



## Building on biotech in Yonkers

*John Golden | Feb 25, 2011*

A pioneering immunologist in biotechnology is bringing his latest business venture from a midtown Manhattan office to former industrial space in downtown Yonkers, where his company aims to develop a range of products in the treatment of infectious diseases.

If Robert Nowinski's three-decades-long string of successes as a biotech entrepreneur continues here, Yonkers could benefit from up to 200 additional jobs at his Contrafect Corp. and a growing reputation as a welcoming host city that draws more biotech startups to its underused and affordable commercial space in the talent-rich metropolitan area.

Co-founded in 2008 by Nowinski, its CEO and chairman, Contrafect in December signed a 15-year lease at 28 Wells Ave. in i.park Hudson, the 1.1-million-square-foot mixed-use facility that occupies the former Otis Elevator Co. complex near the downtown waterfront. Nowinski said the company will spend an estimated \$4 million to \$5 million to build out and equip an initial 15,000 square feet of office and laboratory space, which it expects to occupy by May 1. Contrafect has an option on an additional 45,000 square feet on two floors of the former factory. Its CEO said the city of Yonkers in March will provide the company with temporary office space in the same i.park building.

Nowinski expects the company to open in Yonkers with 15 to 17 employees. About 60 people will work there as the company develops its first therapeutic products for clinical trials with the U.S. Food and Drug Administration. At full build-out, Contrafect plans to expand to about 200 employees.

### **R&D to attack diseases**

Contrafect in 2010 raised \$14.2 million in early-stage equity financing to be used primarily in research and development and has raised about \$16 million since its inception. Nowinski said it expects to go to the FDA with its first product for first-phase safety trials in two to three months.

The company is taking a two-pronged approach in developing therapies – used singly or more likely in combinations similar in method and efficacy to the “HIV cocktail” of drugs taken by patients with human immunodeficiency virus – to attack infectious bacteria and viruses. The company's first products will target drug-resistant staphylococcus, or MRSA, and influenza.

In Manhattan, Contrafect has forged licensing agreements and working relations with the Mount Sinai School of Medicine for the use of monoclonal antibodies developed there to attack strains of influenza and with The Rockefeller University for the use of its patented Lysins – enzymes that eat holes in bacterial cell walls – to treat MRSA, pneumonia, meningitis and other life-threatening or common bacterial infections.

“MRSA now kills more people in the U.S. than HIV does,” said Nowinski. “It’s the primary hospital bacterial infection that you encounter.” Infections contracted in hospitals are the fourth-leading cause of death in the U.S.

## **A history of successes**

Trained in immunology, Nowinski was a top scientist at the Fred Hutchinson Cancer Research Center and a professor at the University of Washington in Seattle in the early 1980s when his research on antibodies for chlamydia, the sexually transmitted disease that is a major cause of acquired infertility, drew him into his first business venture. The company, Genetic Systems Corp., developed a diagnostic test for the STD that is used in about 17 million cases annually and could account for an additional 30,000 to 40,000 births per year, Nowinski said. Bristol-Myers in 1987 paid \$310 million to acquire the Seattle company.

Another of the five companies founded by Nowinski, PathoGenesis, developed TOBI, an inhaled antibiotic that kills bacterial lung infections in cystic fibrosis patients. “It’s probably doubled the lifespan for perhaps a million people” for whom its use has been prescribed, said Nowinski. PathoGenesis in 2000 was acquired for \$660 million by Chiron/Novartis.

Another Seattle company co-founded by Nowinski, Icos Corp., developed Cialis, the branded drug used to treat erectile dysfunction. Eli Lilly and Co. in 2006 paid \$2.2 billion to acquire Icos.

Barry Kappel, Contrafect’s vice president for business development, said Nowinski’s previous companies collectively have developed and marketed eight diagnostic tests and two therapeutic drugs with annual sales of more than \$3 billion.

## **‘We knew it could be built here’**

Looking to find a suitable location for his New York venture, Nowinski, a native New Yorker, and his small Contrafect team explored sites in Manhattan and Brooklyn, including the East River Science Park. The company also considered relocating to Manassas, Va.

“We gave Virginia very serious thought,” said Nowinski, “but once we formed our very big alliance with Rockefeller (University), we decided that rather than bifurcate the company, we would do it as one” location where scientific and manufacturing operations could be in proximity. “To bifurcate the company is an enormous job.”

A Contrafect employee who lives in Yonkers knew of a biotech tenant at i.park Hudson, Aureon Biosciences Inc., a nine-year-old company that has developed prognostic tests for patients with prostate cancer. Nowinski and his team visited Aureon’s 6,000-square-foot laboratory space at 28 Wells Ave.

“When we saw that, we knew it could be built here,” he said.

For the employees Contrafect expects to draw from the metropolitan area’s bounty of scientific talent, the building is two blocks from the Metro-North Railroad station.

Though Contrafect arrived too late to reap investment benefits from the state’s former Empire Zone program, the company also was drawn

to Yonkers by “an economic package for starting the company that was very favorable,” said Nowinski.

City officials eagerly welcomed the company and the Yonkers Industrial Development Agency quickly moved to approve financial incentives. Nowinski also praised the company’s Yonkers landlord, i.park Hudson. Its president, Joseph Cotter, said the company “co-invested side-by-side” with Contrafect in its new facility.

In Yonkers, “The cost basis is unparalleled,” said Kappel. Lease rates for square footage in Manhattan are four times greater and in Brooklyn three times greater than what Contrafect pays at i-park, he said.

For biotech companies in the New York area, “We have an enormous recruiting pool here,” said Nowinski. “The only competition is San Francisco and Boston. They have a much greater history of housing the industry there. But in terms of medical schools, New York is unparalleled.

“I think what’s going to happen here is that Westchester is going to be the location for companies like ours. I think in the relatively near future, this is going to be a very big growth area for employment.”

For Contrafect, said Nowinski, “We just feel that this is a very engaging place to set up a business. I have no question that this is where the company wants to reside and where its future will be.”