

## EP.50 - Judy Costello FINAL

**Narrator:** You're listening to *BioTalk* with Rich Bendis, the only podcast focused on the BioHealth Capital Region. Each episode, we'll talk to leaders in the industry to break down the biggest topics happening today in BioHealth.

**Rich Bendis:** Hi. This is Rich Bendis, your host for *BioTalk*, and today I'm lucky to have someone that we should have had a long time ago, who is well known in this region, but you might not recognize her voice today, because she is froggy Judy Costello, who has a little cough. But she has a lot of things to talk about—BioHealth, how she supports the region, and what's going on in the BHCR. So Judy, welcome to *BioTalk*.

**Judy Costello:** Thank you, Rich.

**Rich Bendis:** And it's great to have you here, and it's great to have you with BioHealth Innovation.

**Judy Costello:** We're lucky to be here.

**Rich Bendis:** Yeah! And I think most people who will be listening probably know you, because you know everybody in Virginia, Maryland, and D.C. But for those who don't, let's talk a little bit about your background.

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**Judy Costello:** That goes back. [laugh]

**Rich Bendis:** That goes back, right!

**Judy Costello:** It goes back. I'm a Steeler fan. I'm one of those rare folks, born in Washington D.C., but grew up on a farm in Western Pennsylvania.

**Rich Bendis:** And we're both 'Burghers

**Judy Costello:** We are. Go Steelers. Though no ring for the second thumb this year. But I came to Georgetown. Like many in the BioHealth industry, I was a Pre-Med chem major, way back when. Then I came to Georgetown, met folks I had never interacted with, saw the world in a new light, and like many economic developers, graduated with an American government degree. Went up to New York City, worked for Manufacturers Hanover, a top-four bank. Decided I either needed to stay there and get an MBA, or come back to the region. I missed this region. Came back and did an executive

MBA at Loyola when it was one of only two executive MBA programs offered in the area. And I worked for Fairfax County Economic Development at the time as a market research analyst.

**Rich Bendis:** And Fairfax County, I guess, if you look at it, and you look at the whole region—Montgomery County, Fairfax County, and Baltimore are sort of the three epicenters for economic development, somewhat competitive with one another. But what you've been able to do is to bridge that gap between some of these regions now.

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**Judy Costello:** What is fun—we share a lot of common assets: highly educated workforce, great quality of life, and we're not that far from each other. As you always say—the longest 30 miles or so.

**Rich Bendis:** But what you're trying to do is to bring people together, and you're doing a very good job with that. And you mentioned a little bit about your degree that you got at Georgetown, but talk about your entrée, and how you went from education into economic development. How did you find that job? How did you determine that was a career you wanted to pursue? And then look at where you are today. You've stayed in it for a couple decades.

**Judy Costello:** Well, economic development, and I guess my personality, have a match. I love interacting with people. I love making connections that have impact. And economic development is about growing jobs and quality of life.

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And my education background was government. That has a bit of public service in it. The MBA has a bit of the financial language and the language of business in it. It all fits a pattern of business, industry, and government connections that make a difference and working on activities that are people- and project-oriented. How I found that job—again, we're going back—I believe I applied for a marketing position; I had a marketing position at the bank—at Fairfax County Economic Development Authority just as it was starting to grow. And that position was filled internally, but they said, “Come on and join us as a research analyst.” And then from there, someone asked if I wanted to run a non-profit affiliated with George Mason. My special areas while at Fairfax County included higher education, the EDA, and small business entrepreneurship. And this non-profit called the Business Alliance of George Mason was focused on

growing small businesses in the George Mason area and on expanding industry-university contacts with George Mason.

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Though it was a non-profit, it had an economic development-related mission. I, with the help of very strong and active board members and faculty, deans, and leadership at George Mason, ran that organization for about 15 years. It started, as I mentioned, as a business-university partnership organization, but as George Mason grew and had a new president and new Deans making their own outreach to businesses, we pivoted to focus on the growing entrepreneurial community in Northern Virginia in particular, but in the region. So as part of that, the group called the Business Alliance hosted the longest-running and first angel venture pitch forum in the region, the Grubstake Breakfast. At its peak, we were hosting four events of 250 to 300 people, and 40 investors, four times a year.

