

GOVERNOR PATRICK FILES PLAN TO MAKE MASSACHUSETTS A GLOBAL LEADER IN LIFE SCIENCES

Package includes capital and investment funds, tax incentives, expansion of Massachusetts Life Sciences Center

BOSTON - Thursday, July 19, 2007 - Joined by legislative leaders at a special Joint Session of the Legislature, Governor Deval Patrick today filed legislation providing for a major investment in and expansion of the Life Sciences industry in Massachusetts. The legislation is a comprehensive plan to make Massachusetts the global leader in the life sciences industry.

"We want Massachusetts to provide the global platform for bringing innovation from the drawing board to the market, from inspiration to commercialization, and from ideas to cure," Governor Patrick said. "We look forward to working with the Legislature on speedy passage and to bringing to life our vision for expanding the Commonwealth's global leadership in the life sciences."

The plan is a significant milestone in moving forward on the administration's 10-year, \$1 billion investment package that will both enhance the Commonwealth's already nationally recognized assets in the fields of medicine and science, and fill gaps in federal funding to strengthen the state's capacity to support life science progress from the idea stage through the production and commercialization stages.

"I have always been in support of a Life Sciences initiative that would keep Massachusetts competitive with the rest of the country, and I look forward to examining the details of the Administration's proposal as we move forward," said Senate President Therese Murray.

"This is an ambitious plan put forward by Governor Patrick and we certainly embrace the concepts," said House Speaker Salvatore F. DiMasi. "The Commonwealth must continue to be a partner with the life sciences industry and make sure we provide whatever assistance we can to ensure the industry's future growth here. As with any proposal of this magnitude, we must always keep costs and affordability in mind."

The legislation, which was outlined during a speech at the BIO 2007 convention in May, includes \$500 million in capital funds that will allow for the creation and construction of the Massachusetts Stem Cell Bank and an RNAi center that will highlight and build on the work of Nobel Laureate Craig Mello, Ph.D of the University of Massachusetts Medical School. The Bank will be the world's largest repository of new stem cell lines available to all sectors, both public and private, of the life sciences sector.

The bill also includes \$15 million for the Massachusetts Life Sciences Investment Fund to finance basic research, small business innovation grants, life science fellowships and workforce training. The fund will be overseen by a strengthened Life Sciences Center Board, which, under the legislation, would be expanded to include two new members and would be chaired by the Secretary of Housing and Economic

Development. Under Governor Patrick's legislation, the center would have the authority to build capital projects, award grants, and expend funds consistent with the plan outlined by the Governor. The board will be required to establish a formal process to determine how capital projects are spent.

The legislation also establishes a 10-person Advisory Committee to the Life Sciences Center Board from members of the Massachusetts Life Sciences Collaborative.

To encourage job creation and growth in the field, the legislation also creates tax incentives for certified life science sector projects. Among the credits are a redeemable 10 percent 10-year carry-forward Life Sciences Investment Incentive Tax Credit and a provision that allows projects to receive an additional 2 percent tax credit if they locate in Economic Opportunity Areas. The legislation includes a clawback provision to ensure that companies meet their job creation goals. The bill also creates a sales tax pass through for bricks and mortar purchases associated with the development of life sciences projects and creates a 100 percent refundable FDA User Fee Credit.

The bill imposes a yearly project evaluation and provides for decertification in the event that a company fails to achieve the projected return on investment mandated as part of the project certification.

"This is the future of life sciences here in Massachusetts," said Governor Patrick. "We have the talent, we have the entrepreneurial spirit. Now let's execute the vision."