

This is a printer-friendly version of an article from www.theday.com or www.zip06.com.
To print this article open the file menu and choose Print.

[Back](#)

Article published Apr 2, 2014

Malloy calls deal with Pfizer a win-win

By [Lee Howard](#), Day Staff Writer

State, Groton will benefit from use of vacant building by bioscience network

Gov. Dannel P. Malloy dropped in at Muddy Waters Café in New London in November and wound up sitting with a group of about half a dozen local scientists hatching business plans over coffee.

Muddy Waters is a great spot, Malloy said at a press conference Wednesday at Pfizer Inc., but a real business incubation hub would be even better.

With Malloy's announcement Wednesday outside Pfizer's vacant Building 286 that the pharmaceutical giant would be donating the 24,000-square-foot space to the bioscience network Connecticut United for Research Excellence, southeastern Connecticut got its bioscience incubator. The nonprofit group will use the building, which is on 2 acres easily separable from the Pfizer campus, to attract entrepreneurs and scientists involved in both start-up and growth-oriented enterprises.

"When CURE Innovation Commons opens amidst the Pfizer campus, it will add a valuable and much-needed resource for southeastern Connecticut technology companies and scientific talent, one that will spur the discovery, research and development of cutting-edge new medicines," Malloy said.

Standing behind a rostrum outside Building 286, Malloy said CURE will get the incubator space from Pfizer as a donation. The state is kicking in \$4.2 million as a grant to CURE Innovations LLC, a subsidiary of the organization, to fund initial renovations and other costs to convert the building to business-incubator space.

The state's investment fits in well with his Connecticut Bioscience Initiative, Malloy said, the goal of which is to make the state one of the premier destinations for new life-sciences companies nationwide. It comes five years after Pfizer decided to vacate its research-and-development headquarters in New London and three years after the announced downsizing of 1,100 jobs at the company's laboratories in Groton, which left the firm with more space than it needed.

Malloy also made official Wednesday a previously reported deal that will allow the state to lease Pfizer's Building 230 for only \$1 a year as it converts the 47,000-square-foot structure into the state's new data center. Donald DeFronzo, commissioner of the state Department of Administrative Services, said using the Pfizer building will save the state \$40 million when compared to what a new building would cost, as well as \$600,000 a year in operating expenses.

"We believe that the reuse of both of these buildings will provide positive benefits to the state of Connecticut and to the community of entrepreneurial scientists and startup innovative technology businesses in the region," Pfizer site leader Rod MacKenzie said in an emailed note to employees acquired by The Day. "I look forward to welcoming the new arrivals and opening the doors to new opportunities for valuable research partnerships and biotech innovations."

Robert Peitzsch, chief scientific officer and founder of East Lyme-based DKP Genomics and one of the former Pfizer scientists who chatted with Malloy when he popped into Muddy Waters late last year, called the new bioscience incubator a great opportunity to build up new companies in the region.

"There's a lot of talent that came out of Pfizer," Peitzsch, a member of the Southeast Connecticut Entrepreneur's Network, said in a phone interview. "The quality of life here is fantastic, and the infrastructure is great."

Peitzsch said a key to incubation is developing a good mix of companies that can bounce ideas off one another, creating a synergy that could result in the hub becoming a virtual company itself. He added that startup companies will have the opportunity to tap into relationships with Pfizer, potentially allowing the best ideas to be developed further by one of the world's largest pharmaceutical companies.

George Mathanool, chairman of Groton's Economic Development Commission, said he believes the town's reputation as a center for science excellence will be boosted by having a bioscience incubator on the Pfizer

campus.

"I hope enterprises and entrepreneurs in the Northeast would note this announcement and are tempted to relocate to Connecticut," he said. "Groton shall certainly fulfill the expectations and momentum of the Connecticut Bioscience Initiative."

Local legislators, including press conference attendee state Rep. Elissa Wright, D-Groton, and state Sen. Andrew Maynard, D-Stonington, embraced the news.

"Southeastern Connecticut is fortunate to have the facilities and know-how to support this major initiative in bioscience development and a governor who recognizes the extraordinary capabilities of our community to nurture and develop innovative technologies," state Rep. Ted Moukawsher, D-Groton, said.

"We've got a really rich, mature workforce here," said Lori Shafner, a member of the local bioscience entrepreneurial group known as SECTen, which meets monthly in New London.

Groton City Mayor Marian Galbraith said the city will continue to collect taxes from the data center building being leased to the state. She was unsure, however, about whether the CURE building would be taken off the tax rolls or the city would receive Payments in Lieu of Taxes from the state.

A spokesman for Malloy did not immediately supply the state's position related to taxes.

Susan Froshauer, a former Pfizer scientist who is president and chief executive of CURE, will be heading up efforts to develop the incubator, which she said should be fully occupied within a year. CURE will be looking to collect scientific talent from southeastern Connecticut, she said, and connecting it with the wider statewide bioscience community.

"We're interested in developing a multidisciplinary co-working community," she said.

Among the possible tenants will be companies involved in marine science, agriculture, chemistry, pharmacology, medical devices, information technology, biomedical engineering and clinical trials. Froshauer said the Innovation Commons incubator would give companies at incubator space at the Avery Point campus of the University of Connecticut a place to move as they expand and continue to explore business opportunities.

"I don't think you're going to have any problem filling it," Malloy told Froshauer during a tour of the building.

Paul Pescatello, former president of CURE who continues to lead its public-policy efforts, said that up to nine laboratories will be created at the incubator. Officials estimated between seven and nine small companies could be accommodated there with lab and office space. Froshauer said the space will not include a vivarium for animal studies, partly because of the costs of maintaining the animals.

"We are bootstrapping it," Froshauer said.

l.howard@theday.com