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**Rich Bendis:**

Well, we need them all again now.

**Judy Costello:**

[laugh] We do. We'll talk about that in a second. I didn't know about BioHealth then. This was—we're talking a little bit of time ago. So initially it was internet service applications, communications applications, digital, and the original cyber. Those were the types of companies. One in four of those companies got funded. Some of them are names you might recognize today: Optoro, CAMUS. A number of those companies have been successful, and some of them have been acquired. Related to our work with the Grubstake, we were asked to host an annual boot camp, which attracted a couple people. And we had folks like TEDCO—Maryland TEDCO—and Fairfax County Economic Development, as sponsors and speakers. Maryland Commerce was involved. And then the other big event we did that relates to the work we do here today is we hosted a Mid-Atlantic Innovation Showcase and for the first time brought the tech transfer offices and their opportunities from Johns Hopkins to University of Maryland, VCU, George Mason, George Washington, all together in one room, and we did that for a couple years.

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So that's the work at the Business Alliance.

**Rich Bendis:**

Great. Well, you know, it's funny how things come full cycle, because we'll talk about your transition into Maryland in a second, but now, we

have a new partner, which is George Mason again, and we're working with Amy Adams with their—

**Judy Costello:** She's great.

**Rich Bendis:** —BioHealth program that they have at George Mason.

**Judy Costello:** That's right.

**Rich Bendis:** Yeah. So let's talk a little about your next transition after Northern Virginia. And you made this critical move across a bridge and a river—and went into enemy territory, as people would call it—but the state of Maryland. Talk about your transition with the state.

**Judy Costello:** I didn't view it as enemy territory, because I commuted every day from Montgomery County [laugh]—

**Rich Bendis:** Oh!

**Judy Costello:** —across the river into Fairfax, and my kids grew up in Montgomery County. It just happened to be that way. So I've long had a regional approach. But back in 2010, former Governor O'Malley announced a new initiative where he was replenishing the Maryland Venture Fund with commercial insurance tax credits to the tune of \$84 million.

0:07:06 I was trying to figure out how to get the companies with whom we were working in Northern Virginia at the Grubstake Breakfast and the boot camp I mentioned—how to give them access to these funds. So in doing some research on the State of Maryland's website and talking to people about those funds, I was introduced to the brand-new Maryland Biotechnology Center, which the governor and the Maryland Life Science Advisory Board had formed, and they had a new position as deputy director. And I looked at it, and it was intriguing. It was new. It shared a lot of my interests. Right place, right time. And I enjoyed up joining the Maryland Biotechnology Center, which later became the BioMaryland Center and was housed in what was the Maryland Department of Business and Economic Development, now the Maryland Department of Commerce.

**Rich Bendis:** And how long did you stay in that role, and primarily what did you do while you were running that program?

- Judy Costello:** So I worked with the former director, Dr. Judy Britz, to help grow and promote the BioHealth industry in Maryland by increasing connections.
- 0:08:10 The idea with the Center and the branding was to help folks know the cluster that is here in Maryland. And we had some money; we were able to give companies grants. We gave one-on-one advice and referral. I was doing that from 2011 until 2015, when Governor Hogan came on board, and at the recommendations of the Augustine Commission—longer story—but the department was reorganized. And Governor Hogan is still a strong supporter with a new Life Science Advisory Board, of Biotech and BioHealth, but the position in the center as it existed in the previous administration kind of moved and dispersed in different ways. So I was there running the activities promoting the industry in Maryland, including the big pavilion at the BIO International Conference, our outreach to companies from South Korea to France, and working with companies throughout Maryland and the industry to tell the story that is the cluster of Maryland.
- 0:9:10 I did that from 2015 until 2017, when a man named Rich Bendis asked me if I'd want to join BioHealth Innovation.
- Rich Bendis:** I used to see you everywhere in the state, Judy, so it was just a matter of time before we got engaged. And so that was back in '17, as you mentioned, so it's almost three years now that you have been with BHI. And what a great addition it has been. So how did that transition occur, from the state to BHI?
- Judy Costello:** [laugh] It occurred with a shorter commute. [laugh] I think when you asked me, I had said, "We're doing lots of great things at the state." BioHealth Innovation struck me as an opportunity at the time, because you're not encumbered by the pros and cons of working for government. You don't have the pros and cons of a membership organization. You've created a unique organizational structure here that would let me continue to work with companies in Maryland but also through the BioHealth Capital Region, D.C., and Virginia, would enable me to pick up some new skills. I've been involved with incubators, through the years, from George Mason to bwtech —many, for a long time—but I had never managed some of their programs.

