

FLORIDA

From Site Selection magazine, March 2011

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Fresh Starts

The next chapter in Florida innovation could be a tale told by a mouse ... but not the mouse you think.



Working at the University of South Florida Health Byrd Alzheimer's Institute (left), Jose Abisambra, PhD, (left) post doctoral scholar in molecular medicine, and Chad Dickey, PhD, assistant professor of molecular medicine, hope to protect the brain from memory loss by pinpointing drugs or other therapies that target the accumulation of a protein associated with Alzheimer's, one of several diseases that could be treated with the kind of personalized medicine solutions to be developed by a nascent partnership between USF and Maine-based Jackson Laboratory.

At the Lisa Muma Weitz Microscopy & Cell Imaging Core Facility, USF researchers can conduct live imaging of experimental animals (right) to track movement of individual cells and measure day-to-day changes in response to disease and effectiveness of treatments.

Photos courtesy of USF

by ADAM BRUNS

Jackson Laboratory and new Florida Governor Rick Scott both hope things come up sevens. The governor wants to create 700,000 new jobs in seven years via a seven-step plan that includes regulatory reform and incentives program consolidation. His proposed budget wants to cut 7 percent of state government jobs, while also cutting corporate income taxes from 5.5 percent to 3 percent in 2011-12 and phasing them out entirely by 2018 — seven years from now.

Jackson just wants to get out from behind the eight-ball and get its project rolling before another year goes by.

Last summer, Maine-based Jackson Laboratory, a genetics research institution that essentially maintains a live-mouse database and shipped 2.9 million JAX® Mice to researchers around the world in FY2010, proposed a US\$400-million Florida campus focused on the genomics of human health. It was aiming for a spot near Ave Maria, the new town in Collier County created by Domino's Pizza founder Tom Monaghan,



Jackson Laboratory's operations in Maine and California harness major brainpower in six major research areas: cancers; computational biology and bioinformatics; developmental and reproductive biology; immunology; metabolic diseases; and neurobiology. Mike Hyde (inset), vice president of advancement for Jackson Laboratory, says the kind of research conducted by the non-profit meshes well with both the existing research infrastructure in Florida and with the future direction of U.S. healthcare.

who also founded Ave Maria University there, the nation's first new university based on Catholic principles in 60 years.

A 50-acre (20-hectare) parcel of land was donated for the Jackson Lab project by Baron Collier Companies, the developer behind Ave Maria that carries the name of a gentleman so important to the development of Southwest Florida that they named the county for him. Barron Collier also set aside some 200 more acres (81 hectares) for the mixed uses that could comprise a research neighborhood surrounding the Jackson project.

The developer also had reserved another 13-acre (5-hectare) piece of land for a proposed project from Arthrex, a growing medical device company in Naples that just surpassed the 1,000-employee mark in 2010 and is looking to expand. Baron Collier is Arthrex's landlord at the business park that houses the orthopedic implant firm's headquarters.

But resistance to the Jackson project mounted as the year rolled on, with minor suspicions of the type of work to be done there, and more substantial opposition based on fiduciary principles. The latter effort was led by none other than Arthrex CEO Reinhold Schmieding, who founded the company in his native Germany. He objected to the county's request for \$130 million in bonds — to be matched by \$130 million in state funds — that would be required to support Jackson's project, and insisted that the issue be decided by a voter referendum.

County commissioners and citizens rose in support of Schmieding, whose company sued the county over the proposed financing, and also sued the state over the constitutionality of a measure passed in 2010 that spelled out the total financing package for the project.

All came to a head during the first week of 2011, when Jackson Lab said it was pulling out of Collier County and now concentrating its site search in Hillsborough and Sarasota counties, areas near the campus of the University of South Florida (USF), its partner since the project's inception a year and a half earlier. The

lawsuits were dropped, the parcel of land was taken back, but hard feelings linger. Among the results: Arthrex is no longer looking at that parcel near Ave Maria, instead scouting other counties and other states for its new facility, with Lee County a leading contender.

Can We Get a Mulligan?

Jackson and USF have proposed to build a biomedical research facility that would combine Jackson's expertise in cutting-edge genomics techniques and USF's extensive capabilities in clinical medicine to explore new approaches to preventing, diagnosing, and treating diseases, with major components in research, education and clinical care. It would create more than 200 jobs, and could be the seed for a biomedical village that could create hundreds more.

Jackson has stated its four main criteria: synergistic partnerships, speedy development of the project, robust state support, and strong backing in the local community. The USF partnership remains robust, and the many Florida communities (and a few other states) that have sought out the project since the Collier mess are certainly offering strong support.

But the incentives process has to start over from scratch with the new Gov. Rick Scott administration, the jury is still out on Scott's support for the project, and development will need to move that much faster after the months devoted to Collier County went for naught.

