

**MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
MASSACHUSETTS LIFE SCIENCES CENTER**

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DATE: December 22, 2010

TIME: 3:07 p.m. EST

PLACE: One Ashburton Place, 21<sup>st</sup> Floor  
Boston, Massachusetts

DIRECTORS PRESENT: Secretary Greg Bialecki  
Josh Boger, Ph.D  
Tom Chmura (Designee for Jack Wilson)  
Secretary Jay Gonzalez  
Peter Slavin, M.D.  
Lydia Villa-Komaroff, Ph.D.

DIRECTOR(S) ABSENT: Abbie Celniker, Ph.D.  
Jack Wilson, Ph.D.

1. **Call to Order**

Secretary Jay Gonzalez, presiding as Chairman of the meeting, called to order the meeting of the Board of Directors (the “Board”) of the Massachusetts Life Sciences Center (the “Center”) at 3:07 p.m., and announced that a quorum of directors was present. The meeting, having been duly convened, was ready to proceed with its business.

2. **Approval of Board Minutes**

The Board then reviewed the minutes of the October 27, 2010 meeting. Upon motion duly made, seconded and unanimously carried, the Board adopted the resolution to approve the minutes.

3. **Chair’s Update**

Secretary Jay Gonzalez stated that he did not have an update for this meeting.

4. **Executive’s Report**

Dr. Susan Windham-Bannister extended to the Board her holiday greetings and thanked the Board and the Center's staff for the great work they have done this past year, continuing the Center's growth and impact on the Massachusetts life sciences cluster.

**5. Update: Attracting Companies to Massachusetts –**

**UK-based EvaluatePharma's Headquarters Locates in Massachusetts**

Debbie Paul, EvaluatePharma's Senior Vice President for North America, gave a presentation to the Board on her company's background, why they decided to locate their North American headquarters in Massachusetts, and how Boston will benefit from this decision. She explained that the company was established in 1996 by Dr. Jonathan de Pass, who is London's #1 ranked pharmaceutical analyst. The US headquarters was opened in Boston in November 2010. She went on to describe Boston as an ideal location because it is a hub for life sciences and has the largest concentration of life sciences companies. Furthermore, she explained that many of the company's clients are located in the Boston/Cambridge area and described them as the top pharma companies in the world.

**6. UPDATE: Internship Challenge Program Survey Results**

Beth Nicklas, the Center's VP and Counsel for Academic and Research Programs, presented to the Board the 2010 Internship Challenge survey results. She described the modifications made to the program's second year and noted the increase in total number of participants as a result. She went on to describe the intern demographics and distribution of their academic backgrounds. It was noted that the increase in placement of Engineering students, which are statically predominately male, was likely the reason for the slight decrease in female interns placed this year. In regard to participating host companies, the program again saw a wide geographic and sub-sector distribution.

Ms. Nicklas explained that the Center conducted an anonymous online survey for interns and their host companies, as well as a follow-up survey for interns placed in 2009. Although only 50% of the 2010 interns were entering the workforce this year, 37 interns reported that they have been offered employment following their internship. Regarding company responses, she noted that 93% of companies had 50 or fewer employees, a reflection that the program is supportive of small business that otherwise would not have the means to hire interns. Furthermore, 79% indicated that the technical skills demonstrated by the interns were comparable to their best hires at this stage in their educational and career development. For the 2009 interns, Ms. Nicklas noted that 87% of respondents indicated that their internship helped them decide that they would like to work in the life sciences.

#### **7. Proposal for FY12 Internship Challenge Program**

Beth Nicklas proposed to the Board that the Center fund and administer a third round of the Internship Challenge program. She indicated that the maximum stipend reimbursement to companies with 100 or fewer employees would remain unchanged, but that student eligibility would be expanded to include those completing their sophomore year in Spring 2011 semester – a modification based on recommendations from the Center’s Scientific Advisory Board (SAB). Ms. Nicklas explained that the program plans to launch in early January and that the Center will again conduct extensive outreach to colleges and universities, which will include several campus visits.

After further discussion, the Board reviewed the relevant Resolution, and, upon motions duly made, seconded and unanimously carried by all voting Board members, the Board adopted the resolution authorizing the expenditure of monies in an amount not to exceed \$1,200,000 for the third round of the Internship Challenge program.

**8. UPDATE: Profile of Fall 2010 Accelerator Program Applicant Pool**

Brad Rosenblum, the Center's Chief Financial Officer, gave a presentation to the Board on the Fall 2010 Accelerator Loan Program's pool of applicants. He recalled to the Board that the Center launched the third round of the program on October 8, 2010 and that the application deadline was on November 29, 2010. The Center received a total of 41 applications. He explained that applications underwent an administrative review conducted by the Center's staff, and that the peer review panel is currently reviewing applications and making recommendations which will then be sent to the SAB. The SAB will review applications in January and meet in early February to recommend finalists that will go through corporate due diligence and make in-person presentations to the Board's Investment Committee. He expects that by the March Board meeting, the Investment Committee will be ready to recommend awardees to the Board.

