

Mass. gov. to woo biotech businesses with new \$1B initiative

By STEVE LeBLANC

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BOSTON (AP) - When Gov. Deval Patrick heads to a biotech conference in California next week, he'll be bringing along plenty of help -- including a new \$1 billion plan to transform the Massachusetts economy.

House lawmakers gave the 10-year plan final approval Wednesday and the Senate followed Thursday. Patrick plans to sign the bill, a key piece of his economic agenda, hours before leaving town Monday.

Patrick wants to have the new law in hand at the 2008 BIO International Convention in San Diego, but that's not all he'll be traveling with.

House Speaker Salvatore DiMasi and Senate President Therese Murray also plan to attend, as do at least five members of the House and Senate and more than three dozen representatives of local industries, state and local agencies and business groups.

The show of force has a single purpose -- hanging an "open for biotech business" sign at the state's border.

State Sen. Jack Hart, D-Boston, who helped shepherd the bill through the Senate, called passage of the legislation a "Sputnik moment" for the state, opening up a world of possibilities.

"This is more than just about jobs," he said. "This is about the cures and the treatments that will be developed here in Massachusetts."

An aide to Patrick praised lawmakers for passing the bill.

Kyle Sullivan, the governor's press secretary, said the overwhelming support in both chambers "sends a clear and important message to the international life science community that Massachusetts is committed to being in the vanguard in this field."

The approval in the Senate came the same day a private study said Massachusetts' life sciences industry directly employs more than 77,000 people.

The bill includes \$250 million in tax credits for life sciences companies that agree to create jobs in the Commonwealth. Another \$250 million is set aside for research grants to encourage those conducting the cutting edge research to stay.

The remaining \$500 million would be dedicated for construction and improvement projects designed to benefit the industry.

Overseeing much of the initiative is Susan Windham Bannister, the new CEO and president of the Massachusetts Life Sciences Center.

The center will have wide discretion in distributing nearly half of the \$500 million for construction to help biotech businesses expand, including creating new laboratory space. The center will also distribute matching grants to encourage young researchers to stay in Massachusetts.

"We want to make this a friendly environment," she said. "We are making sure we are protecting and encouraging that sector."

Melissa Walsh, the center's chief of staff, acknowledged that means making decisions about which companies should have access to state funds and which shouldn't. She said the center will rely in part on recommendations from a scientific panel.

"We believe we should be taking a solid look at applications for these funds and running them through a peer review process," she said.

But critics say the law is flawed because it forces the state to pick winners and losers.

That's bad for business and could leave Patrick, and future administrations, open to charges of favoritism, according to Senate Republican Leader Richard Tisei of Wakefield.

"We will never know under this bill the reasons why one company got the tax credit and another company didn't," he said during the Senate debate. "This is very, very dangerous."

Business groups also have criticized the law saying that with all the focus lavished on new technologies, lawmakers shouldn't forget about the bread-and-butter industries that employ the bulk of Massachusetts workers.

Those in the biotech industry say the initiative is long overdue.

Organogenesis began its life 20 years ago as an MIT spin-off and as long as it remained a small, research-oriented venture, there was no question of remaining in Massachusetts, according to company president and CEO Geoff MacKay.

But when the company became a major player in the world of regenerative medicine, it started to care more deeply about the finer points of tax law, MacKay said.

As the company ballooned from 12 employees in 2003 to 350 today, it began scouting locations from New York to South Carolina and already had made the decision to leave Massachusetts when the administration said it was working to pass the bill.

"Before the life science initiative we had reached the decision that Massachusetts was not competitive relative to neighboring states," MacKay said.

He said he convinced the company's directors that the tax climate would brighten and the company -- which takes living cells and builds therapeutic products like tissues for diseased or injured skin -- opted to set up shop in Canton.

MacKay said the life science initiative will be key to luring businesses not only from other parts of the country, but from Europe, which boasts a thriving regenerative medicine industry interested in finding locations to expand on the East Coast, particularly New York or Boston.