0:10:17 We were doing that in 2017. I'd still be able to work with companies. You have an i6 grant working with and managing federal and state grants.

**Rich Bendis:** EDA i6 program.

**Judy Costello:** Yep, that was something that was new. I had supported others gaining that. So that type of experience and having the opportunity to work with the great entrepreneurs-in-residence and analyst team at BioHealth Innovation was something that would let me continue to do a lot of what I had been doing at the state, but grow in skills and geographic region, hopefully impact.

**Rich Bendis:** Well, it's working. And with your title of Managing Director, Economic Development, you've stayed true to what your career has led you to, but you have key roles and responsibilities within BHI and programs which you manage.

0:11:02 Do you want to talk a little bit about some of those things that you're involved with daily?

**Judy Costello:** The one that was started by my predecessor, Ethan Byler, here, and that we're pretty well known for, is the pre-proposal non-dilutive funding support. Through the assistance that we provide companies seeking SBIR and other non-dilutive funding, we're able to help them win awards at more than twice the national average.

**Rich Bendis:** 21% versus 46%, which you help achieve.

**Judy Costello:** It's really the work of our analysts and consultants. I meet with companies, help vet them, help talk through what—are they really good candidates for federal funding? Is their technology innovative and novel enough? Is it in space that NIH or NSF or any of the federal agencies giving these awards would be likely to grant? And then we have some strong technical analysts on our team and in our pool of consultants who have successfully written SBIRs and other grants for their own companies, and help companies who approach BioHealth work and win theirs.

0:12:05 So I spend a lot of time on that. We also offer, free to anybody in the BioHealth Capital Region, some high-level insight and assistance through entrepreneur-in-residence feedback sessions. We host these once a

month. When I came, we were hosting them kind of sporadically, and we were getting so many requests for assis...

**Rich Bendis:** So you got Bendis-organized, you mean. [laugh]

**Judy Costello:** [laugh] It has been a good use of time, I think [laugh], for everyone. For the entrepreneur to know that he or she can come on a particular day, sign up, and have an hour of time of maybe five folks with industry experience and a half dozen analysts to give feedback on their investor pitch deck, feedback on their business plan, ideas regarding market adoption, et cetera. Sometimes we help tweak things a little bit and the companies or the PIs are up and on their way. Sometimes they come back and ask us for more assistance. So I manage that activity.

0:13:00 We do something similar for companies housed overseas looking to open their U.S. headquarters, in our International Soft Landing program. That's a little more challenging to set up, with time differences from Rockville to Asia, and Rockville to Europe. But with the kind support of our EIRs and team, we're able to have video conferences with companies looking to enter the U.S. market and help them with next steps. In terms of the economic development role, when we do those things, we not only represent BioHealth and how our team can help them, but we frequently are referring companies like this to our partners at Montgomery County Economic Development, or at the State of Maryland Department of Commerce or local companies and resource providers who can help their U.S. operations grow.

**Rich Bendis:** And so I guess one of the keys is that BHI, while we have a limited staff to work with people, we don't turn anybody away. We will talk to anyone.

