

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

DATE: April 15, 2020  
TIME: 2:00 p.m. EST  
PLACE: Via WebEx: Meeting number: 297 105 567  
<https://industry-mlsc.my.webex.com/industry-mlsc.my/j.php?MTID=m2b273cc958f4cb7dcc950f39f7608b4a>

DIRECTORS Connected: Stuart Abelson  
Julie Chen (designee for Marty Meehan)  
Mark Fuller (designee for Secretary Michael Kennealy)  
Jacqueline Grant  
Catharine Hornby (designee for Secretary Michael Heffernan)  
Gary Kearney  
Pam Randhawa

**1. Call to Order**

Mark Fuller called the meeting of the Board of Directors (the “Board”) of the Massachusetts Life Sciences Center (the “MLSC” or “Center”) to order at 2:00 p.m. The meeting, having been duly convened, was ready to proceed with its business.

**2. Approval of Minutes**

The Board then reviewed the minutes of the April 2, 2020 Investment/Board meeting. Upon a motion duly made, seconded and carried, the Board adopted the resolution to approve the minutes.

**3. Chairs’ Updates**

Mr. Fuller reported that the Administration is working together with all Secretariats to move from a crisis response into a more sustainable mode of operation. Mr. Fuller thanked the Board for its contribution to the COVID public health threat by approving the \$10 million at the last Board meeting. Catharine Hornby seconded the collaborative efforts by all and noted that it is unclear at this time what it will mean for the Commonwealth’s budget, what role the federal government may play in providing funding, and the impact of a recession on the economy.

#### **4. CEO Update**

Mr. McGourthy, Interim President and CEO, reported that the Governor announced the M-ERT initiative on Monday, the angel tax investor credit regulations were informally published by the Massachusetts Department of Revenue, Massachusetts General Hospital and the Massachusetts Institute of Technology are working together on a ventilator prototype, and 18 applications were received by the targeted Capital programs for consideration at the June Board meeting.

Mr. McGourthy then ceded his time to Cheryl Sadeli, Vice President of Finance who provided a quarterly update. Ms. Sadeli shared that as of March 31, 2020, the MLSC's operating expenses are well under budget from savings from salaries and benefits. She noted by the end of May the MLSC should be at 19 FTEs with 3 open positions to fill. Ms. Sadeli mentioned the rebranding project is complete. She anticipates that current remote operations caused by the COVID-19 pandemic will further reduce expenses. No out of state travel is expected through year end which will render expenses for the year at about \$3.8 million which is about a 15% savings from the FY20 budgeted amount.

#### **3. Tax Incentive Program**

Ms. Cheryl Sadeli, Vice President of Finance, presented an overview of the Center's Tax Incentive Program. She shared that since inception of the program, ten rounds have been presented to the Board of Directors totaling over \$221 million dollars with 470 applications received to date. Ms. Sadeli also explained that the applications are diverse across industry sectors and geographic representation with both small and large companies throughout the Commonwealth. Ms. Sadeli then reminded Board members of the program's eligibility requirements: ability to file a 2019 Massachusetts tax return, employ at least 10 FTEs as of December 31, 2019 and commit to a minimum of 10 net new hires for 2020.

Ms. Sadeli reported that the current round had received 42 applications, four of which are business development commitments. She noted that 35 applicants are being recommended for a total of \$19.5 million in incentives with a commitment of 1,242 net new jobs with specialties as follows: 40% R& D, 20% in manufacturing and the remaining percentage of jobs in the regulatory, data science, sales, marketing and administrative positions.

Mr. Fuller commenced Board questions by inquiring on the staff's view on the mix, trends and types of applicants. Ms. Sadeli responded that there is a good mix of companies and

described the assistance of MLSC's Business Development team that facilitated awareness of the program throughout the Commonwealth. Mr. Gary Kearney then inquired regarding the mix of new applicants versus repeat applicants and what percentage of the total would be distributed to repeat applicants. Ms. Sadeli replied that 20 of the 35 companies are new applicants with the remaining 15 being prior awardees, and 39% of the total award proposed for new applicants with the remaining 61% of the incentives going to repeat applicants. Ms. Sadeli clarified further that the reason for the higher percentage of funding going to repeat applicants is due to their higher number of new job commitments.

In order to accommodate Board recusals, the Board took four votes as follows:

Upon a motion duly made, seconded and carried, the Board adopted the resolution to approve a Tax Incentive for Companies listed with #'s 1-31 in the resolution for a total of \$16,889,524.

Upon a motion duly made, seconded and carried, the Board adopted the resolution to approve a Tax Incentive for New England Biolabs, Inc for a total of \$375,000. Board member Pam Randhawa recused herself from voting due to a conflict of interest.

Upon a motion duly made, seconded and carried, the Board adopted the resolution to approve a Tax Incentive for Intuitive Surgical for a total of \$390,476. Board member Catharine Hornby recused herself from voting due to a conflict of interest.

Upon a motion duly made, seconded and carried, the Board adopted the resolution to approve a Tax Incentive in the amount of \$420,000 for CRISPR Therapeutics Inc. and \$1,425,000 Tax Incentive for Dicerna Pharmaceuticals, Inc. Board member Jackie Grant recused herself from voting due to conflicts of interest with these companies.

