

# Moffitt/Merck Collaboration

## Overview Of Moffitt/Merck Collaboration

- H. Lee Moffitt Cancer Center & Research Institute will collaborate with Merck & Co., Inc. to expand its efforts in research and biotech with the goal of developing personalized medicine.
- M2Gen, a Moffitt for-profit subsidiary, will be established with the mission of developing and commercializing the means to determine and deliver personalized cancer care.
- This collaboration is a new research initiative to improve cancer prevention and treatment by using molecular technology to enhance the ability to diagnose and treat patients.
- Goal is to use new technology to treat the right patient, with the right drug to improve patient responses to drugs and cancer cures.
- Project supports an integrated health system that will be capable of matching patients to drugs based on the genetics of their tumor and other important activities, such as DNA mutational analysis of tumors, new imaging technologies, and other novel drug development activities.
- Partnerships are needed among patients, community providers, industry, government and many others to personalize and improve cancer care.
- Rationale for Merck's investment in collaboration:
  - Moffitt's efforts are at least three years ahead of any others
  - M2Gen has a unique business model, learning from previous experience that models based on tissue access or gene expression access only are limited in their usefulness.
  - M2Gen's location in the center of a very populous state, heavily burdened by cancer (2nd in the Nation) and owned by the state's flagship NCI Comprehensive Cancer Center.
- Total investment in this project by entities other than the State, Hillsborough County or the City estimated in the \$100's of millions over 5 years. Merck's investment alone will be multiple times that of the County.

## Economic Impact

- Contributes to central Florida's regional economy and the State's total economy well beyond its immediate (or direct) job creation, with wealth generating and gross state product impacts.
- Creates 165 direct jobs in Florida, approximately 2/3 of which will be within Hillsborough County, at an overall average salary of approximately \$80,000. Jobs will primarily be in scientific, professional and information technology areas and may be located at affiliate/consortium sites responsible for tumor collection necessary for the project's success.
- Supports the growing field of medical professionals currently enrolled and working in the medical schools, hospitals and research institutions in the Tampa region, as well as assists in attracting high-value scientific personnel recruited on a national and global market.
- Leverages an additional 350 indirect jobs ("employment multiplier") for a total of 497 net new jobs<sup>1</sup> – e.g. incremental jobs in related fields and service industries that will tend to result from the location of this project in Hillsborough County.
- Has an estimated 5 year cumulative annual payroll of more than \$66,739,562, estimated to leverage more than \$144,824,850 of indirect and induced income for a total of more than \$211,000,000 of new wealth – i.e. the "income multiplier."<sup>1</sup>
- Creates more than \$18,804,725 of direct capital investment along with more than \$37,797,497 of indirect and induced investment for a total of more than \$56,602,222.<sup>1</sup>
- Brings Merck, the second largest global pharmaceutical company, to Florida and provides significant leverage for the state and the Tampa Bay region's economic development initiatives to attract additional direct or indirect investments and potential relocation by similar firms.
- Leverages M2Gen as an anchor tenant for other for-profit bio-tech companies, thus developing a deep and vibrant life sciences cluster in the Greater Tampa market. Four (4) such companies have already expressed interest.



# Moffitt/Merck Collaboration CONTINUED

- Provides higher return on investment to the State/County/City as compared to other recent bio-tech initiatives:
  - M2Gen/Hillsborough County/City of Tampa – \$263,000 per job
  - Scripps/Palm Beach County – \$936,000 per job
  - Burnham/Orange County/City of Orlando/UCF – \$1 million per job
  - Torrey Pines/St. Lucie County/City of Port St. Lucie – \$508,000 per job
- County support for M2Gen to establish its headquarters in Hillsborough County will provide the potential for enhanced return on the County's investment by generating approximately 1,500 additional high-paying jobs (\$63,000 – \$210,000) in Hillsborough County over the next 5 years and providing an additional 575,000 square feet of R&D and ambulatory cancer care space – all within a life sciences research park setting.
- County support will be a catalyst for Moffitt to seek a 150+ acre site for long-term growth, further enhancing the County's investment by generating an even greater economic impact over 20 years.
- Further confirms Florida's emerging leadership in life sciences R&D and establishes Hillsborough County as the first among the Florida counties to host a significant life science project that captures a major pharmaceutical partner and accelerates the commercialization of the intellectual property being developed.