Mr. Rosenblum explained that for this round, the Center conducted extensive outreach through out the state, held six info sessions, sent out press releases and media advisories, and sent out email announcements to life sciences companies. He informed the Board that the Center also used the help of stakeholders such as MassBio, MassMEDIC, MOBD, etc. to encourage any eligible company to apply. He went on to describe the applicant distribution by industry segment: 44% medical device, 29% drug development, 10% diagnostics, 10% life sciences technology, 5% stem cell research, and 2% genomics. Applicants also represented a wide regional distribution. He noted that the average loan request was \$620,000 and the total ask was about 25-26 million dollars.

*Secretary Greg Bialecki, Board Co-Chair, joined the meeting at 3:43 P.M.*

**9. Proposal for FY12 Small Business Matching Grant Program**

Brad Rosenblum, the Center's Chief Financial Officer, recalled to the Board that the

Small Business Matching Grant (SBMG) program is designed to assist companies that have developed new technologies to increase production and create manufacturing jobs in the Commonwealth. In January 2010, the Board authorized the first round of this program, and in May, the Center awarded three companies \$500,000 grants. He noted that only life sciences companies will be eligible for SBMG grants in 2011 and consistent with the 2010 program, applicants must be small businesses and have received an SBIR/BTTR Phase II or later equivalent grant within the last seven years (this is a reduction from 10 years allowed in the previous round). The Center proposes to launch the second round on January 5, 2011.

After further discussion, the Board reviewed the relevant Resolution, and, upon motions duly made, seconded and unanimously carried by all voting Board members, the Board adopted the resolution authorizing the expenditure of monies in fiscal year 2011 in an amount not to exceed \$3,000,000 in capital funds for the second round of the Small Business Matching Grant program.

**10. Proposal for 2010 Tax Incentive Program Awards**

Brad Rosenblum, the Center's Chief Financial Officer, recalled to the Board that the application window for the 2010 Tax Incentive Program opened on May 3, 2010 and closed on July 2, 2010. For the 2009 program, the Center received 85 applications. This year, the Center received 56 applications – a 34% reduction. However, Mr. Rosenblum pointed out that the 85 applicants in 2009 were going to create 1,264 jobs, while this year, the 56 applicants plan on creating 1,622 jobs (a 28% increase). He explained that between the months of July and September, the Center screened all applications and confirmed headcounts and other data in September, submitting data to the Department of Revenue (DOR) by the end of the month. DOR then confirmed applicants' eligibility and analyzed their revenue implications. In December, the Center met with Administration and Finance and the Board's Investment Committee to

determine the finalists.

Mr. Rosenblum announced that the Center is making a recommendation for thirty companies to receive a total of \$23,938,500 in incentives. These companies will create a total of 999 jobs. This would be a 20% increase in the number of jobs created from last year's program. He estimated that the State should recover the cost of these incentives awarded over the next five to six years. In the event a company does not live up to its obligation, the Center does have in its statute that there can be a clawback of any incentive provided.

After further discussion, the Board reviewed the relevant Resolutions, and, upon motions duly made, seconded and unanimously carried by all voting Board members, the Board adopted resolutions authorizing the expenditure of monies for tax incentives to 30 companies in amounts not to exceed \$23,938,500 in the aggregate under the MLSC Tax Incentive Program. Dr. Lydia Villa-Komaroff recused herself for the Resolution pertaining to Cytonome/ST, Dr. Peter Slavin recused himself for the Resolution pertaining to Organogenesis, Inc., and Dr. Josh Boger recused himself for the Resolution pertaining to Vertex Pharmaceuticals, Inc.

## **11. Other Items**

Dr. Peter Slavin announced his resignation from the Board, stating that this is final meeting. He explained that he is stepping down due to his increasingly demanding schedule as a result of several new endeavors. He thanked Governor Deval Patrick and his fellow Board Members and congratulated Dr. Susan Windham-Bannister and the Center on their accomplishments.

## **12. Adjournment**

Secretary Jay Gonzalez, upon motion duly made, seconded and unanimously carried,  
adjourned the meeting at 4:06 p.m.

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Peter Slavin, M.D.  
Secretary of the Meeting

APPROVED:

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Secretary Jay Gonzalez  
Chairman of the Meeting

**List of Materials and Exhibits Used During Meeting:**

- Draft Minutes from October 27, 2010 Board Meeting
- Executive Report to the Board of Directors
- “EvaluatePharma: Providing Our Clients with Solutions to Finding Value in the Pharma and Biotech Sectors” PowerPoint presentation
- “2011 Internship Challenge Proposal” PowerPoint presentation
- “Program Update: Accelerator Loan Program” PowerPoint presentation
- “2011 Small Business Matching Grant Program Proposal” PowerPoint presentation
- “2010 Tax Incentive Program Awards Proposal” PowerPoint presentation