

4 Utah life-science firms get \$1M in state incentives



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Four Utah start-up companies operating in the state's life-science industry collectively received \$1 million in financial incentives Monday from the board of the Governor's Office of Economic Development.

The incentives, ranging from \$100,000 to \$350,000, will be given in the form of tax credits and are contingent upon each of the businesses adding to their workforces over the next three years.

"This [incentive] will go a long way toward helping us move our company forward," said Phillip McStotts, chief financial officer for Domain Surgical, a Salt Lake City-based company that last month received regulatory clearance to begin marketing a medical device that uses heat to cut and cauterize tissue during surgeries.

Domain Surgical will receive \$250,000 in tax credits, provided it adds 19 employees to its payroll of 11.

The incentives were authorized under the new Technology and Life Sciences Economic Development Act passed by the 2011 Legislature.

Utah already is one of the top five or six states in medical device innovation, said Richard Nelson, chief executive officer of the Utah Technology Council, an association representing the interests of the state's high-tech companies.

"We're hoping that these kind of incentives will help drive new investment and send the message nationally and internationally that Utah is serious about growing its medical products industry," Nelson said.

Aribex, an Orem-based company that is producing and marketing a portable X-ray system

used by veterinarians and dentists, received \$350,000, provided it adds 30 employees to its base of 42.

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"Our X-ray units are cordless, battery-powered and weigh less than 10 pounds. And we are working toward having a unit available for general medical use within the next year or so," said Steve Dawson, Aribex's marketing manager.

Salt Lake City-based Catheter Connections received \$300,000 in tax incentives. It has to almost triple the number of its employees to 13. It is working on bringing to market a device that protects patients from infections when they are receiving intravenous fluids and other infusion therapies.

Salt Lake City's Blackrock Microsystems is projecting it will be able to increase employment by 33 percent, or 20 new positions, within the next three years. It received a tax incentive valued at \$100,000. It is marketing an easy-to-use system for recording and analyzing electrical activity in the brain.

Jeff Edwards, president of the Economic Development Corp. of Utah and a member of the GOED board, said the incentives awarded Monday were "a wonderful first step" toward the increasing development of the state's life-science industry.

He anticipates that other industries may try to get similar incentive-based programs approved by the Legislature in the future. "There is no reason this same model couldn't apply to other industries."

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Government shouldn't be picking winners and losers. If you want to hand out tax credits, give them to all businesses or give them to none. Better yet, just lower the tax rates for all Utah businesses.

- freeyourmind35



Gotta love crony capitalism.

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