0:14:00 And if we don't believe we can help them specifically, what you do, because of your knowledge of this network and this region, you generally have people that you believe can help them, and refer them to them.

**Judy Costello:** That's true. So as an example, just this morning, I was asked by two different entrepreneurs for ideas and connections on facility. We get asked that a lot—for lab space. Small to large. Someone asked me "which is less?" for an IT solutions provider and an accountant. A lot of those services. And so we're vendor neutral, but we try to give the best resource referrals that we can based on their company needs.

**Rich Bendis:** And then you mentioned the incubation role. But, you know, at one time, we were actually managing the Germantown Innovation Center and the Rockville Innovation Center. That has changed, but you're still involved with the Maryland—what is it—Business Incubation Association?

**Judy Costello:** It is, though we recently changed our name, like the big BIO organization, to more accurately reflect who we are. It's the Maryland Business Innovation Association.

**Rich Bendis:** Ah, good!

**Judy Costello:** Have a great board. I'm on the team with Mark from FastForward, and Deb from ETC. And Karen from Launchworks down here.

0:15:03 Also I've been able to stay involved with the Montgomery County Innovation Network by serving on their Tenant Review Committee. And BHI, as you know, has leased space from Alexandria LaunchLabs, where we have been able to offer a couple companies smaller space, more affordable than would otherwise be available by parsing one of their launch labs into a facility that accommodates a couple different companies.

**Rich Bendis:** Yeah. And one of the other things that you've been involved with is that you get involved with our BioHealth Capital Region Forum, the BHI Investor Conference, and helping to coordinate those two major events. But we're really not an event organization; we only have two primary—well, three, actually, with BioBowl—a year, but that's another thing you help support.

**Judy Costello:** That's true. And that's fun. We have a lot of great partners, as you know, on there. You mentioned Amy from George Mason, Children's National, AstraZeneca, the American University Research Parks group, the University of Maryland, the Maryland Department of Commerce.

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**Rich Bendis:** Johns Hopkins.

**Judy Costello:** Johns—there's a great planning team involved, and the challenge is keeping that forum fresh and new. But as you know, more than a thousand attendees come to that every year. It's April 14<sup>th</sup> and 15<sup>th</sup> this year. And it's a discussion of leading technologies in the region, of what's



happening, and an overview of the cluster and its growth. I think a lot of people come for networking, but I know this year on day two, there will be a lot of takeaways for entrepreneurs in particular. So as that agenda is online, it will be a good event for people to come to. That event in the fall that BioHealth started with J.P. Morgan, Wilson Sonsini, and Deloitte is taking place October 21<sup>st</sup>, I believe. I'll double—

**Rich Bendis:** I think it's the 21<sup>st</sup> and 22<sup>nd</sup>.

**Judy Costello:** Yeah, the 21<sup>st</sup>. And we call it an Investor Conference; I like to say it's really an investor partnering conference. Because companies are asked to submit their business plan and investment opportunity, and then the investors who come in—they're the ones choosing to have the meeting or not, but anybody who participates in that will have his or her company's investment opportunity reviewed by folks, whether or not they are selected for a meeting.

0:17:13 And last year, we had a number of those folks who hadn't received meeting requests but were able to meet investors by showing up at that event. So I know the third year—every year, we'll work to improve things and tweak it and make it even stronger. One other thing that we initiated last year—and I was on a call this morning to try to figure out a date that works—we hosted an SBIR workshop. There are a lot of those hosted around the country, but we took what we thought was the best in terms of speakers and how-tos from program managers located here in our back yard in the BioHealth Capital Region, and then with their support and that of our team of consultants, we had 150 one-on-one meetings, how to write an SBIR and tips and things.

0:18:01 And it was very well received, so we're trying to get that whole team together on a single day between now and September. We've started work on that process.

