



## Hearing Before the Joint Committee on Economic Development and Emerging Technologies

December 19, 2007

Testimony relative to: House No. 4234

Thank you Chairmen and esteemed committee members for the opportunity to provide testimony regarding House Bill No. 4234 this morning – this bill has the potential to greatly strengthen the State’s economy and the competitive position of our life sciences industry. My name is Rick Dimino, and I am President & CEO of A Better City. Comprised of leaders from business and major institutions, many of which are life sciences related, A Better City advances infrastructure investments that are vital to sustaining and growing the Boston area's economy and ensuring that we remain one of the most dynamic and unique regions in the world.

It is clear that the Life Sciences industry has a tremendous impact on our regional economy. According to a recent paper published by ABC - I have copies here for each of you - Boston and Cambridge alone are home to some of the world's leading research universities and teaching hospitals. These "eds and meds" provide nearly 150,000 jobs in higher education, healthcare delivery, and the life sciences, and anchor a thriving cluster of biotechnology, pharmaceutical, medical device, and life sciences companies. Life science employment alone accounts for more than 42,000 jobs in Greater Boston, and is expected to double by 2010. These jobs account for over 30% of employment in Boston according to the Boston Redevelopment Authority, and have an equal if not greater impact in Cambridge and Worcester as well.

The main purpose of the ABC study was to understand the importance of transportation infrastructure in creating stronger and better connections among the institutions and businesses in the life sciences sector. It is well documented that our competitors, both nationally and internationally, including the Research Triangle in North Carolina, Seattle, San Francisco, San Diego and others, have been aggressively investing in transportation as a means to create a more attractive business environment for this industry. We sought to understand the role of transportation in creating a more competitive business environment via interviewing local life sciences professionals and conducting case studies of our national competitors.

Through this exercise we found that our life sciences industry has many competitive advantages over other regions across the US, including our strong anchor institutions, the maturity and diversity of the industry, our highly educated workforce, and our unmatched ability to attract both NIH funding as well as venture capital.

Another major advantage of our life sciences cluster is our geographic compactness. This proximity leads to productive interactions among university and hospital researchers, physicians, and industry. Even in the Internet age, face-to-face communication is vital to innovation. Our tight-knit web of institutions and companies allows a physician-researcher to see patients at a hospital, teach at a university, attend a

seminar, and work in a laboratory - sometimes all in one day. This industry demands and relies on connectivity and in-person interaction.

However, this geographic compactness also generates thousands of daily trips between university labs, classrooms, hospitals and companies with a widely known result: congestion. The Massachusetts Life Sciences Collaborative reports that 83 percent of respondents to a recent survey find it difficult to get to work, and a 2001 Jones Lang LaSalle survey showed that over 75 percent of knowledge-based technology companies consider access to public transportation a key factor in evaluating sites.

Our congestion and mobility problem is a sleeping giant that threatens to inhibit future growth. So improving our infrastructure - especially public transit - should be an important component of the Commonwealth's life sciences economic development strategy.

The case studies of our major competitors also illuminate a substantial difference between other regions and Metropolitan Boston - one that is particularly important in shaping a strategic state investment strategy for the life sciences. Many of the competitor cities are not as effective as Metropolitan Boston in attracting federal funding (particularly NIH research grants) and also have far fewer private institutions and companies investing in research-and-development facilities. The states in which these competitor cities are located are therefore investing hundreds of millions of state tax dollars directly in R&D facilities and in research. These competitor cities have no choice but to “spread around” their public investments to address a wide variety of needs.

Metropolitan Boston’s life sciences cluster, by contrast, benefits from \$1 billion annually in federal research funding and hundreds of millions of dollars in “bricks and mortar” research and development facilities being built by hospitals, universities and private companies— in most cases with limited or no investment of public funds. This pattern of substantial federal, institutional and private sector investment in life sciences facilities and research substantially narrows the number of “gaps” to be filled in with state funding.

This bill has the potential to fill such gaps – such as proposed state funding for a stem cell bank and gap funding for certain researchers – but can also be designed to leverage and maximize the benefits of federal and private investment by focusing state dollars where federal and private/institutional funding is less available. Transportation is one area where funds are badly needed and is critically important to sustaining a healthy and viable life sciences industry. Such a funding strategy also has the advantage of improving connectivity, accessibility and mobility for other industries in addition to the life sciences.

The legislature recognized the vital importance of transportation to economic development in the 2006 Economic Stimulus legislation, and provided funds for needed roadway and transit improvements in the Longwood Medical and Academic Area and other areas. We have been applauding the legislature’s insight in appropriating these funds ever since, and recent discussions with the City of Boston indicate that they are well on their way to being spent effectively.

What we are proposing would look similar to these investments - strategic, targeted interventions that have a substantial impact in reducing congestion and improving connectivity throughout the life sciences corridor. As filed, perhaps transportation could be one use enabled in line 7007-9037, or the \$500 million capital fund to be allocated by the Life Sciences Center.

Thank you for the opportunity to speak this morning, and thank you for your continued leadership.