## Facts About Moffitt

- Founded by the State of Florida to address one of the nation's most severe cancer burdens.
- Dedicated to one mission: to contribute to the prevention and cure of cancer.
- Only Florida-based NCI Designated Comprehensive Cancer Center – one of only 39 in the U.S. – with scientific programs in Molecular Oncology & Drug Discovery; Immunology; Experimental Therapeutics; Health Outcomes & Behavior; and Risk Assessment, Detection & Intervention.
- Only 20 years old, yet considered third-largest cancer center in the U.S. based on outpatient visits of 232,000+ per year and hospital admissions of 6,400+.
- Ranked #11 in *U.S. News & World Report's* 2006 list of best cancer hospitals in the U.S.
- Established, national reputation for “translational research” – fast-tracking laboratory successes into new treatments. Over 200 clinical research trials ongoing.
- Moffitt Cancer Center consists of:
  - Hospital with 162 inpatient beds and a large outpatient clinic, both focused exclusively on cancer.
  - Research Institute that receives more than \$54 million in grants.
  - Bill & Beverly Young National Functional Genomics Center, funded by the U.S. Department of Defense.
  - The largest marrow transplant program in the Southeastern U.S. – 200+ per year.

- An annual operating budget of over \$400 million per year.
- Over 2,900 employees in four corporate entities.
- Over 170 ranked faculty dedicated to patient care and research.
- Represents a major economic engine that employed 2,655 people (12th largest employer in the Tampa Bay area) and generated \$361 million in direct output in 2005.
- Impacted 20 percent of cancer cases in Florida through a network of 17 hospital and practice affiliations and more than 400 oncologists.
- Comprehensive training, in partnership with the University of South Florida College of Medicine, in all aspects of cancer treatment, research, and prevention for medical students, post-graduate fellows, residents, and community physicians.

## Comments/News Articles

- Project has been uniformly praised for its vision by national leaders in health care including Dr. Andy von Eschenbach, former NCI Director and now Director of the FDA, Newt Gingrich, and Michael Heekin, the Governor's Consultant on Health Information Systems.
- Three recent articles provide national perspective on the joint attributes and strengths that both Moffitt and Merck have collectively brought to this project.
  - An article from the May 2006 edition of *SCIENCE*, co-authored by Dr. Stephen Friend of Merck and Dr. William Dalton of Moffitt entitled “Cancer Biomarkers – An invitation to the Table”
  - An October 25, 2006 *St. Petersburg Times* article entitled “Expanding Fight Against Cancer” that includes the following quotes from Dr. Robert Penny, Chief Operating Officer and Chief Medical Officer of the International Genomics Consortium – “Penny could think of only three such tissue banks being developed in the United States” Moffitt's; his consortium, whose partners include Moffitt, the Mayo Clinic and John Hopkins University; and the National Institutes of Health's Cancer Genome Atlas project. “Moffitt recognizes the value in being able to capture this incredible resource from patients... The vision of what Moffitt is doing is extraordinary,” Penny said.
  - A December 24, 2006 *Tampa Tribune* article entitled “Have Merck, Moffitt Found Cure?” that includes the following quotes from Gerry McDougall, PricewaterhouseCoopers partner in charge of health sector – “It leverages our taxpayers' money,” he said. “It's the way of the future.”

<sup>1</sup> Estimates are based on a 2005 study undertaken by Ernst & Young on the economic impact of Moffitt's various activities, including the R & D efforts that are the basis of Project Bold.