"We've been confident all along that we have a project that is viable for the state of Florida and the nation, for that matter," says Mike Hyde, Jackson Lab vice president of advancement, in an interview. "It didn't work out in Collier County, but it is still a great project. There has been a lot of interest from other communities that validates our sense that it's something that is worth pursuing. In the time since the cessation of talks with Collier County, we've had inquiries from three or four other states interested in doing something on a similar scale."

At the moment, though, "we're focusing our search on the communities where our partners at the University of South Florida's most significant investments have been made — their main campus in Tampa, and their regional campus in Sarasota."

As for the new administration, "We're going to have to reach an understanding with Governor Scott on how he wants to proceed," says Hyde. An early January release from Jackson noted that Scott's transition team expressed a desire to arrange a meeting as soon as possible after the inauguration.

"We're really excited by the new governor and his message of economic opportunity," said Charles E. Hewett, Ph.D., Jackson's executive vice president and chief operating officer. "We think our project fits right in with his bold economic-development vision of creating 700,000 new jobs in seven years."

Ten days into February, Jackson leaders had yet to talk to Scott.

Meanwhile, Gov. Scott chose Arthrex's Naples headquarters as the site of an early February announcement to make the state's public pension plan shift to a defined contribution plan. He praised the company for its job creation. At press time, Arthrex continued to seek new hires, with 29 of 36 open positions located in Naples.

Critical Mass of Institutes

Over the years, Jackson has considered a number of places for expansion beyond its outposts in Maine and Sacramento, Calif. "The Florida Innovation Fund program was our first encounter with a state incentive program that was frankly robust enough to encourage us to think about a large scale expansion to another

state," says Hyde. That fund supplied \$60 million toward VGTI Florida's \$42-million biotech laboratory in Tradition's Florida Center for Innovation in Port St. Lucie, next door to another relatively new investor in Florida, the Torrey Pines Institute for Molecular Studies, which came to the state in 2006.

The Innovation Fund is one of many line-item economic development programs which Gov. Scott's proposed 2011-2012 budget plans to eliminate as discrete programs, but that doesn't mean it's gone. Scott wants to bring all incentives funds under the umbrella of a resuscitated state commerce department, whose door will be two doors down from his own, Scott says in an interview.

"Part of what I've heard from site selectors and from companies is our process is too cumbersome," says Scott. "I'm working to streamline that process. I hope to be known as the jobs governor, the governor who makes more phone calls than anybody in the country to companies here and outside our state, asking what we can do to make it better for them to do business here."

Scott's proposed budget for the 2011-2012 biennium calls for \$366.5 million for economic development programs and projects, a nearly \$150-million increase from the 2010-2011 budget. If Scott has his druthers, 83 percent of that total funding would fall into a "lump sum" category called "economic development tools," a category for which his team could not provide a further breakdown. Scott's budget also calls for elimination of a \$15-million "quick action closing fund" established by a jobs bill (SB 1752). It also eliminates nearly \$2.5 million in brownfield redevelopment grants and aids, but increases Space Florida's budget by \$6.2 million to more than \$10 million.

Hyde says Jackson leaders have spoken with many of the new life sciences institutes that have cropped up in Florida over the past decade. "All we've spoken with are enthusiastic about the kinds of startup packages that have been made available. They have positive things to say about the state's willingness to invest in biotechnology and biomedical."

Get On Board or Get Left Behind

Asked if Jackson's patience may be wearing thin regarding a speedy time frame, Hyde says it's a hard question. But his hard-nosed answer reflects an institution with forward momentum.

"Our concept of an institute focused on the genomics of human health is right in the center of our strategic plan, and we're proceeding along the route we've set for ourselves, quite independently of what's happening in Florida. This is the direction the laboratory will go regardless of what happens in Florida." That said, "We have several communities, two in particular, that are highly motivated to work with us, and we'd like to have closure as quickly as we can."

According to PriceWaterhouseCoopers, personalized medicine, in which disease prevention and treatment are based on a person's unique genetic makeup, or genome, already is a \$232-billion industry, and is expected to grow 11 percent annually to \$452 billion by 2015.

So where does the mouse come in?

"The mouse genome has been characterized," explains Dr. Leslie Miller, chair of cardiovascular sciences at USF. "They analyze the gene expression, and those experiments create the candidate genes that we think explain or are markets for clinical human diseases. Now the issue is to prove that what was clear in the mouse model holds in the human experience."

Getting schools partnering more with the private sector is one part of Gov. Scott's seven-part plan. Guy Hagen, founder of strategy and research firm Innovation Insight, says the state's universities have strong research components, but "they're each their own island. There is no consistent tech transfer operation, no consistency in how relationships with businesses should be arranged or how faculty members should be rewarded. Each university has its own personality, bureaucracy, structure and ease of interaction. Look at

biotech clustering across the U.S., and usually you have very tightly integrated university and industry complexes. We don't have that in Florida. We're still very early. We have interesting things happening, but we don't have the innovation environment that's mature in this area."

