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Ohio takes the lead in health ventures

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Ohio has become the leading state between the East and West coasts - and one of the top five in the nation - for hosting health care venture capital firms, according to a BioEnterprise analysis.

BioEnterprise, the bioscience company developer in Northeast Ohio, found offices of 27 health care venture firms in Ohio. Nearly two out of three of the firms have offices in Northeast Ohio.

By comparison, Pennsylvania had 24 offices of health care venture firms; Illinois, 19; Minnesota, 17; North Carolina, 11; and Georgia, 6. BioEnterprise analyzed Dow Jones Venture Source information, as well as state and regional venture association Web sites, during the week of May 5.

Several venture firms have opened offices in Ohio in the last five years, wooed by the state's Third Frontier Project and the Ohio Capital Fund, both aimed, in part, at propelling health care innovation through investment.

Last month, the Ohio Capital Fund announced \$25 million in commitments to four venture capital funds that invest in young life science and information technology companies. Created in 2005 by the Ohio General Assembly, the Ohio Capital Fund invests in largely Ohio-based venture capital funds that, in turn, make at least half their investments in early-stage businesses in the state.

"The firms, with home offices in New York, Boston, Palo Alto [Calif.] and Michigan, were attracted to Ohio by our investment and the state's bioscience startup pipeline," Paul Cohn, the fund's managing director, said in a written statement.

"While Ohio is attracting investment in other economic sectors, over 80 percent of our commitments involve venture capital firms with a focus in part on investments in health care because health science investors recognize the strategic value of an Ohio location," Cohn said.

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