



STATE OF CONNECTICUT
GOVERNOR DANIEL P. MALLOY

**GOV. MALLOY: JACKSON LABORATORY PLANS APPROVED;
CONNECTICUT "READY TO CLAIM OUR SHARE" OF \$284B
PERSONALIZED MEDICINE INDUSTRY**

Laboratory will Bring Jobs and Strengthen CT's Bioscience Industry

(HARTFORD, CT) – Governor Daniel P. Malloy today announced that a final agreement between the state and Jackson Laboratory (JAX) has been fully negotiated and approved by the relevant boards. To commemorate the event, the Governor hosted a ceremonial bill signing at the UConn Health Center (UCHC), the site where the new billion-dollar, personalized medicine laboratory that will create more than 6,800 permanent jobs will be located. The event was attended by Department of Economic and Community Development (DECD) Commissioner Catherine Smith, JAX President and CEO Edison Liu, University of Connecticut President Susan Herbst, UCHC Scientist Dr. Marc Lalonde and legislative leaders.

“When we invested in bioscience, we knew we were investing in an industry that would pay dividends in the future,” said Governor Malloy. “But the pace at which we were able to generate interest from a world-renowned research institute – which is what JAX is – speaks volumes about the potential that exists in our research triangle. Reinventing Connecticut is a broad idea that revolves around one central principle – creating jobs and spurring our economy. The agreement we reached today will do just that.”

The highlights of the agreement include:

- A commitment from JAX to create at least 300 positions within 10 years, of which 90 or 30% of the total number of employees, whichever is higher, will be senior scientist positions. The average annual wage of employees will be equal to 125% of the Connecticut average wage. Loans will not be forgivable until 300 employees are in place at the required average annual wage for at least six months.
- JAX will give preference to Connecticut residents when hiring if they meet all job qualifications. Connecticut vendors will be given preference when cost-effective

and scientifically sound. JAX will enter into a Community Workforce Agreement for construction of the facility.

- JAX and the state have entered into a unique intellectual property (IP) sharing agreement that will give Connecticut Innovations (CI) 10% of any net royalty proceeds from IP up to \$3 million and 50% of any net royalty proceeds above \$3 million starting in the 10th year and running for 15 years. During the first 10 years, if JAX monetizes IP through transfer of the IP, CI will have the same sharing arrangement described above.

“For the project’s impact to be felt as soon as possible – to get people working and to start the flow of bioscience investments – it was important to get it moving forward quickly,” Governor Malloy said. “I want to commend everyone who was involved in the negotiations -- the state agencies, JAX representatives, and others -- for putting together an agreement that provides a good return to Connecticut taxpayers, serves the interests of the state, and allows JAX to grow and expand. And it was all accomplished in a timely fashion that will allow JAX to help grow Connecticut’s economy in 2012, and even begin hiring this quarter.”

“The state’s investment in the Jackson Laboratory project is important for several reasons. It helps to grow an industry sector – bioscience – that holds great promise in terms of job creation, innovation and capital investment for our state. It also helps build the critical mass of scientists and other top-flight workforce talent that will give Connecticut a competitive edge as we continue to attract organizations like this to our state,” said Catherine Smith, commissioner of DECD and chair of the CI board of directors.

Once JAX Genomic Medicine is fully developed over 20 years, the institute will employ 600 scientists and technicians in 250,000 square feet of state-of-the-art lab space. The total 20-year capital and research budget for the institute is projected to be \$1.1 billion, of which the State of Connecticut has approved \$291 million: \$192 million in a secured, forgivable construction loan and \$99 million in grants for research and related activities. The Jackson Laboratory will raise the balance of \$860 million through federal research grants, philanthropy and service income. The facility is expected to support 6,800 permanent jobs.

“We’re delighted that we could reach an agreement so quickly for JAX Genomic Medicine,” said Jackson President and CEO Edison Liu, M.D. “We’ve been working hard over these weeks of negotiations, and the process has helped us build strong working relationships with our new colleagues. “With this agreement in place, and with great partners across Connecticut, we’re looking forward to building the bioscience industry here and doing great science that will improve medicine and health care.”

Connecticut Innovations (CI) will lend \$145 million construction loan and a \$46.7 million loan for fit-out in the new facility, both of which will be forgivable if certain hurdles are met. In addition, CI will provide \$99 million in grants over a 10-year period to support research and other related activities.

As part of the project, JAX will enter into a collaborative research agreement with UCHC providing for the pursuit of research related to system genomics and personalized medicine and the sharing of the faculty resources. The agreement provides for collaboration in supporting 10 Principal Investigators and allows UConn and JAX to share in any royalty proceeds derived through their collaborative IP efforts.

“Collaborating with Jackson Lab is an incredible opportunity for our state, the University of Connecticut, and other institutes of higher education in Connecticut,” said Susan Herbst, President, University of Connecticut. “It elevates the entire region, including all of our clinical and teaching partners.”

“I am very encouraged by the Governor’s decisive commitment to take advantage of the rich opportunities in medical research,” said Robert Alpern, MD, Dean, Yale School of Medicine. “Connecticut is already at the forefront of some of the most important and exciting science in personalized medicine, and Yale looks forward to exciting collaborations with UConn, Jackson Labs, hospitals, and industry. Connecticut's investment in biomedical research will help to create jobs, and ultimately all Connecticut residents will be better off by having more scientists searching for cures.”

UCHC will provide a long-term land lease to JAX to allow for the construction of the facility. When 600 jobs are created, the land will be conveyed to JAX.

According to a PriceWaterhouseCoopers study, the personalized medicine industry currently is worth \$284 billion in sales per year in the United States, and it is growing by 11 percent annually. "Connecticut is ready to claim our share of this important industry," Governor Malloy said. "With JAX Genomic Medicine and other Connecticut institutes, our state can become a major U.S. hub for personalized medicine."

The Jackson Laboratory is an independent, nonprofit biomedical research institution and National Cancer Institute-designated Cancer Center based in Bar Harbor, Maine, with a facility in Sacramento, California, and a total staff of about 1,400. Its mission is to discover the genetic basis for preventing, treating and curing human disease, and to enable research and education for the global biomedical community. Annual research grants awarded to JAX during the 2010 fiscal year totaled \$62.7 million.

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Contact: Andrew Doba

Andrew.Doba@ct.gov

860-524-7308 (desk)

860-770-8090 (cell)

Web: <http://governor.ct.gov>

Twitter: [@GovMalloyOffice](https://twitter.com/GovMalloyOffice)

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