That said, USF could be looked to as one of the grownups in the room.

"We've had a number of large pharmaceutical companies that want to partner with a number of our programs," says USF's Dr. Miller, noting that his school's dean has a Wharton MBA. "I think the closer people are in an administrative capacity to having a good understanding of medical practice but also the business side of things, that's an ideal situation."

Hyde says Jackson Lab has doubled its employment over the past decade, reaching 1,300 in Bar Harbor, Maine, and approximately 700 in California. He foresees continued growth in Maine. "We've had over \$100 million of capital investment in Maine and \$40 million in California, and the budget has more than doubled, so we've been on a fast growth curve for quite a while. The expansion to Florida is based on our conviction that the time for individual medical treatments keyed to genetics is upon us. There is more and more research [in this area] and we intend to be in front of that curve."

That conviction was supported by a strategic plan published in February's issue of the journal *Nature* by the National Human Genome Research Institute (NHGRI), an arm of the National Institutes of Health.

"Researchers around the world are working towards a future when health care providers will use information about our individual genomes to better diagnose and treat disease," said Eric Green, M.D., Ph.D., NHGRI director.

"The initiative being described is exactly the kind of work that Jackson Laboratory proposes to perform with USF should we go ahead with our institute," confirms Hyde, noting that NIH director Francis Collins headed the government team that first cracked the code on the genome a decade ago. Hyde believes remarkable discoveries will be made as genetic screening and genome sequencing advance, taking us from a world where most pills don't work to one where they're designed especially for you.

"Fast forward four or five years and imagine the time when we can view a genome and tell you whether or not a given drug can help you or do nothing. The cost of medication is one of the big drivers of healthcare costs in this country, so anything that improves the accuracy in diagnosing is going to cut way into the cost structure."

That kind of strategy could perk up the ears of Scott, a former healthcare executive. "I think he'll be better positioned than many to appreciate the promise of a new paradigm for medicine," says Hyde. "I think he's also the kind of person who will look hard at the return on the state's investment. These are both good things."

A decision from Jackson was expected as this issue went to press. But that's just the beginning of a long, albeit fresh, road for the project. Jackson will seek local philanthropic and government support, and will be working in concert with its chosen community's elected officials in seeking state support from Gov. Scott and from the legislature when it convenes March 8.

Should the lab see its way to reality, its new community will have something to grow on, while Collier County officials and citizens ponder lost life sciences opportunities with both Jackson and Arthrex. But at least they'll be able to drink to good health: Brothers Curtis and Ernest Sittenfeld, German natives with resumes boasting experience in real estate, breweries, ethanol and food processing, have run into their own obstacles trying to site a proposed new Montenegro brewery on property at Immokalee Regional Airport. So they hope to open the \$40-million, 40,000-sq.-ft. (3,716-sq.-m.) brewery in Ave Maria, on a spot very close to where the lab would have stood. It would employ 60 people, and pay an average of \$18 an hour.

(Since this article went to press, Jackson Lab chose Sarasota County as its preferred location. Jackson officials finally met with Gov. Scott's staff, though not yet Scott himself, in mid-March. However, as a series of thoroughly reported articles in the Sarasota Herald-Tribune makes clear, it may already be too late for the Jackson project to secure any funding via this year's legislative session. -Ed.)

Florida Gov. Rick Scott

Florida Gov. Rick Scott says the best thing he can do for manufacturing in the state is bring focus to it and open markets. To achieve the latter, he tells Site Selection, he'll begin a series of trade missions in May that will target Colombia, Panama, Brazil, Japan and Canada. "Because of our location, we're a perfect growth opportunity because of the growth of economies in Central and South America," he says.



Brazilian aircraft manufacturer Embraer



Photo courtesy of Melbourne International Airport

Embraer opened its first North American assembly and showroom facility on Monday, Feb. 21, a \$41-million project at Melbourne International Airport in Melbourne, Fla. Embraer, which has an option to expand, will initially occupy 80,000 sq. ft. (7,432 sq. m.) of space at the airport's 1,380-acre (559-hectare) business and industrial park, and will employ 200, making a dent in the expected loss of 8,000 area jobs as the space shuttle program comes to an end.

Embraer, which recently expanded its Americas headquarters and manufacturing complex in Fort Lauderdale, also has proposed to add 50 new, full-time jobs in Jacksonville through the creation of a new aircraft assembly facility at Jacksonville International Airport. The deal was approved by the JEDC and Jacksonville City Council and is pending approval from the State of Florida.



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