
THE MASSACHUSETTS LIFE SCIENCES CENTER

Board of Directors Meeting
Wednesday, March 26, 2008
Governor's Council Chambers
2:00 pm

MINUTES

A meeting of the Massachusetts Life Sciences Center Board was held on Wednesday, March 26, 2008 at the Massachusetts State House in the Governor's Council Chambers, Boston, Massachusetts, pursuant to notice duly given.

Board Members present were:

Chairman Daniel O'Connell, Secretary of Housing and Economic Development
Mr. Tom Chmura, as designee of Vice-Chairman Jack M. Wilson, Ph.D., President of the
University of Massachusetts
Secretary Jay Gonzalez, Undersecretary for Administration and Finance
Marc Beer, former CEO of Viacell, Inc.
Micheline M. Mathews-Roth, M.D.

Melissa A. Walsh, Chief of Staff to the Massachusetts Life Sciences Center

Others in Attendance:

Peter Antonellis, Office of Chairman Michael Rodrigues
Tom Chmura, University of Massachusetts President's Office
Tim Coleman, Pricewaterhouse Coopers
Glen Comiso, Massachusetts Technology Collaborative
James Heffernan, Massachusetts Biotechnology Council
Jessica Long, Conference of Boston Teaching Hospitals
Pat Larkin, Massachusetts Technology Collaborative, John Adams Innovation Institute
Dr. Harvey Lodish, Massachusetts Institute of Technology, Whitehead Institute for Biomedical
Research
William Mc Dermott, McDermott, Quilty and Miller
Beth Nicklas, Massachusetts Technology Collaborative, John Adams Innovation Institute
Eustacia Reidy, Vertex Pharmaceuticals
Mark Trusheim, Co-Bio Consulting
Catherine Williams, State House News Service
Christine R. Williams, Executive Office of Housing and Economic Development

I. Call to Order

Chairman O'Connell called to order the meeting of the Massachusetts Life Sciences Center (hereinafter "the Center" or "the Life Sciences Center" or "MLSC") Board of Directors with five board members present at 9:00 p.m.

II. Approval of the minutes of the October 25, 2007 Board Meeting

On the motion of Undersecretary Gonzalez, which was duly seconded by Dr. Roth, the board voted unanimously to approve the minutes of the February Board Meeting.

III. Update from Chairman O’Connell

Secretary O’Connell reported that both the House and Senate have approved versions of the life sciences bill that are both good versions of the bill, and which reflect the great working relationship between the Center, the administration, and both Chairs of the Joint Committee on Economic Development and Emerging Technologies—Chairman Bosley and Chairman Hart. He reported having extensive communications with the Chairmen as they moved to approve the bill.

The Secretary also reported that the Conference Committee would likely be appointed within the week, which would include three members each from the House and Senate. He assured the board that he, Ms. Walsh, and his staff would work closely with the committee, and that the hope is that final bill text will be agreed upon within 2-3 weeks, and would soon thereafter be delivered on the Governor’s desk. He reported that the process had moved quickly, that the Speaker and Senate President have placed great importance on this initiative, and that their leadership was key to the speed at which the legislative process unfolded.

On a related topic, Secretary O’Connell reported feeling confident that the bill would be completed in short order, and in time for the year’s BIO conference, to be held in San Diego. He relayed that the conference would be an important event for the Life Sciences Center, and that he has asked Ms. Walsh to put together a draft plan for the conference.

In the year since BIO 2007 in Boston, he opined that Massachusetts has put together one of the strongest and best balanced package of incentives compared with other states, a package that will show well with our foreign country competitors as well.

The Chairman reported that there would be an estimated 20,000 participants expected at the conference, and the MLSC would have a presence on the floor, along with the Massachusetts Biotechnology Council and the Massachusetts Office of Business Development. He also reported that he had suggested that the Governor attend the conference, something that would be finalized in the next few weeks, and that his presence would be important to reinforce the MLSC’s message and to get the word out to participants at the convention that the MLSC is up and running and ready to make major commitments in this area to keep Massachusetts’ preeminent position alive. He reported that the board would receive more information on BIO 2008 soon, and that any thoughts on the Centers participation are welcome. He then asked if there were any thoughts from the board on BIO 2008.

