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## Biotech venture poised for success

*In a hopeful sign for those seeking a more diversified economy in Hawai'i, two high-tech companies are separately launching new ventures this week. Tissue Genesis is one of the first companies to open offices in Kaka'ako to be near the planned UH School of Medicine.*

By [Sean Hao](#) Advertiser Staff Writer

By locating atop the former Gold Bond building on Ala Moana, Tissue Genesis Inc. hopes to be close to the business opportunities generated by the University of Hawai'i's planned \$150 million medical center in Kaka'ako.

Tomorrow, the biotech company will bless its new office and lab on the 11th floor at 677 Ala Moana. The move represents a \$3 million to \$5 million investment and one of what's hoped will be many such ventures that will collaborate with the John A. Burns School of Medicine, which is expected to open its new site nearby in the spring of 2005.

Formed in 2001, Tissue Genesis is developing tissue replacement products to improve survival rates for trauma injuries, cardiovascular diseases, cancer and metabolic diseases. Anton Krucky, Tissue Genesis president and chief executive, said the company moved from Honolulu high-rise Harbor Court to 677 Ala Moana specifically so it could share researchers and facilities with the university.

"If you want to attract world-class researchers you need the university institutions and the corporations," Krucky said. "You really can't do it in an industrial park."

The company's main product, called the Bio-Optimization System, is a way of creating an engineered environment for cell and tissue growth, allowing for better control of experiments. Tissue Genesis hopes to start placing it in select research labs this year, with general sales following in 2004.

Tissue Genesis' work is partially financed by a \$5 million a year tissue engineering grant from the Defense Department, as well as investments fostered by technology industry tax incentives such as Act 221, Krucky said.

"Act 221 isn't the reason we're here," he said. But "I think it will play a part in our surviving."

The company's principals include Krucky, former general manager of IBM's Hawai'i operations, and Kenton Gregory, director for the Oregon Medical Laser Center at Providence St. Vincent Medical Center.

Krucky was pragmatic about Tissue Genesis' future, which relies on continued government grants, an infusion of investment capital and attracting additional business partners.

For Hawai'i, biotech companies such as Tissue Genesis represent hope for efforts to diversify the economy. Industry trends such as increased outsourcing of research work by big pharmaceutical companies could bode well for Hawai'i's chances of carving out a niche in biotech, said Richard Seline, principal and founder of Washington, D.C.-based life-science industry consultancy New Economy Strategies.

"Does Hawai'i have a shot? Yes, because the business is evolving and because enough people are recognizing what this industry could mean for Hawai'i," he said.

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Cris Kosnik of Tissue Genesis works on part of the Bio-Optimization System, used to create an engineered environment for cell and tissue growth. Tissue Genesis hopes to place the system in select research labs this year.

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### Tissue Genesis Inc.

Address: Suite 1100, 677 Ala Moana, (former Gold Bond building).

Employees: 21 full-time, part-time and contract employees.

Description: The company is developing tissue-replacement products to improve survival rates for trauma injuries, cardiovascular diseases, cancer and metabolic diseases.