

LIFE SCIENCES CORRIDOR MEETING

August 17, 2010

Biltmore Hotel

PARTICIPANTS: John Adams, J. David Armstrong, Randy Berridge, Ben DeVries, Andrew Duffell, Rudy Fernandez, Ray Ferrero, Divina Grossman, Ken Jessell, Gary Margulies, Rolando Montoya, Frank Nero, Larry Pelton, Mark Rosenberg, Steve Sauls, Mary Jane Saunders, Ed Schons, Donna Shalala, Robert Swindell, Ronald Toll

MEETING NOTES:

President Rosenberg began by asking all in the room to introduce themselves.

Mark Rosenberg (FIU) : President Rosenberg thanked everyone for attending this meeting. There was a previous conversation around a I95 corridor, but it did not take life as did the I4 corridor. The state has made a \$2B investment in the life sciences. Life sciences represents a source of job creation, innovation, and dynamism in our state and is a logical multiplier of state investment. We propose a Life Sciences Corridor as outlined in the one-pager everyone received (attached). We hope to have a broader regional conversation on this idea.

John Adams (Enterprise Florida): In looking at the I4 corridor, UM, and the cluster up the coast, we know that the momentum is driven by the group that is here. We have Max Planck Institute across from Scripps, and they serve as multipliers in this corridor. Companies are looking at the corridor. When they make decisions about moving here, they ask about universities. What kind of research is being done here ? What kind of graduates are the universities producing ? CEOs ask, who is around us ? What are the synergies ? Who can they source from ?

Randy Berridge (Florida High Tech Corridor): I came from the corporate sector. The idea for the Florida High Tech Corridor (FHTCC) came from President John Hitt of UCF and President Betty Castor from USF. They were able to leverage city and county incentives. Both UCF and USF had research capabilities. AT&T was going to move out of Orlando and go offshore. What we offered them was \$20M worth of as yet undefined research. The offer to AT&T was \$90M offshore and the offer in Florida was \$12M. When he presented the idea to the Board of Governors, President Hitt said that everything we did was reactive, and he wanted to be proactive. We wanted to do something for large and small companies. We secured significant help from the incoming Senate President and Speaker of the House, and a Governor who understood what we were trying to accomplish. The key to success is support at the highest levels. In the first five years, we did not use state money for expenses; those were covered by the companies. President Jennings and Speaker Webster were crucial to having the state funding. In our first 14 years, FHTCC has invested approximately \$54M in 1,100 research projects with 350 industry partners engaging 280 faculty researchers. The companies invested \$148M in matching dollars and in-kind investments for those projects. In addition, the attracted downstream match exceeds \$731M. We engaged the Professors and Assistant Professors and supported more than 2,100 graduate students for research. Companies

matched the funding 2:1 or 3:1. In 14 years, we had 27 projects with Harris Corporation and they determined in their analysis that the downstream value to them was about \$100M.

Dan Rini earned his bachelor, master's, and doctoral degrees from UCF and was one of the first tenants in the FHTCC-supported UCF incubator. He acknowledged that without the incubator and the support the FHTCC gave him through its Matching Grants Research Program, his company would not exist now.

State colleges are vital because of associate degrees needed to support the workforce of the new companies that emerge. State colleges train the engineers and technicians and provide them with a chance to obtain their baccalaureate degrees.

Donna Shalala (UM): We are very enthusiastic about the corridor and the potential investments here. We have already built our first research park and the first tenant is our own spin-off which is the tissue bank. I built a research park when I was at the University of Wisconsin. One of the things you learn is that you have to be patient about choosing the right companies. You have to be patient enough and disciplined enough in order to acquire the right identity for the research park. We are supportive and look forward to working with everyone.

Frank Nero (Beacon Council): Of the industries we have in this area, the most active is life sciences. We tried an Internet corridor before. What is frustrating are the starts and stops with state support. How can we make the best case? It is important for companies to have research and technical support. It is also important to have political firepower. It would be good if we could help set the agenda and blueprint and have a game plan for the new Governor and the new Legislature.

Mark Rosenberg: He agreed with Frank that political support would be vital. He said the Chancellor tried to frame the issues in "New Florida." The cluster approach would have the rootedness for us to build on.

Ray Ferrero (Nova Southeastern University): This is a great start but a little overdue. Broward Alliance looks at the climate for companies who are moving to the area. It is important to ask, what is the educational environment for the children of our employers? We need to have a representative from the K-12 schools. Everytime I hear "state universities" I want to point out that there are other universities that are not part of that, and we need to all work together as a team. President Shalala and I are working together on a project to create the new Coral Reef Center of Excellence which is under construction. We plan to build a research building similar to what UM has built. We have a 3,000 acre site where we can have all players involved and it will all be under one jurisdiction, the town of Davie. We need to ask, what are the components that companies need? What are their requirements? Where would they go? We need to figure out what we can do to facilitate them moving to the area. The great asset is the land around us. Remember that we now have 8 or 9 public institutions here and 4 that are private. The Lambda rail is an asset, especially for the life sciences. Thank you for convening this meeting.

Mary Jane Saunders (FAU): I think it is important with the three new medical schools at UCF, FIU, and FAU to coordinate the research agenda in partnership with the hospitals and health care corporations. The opportunity for FAU-FIU-UCF to work together does not come along too often. We need to have research that is synergistic, in an area that we will attract new faculty.

Mark Rosenberg: The state investment is \$70 to \$75 M in recurring funds. Although much of that is for medical education, it will generate spin-offs and will have their own multipliers.

