here when they become successful and grow jobs here as well, rather than just being some sort of training ground for Silicon Valley companies.”

“What we need here is venture capital,” Slay said. “We need the capital to get to these businesses so they can stay here and grow their jobs here in St. Louis.”

Added St. Louis County Executive Charlie Dooley: “If we do not invest in ourselves, who will?”

“The task is before us. This is a tremendous opportunity for St. Louis to put its best foot forward,” Dooley said. “Don’t think this is something that we can’t do or it’s impossible. It is possible.”

At least one leader of a start-up company saw promise in the proposal.

Richard Dorshow is the founder of MediBeacon, a company started in 2012 to develop products for disease diagnosis and monitoring. His business’ first product will be a product monitoring renal function.



Dorshow said his company already received support from the BioGenerator, the Missouri Technology Corp. and the Helix Fund. He said that money – totaling about \$500,000 – was “crucial” to getting his company up and running, as well as to leverage private investments.

The initiative could encourage other start-ups to stay and grow in the St. Louis region.

“What is here right now is really good to get things started,” Dorshow said. “We’ve been fortunate that we’ve grabbed money from other parts of the country, but kept it here. Most of the other kinds of start-ups have to go where the money is. So right now, the organization in St. Louis is really good to maintain the start-ups with the various funds and infrastructure. But you need the next level.”

“So it’s good there’s going to be this next level,” he added. “I think that it’s going to be a big start.””

About MediBeacon, LLC:

MediBeacon LLC is a Medical Device company focused initially on kidney function monitoring in real-time. MediBeacon is housed within the Helix Center Biotech Incubator. Information regarding MediBeacon can be found at www.medibeacon.com.

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