Mr. Beer reported that it would be helpful to determine which announcements would be made at BIO to see what types of announcements Massachusetts may be competing against.

Mr. Chmura noted that Abi Barrow of the Massachusetts Tech Transfer Center is working with a number of the Universities the MTTC works with, including UMass and the private universities, and she is also doing good work in preparation for BIO 2008.

Ms. Walsh the added that Secretary O'Connell's office has put together a BIO 2008 working group which she will be participating in.

Secretary O'Connell then noted that Mr. Chmura is at the meeting as the designee of Dr. Wilson.

IV. Chief of Staff Update

Ms. Walsh first began by updating the board on the Executive Director search, which she reports is going incredibly well, noting that the first round of interviews is finishing up. Ms. Walsh reported that she, along with Mr. Beer, Undersecretary Gonzalez, Ms. Williams were in the interviews. She reported that there are an impressive and diverse group of candidates, and the decision making will be difficult, which is positive for the Center. She also reports that the people that have been interviewed have come close to the position specification developed last year, and that there will be exciting news to report within the next two board meetings.

She also reported that following an update President Wilson gave yesterday regarding the Stem Cell Registry, it is her understanding that the registry website is ready to go live, and will likely be announced shortly.

Ms. Walsh also reported that Mr. Larkin would next report on the research matching grant program, noting that since the last meeting, there have been some bidders conferences in Boston and Amherst. She and Ms. Nicklaus went to Amherst and were impressed by the questions, the answers to which continue to be incorporated into the materials related to the program.

Ms. Walsh also noted that the Center is close to having its own office space, relaying that she will bring some proposals to the board once she has done more research on the possibilities.

She also reported that Mr. Coleman from PricewaterhouseCoopers was available to offer an update on the Supercluster II report that the Board voted to support at the last meeting. She reported that the working group started its work on March 3rd.

At this point in the meeting, the Chairman recalled that there had not been an opportunity for introduction, at which point everyone in the meeting introduced themselves.

V. Creation of Scientific Advisory Board

The Secretary then began discussing development relative to the Scientific Advisory Board, which he reported was contemplated as an essential part of the efforts of the

DRAFT --January 12, 2018
Subject to Board Review and Approval

Center since his first exposure to the position over a year ago. He noted that it has been echoed by every board member that the quality of that group is vital, given the credibility that it will bring to the Center and its stature and to the choice of the most meritorious research projects moving ahead. He then said that the Center is thus proud to announce that Dr. Havey Lodish has agreed to serve as chair of that panel. He refreshed the Board's recollection of Dr. Lodish from his consultation regarding the research matching grant program, and said the Center very proud and pleased that he has agreed to chair this advisory board. He is a member of the National Academy in Molecular Cell Biology, and is one of the founders of the Whitehead Institute. The Chairman reported being excited when Dr. Lodish agreed to serve, and that it will be a wonderful appointment, and will send a message to the scientific community that will produce the highest quality research proposals. He proposed a motion before the board to set up the Scientific Advisory Board and appointing Dr. Lodish as its chair. Dr. Lodish will play a large role recruiting others to serve on the Board.

Undersecretary Gonzalez moved to approve the motion, and thanked Dr. Lodish, relaying that it is so important that the Board has unassailable credibility, and that Dr. Lodish will bring that. Dr. Roth seconded the motion and reiterated Undersecretary Gonzalez' comments. Mr. Beer echoed those comments as well, and Mr. Chmura agreed that Dr. Wilson would echo the comments as well. The motion passed unanimously.

Dr. Lodish then thanked the board for the exciting and daunting task. He explained that the SAB has two major functions: oversight of the review process for the research matching grant programs, and his hope is that over time the board could serve as sciences advisors to the Center generally, as well as the legislature and the Governor.