**Rich Bendis:** Super. I think that's very positive, because I think the SBIR program is one of the best programs in the world, actually, for early-stage entrepreneurs in the BioHealth industry to get non-dilutive funding you don't have to pay back. You don't have to mortgage your house. And basically you get this money generally when you need it, even though you have to be patient in order to achieve that. But another thing that I think you've been able to watch in your career is, having worked in Virginia and

Maryland, you were involved in Northern Virginia when we were considering creating a brand for this region, and then you came to Maryland. So you've been able to see the BioHealth Capital Region brand and evolve from many perspectives. So what's your reaction to what has happened with that brand?

**Judy Costello:** I think it's very positive. As you know, it has been adopted—the BioHealth terminology has been adopted around the world in a lot of different places, but what's even more exciting for those of us who sat in meetings up at AstraZeneca who initiated some of the conversation about how do we refer to this region, and I—

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**Rich Bendis:** That was with Jarrod Borkat and Rebecca Farkas—

**Judy Costello:** Right.

**Rich Bendis:** —who's now with GSK. And Jarrod is with Emergent.

**Judy Costello:** Right. Jarrod is with Emergent. Rebecca is at GSK. But when they were both at AstraZeneca, they recruited a firm to help organize about 80 of us. I know you were there representing BioHealth. I was there with Maryland Commerce. And it was industry, government, and academic leaders from the region who spent a lot of time and were very intentional about the brand, the name, and the logo, so that BioHealth Capital Region brand was selected as *the* regional brand. And what's kind of cool is—I was on the phone with someone last week in California who was asking me to describe opportunities and space, and I said, "Well, we call this the BioHealth Capital—" I barely got the words out of my mouth; she said, "I know."

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So that was the goal of this team—that when people refer to Research Triangle or Silicon Valley or Boston-Cambridge, that they would think of all the resources in Maryland, D.C., and Virginia, as one. In the BioHealth Capital Region, a rising tide lifts all boats, I believe, and I think it's helping all of our companies in the Maryland cluster as well as those Amy and John Newby at Virginia Bio work with in Virginia. And certainly Children's National and the other leaders in the universities in D.C. benefit from having more awareness given to this region, where we now rank number four—

**Rich Bendis:** Number four!

**Judy Costello:** —on our way to number three in the nation in terms of BioHealth clusters.

**Rich Bendis:** And as you know, a lot of that is due to the interaction and the partnering of everybody within this region trying to work together now. And everybody says economic development is a contact sport. It doesn't work by itself. You need to meet with a lot of people. You need a lot of partners to make it work. And I think one of the things that you pride yourself in is that—and sometimes you and I chat about this—but you have a need to be visible and work with everybody else that you believe needs to be supported.

0:21:07 So if anybody follows LinkedIn, Judy is ever-present [laugh] at most events within the region that she can attend, and sometimes two or three events a day or night. And so I think everyone appreciates your ability to be available and accessible within this region.

**Judy Costello:** Thank you. I think it's more about accessibility and learning about what others are doing than it is visibility. You usually have me busy here during the day, so I'm frequently doing those on my own time at night. But I take pictures—some people ask me about that—and I'd rather take photos of others, and the reason why is, it's a great way to capture the energy and the breadth and depth that this cluster is. You can talk about a cluster, and you can talk about its ranking and the number of companies, but when you're out at a lab site or a ribbon cutting or with a group of postdocs talking to entrepreneurs and learning about that, it's hard to capture that energy and excitement

0:22:02 And on my little poor mobile [laugh] phone, I try to do that, a little bit.

**Rich Bendis:** No, I think it's very effective, though. It also just shows the breadth of the network and the partnering that's going on when you look at all the different people that end up in those, as you said, "pitchers" —

**Judy Costello:** [laugh]

**Rich Bendis:** That's a Pittsburgh—"pitcher." [laugh]

**Judy Costello:** It is. [laugh] I'm a yinzer. [laugh]

**Rich Bendis:** Yeah. A yinzer. [laugh] Both of us have a little bit of that Pittsburgh twang left.

**Judy Costello:** Right, right.

**Rich Bendis:** But I think that those collages are very effective at showing how everybody is coming together. So let's talk a little bit about what you see as the vision for the future, Judy, with what we're doing here at BHI, what's going on in the region, and whether you're positive about the trends you're seeing.

