

November 1, 2012

The Honorable Robert F. McDonnell
Governor of the Commonwealth of Virginia
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, Virginia 23219

The Honorable Walter A. Stosch
Chair, Senate Committee on Finance
Post Office Box 396
Richmond, Virginia 23218

The Honorable Lacey E. Putney
Chair, House Committee on Appropriations
Post Office Box 406
Richmond, Virginia 23218

Re: Virginia Life Sciences Initiative

Dear Governor McDonnell, Senator Stosch and Delegate Putney:

Chapter 3, Item 105:M of the 2012 Virginia Acts of Assembly establishes a new strategic initiative in support of Virginia's life science industry, including funding for the Virginia Biosciences Health Research Corporation (VBHRC), a 501(c) (3) non-stock corporation, to serve as a catalyst to accelerate and focus life science research momentum at Virginia's universities. Chapter 3, Item 105:M.5 requires that you be provided by November 1 of each year a written report summarizing the activities of the consortium, including, but not limited to, a summary of how any funds disbursed to the consortium during the previous fiscal year were spent, and the consortium's progress during the fiscal year in expanding upon existing research opportunities and stimulating new research opportunities in the Commonwealth. The detail hereafter provides a preliminary update on the first four months of progress of the initiative.

Background

Efforts of the Virginia Biosciences Health Research Corporation (VBHRC) center on stimulating partnerships with industry and increasing corporate sponsored-research to result in a positive economic impact in Virginia. The founding members are Virginia's premiere research institutions: Virginia Commonwealth University, Eastern Virginia Medical School, George Mason University, Virginia Tech and the University of Virginia.

The Commonwealth committed funding for Fiscal Years 2013 and 2014 to establish the core objectives of the consortium and, in addition, the President of each member university agreed to commit a cash contribution to participate. The Commonwealth's commitment totals \$5 million over two years, supplemented by a \$100,000 contribution from each founding university distributed as \$50,000 each year.

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The VBHRC will be governed by a 13-member Board of Directors. The primary duties of the Board include recruitment and selection of a Chief Executive Officer, development of the policies and goals of VBHRC, and the review and approval of research partnerships as recommended by a Project Management and Oversight Panel.

The VBHRC Board of Directors will be comprised of 13 members as follows:

- Five (5) university members, with 1 member appointed from each of the 5 member universities by their respective Presidents or other designee.
- Five (5) members designated by the Secretary of Commerce and Trade, with 1 to come from the Virginia Economic Development Partnership (VEDP), 1 from the Office of the Secretary of Commerce and Trade, (2) from major statewide health care system providers in Virginia, and (1) the U.S. Department of Veterans Affairs.
- Three (3) members of the Board will be from industry, (1) from an established venture capital firm investing in life science companies; (1) from a Virginia small life sciences company; and (1) from a medium to large life science company with operations in Virginia. The 3 industry members of the Board will be nominated and appointed by a majority vote by the Board members.

Positions on the Board, as well as the Project Management and Oversight Panel, are to be filled on a pro bono basis by qualified individuals who hold important life science-related expertise, value the public service nature of this position and possess a sincere interest in helping to advance Virginia's life science community.

The Project Management and Oversight Panel, the CEO, and the Board will develop criteria which will govern project solicitation from universities and companies, funding awards, project review and continuation, and related project management issues and decisions. The three main focus areas of the consortium to start will be bio-informatics and medical informatics, point of care diagnostics, and drug discovery and delivery.

Progress on Core Objectives

- July 18, 2012 – The full “Life Sciences Think Tank,” a group comprised of founding university research representatives, met to collaboratively plan the next steps after the beginning of the Fiscal Year to nominate university representatives on the Board and delineate a job description for the President/Chief Executive Officer.
- September 4, 2012 – VEDP briefed the Secretary of Commerce and Trade on the initiative goals, progress and next steps.
- September 28, 2012 – VEDP participated in a regional stakeholders meeting at George Mason University to update our partners on the initiative, its goal and its progress to date.

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- Each university submitted their recommendations for and finalized their Board designees.
- Individual invitations to private sector Board members were delivered by the Secretary of Commerce and Trade.
- Contract legal counsel was secured to provide legal assistance to create the corporation, to hire a President/Chief Executive Officer and to develop protocols and documentation for implementation of the initiative.
- Draft Articles of Incorporation and Bylaws for the Virginia Biosciences Health Research Corporation (VBHRC) as a 501(c) (3) non-stock corporation have been prepared and are being reviewed by the "Think Tank". The VBHRC should be formally created by December 1, 2012.

Ongoing Activity

- Awaiting confirmation from the Secretary of Commerce and Trade nominees from major statewide health care system providers in Virginia about their participation on the VBHRC Board.
- Preparing for a search for the VBHRC President/Chief Executive Officer
- Coordinating ongoing communication with each university partner to identify synergies and collaborative research opportunities.

We look forward to working with these public and private partners in the coming years to administer this innovative and exciting initiative. Please do not hesitate to contact us with questions or requests for more information at any time. Thank you for your support.

Very truly yours,



Carrie D. Hileman
Manager, Legislation and Policy

cc: Ms. Betsey Daley, Staff Director, Senate Committee on Finance
Mr. Robert P. Vaughn, Staff Director, House Committee on Appropriations
The Honorable William T. Bolling, Lieutenant Governor
The Honorable James S. Cheng, Secretary of Commerce & Trade