Dr. Lodish reported that selecting members of the board would be an easy task, given the great depth of talent in Massachusetts, noting that the "C" list in Massachusetts would be the envy of most states. He reported hoping to assemble approximately twelve members of the board in the next couple of weeks. He explained that the board would consist of people within the life sciences industry, including science advisors to companies who are also professors, as well as a number of professors with significant experience in the industry and from a range of institutions, including medical schools and teaching institutions. He reported that the board will be cognizant of diversity, and will be looking to achieve geographic, gender, and racial diversity, which will be easy to achieve given the dept of talent in the state.

Dr. Lodish also reported a desire to help put into place an overview of the grant review process, noting that a person at the national level who has been identified, and is working as a staff person at the Harvard Medical School and is happy to put into place the process for the review. Dr. Lodish explained that the systems are being modeled after those used at the NIH, which, despite criticisms, has worked incredibly well for 40-50 years, and the advisory board is seen as similar to that of the board of the NIH. He then offered to answer any questions.

Secretary O'Connell then explained that it was his thought that Dr. Lodish would help bring together a group of SAB members that he would bring to the Board for ratification at next month's board meeting. Mr. Beer then reported that the Board went over criteria at the last board meeting, and through the qualifications that the Board wants for the SAB, noting that the SAB will help to demonstrate the dominance that Massachusetts has in the field. He reported that some of the conversations with potential SAB members have already happened.

Ms. Walsh noted that people have been meeting to brainstorm the categories of members and to ensure that the members reflect geographic, topical, and regional diversity. She reported that a one page document describing the types of SAB members that the Center is looking for, and requested comments and input from the board throughout the process. Mr. Chmura relayed that President Wilson had submitted several potential names, and Mr. Beer reported that in a blinded manner, he and Dr. Lodish drew up lists of potential members, and came up with the same names that Dr. Wilson had come up with as well.

Ms. Walsh said that among the group that is assembled, the networks are incredible, but that the Center will continue to reach out to the biggest pool available. Mr. Beer said he feels good about the process and that it's important that the Center is thinking about representing the whole industry in a complete way, including devices, biologics, and small molecules. He also noted that the Center is really fortunate to have Dr. Lodish working on the SAB process.

Ms. Walsh then turned the floor to Mr. Larkin to discuss the progress of the research matching grant program.

VI. Update on Research Matching Grant Program

Mr. Larkin thanked the Board for Dr. Lodish's appointment, which is incredible and important to the work of the research matching grant program. He said that the process of thinking through and trying to frame how the final conduct of the research matching grant will be finalized had begun. He noted that Dr. Greenhouse has been relied on extensively, and thanked him for his assistance. Mr. Larkin reported that the John Adams Innovation Institute will propose to the advisory board that there be an evaluation of the applications which will be put in a rank order, an evaluation which, given the quality of the applications, will be close at every level. He then described that after that evaluation, there will be an analysis as to whether the applicant has the capacity to do the research they propose. After these initial evaluations, the application process will be moved to the SAB which will analyze the initial evaluation and develop recommendations to the Board. Mr. Larkin assured the board that the JAII would be working with the SAB and looks forward to getting it in place by the next board meeting.

Mr. Larkin thanked Ms. Nicklaus and Ms. Walsh for their work on the program and said that the JAII has learned a significant amount at the bidder's conferences that has informed the process. He also reported that those conferences have revealed significant energy about the programs and gratitude for what the state is doing in this area. He also

DRAFT --January 12, 2018
Subject to Board Review and Approval

reported that the deadline for letters of intent for the new investigator solicitation, and about 30 letters have been received from a number of fields.

Mr. Larkin then addressed the issue of applicant eligibility and confirmed that, as the board had agreed, it had been determined that an applicant should be affiliated with an academic institution. The rationale for this is to serve the public purpose of the program, and support of educational institutions in addition to individual researchers. He also specified that the seven year limitation for new investigators is measured against when the applicant received their last degree.

He also indicated that indirect costs is an issue that the JAI is looking at. Finally, he noted that Dr. Lodish recommended that the Board may wish to limit support to translational research, an item which may need more support. This is something that the SAB and JAI will be looking into.