**Judy Costello:** Well, certainly even in the past decade, the growth in BioHealth and the cluster, you can see not just in that national ranking but in so many ways. And I'm a newbie, and admittedly a newbie, to Bio. 2011, it's almost a decade, but there are people who have been working at getting their discovery to market for longer than a decade. Because that's how long it often takes.

0:23:00 So you think of Rachel King and GlycoMimetics. You think of Scott over at MacroGenics. Jeff at AGT. Everything happening up at Hopkins and the University of Maryland with companies and scientists and PI and business leaders who have been at it for a long time. But we are getting to the time we're starting to see them exit and get acquired. A Harpoon Medical. A Viela who came in and out. So it's kind of fun—

**Rich Bendis:** BeneVir.

**Judy Costello:** BeneVir. To see those successes just in the relatively short time I've been involved in the industry. You also can see it in other ways. People talk about the cranes over in Virginia, and you see them at Tyson's and over by Amazon. But drive up in Baltimore, both the BioPark at the University of Maryland and over at FastForward, and you see new buildings going up. And then if you drive in the Montgomery County area cluster, where just a few years ago there were plots of grass with an Alexandria Real Estate or other signs saying, "To build or lease," there are new buildings there, and there are new buildings being renovated.

0:24:00 So just as a layperson driving by, you can see this growth. And what folks not in our industry may not realize is that these are growing companies who may help save patients in your family or mine. They're high-paying jobs, contributing to the quality of life in the region. So that's very

exciting. We know from—and Rich, you're great at tracking this—we know that there's an increasing amount of venture capital coming into the region. So it's not just buildings, jobs and technologies, but increasing investment. I think the biggest challenges that we hear others talk about are the, "We're having so much growth. We need more experienced talent, and we need less traffic on the road." And I know that our government leaders are working on both of those initiatives.

**Rich Bendis:** And I think one of the things you talked about was the things going on in the region. What I like is that we have a number of mini subclusters within the BioHealth Capital Region. And we've gotten *Genetic Engineering News* to recognize this as a region, rather than they used to refer to it as the 270 Corridor.

0:25:01 So that means Baltimore is now included where it wasn't involved in the rankings. You have Frederick, which has its mini subcluster, which is growing rapidly right now. You have Washington, D.C. with Children's National and their Innovation Park they're building. They've attracted JLABS, Virginia Tech, BARDA, as well as their incubation, to be down there. And then you see what's going on over in Northern Virginia with George Mason and how they're picking up some of the precision medicine stuff. So it's not just about Montgomery County and Baltimore anymore. It's really—

**Judy Costello:** It is regional.

**Rich Bendis:** —an inclusive BioHealth Capital Region. We, at BHI, and you, are trying to support all of the elements within this region.

**Judy Costello:** That's true. And I'd say you can even see an uptick also in the interest from overseas companies who want to locate here. It used to be that you might hear them talk about Boston and San Diego, and even when I was at Maryland, sometimes we'd have to do a little more persuading. But I think as our cluster has grown and the recognition of that has grown, companies wanting to open U.S. headquarters are recognizing it's a great place to be.

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**Rich Bendis:** Well, I think we've covered most of what you're involved in at BHI and also in the region, but I'm going to give you last words, because you always get last words, Judy.

**Judy Costello:** [laugh] Really?

**Rich Bendis:** [laugh]

**Judy Costello:** I'm happy to be here. I love the opportunity to meet new companies, new PIs, students, faculty, and learn something new every day, and to help them grow with our team here at BioHealth Innovation. And thank you, Rich.

**Rich Bendis:** Yeah, and we appreciate all that you do, Judy. So thank you for being on *BioTalk*, and we will continue to build this region together.

**Judy Costello:** Sounds good.

**Narrator:** Thanks for listening to *BioTalk* with Rich Bendis.

**End of recording**