

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

DATE: June 26, 2019
TIME: 2:00 p.m. EST
PLACE: Massachusetts Life Sciences Center
1075 Main Street, Suite 100
Waltham, Massachusetts

DIRECTORS PRESENT: Julie Chen (designee for UMass President Martin Meehan)
Gary Kearney
Bill McNamara (designee for Secretary Michael Heffernan)
Peter Parker
Pam Randhawa

1. Call to Order

Bill McNamara called the meeting of the Board of Directors (the “Board”) of the Massachusetts Life Sciences Center (the “MLSC” or “Center”) to order at 2:17 p.m. 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 April 26, 2019 Board meeting. Upon a motion duly made, seconded and carried, the Board adopted the resolution to approve the minutes.

3. Chair’s Updates

Mr. McNamara reported that the fiscal year came to a close with revenues \$800 million ahead of expectations, a substantial portion of which resulted from capital gains. This results in an infusion of funds into the stabilization, or rainy day, fund to provide for a 10% of revenues buffer against future recessions. Mr. McNamara indicated that there will be a Final Supplemental bill to close out FY19 and FY20 budget is moving ahead through the process with consensus revenue figures under discussion. Mr. McCready added that the State House of Representatives endorsed the Governor’s budgetary recommendation of \$10 million from the Consolidated Net Surplus, but the Senate did not, so we will need to see what comes out of the conference committee.

4. CEO Update

Mr. Travis McCready reported that at the end of the first FY under the re-authorization, the MLSC has accomplished much with the District focus for supporting STEM education, the Seed Fund to catalyze investments in early-stage companies in central and western Massachusetts and the second round of MassNextGen. In addition, Mr. McCready recognized a new staff member in Shannon

Ambrose who brings systems analyst skills to support implementation of the MLSC's new Enterprise Management System. Work continues with the re-branding consultant and Mr. McCready indicated that he anticipates bringing this to the Board at its September meeting. In the Board materials, Mr. McCready referenced the three discretionary grants that were funded for i2 Learning's project-based work with middle schools for the upcoming state-wide STEM Week in October; Life Science Cares in partnership with MassBio which launched Project OnRamp to get Black and Latino students into internships with life science companies; and the National Society of Black Engineers (NSBE) which has an ambitious goal of 10,000 Black engineers by 2025 and a robust engagement with industry.

Mr. McCready also noted that the MedTech conference is coming to Boston in September with an anticipated 6,000 attendees at the Boston Convention Center and the opportunity for C-suite conversations and deal making to raise the profile of Massachusetts' medtech companies. Chris Gilrein, Director of Business Development, reported that BIO 2019 in Philadelphia was a tremendous success with the advance work of the industry team to reach out to companies likely to move to Massachusetts or expand in Massachusetts. Through the partnering app, Chris noted that 32 meetings were scheduled in advance with an estimate that 50% of those meetings are likely to result in economic development in Massachusetts.

5. FY20 Operating Budget

Cheryl Sadeli, Vice President of Finance, began her presentation regarding the FY20 operating budget for the Center by presenting how FY19 actuals compared to the approved FY19 budget. From a finance perspective, the Center was under budget by \$400,000, largely due to timing differences. There were three open positions for the majority of FY19 with one position secured in the last quarter of FY19 and savings also occurred in the professional services category with the geo-tagging project not moving forward. Ms. Sadeli reported that the Marketing and Communications Team were successful in negotiating a good price for the website re-design project. Expenses that were over budget included IT wiring and key-card security systems that were believed to be covered by the new Landlord's Tenant Improvement budget. Ms. Sadeli then presented the FY20 operations budget at \$4.4 million and indicated that personnel would be kept at a steady level with plans for an event coordinator and an HR position. Ms. Sadeli noted the increase in facility costs with the new rental rate and an IT help desk. She finished her presentation by reminding the Board that the operations budget is funded through the CNS.

Upon a motion duly made, seconded and carried, the Board adopted the resolution to approve the MLSC's FY20 Operating Budget.

6. LabCentral @ 238

Peter Parker left the room in order to recuse himself from this discussion as a Founder of LabCentral. Dr. Jennifer Griffin, Vice President of Industry Programs, then introduced the proposal from LabCentral to build a pilot GLP plant at 238 Main Street in Cambridge that enables early-stage companies to conduct process development manufacturing. Dr. Griffin began by describing the impact of the two previous capital grants to LabCentral which supported the creation of this flagship institution within our ecosystem. LabCentral has a 100,000 square foot turnkey office and lab space which has supported 109 start-ups which have collectively raised \$4.1 billion dollars. She emphasized that it is much more than physical space but a curated community and supportive infrastructure that has hosted 710 events and recruited 53 sponsors. Dr. Griffin explained the ongoing challenge for start-up companies with finding an affordable and timely alternative to CMOs/CDMOs which cater to the larger companies and require 12-18 months of lead time. This investment would align with the other NIIMBL capital investments made by the MLSC in bio-manufacturing innovation.

Beth Nicklas, General Counsel and Vice President, Academic and Workforce Programs, then explained the mechanism of the investment as a recoverable grant to a wholly-owned subsidiary of LabCentral. Because of state constitutional constraints which preclude a loan to LabCentral, the MLSC is proposing a recoverable grant – also used by MassDevelopment – which would return 5% of revenue for a total of five years in which occupancy reaches 85% or greater at the facility. This would result in an uncertain return of possibly more than the \$5 million grant or possibly less.