Mr. Beer then commented that raising payment of indirect costs should be done in such a way that will not be perceived as an artificial way to raise the grant amount, noting that in industry, the indirect costs are capped. Mr. Larkin noted that the cap in the solicitation is at 20%, to which Mr. Beer responded favorably, noting that in industry it is often above that number. Mr. Larkin also noted that for cooperative grants, awardees are allowed the NIH rate.

Mr. Beer then addressed his concern that there be enough people in the cue to far exceed the funding available, as the quality of the grants awarded will be related to the number of people who are turned down for grants. He therefore noted that he was concerned about getting enough people in the cue. He also said that he doesn't want to put out money that does not reflect great science going forward.

Dr. Lodish responded, saying that the SAB will not recommend funding unless it reflects great science, and if it comes to the situation Mr. Beer is describing, the SAB will recommend that the Board make a cut.

Mr. Beer said he's not overly concerned, but wants the group to think about how the program is being marketed in order to have a large enough cue of applicants.

Ms. Walsh then reminded the Board that the authorization was in an amount up to \$12 million, and that there is not an urgency to get dollars out the door just for the sake of doing so. She also thanked Mr. Larkin and Ms. Nicklaus for getting the word out for this, especially given that it is a new program. She also noted that in the programs with people in the research communities, the information of attendees is captured and added to a database, so the events are used as a constituency building tool.

Mr. Larkin then commented that there are plenty of ways to "move the spigot" and make sure the applicant pool is full. He did say that one thing he worries about is the allegation the Department of Defense experienced, that the money spent on developing requests for

proposals exceeded money spent by the agency on research, which is a situation he wants to avoid.

Undersecretary Gonzalez then commented that he agreed that the cue should be built as much as possible, and that a point that follows from that is there is going to be a lot of great science in the application pool, so there is going to have to be criteria for how we choose our priorities. Some of those will be recommended by the SAB, but some will come from this board in terms of geographic diversity or other policy objectives that the board may have that are less scientific and wouldn't be compromising the science, but policy considerations that should be made.

Secretary O'Connell then noted that in his contact with other private research institutions about the program, he is working to understand that issue more, and to include those institutions in programmatic activities going forward.

VII. Update on Supercluster II Report

Ms. Walsh then introduced Mr. Coleman. Mr. Coleman discussed the second Supercluster report, which would serve to describe the assets in Massachusetts in the life sciences and how those are translated to the global marketplace. He reported that there are people who are writing the prospectus, and within a week, PwC will be reaching out to prospective writers who will contribute to the report. PwC is putting together the data for the report. He reported that PwC is in line to hit the deadline for BIO 2008 in June, and that a great group of people will be contributing to the report.

Ms. Walsh then commented that the report will ideally include the Executive Director of the MLSC.

Mr. Coleman then added that he is looking to make sure the report is timely and has a long enough shelf life to be useful. Mr. Comiso relayed that the report is a great opportunity to highlight the work of the Center in a highly visible report, and is a great opportunity for the Center.

Ms. Walsh then asked for comments or questions.

Secretary O'Connell then noted that when he leaves the meeting he is going to a biotech and bioengineering conference at Worcester Polytechnical Institute, and notes that he is pleased that medical devices, bioengineering and nanotechnology are a priority in Massachusetts, and something he will continue to address. He also added that though his Secretariat covers a broad range of issues, he is asked most about the life sciences.

Ms. Walsh then commented that the briefing in Amherst was sponsored by Chairmen Hart and Bosley, which she noted is another signal of the support the Center has in the legislature. She added that Senator Rosenberg went to the briefing and reiterated his support for the center.

DRAFT --January 12, 2018
Subject to Board Review and Approval

Mr. Beer then thanked Ms. Walsh for her work, and the Chairman thanked Ms. Williams as well.

Ms. Walsh thanked the Board, noting that she is excited about the work.

Mr. Beer moved to adjourn, Mr. Chmura duly seconded, and the motion passed unanimously.

The meeting adjourned at 10:12 am.

Secretary