Ron Toll (Florida Gulf Coast University): Jackson Lab will be in our backyard. We are excited about our new degree programs focusing on personalized medicine. Alginol is one corporation that focuses on generating ethanol from algae. Alginol is moving to Lee County with \$10M in investment. FGCU just broke ground with our Health Sciences Bldg. We will also have an incubator building. We are now at 12,000 students, but we project growing to 16,000 students. President Bradshaw is building tangible relationships with South Florida. We can anchor the west portion of the South Corridor.

David Armstrong (Broward College): This is a good group to convene not only for the Life Sciences Corridor but for other issues every now and then. I just saw Governor Bush on my way here and he was excited to hear about this meeting. I suggest we involve him because of his interest in this. I went with the Governor to Scripps when the project was being developed. I wanted to see if there was indeed, a role for community colleges and state colleges. For every 1 PhD, there are 3 to 4 technologists that are needed to support the industry. Yes, there is a role for us. We have funded new programs to support the new industries. Research universities will take the lead with their research, but community colleges are crucial to support workforce development. We definitely want to be a partner.

Rolando Montoya (Miami Dade College): MDC recognized the importance of biosciences, which is why we built a state-of-the-art facility at the new campus and started a new college-credit certificate for entry level technicians. The Associate in Science degree is for two years. We also have advanced technical certificates for people in other fields. We are pioneering undergraduate research; we can create a pipeline for those who want to continue to have their PhDs. This could be an early program for those who want to become researchers. We are interested in opening access to the overall population, not just to the elite. In this way, everyone in the community will benefit.

Larry Pelton (Economic Development Council of St. Lucie County): Frank Nero and I have been working together for a long time. I was involved in the recruitment of Scripps and Torrey Pines. We would never have accomplished this without the universities. Research is critical to the success of companies in Florida. I suggest we include Larry Massey from Palm Beach. Every one of the industries that have moved here has been attracted by the dollars. Everyone wants at least the same or more, so we may have placed ourselves in a trap. We need legislative partners. We have to realize that the goal is to build the future, not just to create jobs in the short term. We are building an intellectual infrastructure to make sure we will have great

success. The expectation for us is to diversify the economy for future generations. Collectively, if we have incentives, they will be an attraction to private companies. If we look at all the counties working together, we can be successful.

Mark Rosenberg: Let us discuss the sunseting of incentives. Should we get better incentives ? In Florida we are always between being and becoming. Where should our emphasis be ? What challenges does the Legislature have today ?

Larry Pelton: We want to incentivize companies in the early stages. Success is based on their ability to commercialize their discoveries. Research institutes are in a translational stage and in order to continue to be successful, they have to attract capital. The challenge for great research in the universities is how to get them to market, and how to develop the spin-offs ?

Frank Nero: We have to create opportunities to leverage. If we work together, we can make the case for a return on investment. The press can talk about corporate welfare when a big investment is made. We are leveraging the future economy of the state. Perhaps the incentive for the companies is, if you come I will give you research, not money, and support from the entire consortium ? Universities are important for companies. How do we create the next model for the future ? Sen. Jeremy Ring would be important here, since he chaired the Biosciences Committee. We need to gain his insights and buy-in.

Larry Pelton: It is important to have investment tax credit (ITC) for the companies.

Randy Berridge: The timing is perfect for this. It is important to have the support of Dean Cannon. The incoming Speaker is very supportive of the concept. Economic development partnership took 14 years to develop. I know that Speaker Cretul directed Chancellor Brogan to create a Corridor between Tallahassee and Pensacola. Let us see if there is support from the corporations for the Panhandle. I cannot overemphasize the importance of political support. Our first funding was for \$1M. We had AT&T in North Florida. I don't know what the major player will be here, maybe AT&T. FHTC is a 501C6 entity. When money comes, it is important to use it for project-centric purposes to build the corridor.

Edward Schons (University of Central Florida): I know if President Hitt were here, he would be thrilled. Quality of research, knowledge, and innovation will drive what will happen to the economy. Spin-offs will be important for Scripps and for Torrey Pines. We need to determine the types of needs to help grow companies. I suggest you look at the road map under John Adams. We are in the middle of where we need to be. This is so on! I am so excited.

Ben DeVries (Florida Network of Research, Science, and Technology Parks): We have \$80M in investments in research parks. You are here with the human capital. I am here as Chair of the Florida Network of Research, Science, and Technology Parks and I have distributed our pamphlet to you. We have created a legacy to innovate. As you build the Corridor, please remember that you have to play to a statewide audience. Research parks can be a support for the entire state.

Bob Swindell (Broward Alliance): Sen. Jeremy Ring is passionate about the importance of universities, so he will be a good advocate. Economic development councils and universities need to work together. Your graduates are important to energize the companies.

Andrew Duffell (Business Development Board of Palm Beach County): I agree it would be important to coordinate the research agendas of the three medical schools. With respect to big ticket items, I think we already have a good foundation of large research institutes. What we need now are the small start-ups and spin-outs. We need programs to match funds from SBIR and STTR grants. We need to look at local communities as well to provide matching funds. That has happened in Palm Beach County.

Mark Rosenberg: We need to create a Life Sciences Workgroup to establish a large regional mass. This will be the work of many months and years. It needs to be done carefully. Who was not invited that we need to invite ? We did not want the expectations to be set too high. We need Ken Walker from West Florida. I am asking our Vice President for Engagement, Dr. Divina Grossman, to work on this with me and Randy Berridge, John Adams, Frank Nero, and those you designate. This group will need to do the compass setting and road map. We need to leverage assets when making hires. A rising tide raises all ships. We can send a strong message by setting a good working group.

The meeting ended at 9:34 AM.