Ms. Sadeli then requested the Board to approve a one year tax awardee compliance extension for Moderna Therapeutics. She explained that Moderna is in its second year of the award and has requested an extension on new hire commitments. The company explained that it was unable to fulfill the hiring commitments due to challenges in a competitive job market and high employee turnover due to cultural changes in the company. Mr. Fuller requested the Board be updated quarterly on their hiring progress and Board members assented to the extension.

#### **4. MLSC COVID-19 Response**

Dr. Griffin presented a high level update on MLSC's COVID-19 response. She emphasized that the approach is a phased one made possible through collaborations with the

Manufacturing Emergency Response Team (M-ERT), MassTech Collaborative, M2I2, AFFOA and EOHEd. Dr. Griffin reminded the Board that Phase I is focused on responding to the imminent public health threat and then shared the evaluation and funding-decision process of the group. Dr. Griffin shared seven applications that have been received thus far and four that are recommended for funding. Applications being moved forward include WPI Practicepoint of Worcester and Vecna Technologies of Burlington with a focus on ventilator development, and the following PPE manufacturers, 99Degrees of Lawrence and Tekkware Inc. of Gloucester.

Mr. Fuller took a moment to personally thank Dr. Griffin and Dr. Julie Chen for their work in evaluating these companies and participation in decision-making. Their efforts contributed significantly to the Commonwealth's quick response to the pandemic.

Dr. Griffin then provided an update on Phase II which will enable the development of preventive techniques and diagnostics for COVID-19 through a collaboration with the MA Consortium of Pathogen Readiness team (MASSCPR), a group of scientists from 20 Massachusetts-based universities, medical schools, research institutions and teaching hospitals convened by Dean George Daley of Harvard Medical School. The steering committee is comprised of experts who have reviewed and prioritized the top 200 applications from 450 submissions in the following categories: diagnostics, epidemiology, clinical, pathogenesis, therapeutics and vaccines. Dr. Griffin explained that she participated in an advisory committee meeting which identified 19 finalists focusing on diagnostics and immediate impact. These finalists will be further vetted to determine the value of funding. Of the 19 projects, Dr. Griffin noted that 4 are targeted proposals to enable community testing, diagnostics and sample procurement, while the other 15 are wish list projects in the diagnostic, clinical care, and epidemiology categories.

The Board members then engaged in a robust discussion with an emphasis on targeted funding. Messrs. Kearney and Abelson noted the importance of reserving funds for smaller companies with scalable technologies rather than exclusively supporting larger institutions. Ms. Pam Randhawa agreed with a focus on smaller companies with novel solutions and the need for a campaign to inform applicants of available funding. Mr. Kearney further noted that the MLSC needs to deploy dollars with a specific focus in areas not getting a lot of attention. Mr. Mark Fuller summarized the discussion by adding that as PPE is provided to serve the community during the surge, MLSC should gradually move forward with antibody testing to open up the

economy again and manage the pandemic until a vaccine is developed. He requested more details regarding the MASSCPR proposals and recommendations for funding, and urged outreach to smaller companies.

**5. MassNextGen Year 3 Presentation**

Dr. Griffin provided an update and funding recommendation for the MassNextGen Program, a public-private partnership seeking to achieve gender parity in life science entrepreneurship in its third year. With Investment Committee input from Dr. Julie Chen at its April 2<sup>nd</sup> meeting, Dr. Griffin reported the addition of Ernest Pharmaceuticals to the list of recommended awardees based on their unique bacterial intercellular delivery platform for oncology therapeutics. Dr. Griffin closed by noting that \$512,500 would be shared equally among the six entrepreneurs recommended for coaching and funding.

Upon a motion duly made, seconded and carried, the Board adopted the resolution to approve six MassNextGen companies totaling \$512,500 from the Investment Fund.

**6. 2020 National Summit on Health of Women Participation**

Dr. Griffin reported to the Board regarding her negotiations with the Mary Horrigan Connors Center for Women's Health & Gender Biology of the Brigham and Women's Hospital. Dr. Griffin negotiated a \$60,000 MLSC sponsorship for MLSC's participation in the 2020 National Summit on Health of Women, now scheduled for November 13, 2020, with \$50,000 intended to fund research and \$10,000 for conference logistics.

Upon a motion duly made, seconded and carried, the Board adopted the resolution to approve \$60,000 for MLSC's participation at the 2020 National Summit on Health of Women Conference.

**7. Life Sciences Certification- nQ Medical**

Dr. Griffin requested that nQ Medical be approved as a certified life sciences company in accordance with the MLSC's statute. The certification will allow nQ Medical to receive a \$25,000 award from the Boston Scientific Connected Patient Challenge.

Upon a motion duly made, seconded and carried, the Board adopted the resolution to approve nQ Medical as a certified life sciences company.

**Adjourn**

Mark Fuller, Board Co-Chair adjourned the meeting at 4:00p.m.

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

- Board Agenda
- Minutes from April 2, 2020 Board Meeting
- Motion: to Approve April 2, 2020 Minutes
- Presentation of Tax Incentive Program
- Motion: Tax Incentive Program
- Presentation update on MLSC COVID-19 Response
- Presentation of MassNextGen Year 3 Cohort
- Motion: MassNextGen Year 3 Cohort
- Presentation for the participation in the 2020 National Summit on the Health of Women
- Motion: 2020 National Summit on the Health of Women Participation
- Motion: Certified Life Sciences Company - nQ Medical