Bill McNamara then inquired about the projected return and Ms. Sadeli indicated that it should be above \$6 million. Dr. Griffin noted that achieving occupancy targets should not be challenging due to the demand from industry, but that the risk lies with the quality of the external hires to successfully run the operation. Dr. Gary Kearney asked whether LabCentral would own or rent the space and the source of additional funds to launch the operation. Dr. Griffin responded that they were renting from MIT, similar to their current space at 700 Main, and Ms. Sadeli noted that MIT was contributing \$16 million toward tenant improvements and LabCentral would contribute \$2 million. In addition, they are seeking major sponsorships from interested companies and partnerships with CMOs/CDMOs.

Pam Randhawa asked whether their prices would be competitive with CMOs or whether there would be a discount. Travis McCready responded by explaining that the business model was not designed to be competitive with CDMOs, but rather to provide a production suite in advance of utilizing a CDMO for large-scale production. Dr. Julie Chen inquired whether this process prototyping facility was designed to rent space as well as to accommodate companies that are looking solely to use the

equipment and services. Dr. Griffin replied that LabCentral is still working out many details and that it will probably depend on the capacity of the personnel hired to support the production processes. In response to a question from Dr. Kearney as to the type of process manufacturing, Dr. Griffin indicated that the primary focus was on biologics, but that they were also exploring cell and gene therapy processing.

Dr. Kearney inquired whether this is responding to a weakness or deficit in the Massachusetts life sciences ecosystem. Mr. McCready responded that this would fill a deficit and serve as a solution to a pain point in the life cycle of the dozens of early-stage biologics companies in Kendall Square alone. Finally, Board members inquired about the timeline for construction and outfitting of the facility and indicated that they would appreciate a presentation at a later date as the project progresses.

Upon a motion duly made, seconded and carried, the Board adopted the resolution to approve \$5,000,000 in capital funding for the LabCentral @ 238 award.

7. High School Apprenticeship Challenge – Supplemental Funding Request

Peter Parker rejoined the meeting. Ryan Mudawar, Senior Director of Academic and Workforce, presented an update regarding the 2019 placement of high school students in summer internships. At present, he reported that 161 interns had been hired or requested with 122 students at 16 research institutions and 39 students at 31 companies. To accommodate this increase in a request for high school internships, Mr. Mudawar requested an additional authorization of \$100,000 from the Board to supplement the original authorization of \$550,000.

Upon a motion duly made, seconded and carried, the Board adopted the resolution to approve an additional \$100,000 to supplement the funding for the High School Apprenticeship Challenge.

8. Bits to Bytes

Prior to the Bits to Bytes discussion, Dr. Griffin presented an overview of the new, strategic approach to investment of capital dollars by focusing on three key areas – digital infrastructure, drug delivery, and women’s health – in addition to an open, competitive capital call. The goal is to catalyze development in sectors or therapeutic areas where Massachusetts has an opportunity to lead, maintain its leadership position or support an underfunded sector.

Dr. Carla Reimold then presented the 13 applications that were received to the Bits to Bytes solicitation and explained that all data generated and funded would need to be structured and made available in a standardized way for the public. Dr. Chen asked what the primary difference was in the applications that are recommended for funding and those that are not. Dr. Reimold indicated that applications that did not receive funding either were not proposing to use AI or machine learning or had

reputations for not making data readily available. All of the labs recommended for funding are well known for publishing their data and have a history of sharing with other investigators. Dr. Griffin added that a lesson from this inaugural round of Bits to Bytes is that there is a need to have a repository for all of this data, including the coding that enables the imaging and appropriate annotations and structure.

Board members then had a discussion of how to ensure that the investments made by the MLSC are accessible and available to members of the public. Specifically, Mr. McNamara requested that the Senior Leadership Team report to the Board at its September meeting regarding plans to ensure awardees are living up to their commitment to make investments publicly available and readily accessible through appropriate marketing or, as Mr. McCready added, a geo-tagging mechanism. Dr. Reimold mentioned that the Industry Team was planning a panel, perhaps on imaging, to showcase innovative use of data and to share new techniques. Mr. McNamara suggested a resource page on the MLSC's website, perhaps similar to the UMass website that provides information as to how to access equipment and services at all of its core facilities.

Upon a motion duly made, seconded and carried, the Board adopted the resolution to approve \$6,714,743 in funding from the Center's capital resources to fund the Bits to Bytes awardees.

9. Adjourn

Co-Chair Bill McNamara adjourned the meeting at 4:12 p.m.

List of Materials and Exhibits Used During Meeting:

- Board Agenda
- Minutes from April 26, 2018 Board Meeting
- Motion: To approve April 26, 2018 25, 2018 Minutes
- Presentation of Business Development Updates
- Presentation of the MLSC's FY20 Operations Budget
- Motion: To approve the MLSC FY20 Operations Budget
- Presentation of Capital Investments
- Presentation of Bits to Bytes Program
- Motion: To approve the Bits to Bytes Program Awardees
- Presentation of the Women's Health Capital Call
- Presentation of the Drug Delivery Capital Call
- Presentation of the LabCentral 238 Capital Project
- Motion: To approve LabCentral 238 Capital Project
- Presentation of the High School Apprenticeship Challenge Update and Request for Supplemental Funding
- Motion: To approve the High School Apprenticeship Challenge Supplemental Funding
- Descriptions of Discretionary Grants to Life Science Cares for Project OnRamp, the Boston Chapter of the National Society of Black Engineers, and i2 Learning
- June 24, 2019 Marketing & Communications Report to the Board