

Minneapolis biotech firm moving to Wisconsin

By Kathleen Gallagher of the Journal Sentinel

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Lured by the state's tax credits for investments in high-growth companies, a Minneapolis biotech start-up said Thursday it is moving to Wisconsin.

VitalMedix Inc. is developing a drug that could be used by first responders to potentially keep trauma victims alive longer. The drug, called Tamiasyn, has been tested in animals and could go into human trials as early as a year from now, said Jeffrey M. Williams, the company's president and chief executive officer.

"This sort of deal is better understood by investors in Wisconsin, and angel groups in Wisconsin are not only more aggressive, there are just a lot more of them," Williams said. The state has 22 organized angel investing groups, up from just a handful five years ago, according to the Wisconsin Angel Network.

Wisconsin earlier this year expanded its so-called Act 255 tax credit program. Minnesota's legislators have attempted, but failed, to implement a similar program.

VitalMedix is the latest company to move to Wisconsin because of the tax credits. Last year another biotech firm, Rapid Diagnostek Inc., moved to Hudson from Minnesota. Its lead investor is the NEW Capital Fund in Appleton.

The investment tax credits "had everything to do with them coming to Wisconsin," said Charlie Goff, general partner of the fund.

VitalMedix is currently negotiating leases in either Hudson or New Richmond, and expects to be moved within 90 days, Williams said.